

**ARTICLES OF ASSOCIATION OF
EURONEXT AMSTERDAM N.V.
(informal translation)**

having its seat in Amsterdam, as these read after the execution of the deed of amendment of the articles of association executed on 16 December 2015 before a substitute of C. Holdinga, civil-law notary in Amsterdam.

The company is registered in the Trade Register under number 34138585.

Definitions

Article 1.

In these articles of association the following expressions shall have the following meanings:

- a. the company: the company with limited liability (*naamloze vennootschap*) Euronext Amsterdam N.V., with official seat in Amsterdam;
- b. the management board: the management board of the company;
- c. supervisory board: the supervisory board of the company;
- d. the shareholders' meeting: the body of the company formed by shareholders and other persons entitled to vote;
- e. the meeting of shareholders: the meeting of shareholders and other persons entitled to attend these meetings;
- f. depositary receipts: depositary receipts for shares in the company.

Unless stated otherwise, this term includes depositary receipts for shares in the company issued without the company's concurrence;

- g. holders of depositary receipts: holders of depositary receipts for shares in the company issued with the company's concurrence.

Unless stated otherwise this term includes those who as a result of a right of usufruct or pledge granted on a share, have the rights granted by law to holders of depositary receipts issued with a company's concurrence;

- h. subsidiary:
 - a legal entity in which the company or one or more of its subsidiaries, whether or not by virtue of an agreement with others entitled to vote, can exercise alone or together more than half of the voting rights in the meeting of shareholders;
 - a legal entity in respect of which the company or one or more of its subsidiaries is a member or shareholder, and whether or not by virtue of an agreement with other persons entitled to vote, alone or together, can appoint or dismiss more than half of the members of the management board including in the event all entitled to vote, do so.

A company trading under its own name shall be regarded as a subsidiary, where the company or one or more subsidiaries is as partner fully liable to creditors for debts.

The provisions of this paragraph shall apply notwithstanding the provisions in section 2:24a paragraphs 3 and 4 Dutch Civil Code;

- i. group company: a legal entity or company with which the company is affiliated in a group;
- j. dependent company:
 - a legal entity to which the company or one or more dependent companies alone or jointly for own account furnish at least half the issued capital;
 - a company for which a business has been filed at the Trade Register and for which the company or a dependent company is fully liable as partner for all debts toward third parties;
- k. those entitled to attend meetings:
 - holders of shares with the right to vote;
 - holders of shares without the right to vote;
 - holders of depositary receipts;
 - usufructuaries and pledgees who have been granted the rights conferred by law to holders of depositary receipts for shares issued with a company's concurrence;
- l. Trade Register: the Trade Register of the Chamber of Commerce in whose register the company is filed;
- m. works council: the Dutch works council of the company or the enterprise of a dependent company.

Name and seat

Article 2.

- 1. The name of the company is: Euronext Amsterdam N.V.
- 2. The company has its official seat in Amsterdam.

Objects

Article 3.

The objects of the company are:

- to participate in, to finance, to collaborate with, to conduct the management of and provide advice and other services to legal entities and other companies, including in particular legal entities and other companies of which the objects are to set up, develop, hold and operate, directly or indirectly, one or more exchanges or markets or other facilities with regard to the listing of, the trade in, the clearing and settlement of transactions in, and the custody of, securities and derivatives;

- to enter into joint ventures with other legal entities or other companies engaged in one or more of the activities referred to above;
- to acquire, use and dispose of industrial and intellectual property rights as well as real property;
- to provide security for the debts of group companies;
- to undertake all that is connected to the foregoing or in furtherance thereof,

all of the foregoing both directly or indirectly, in and outside the Netherlands, and all in the widest sense of the word.

Capital and shares

Article 4.

1. The company's authorized capital amounts to two hundred fifty thousand euro (EUR 250,000) and is divided into two hundred fifty (250) shares with a par value of one thousand euro (EUR 1,000).
2. The shares shall be registered shares and numbered consecutively from 1 upwards.
3. The company shall not issue share certificates.
4. Depositary receipts in bearer form may not be issued.

Shareholders' register

Article 5.

1. The management board shall keep a register in which the names and addresses of all holders of shares are recorded, stating the number of shares held, showing the date on which they acquired the shares, the date the transfer has either been acknowledged or served upon the company, as well as the amount paid up on each share.
2. In the register, the names and addresses of those who have a right of usufruct or a pledge with respect to shares shall also be recorded, showing the date on which they acquired the right, the date the granting or assignment of the right has either been acknowledged or served upon the company as well as, whether they are entitled to exercise the voting rights attached to the shares or the rights conferred by law upon holders of depositary receipts issued with a company's concurrence.
3. Each shareholder, usufructuary or pledgee shall ensure that the company is informed of his address.
4. The register shall be updated regularly; any discharge of an obligation to make outstanding capital contributions shall also be recorded therein.
5. Upon request, the management board shall provide a shareholder, usufructuary or pledgee, with an extract from the register reflecting his right on a share, free of charge.

If a share is subject to a right of usufruct or a pledge, the extract shall state to whom the rights set forth in paragraph 2 of the present article are vested.

6. The management board shall deposit the register at the offices of the company for inspection by the shareholders and by any usufructuaries and pledgees who have the same rights as holders of depositary receipts for shares issued with a company's concurrence.
7. All entries in, copies of, or extracts from the register of shareholders shall be signed in conformity with the provisions as stipulated in article 15 paragraph 1.

Issue of shares

Article 6.

1. The issue of shares may be effectuated only by virtue of a resolution adopted by the shareholders' meeting, which resolution shall also set out the price and other terms and conditions of issue.

Furthermore, the issue of shares requires a notarial deed to that effect, executed before a civil-law notary, officiating in the Netherlands.

2. The company may not subscribe for shares in its own capital at the time shares are issued.
3. Each shareholder shall, with respect to any issue of shares, have a pre-emptive right in proportion to the aggregate amount of shares held by him.

He shall have no pre-emptive right in respect of:

- shares issued for a non-cash contribution; and
- shares issued to employees of the company or a group company.

A notice of any issue in respect of which there is a pre-emptive right and the period during which such right can be exercised, shall be published by the company in the State Gazette and in a nationally distributed daily newspaper, unless the notice to the shareholders will be dispatched to the addresses stated by them.

The pre-emptive right may be exercised during a period of at least two weeks after the day of publication of such notice in the State Gazette or after the dispatch of the notice to the shareholders.

4. The pre-emptive right may be restricted or excluded by a resolution of the shareholders' meeting.

In the proposal in respect thereof, the reasons for the proposal and the selections of the intended issue price shall be explained in writing.

5. The provisions of the previous paragraphs of the present article shall apply accordingly to the granting of a right to subscribe for shares.

Shareholders shall, nonetheless, have no pre-emptive right with respect to the issue of shares to one who exercises a previously acquired subscription right.

Own shares

Article 7.

1. Any acquisition under extraordinary title by the company of shares in its own capital, which are not fully paid-up, shall be null and void.
2. The company may acquire fully paid-up shares in its own capital:
 - for naught; or
 - in the event that:
 - a. the shareholders' equity less the acquisition price is not less than the sum of the paid in and called up part of its capital and the reserves that is legally required to maintain; and
 - b. the par value of the shares to be acquired, and of the shares in its capital already held by the company, and held as pledgee or which are held by its subsidiaries, is not more than one-tenth of the issued capital; and
 - c. the shareholders' meeting has authorized the management board to make such acquisition.

Such authorization shall be valid for not more than eighteen months.

The shareholders' meeting must specify in the authorization the number of shares which may be acquired, the manner in which they may be acquired and the limits within which the price must be set.

Acquisition of shares contrary to what is mentioned in the present paragraph shall be null and void.

Each managing director shall be jointly and severally liable to indemnify the company for the acquisition price and the statutory interest thereon from such time.

3. For the purpose of aforementioned paragraph 2.a, the amount of the shareholders' equity shown on the most recently adopted balance sheet shall be determined less the acquisition price of shares in the capital of the company and third-party distributions from profits or reserves that have become payable by the company and its subsidiaries since the balance sheet date.

If more than six months have elapsed since the end of the financial year, and no annual accounts have been adopted, then an acquisition in accordance with paragraph 2 above shall not be permitted.

4. Notwithstanding the provisions of article 2:98 paragraph 3 Dutch Civil Code, the provisions of the above paragraphs of the present article shall not apply for shares acquired by the company under universal title (*algemene titel*).
5. The term 'shares' as used in this article shall include depositary receipts issued for shares.
6. The company may transfer fully paid-up shares in its own capital only after the shareholders' meeting has approved such transfer.

Article 8.

The company may not grant loans, provide collateral, guarantee the price, otherwise guarantee or bind itself jointly and severally with or for third parties, for the purpose of the subscription or acquisition by third parties of shares in its capital or of depositary receipts issued therefore.

This prohibition shall also extend to any subsidiaries.

This prohibition shall not apply if shares or depositary receipts for shares are acquired by or for the account of employees of the company or of a group company.

Reduction of capital

Article 9.

1. The shareholders' meeting may resolve to reduce the issued capital by cancellation of shares or by amending the company's articles to provide for a reduction of the par value of the shares.

The shares referred to in any such resolution must be specified therein and provisions for the implementation of such resolution must be made therein.

The paid in capital may not fall below the minimum capital required by law at the time of the resolution.

2. A resolution to cancel shares may relate only to shares held by the company itself or with respect to shares of which it holds the depositary receipts.
3. Any reduction of the par value of shares without redemption and without a release from the obligation to pay up, must be made in proportion to all shares.

This requirement may be waived by agreement of all shareholders affected.

4. Partial repayment on shares is permitted only as a result of the implementation of a resolution to reduce the par value of such shares.

Such a repayment or release must be made in proportion to all shares.

This requirement may be waived by agreement of all shareholders affected.

5. For a resolution to reduce the capital, a majority of at least two-thirds of the votes cast shall be required if less than one-half of the issued capital is represented at the meeting.
6. The notice convening a meeting at which a resolution referred to in this article is to be adopted shall state the purpose of the reduction of capital and the manner of its implementation.

The provisions of paragraph 2 of article 27 of the present articles shall apply accordingly.

7. The company is obliged to publish any resolution referred to in the present article in the manner prescribed by law.

A decision to reduce the issued capital shall not come into force as long as creditors of the company may oppose thereto pursuant to the provisions of the law with respect thereto.

Transfer of shares

Article 10.

The transfer of a share and the creation or assignment of a limited right on a share, requires a notarial deed to that effect, executed before a civil-law notary, officiating in the Netherlands.

Furthermore, the legal provisions to that effect shall apply.

Restrictions on the transfer of shares

Article 11.

1. Shares may be transferred only after the approval for the proposed transfer has been granted by the shareholders' meeting.

A restriction on the transfer of shares as mentioned in this article shall not apply if the shareholder must transfer his share to a previous holder pursuant to the law.

For the application of this article shares shall be deemed to include the right to subscribe for shares.

2. The request shall be deemed to have been approved:
 - a. if, within a three-months period of the receipt of the request, the applicant is not informed of a decision; or
 - b. if, together with a rejection of the application, the applicant is not notified by the shareholders' meeting of a prospective purchaser or purchasers willing and able to purchase for cash all of the shares covered by the application.
3. In case the approval is granted or may be deemed to have been granted, the applicant is free to transfer his shares for a period of three-months after the approval has been granted or is deemed to have been granted or after the three-months period as referred to under paragraph 2.a has expired.
4. The company itself may be a prospective purchaser only after having obtained the consent of the applicant.
5. Upon request of one or more of the parties the price, for which the prospective purchaser(s), accepted by the applicant, can purchase the shares, shall be determined by one independent expert to be appointed by the sub district court of the Court within whose jurisdiction the company has its official seat.
6. The applicant may withdraw his request within one month of having been notified of the price as determined by the expert.

Management

Article 12.

1. The company shall have a management board consisting of one or more managing directors.

The number of managing directors shall be determined by the shareholders' meeting.

2. Managing directors shall be appointed by the shareholders' meeting.
3. Managing directors may at any time be suspended or dismissed by the shareholders' meeting.

Managing directors may also be suspended by the supervisory board.

4. A suspension may last no longer than three months in total, even after having been extended one or more times, unless a resolution for dismissal is adopted, in which case this term runs until the end of the employment contract.
5. The remuneration and other terms and conditions under which each individual managing director is appointed, shall be determined by the shareholders' meeting, with due observance of the policy on remunerations to be determined by the shareholders' meeting.

Article 13.

1. Subject to any restrictions under the present articles, the management board is charged with the management of the company.
2. The management board shall adopt resolutions by an absolute majority of the total number of votes to be cast by all managing directors in office.
3. At meetings of the management board, each managing director shall be entitled to cast one vote.
4. A managing director may be represented, in each case for a specific meeting, at management board meetings only by another managing director.
5. The management board may also adopt resolutions without convening a meeting, provided that all of the managing directors have been consulted and that none has stated an objection to adopting resolutions in this manner.
6. The management board may adopt internal rules regulating its decision-making process and may determine an internal allocation of duties, with which duty each managing director is responsible for in particular.

Such rules and allocation of duties requires the approval of the shareholders' meeting.

7. Without prejudice to its own responsibility, the management board is authorized to appoint persons with such authority by granting power of attorney to represent the company and with such titles and powers as shall be determined by the management board.
8. The management board is, without prior approval of the shareholders' meeting, authorized to engage in the legal acts set forth in section 2:94 paragraph 1 Dutch Civil Code.

The management board is not entitled to resolve to enter into a legal merger whereby the company acts as the acquiring legal entity without the prior approval of the shareholders' meeting, unless this is a legal merger referred to in article 2:333 Dutch Civil Code.

9. Management board resolutions relating to any of the matters as shall be determined and clearly defined by the shareholders' meeting and notified in writing to the management board shall be subject to the approval of the shareholders' meeting.

Without prejudice to the provisions above, decisions of the management board involving a major change in the company's identity or character are subject to the shareholders' meetings approval, including at any rate:

- a. the transfer of the enterprise or practically the whole enterprise to third parties;
 - b. to enter or to terminate longstanding joint ventures of the company or a subsidiary with another legal entity or company or as fully liable partner in a limited partnership or a general partnership if this joint venture or termination of such a joint venture is of a major significance;
 - c. to acquire or dispose of a participation in the capital of a company worth at least one third of the amount of the assets according to the balance sheet with explanatory notes thereto, or if the company prepares a consolidated balance sheet according to such consolidated balance sheet with explanatory notes according to the last adopted annual accounts of the company, by the company or a subsidiary.
10. With due observance of the provisions of these articles, the management board resolutions relating to any of the following matters shall be subject to the approval of the supervisory board:
- a. issue and acquisition of shares of the company and debt instruments issued by the company or of debt instruments issued by a limited partnership or general partnership of which the company is a fully liable partner;
 - b. cooperation in the issue of depositary receipts for shares;
 - c. application for admission of the securities referred to under a. and b. on a regulated market or a multilateral trading facility as referred to in Article 1:1 of the Financial Supervision Act (*Wet op het financieel toezicht*) or a system comparable to a regulated market or multilateral trading facility from a state that is not a member state or an application for withdrawal of such admission;
 - d. entering into or terminating a permanent cooperation of the company or a dependent company with another legal entity or company or as fully liable partner in a limited partnership or general partnership, if such cooperation or termination is of major significance to the company;
 - e. participation for a value of at least one fourth of the amount of the issued capital and reserves according to the balance sheet with explanatory notes of the company by the company or by a dependent company in the capital of another company, as well as to significant increase or reduce such a participation;
 - f. investments involving an amount equal to at least the sum of one quarter of the company's issued capital and reserves of the company as shown in its balance sheet and explanatory notes;
 - g. a proposal to amend the articles of association;
 - h. a proposal to dissolve (*wind up*) the company;
 - i. application for bankruptcy and for suspension of payments (*surséance van betaling*);
 - j. termination of the employment of a considerable number of employees of the company or of a dependent company at the same time or within a short period of time;

- k. far-reaching changes in the employment conditions of a significant number of employees of the company or of a dependent company;
- l. a proposal to reduce the issued share capital.
- m. undertaking any such legal acts as shall be determined and clearly defined by the supervisory board and notified to the management board in writing.

For the purpose of the applicability of paragraph 9 and this paragraph, a resolution of the management board approving a resolution of any body of a company in which the company participates shall be treated as a resolution of the management board to enter into a transaction as referred to in these paragraphs provided that the first mentioned resolution is subject to such approval.

- 11. Failure to obtain the approval defined in the paragraphs 9 and 10 shall not affect the management board or the managing directors authority to represent the company.
- 12. The management board shall comply with instructions regarding the general lines of the financial, social, economic and employment policies to be given by the shareholders' meeting.
- 13. A managing director may not participate in the deliberation and the decision-making process of the managing board, if it concerns a subject in which the managing director has a direct or indirect interest which conflicts with the interest of the company and its business enterprise. In such event, the other managing directors shall be authorised to adopt the resolution.

If all managing directors have a conflict of interest, the resolution shall be adopted by the supervisory board, unless all supervisory directors also have a conflict of interest as referred to above; in which case the resolution shall be adopted by the shareholders' meeting.

Article 14.

In the event that one or more managing directors are absent or prevented from acting, the remaining managing directors or the sole remaining managing director shall be entrusted with the management of the company.

In the event that all the managing directors or the sole managing director is absent or prevented from acting, a person to be appointed for that purpose by the shareholders' meeting shall be temporarily entrusted with the management of the company.

Representation

Article 15.

The company shall be represented by the management board except to the extent otherwise provided by law.

In addition, the authority to represent the company is vested in two managing directors acting jointly.

Supervisory board

Article 16.

- 1. The company shall have a supervisory board consisting of three or more natural persons.

The shareholders' meeting shall determine the number of the members of the board.

If there are less than three, the board shall proceed to supplement the number of its members without delay.

2. The duties of the supervisory board shall be the supervision of the conduct of management by the company's management board and of the general course of affairs of the company and of the affiliated enterprise.

The supervisory board shall assist the management board by rendering advice.

In performing their duties, the members of the supervisory board shall be guided by the interests of the company and of an enterprise affiliated therewith.

3. The supervisory board shall at any time have access to all buildings and premises in use by the company, and shall be entitled to inspect all of the company's books and records and to examine all of the company's assets.

The supervisory board may delegate this authority to one or more of its members, or to an expert.

4. The management board shall provide the supervisory board with the information necessary for the performance of its duties, in a timely manner.
5. The management board shall inform the supervisory board at least once each year in writing of the general lines of the strategy, the general and financial risks and the management control system of the company.
6. The shareholders' meeting may grant the supervisory board or one or more of its members a fixed remuneration.

Appointment and resignation

Article 17.

1. The supervisory board members shall, save for the provisions of paragraph 9, be appointed from a nomination of the supervisory board by the shareholders' meeting.

The reasons for the nominations shall be stated.

2. The supervisory board shall determine a profile for its size and composition, taking into account the nature of the enterprise, its activities and the desired expertise and background of the supervisory board members.

The supervisory board shall discuss the profile for the first time at the determination and subsequently at every amendment in the general meeting of shareholders and with the works council.

3. Members of the supervisory board cannot be:
 - a. persons employed by the company;
 - b. persons employed by a dependent company;

- c. members of the management board and persons employed by an employees' organization customarily involved in the establishment of the terms of employment of the persons referred to in a and b.
- 4. The shareholders' meeting and the works council may recommend persons to the supervisory board to be nominated as supervisory board member.

The supervisory board shall, for such purpose, timely inform them when, for what reason and in accordance with which profile a vacancy must be filled in his midst.

If the enhanced right of recommendation referred to in paragraph 6 of the present article applies, the supervisory board shall also report so.

- 5. The supervisory board shall notify the shareholders' meeting and the works council simultaneously of the nominations.

The reasons for the nomination shall be stated.

- 6. For one third of the members of the supervisory board, the supervisory board shall nominate a person recommended by the works council, unless the supervisory board objects to the recommendation on the ground that the recommended person may be expected to be unsuitable for the performance of the duties of a supervisory board member or that, when the appointment is made as recommended, the supervisory board will not be duly composed.

If the number of supervisory board members is not divisible by three, the closest lower number that is divisible by three will be used to determine the number of members to which this enhanced right of recommendation applies.

- 7. In case the supervisory board objects, it shall inform the works council of the objection, stating the grounds.

The supervisory board shall enter into consultation with the works council in order to reach agreement on the nomination without delay.

If the supervisory board establishes that no agreement can be reached, a representative of the supervisory board designated for this purpose shall make an application to the Enterprise Division of the Amsterdam Court of Appeal for having the objection declared legitimate.

The request shall not be made before four weeks have passed since the commencement of the consultation with the works council.

The supervisory board nominates the person recommended in the event the Enterprise Division declares the objection without merit.

In case the Enterprise Division declares the objection legitimate, the works council may make a new recommendation in accordance with paragraph 6.

- 8. The Enterprise Division shall have the works council summoned.

Against the decision of the Enterprise Division no legal remedy is available.

The Enterprise Division cannot order the payment of costs.

9. The shareholders' meeting may by absolute majority of the votes cast representing at least one third of the issued capital reject the nomination.

If not at least one third of the issued capital was represented in the meeting, a new meeting shall be convened in which the nomination can be rejected with an absolute majority of the votes cast.

In that case the supervisory board shall prepare a new nomination.

Paragraphs 5 to 8 including apply.

In case the shareholders' meeting does not appoint the person nominated and does not resolve to reject the nomination, the supervisory board shall appoint the person nominated.

10. The shareholders' meeting may delegate its power under paragraph 4 for a period of time determined by the meeting with a maximum of two consecutive years each time, to a committee of shareholders, for which the members are designated by the shareholders' meeting;

in that case the supervisory board shall make the notification referred to in paragraph 4 to the committee.

The shareholders' meeting may revoke the delegation at any time.

11. If there is more than one works council, the powers under this article are exercised by these councils separately;

in the case of a nomination referred to in paragraph 6, the powers of this paragraph shall be exercised by these councils together.

If a central works council has been established for the enterprise or enterprises involved, the powers of the works council pursuant to this article shall be vested in the central works council.

12. A member of the supervisory board shall resign at the end of the annual meeting of shareholders, in the year after four years have elapsed since his latest appointment.

Resigning members of the supervisory board shall be immediately eligible for re-election without prejudice to paragraph 3.

13. When all members of the supervisory board are absent other than pursuant to article 18, the appointment will take place by the shareholders' meeting with due observance of article 2:159 Dutch Civil Code.

Collective removal

Article 18.

1. The shareholders' meeting may by absolute majority of the votes cast, representing at least one third of the issued capital, abandon its confidence in the supervisory board.

The resolution must be stated with reasons.

The resolution cannot be adopted with respect to members of the supervisory board that have been appointed by the Enterprise Division in accordance with paragraph 3.

2. A resolution referred to in paragraph 1 may only be adopted after the management board has informed the works council of the proposal for the resolution and the grounds thereto.

The notification shall be made at least thirty days before the general meeting of shareholders in which the proposal shall be considered.

If the works council adopts a position with regard to the proposal, the management board shall inform the supervisory board and the shareholders' meeting of this position.

The works council may have its position explained in the general meeting of shareholders.

3. The resolution referred to in paragraph 1 results in the immediate removal of the members of the supervisory board.

In that case, the management board shall make an application to the Enterprise Division for temporary appointment of one or more members of the supervisory board without delay.

The Enterprise Division determines the consequences of the appointment.

4. The supervisory board shall promote that within a period of time determined by the Enterprise Division a new supervisory board is composed in accordance with article 2:158 Dutch Civil Code.

Suspension and dismissal

Article 19.

1. Upon application, the Enterprises Division of the Amsterdam Court of Appeal may remove a member of the supervisory board for dereliction of his duties, for other important reasons or for any far-reaching change of circumstances as a result of which the legal person may not reasonably be required to maintain the supervisory board member.

Such an application may be made by the company, represented by the supervisory board for such purpose, as well as a thereto appointed representative of the shareholders' meeting or the works council as mentioned in article 17 paragraph 11.

Article 2:158 paragraphs 10 and 11 Dutch Civil Code shall apply accordingly.

2. A member of the supervisory board member may be suspended by the supervisory board; the suspension terminates by operation of law if the company, pursuant to the preceding paragraph, has not filed an application with the Enterprises Division within one month after the commencement of the suspension.

Procedures, decision-making process

Article 20.

1. The supervisory board shall appoint a chairman from among its members and a deputy chairman.

The supervisory board may also designate a member of the supervisory board as delegated member of the supervisory board who shall be particularly responsible for maintaining regular contact with the management board on the state of affairs in the company.

2. The supervisory board shall hold meetings as often as one or more of its members shall desire, as often as the management board shall request, or as often as necessary in pursuance of the provisions of the present articles.
3. The supervisory board shall adopt resolutions by an absolute majority of the total number of votes cast.

Blank votes shall be considered as not cast.

4. Each member of the supervisory board shall be entitled to cast one vote.
5. A member of the supervisory board may be represented at a meeting of the supervisory board only by another member of the supervisory board.
6. The supervisory board may also adopt valid resolutions without convening a meeting, provided that all of its members have been consulted and that none has objected to adopting resolutions in this manner.
7. A supervisory director may not participate in the deliberation and the decision-making process of the supervisory board, if it concerns a subject in which the supervisory director has a direct or indirect interest which conflicts with the interest of the company and its business enterprise.

In such event, the other supervisory directors shall be authorised to adopt the resolution. If all supervisory directors have a conflict of interest, the resolution shall be adopted by the shareholders' meeting.

8. The supervisory board may set forth one or more rules regulating those matters the board deems fit.

Financial year, annual accounts, annual report

Article 21.

1. The company's financial year shall be concurrent with the calendar year.
2. The management board shall draw up the annual accounts (consisting of the balance sheet and profit and loss account with explanatory notes thereto) within five months of the end of each financial year, unless this period is extended by the shareholders' meeting by no more than six months due to extraordinary circumstances.

The annual accounts shall be signed by all managing directors and all supervisory directors.

If the signature of one or more of them is missing, this fact and the reason thereof shall be indicated.

Unless the provision of section 2:403 Dutch Civil Code applies to the company, the management board shall, within the above-mentioned period, draw up an annual report.

3. If and to the extent that the company is subject to the relevant legal provisions to this effect,

the shareholders' meeting shall instruct one or more experts or organization with experts, as defined in section 2:393 paragraph 1 Dutch Civil Code, to audit the annual accounts and - if drawn up - the annual report by the management board, to report to the management board thereon, and to issue an auditor's certificate with respect thereto.

If the shareholders' meeting fails to issue such instruction, then the supervisory board is authorized thereto, and if it fails to do so, the management board shall be authorized to issue such instruction.

The instructions may be withdrawn at any time by the shareholders' meeting and by the person who gave the instructions.

4. The company shall ensure that, as of the day on which a shareholders' meeting at which they are to be considered, is called, the annual accounts, the annual report, if prepared, and the additional information to be provided pursuant to section 2:392 paragraph 1 Dutch Civil Code are available for examination by those entitled to attend meetings.

Those entitled to attend meetings may inspect the documents and obtain a copy thereof free of charge.

5. The annual accounts shall be adopted by the shareholders' meeting.
6. The adoption of the annual accounts shall not constitute a discharge for the managing directors and the supervisory directors.
7. The management board shall submit the annual accounts to the works council.
8. If and to extent required by law, the company shall be obliged to make its annual accounts publicly available at the Trade Register.

Allocation of profits

Article 22.

1. The company may make distributions to the shareholders and other persons entitled to the distributable profits only to the extent that the company's shareholders' equity exceeds the sum of the paid-in part of the company's capital and the reserves which it is legally required to maintain.
2. Any distribution of profits shall be made after the adoption of the annual accounts from which it appears that the same is permitted.

The profit appearing from the adopted annual accounts by the shareholders' meeting shall be at the disposal of the shareholders' meeting.

3. The company may make interim distributions only to the extent that the requirements set forth in paragraph 1 above are satisfied as evidenced by an interim statement of assets and liabilities referred to in section 2:105 paragraph 4 Dutch Civil Code, and provided that the prior approval of the shareholders' meeting has been obtained.
4. There shall be no distribution of profits in favor of the company with respect to shares, or to shares of which it holds depositary receipts issued therefore, which the company has acquired in its own capital.

In computing the distribution of profits, shares with respect to which, pursuant to the present paragraph, no distribution is to be made in favor of the company, shall be disregarded.

5. Any claim to a distribution shall lapse after five years, to be computed from the day on which such a distribution becomes payable.

Meetings of shareholders

Article 23.

1. The annual meeting of shareholders shall be held every year within six months of the end of the financial year, unless the period set forth in article 21 paragraph 2 of the present articles is extended in conformity with the provisions set out therein, which meeting must include the following matters to be considered:

- the annual report;
- the adoption of the annual accounts;
- discharge of the managing directors;
- discharge of the supervisory directors.

In the event that the period referred to in article 21 paragraph 2 is extended, the matters indicated in the previous sentence will be dealt with in a meeting of shareholders to be held no later than one month after the period has expired.

2. Within three months after the management board has considered it plausible that the shareholders' equity of the company has decreased to an amount equal to or less than half of the paid in and called up part of the capital, a meeting of shareholders shall be held to discuss the measures to be taken, if necessary.

Article 24.

1. Meetings of shareholders shall be held in the municipality in which the company has its official seat.
2. The convening notice shall be given by the management board or by the supervisory board by letter, dispatched to the addresses of those entitled to attend meetings as recorded in the shareholders' register.
3. A convening notice shall state the subjects to be considered or it shall state that those entitled to attend meetings may inspect the same at the office of the company.

Announcements, which, under the law or the articles, must be addressed to the meeting of shareholders, may be included either in the convening notice or in the document deposited for inspection at the office of the company, provided this is stated in the convening notice.

4. Without prejudice to the provisions in the second sentence of section 2:111 paragraph 1 Dutch Civil Code, the convening notice may be issued no later than the fifteenth day prior to the date of the meeting.
5. The meeting of shareholders shall be presided by the chairman of the supervisory board. If he

is not present at the meeting or does not want to fulfill this function, the members of the supervisory board attending shall designate one of its members as such.

If there is no supervisory director present the meeting of shareholders shall provide for its own chairman.

The chairman shall designate the secretary.

6. Unless a notarial record shall be drawn up of the proceedings at the meeting, minutes shall be kept thereof.

The minutes shall be made available no more than three months from the shareholders' meeting concerned, after which period all persons entitled to attend meetings during three months have the right to respond to the minutes.

7. The adopted resolutions shall be drawn up by the management board.

The notes shall be deposited at the offices of the company for examination by all persons entitled to attend meetings.

Those persons shall be given a certified copy or extract of these notes at request, at no more than cost.

Article 25.

1. All those entitled to attend meetings shall be entitled to be present at, and to address that meeting, either in person or by written proxy.

Managing directors and supervisory directors have the right to attend the meetings and shall have an advisory vote.

The chairman of the meeting shall decide on the admission of other persons to the meeting.

2. Each share shall entitle the holder thereof to cast one vote.
3. In order to be able to participate in the voting, those entitled to vote or their representatives must sign the attendance book, indicating the number of shares represented by them.
4. No votes may be cast with respect to shares held by the company or any of its subsidiaries;

Nor with respect to shares for which any of them holds depositary receipts.

Usufructuaries and pledgees of shares belonging to the company or to any of its subsidiaries shall nevertheless be entitled to vote if the usufruct or the pledge, as the case may be, was established before the share was owned by the company or its subsidiary.

The company or its subsidiary may not exercise voting rights with respect to any share on which it has a right of usufruct or a pledge.

5. The number of shares with respect to which, according to law, the right to vote may not be exercised, shall be disregarded in determining the extent to which the shareholders vote, are present or represented, or the extent to which the share capital is provided or represented.

6. Resolutions of the shareholders' meeting shall be adopted by an absolute majority of the votes cast, except in those cases in which the law or these articles require a greater majority.

Blank votes shall be considered as not cast.

7. If these articles provide that the validity of a resolution shall depend on the part of the capital represented at a meeting, and such part is not represented at such meeting, then a new meeting may be called to be held no later than two months after the first meeting at which the resolution may be validly adopted irrespective of the part of the capital represented at such new meeting.

The call notice for the new meeting must indicate, giving the reason therefore, that the resolution may be validly adopted irrespective of the part of the capital represented at the meeting.

8. Voting on matters of business shall be done orally.

Voting on the nomination of persons shall be done in writing by means of secret ballots, unless the meeting unanimously consents to oral voting.

Voting by acclamation shall be permitted, unless one of those present and entitled to vote objects thereto.

9. If, in electing persons, none of the candidates gain an absolute majority in the first round of voting, a new round of voting shall be held.

If again no absolute majority is gained, there shall be a vote again between the two persons who have obtained the highest number of votes.

If more than two persons obtain the highest and equal number of votes, the decision which two of them shall be eligible for a new round of voting shall be made by the drawing of lots.

If there is a tie in voting in the subsequent round of voting, the decision shall be made by the drawing of lots.

Lots shall be drawn by the chairman.

10. A meeting of shareholders at which the entire issued capital is represented may, by unanimous vote, adopt valid resolutions, even without notice or if notice is not timely, and without complying with the provisions of article 24 paragraph 3 of these articles, concerning the matters to be considered at a meeting.

A meeting of shareholders held at a place other than these articles require may adopt valid resolutions, provided the entire issued capital is represented at such meeting.

Article 26.

After the managing directors and the supervisory directors have been given the opportunity to advise on this item, shareholders may also adopt resolutions without convening a meeting of shareholders, provided that the shareholders entitled to vote approve the resolution in writing (including all forms of transmission of written material) unanimously.

The foregoing shall not apply if depository receipts for shares have been issued with the cooperation of the company.

Amendments of the articles of association, dissolution, liquidation

Article 27.

1. The shareholders' meeting may resolve to amend the company's articles.
2. If a proposal to amend the articles is to be submitted to the shareholders' meeting, this must always be stated in the convening notice.

Those calling a shareholders' meeting at which a proposal to amend the articles is to be considered must simultaneously with the call notice deposit a copy of the proposal, containing the verbatim text of the proposed amendment, at the offices of the company for examination by all persons entitled to attend meetings, until after the close of the meeting.

Those entitled to attend meetings must be given the opportunity to obtain a copy of the proposal described in the previous sentence from the day on which the call notice for that meeting is dispatched until the day the meeting of shareholders is held.

Such copies shall be provided free of charge.

Article 28.

1. The provisions of article 27 paragraphs 1 and 2 of the present articles shall apply accordingly to a shareholders resolution to dissolve the company.
2. In the event that a resolution to dissolve the company is adopted, the liquidation shall be arranged by the management board, unless the shareholders' meeting appoints other liquidators.

The remuneration to be paid to the liquidator or liquidators shall be determined by a resolution adopted simultaneously with the resolution to dissolve the company.

3. The present articles shall remain effective, to the extent possible, during the liquidation.
4. The surplus of the equity of the dissolved company, after the creditors have been paid, shall be distributed to the shareholders and other parties entitled thereto in proportion to their respective rights.
5. After the liquidation has been completed, the books and records of the dissolved company shall remain in the possession of a person to be appointed by the meeting of shareholders for that purpose for the period of time provided by law.

Indemnity

Article 29.

1. Subject to the law and not in any case of willful misconduct or gross negligence (*opzet of grove nalatigheid*), and without prejudice to an indemnity to which he may otherwise be entitled, every person who is or was a director or supervisory director of the company shall be indemnified out of the assets of the company against all costs, charges, losses and liabilities incurred by him in the proper execution of his duties or the proper exercise of his power and

authorities including, without limitation, a liability incurred defending proceedings in which judgment is given in his favor or in which he is acquitted, or which are otherwise disposed of without a finding or admission of material breach of duty on his part.

2. Subject to the law, the company may purchase and maintain insurance for the benefit of a person who is or was a (supervisory) director, proposed (supervisory) director of the company or of a company which is or was a subsidiary of the company or in which the company has or had an interest (whether direct or indirect), indemnifying him against liability for negligence, default or breach of duty or other liability, other than cases of willful misconduct or gross negligence (*opzet of grove nalatigheid*).



Euronext Cash Markets
Euronext Derivatives Markets

**MEMBERSHIP
APPLICATION FORM**

PLEASE NOTE

By executing this admission request, the applicant acknowledges and agrees that the signed and digital version of the request and its supporting documents (Appendix A) as sent to EuronextMembership@euronext.com, along with the Euronext confirmation of admission letter issued, scanned and sent by Euronext, shall constitute evidence of the conclusion and acceptance of the terms of a legally binding membership agreement between the parties.

In this document you will find the following information:

<u>1. INTRODUCTION</u>	<u>3</u>
<u>2. DETAILS OF APPLICANT</u>	<u>3</u>
<u>3. REGULATION</u>	<u>4</u>
<u>4. TRADING ACTIVITY</u>	<u>5</u>
<u>5. APPLICANT'S PROFILE</u>	<u>6</u>
<u>6. BUSINESS PER MARKET</u>	<u>7</u>
<u>7. DISCIPLINARY HISTORY AND RELATED MATTERS</u>	<u>8</u>
<u>8. DECLARATION OF APPLICANT</u>	<u>10</u>
<u>APPENDIX A: SUPPORTING DOCUMENTS</u>	<u>13</u>
<u>APPENDIX B: KEY CONTACTS</u>	<u>14</u>
<u>APPENDIX C: CONTACT FOR INVOICING / SEPA DD</u>	<u>15</u>

1. INTRODUCTION

This standard application form is submitted by the companies who want to become Members of the Euronext Derivatives and/or Cash Markets. Non-MiFID compliant Euronext Members who are sole Members of either the Derivatives or Cash markets and would like to extend their activity to the relevant market should also fill out this form.

Please complete this form and return it together with supporting documentation (as requested in the appendices) digitally and duly signed to the Euronext Membership Department at the following e-mail address:

Euronext Membership Department

email: EuronextMembership@euronext.com

tel. +31 20 721 4264

All applicants should ensure that, where relevant, they have the appropriate regulatory authorisation(s) to conduct business on the Euronext Market(s) in question. Please note that there are restrictions on jurisdictions from where Members may operate.

Applicants should be aware that the Competent Authority of the Market(s) to which you are applying may contact your home state regulator for additional information. Host state regulators may also request further information from the applicant directly and may impose fees.

For further information please be invited to visit our website or contact the Membership Department.

2. DETAILS OF APPLICANT

Applicant's statutory name and legal form				
Commercial name (if different)				
V.A.T. (tax) registration number				
LEI or CICI code				
Registered address				
Business address (if different)				
Switchboard telephone no.				
Website address				
Generic company email address				
Contact name (for processing application)				
Job title/position				
Telephone no. (including extension)				
Email address				
Trading Capacity	<input type="checkbox"/> Broker	<input type="checkbox"/> Dealer	<input type="checkbox"/> Market Maker	<input type="checkbox"/> Fund Agent

3. REGULATION

Please provide details of the Applicant's regulatory status (please tick ✓)

A. LOCATED IN EUROPE - EEA¹

Credit Institution	<input type="checkbox"/>	Non regulated	<input type="checkbox"/>
Investment Firm	<input type="checkbox"/>	Other, please specify	<input type="checkbox"/> _____

Applicants benefiting from passporting rights should contact their home state regulator to ensure the relevant cross border passports are in place. Please provide us with a copy of this confirmation.

Please confirm the name of the applicant's regulator and where it is subject to more than one regulatory body, please indicate which is the lead regulator.

Name of home state regulator(s)	
---------------------------------	--

B. LOCATED OUTSIDE OF EUROPE – non-EEA

Regulated	<input type="checkbox"/>	Non regulated	<input type="checkbox"/>
-----------	--------------------------	---------------	--------------------------

Please confirm the name of the applicant's regulator and where it is subject to more than one regulatory body, please indicate which is the lead regulator.

Name of home state regulator(s)	
---------------------------------	--

C. ALL APPLICANTS – EEA and non-EEA

Under MiFID, EEA Credit Institutions and Investment Firms performing the requested trading activities are required to upgrade, if necessary, their licence for trading activities granted by their relevant regulatory authority. They should also ensure the exercise of their passporting rights has been notified to the hosting regulatory authorities.

All non-EEA applicants and non-regulated EEA applicants must:

- Provide evidence that they hold an appropriate licence or authorisation with each of the hosting competent authorities; or
- Provide written evidence or explanation of why such authorisation is not required.

Firms should be aware that the Competent Authority of the Market to which you are applying may contact your home state regulator to provide confirmation of the following:

- (i) jurisdiction over the market activities of the applicant;
- (ii) non-opposition to the application; and,
- (iii) readiness to share information with Euronext regulators and offer co-operation.

*Host state regulators may request additional information from the applicant.
Host state regulators may impose fees.*

¹ European Economic Area (EU plus Iceland, Norway and Liechtenstein).

4. TRADING ACTIVITY

Please indicate the type of trading activity² you intend to perform on the Euronext Markets:

Derivatives Markets

Proposed activity(ies)	Amsterdam	Brussels	Lisbon	Paris
Dealing on own account				
Execution of orders on behalf of clients				
Market making (specific contract to be signed separately)				

Cash Markets

Proposed activity(ies)	Amsterdam	Brussels	Lisbon	London	Paris
Dealing for own account					
Execution of orders on behalf of clients					
Market making (specific contract to be signed separately)					
Acting as Fund Agent ³					

Applicant's BIC Code (11 digits) for Transaction Reporting (MiFID)	
--	--

² The proposed activity(ies) and authorisations of the Applicant will determine the Membership capacity to be designated.

³ Using the NAV Trading Facility, specific documentation to be signed in addition to this Membership Application Form.

5. APPLICANT'S PROFILE

Is the Applicant currently a member of any other futures and/or options, cash, or commodities exchange (other than a Euronext Market)? If so, please provide details:

Member since (date)	Name of entity holding membership	Exchange	Membership capacity held

6. DISCIPLINARY HISTORY AND RELATED MATTERS

This question relates to the activities of not only the applicant (including relevant persons) itself, but also of other entities within the group, pertinent to its operation on the Euronext Markets.

The response should include events which the applicant considers material and which occurred in the last 5 years. If an applicant is uncertain about the materiality of a specific disciplinary proceeding or event, the matter should be disclosed.

Has the applicant or any other relevant parties within the group been:

- (i) found guilty in a criminal court
- (ii) the subject of an adverse finding in a civil or administrative court or tribunal
- (iii) in contravention of any provision of financial services legislation, rules, regulations or statements of principle
- (iv) the subject of disciplinary procedures by any government agency, self-regulating organisation or exchange
- (v) subject to a refusal or restriction to carry on a trade/business/profession or to disqualification from acting as a director
- (vi) under special investigation, or is it currently under special investigation, by any auditor, government agency, self-regulating organisation, exchange, taxation or other authority?

Yes

No

7. BUSINESS PER MARKET

Please indicate which Euronext Derivatives market(s) are being applied for and for those Markets indicate the name of the chosen General Clearing Member.

***Please note that before any extension is confirmed:**

- Euronext will check the passporting of your licence on the expected market, when necessary; and
- When the applicant is not located in Europe (EEA), this list of requested subscriptions must be confirmed by Euronext by reference to applicable regulations , which set different restrictions depending on the situation.

Euronext DERIVATIVES Markets ¹					General Clearing Member
Subscriptions desired (please tick ✓) Markets: Amsterdam (AMS) Paris (PAR) Brussels (BRU) Lisbon (LIS)					
Commodities	Commodity Futures (<i>Euro</i>)	<input type="checkbox"/> AMS	<input type="checkbox"/> PAR		
	Commodity Options (<i>Euro</i>)	<input type="checkbox"/> AMS	<input type="checkbox"/> PAR		
Financial Currency	Financial (Currency) Futures (<i>Euro and USD</i>)	<input type="checkbox"/> AMS			
	Financial (Currency) Options (<i>Euro and USD</i>)	<input type="checkbox"/> AMS			
Equity Index	Index Futures (<i>Euro</i>)	<input type="checkbox"/> AMS	<input type="checkbox"/> PAR	<input type="checkbox"/> BRU	<input type="checkbox"/> LIS
	Index Options (<i>Euro</i>)	<input type="checkbox"/> AMS	<input type="checkbox"/> PAR	<input type="checkbox"/> BRU	
Equity Options (incl. Spotlight Options)	Individual Equity Options (<i>Euro</i>)	<input type="checkbox"/> AMS	<input type="checkbox"/> PAR	<input type="checkbox"/> BRU	
	Individual Equity Options (<i>USD</i>)	<input type="checkbox"/> AMS			
SSF & SSDF	Single Stock Futures (<i>Euro</i>) & Single Stock Dividend Futures (<i>Euro</i>)	<input type="checkbox"/> AMS	<input type="checkbox"/> PAR	<input type="checkbox"/> BRU	<input type="checkbox"/> LIS
	In addition, on Amsterdam market only:				
	Single Stock Futures in <input type="checkbox"/> CHF <input type="checkbox"/> DKK <input type="checkbox"/> GBP <input type="checkbox"/> NOK <input type="checkbox"/> SEK ¹				
	Single Stock Dividend Futures in <input type="checkbox"/> CHF <input type="checkbox"/> GBP <input type="checkbox"/> USD ¹ <input type="checkbox"/> SEK				
AtomX Flex	AtomX is a trading service that allows users to report off-order book, on-exchange trades in standard or flex instruments for confirmation, administration, and central clearing.				
	Please tick ✓ the box if you want access to AtomX <input type="checkbox"/> Scope: products where you are currently authorized to trade , like single stock options, national and pan-European index futures and options (in Euro)				
	Products only proposed on AtomX (please tick ✓ the box if you want to trade the flexible):				
	Flexible Index Options/Cash (<i>Euro</i>)	<input type="checkbox"/> AMS	<input type="checkbox"/> PAR	<input type="checkbox"/> BRU	
	Flexible Equity Options/Cash and Physical (<i>Euro</i>)	<input type="checkbox"/> AMS	<input type="checkbox"/> PAR	<input type="checkbox"/> BRU	

	Flexible Stock Futures/Cash (Euro)	<input type="checkbox"/> AMS	<input type="checkbox"/> PAR	<input type="checkbox"/> BRU	<input type="checkbox"/> LIS	
--	------------------------------------	------------------------------	------------------------------	------------------------------	------------------------------	--

¹ Please note that the applicant has to contact its clearing partners at all times to ensure the appropriate post-trade set-up. For some trading subscriptions additional requirements are demanded by LCH SA.² Settlement requires an Interbolsa account (ICM/GCM).

Euronext CASH Markets ¹ - Market desired (please tick ✓)		General Clearing Member²
Markets cleared by LCH SA		
Amsterdam	<input type="checkbox"/> Euro <input type="checkbox"/> Non Euro and International ETFs ³	
Brussels	<input type="checkbox"/> Euro <input type="checkbox"/> Non Euro and International ETFs ³	
Lisbon	<input type="checkbox"/> Euro <input type="checkbox"/> Non Euro ⁴	
Paris	<input type="checkbox"/> Euro, cleared Borrowing & Lending Market <input type="checkbox"/> Non Euro and International ETFs ³	
Belgian Bonds ⁵ (settlement in BNB) <input type="checkbox"/>		
Market cleared by EuroCCP		General Clearing Member²
London	Settlement in <input type="checkbox"/> Crest (Euro, GBP, USD) <input type="checkbox"/> Euroclear Bank (other currency)	
Market Without CCP Clearing		Settlement Agent
Paris	<input type="checkbox"/> EFS (Euronext Fund Service) with settlement in Euroclear France	

¹ Applying to one Euronext Cash market means that you have access by default to all types of products offered on this market: Equities and Rights, ETFs, ETVs, ETNs, Structured Products, Investment Funds, Bonds. In addition, application to any such Euronext Cash Market automatically provides you get access to the corresponding local Alternext, Free Market and/or EasyNext market(s), in each case as applicable and subject to relevant market rules.² Please note that applicants wishing to clear their business on the Euronext Markets themselves must be approved as clearing members by the CCP linked to this market, LCH SA or EuroCCP. Non clearing applicants should ensure that their chosen General Clearing Members are approved to clear the relevant Markets.

³ Requirements: a Euroclear Bank account ⁴ an Interbolsa account ⁵ BNB is Belgium National Bank.

8. DECLARATION OF APPLICANT

This Declaration and application for Membership is made by the Applicant to one or more Relevant Euronext Market Undertakings, as specified in this application form (the Applicant and the Relevant Euronext Market Undertaking being, collectively, "the Parties").

In consideration of (i) the Relevant Euronext Market Undertaking examining and processing this application and (ii) the Applicant co-operating with the Relevant Euronext Market Undertaking and furnishing it with all the necessary information in support of this application, the Parties hereby agree that this Declaration shall be legally binding upon the Parties.

Interpretation

The terms used in this Declaration shall have the meanings ascribed to them by the Euronext Rule Book. The masculine gender shall include the feminine and the singular number shall include the plural and vice versa.

Admission as a Member

We understand that our Membership of one or more Euronext Markets will not commence until (i) we have completed the application form to the satisfaction of the Relevant Euronext Market Undertaking and have provided such additional information as is, and entered into such agreements as are, required by the Relevant Euronext Market Undertaking(s); (ii) our application has been approved by the Relevant Euronext Market Undertaking(s); and (iii) the Relevant Euronext Market Undertaking(s) has notified us of its decision in writing.

We understand that Membership or any trading or other privileges arising from such Membership may not be transferred, assigned or encumbered by or on behalf of the Member except with the prior written approval of Euronext where such transfer, assignment or encumbrance is expressly provided for in the Euronext Rule Book.

We agree to pay the fees and charges applicable to our Membership in accordance with the terms determined and published by Euronext.

We understand that in order to maintain our Euronext Membership we must organise and control our affairs in a responsible manner in accordance with the Euronext Rule Book, and to this end that we must have staff who are fit and proper with suitable authorisation/qualifications and experience in order to implement and maintain adequate internal procedures and controls.

The clauses of this Declaration shall apply only to the period up to the Applicant's admission as a Member, except for the clauses relating to Admission as a Member and Compliance with the Euronext Rule Book, which shall continue beyond that date.

Compliance with the Euronext Rule Book

If we are approved as a Member, we agree to comply with and be bound by the Euronext Rule Book from time to time in force, and any obligations imposed by Euronext pursuant to the Euronext Rule Book.

Confidentiality of Data

We understand that any information provided by or on behalf of us during the application for Membership shall be kept confidential by Euronext for an indefinite period (whether or not our application for Membership is successful) and shall not be disclosed to any third party without our prior written approval except where permitted by the Euronext Rule Book or required by applicable law or regulation.

By exception, the following data shall be published on the Euronext website : name of the company, legal or business address, company website, keyboard phone number, markets where you are authorised to trade, capacity, dedicated member ID, (see the List of the Trading Members www.euronext.com) to promote your company.

Please tick the box if you **do not agree** to Euronext using these data for the purpose described above:

Data Protection Provisions

Notwithstanding the Confidentiality clause above, Applicants are informed that the personal data gathered are intended for Euronext and will be used as follows:

- in the framework of their membership,
- as the operator of regulated markets, the Relevant Euronext Market Undertaking is required to make public the names of Members. Applicants acknowledge and agree that the Relevant Euronext Market Undertaking shall publish by any appropriate means such information in respect of us.
- The Relevant Euronext Market Undertaking may also use other information contained in the membership database in respect of the Member for the Euronext Market Undertakings' marketing purposes⁴.

Please tick ✓ the box if you **do not agree** to the Relevant Euronext Market Undertaking using the information contained in the Membership database for the Euronext Market Undertakings' marketing purposes.

These data, if applicable, shall be covered by a declaration made to the appropriate administrative authority. Euronext will take care of this formality. These data will be stored and processed in accordance with the provisions of the Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data, and applicable law.

Applicants have the right to access to, amend or delete data relating to them and may exercise this right by sending a letter to Euronext. They have also the right, for legitimate grounds, to be opposed to the processing of data relating to them.

Settlement of Disputes

We agree that any dispute between us as the Applicant (or Member as the case may be) and the Relevant Euronext Market Undertaking in respect of membership issues or anything else under this Declaration and application for membership which is not resolved by an amicable settlement between the Parties shall be dealt with by the Courts applicable to the Relevant Euronext Market Undertaking (as specified in the Governing Law and Counterparty provision below). Notwithstanding the foregoing, the Parties may agree to refer such dispute to arbitration.

Limitation of Liability

We acknowledge that, without prejudice to any liability arising between the Parties under the Euronext Rule Book or any agreement entered into between the Parties pursuant to the Euronext Rule Book, the Relevant Euronext Market Undertaking shall be under no liability under this Declaration and application for Membership to the Applicant for any loss, damage or injury direct or indirect howsoever arising whether or not caused by the negligence of the Relevant Euronext Market Undertaking, its officers, employees, agents or representatives, save that the Relevant Euronext Market Undertaking shall accept liability for death, personal injury, fraud, and for gross negligence or wilful misconduct where there is a finding of such against the Relevant Euronext Market Undertaking by a court of competent jurisdiction.

Governing Law and Counterparty

Where an application for Membership is being made to a single Relevant Euronext Market Undertaking, the governing law and jurisdiction of this Declaration and application for Membership shall be that of the Relevant Euronext Market Undertaking, which shall also be the counterparty of this Declaration and application for Membership.

Where an application for Membership is being made to more than one Relevant Euronext Market Undertaking, the Applicant shall specify below one Relevant Euronext Market Undertaking for the purposes of determining the governing law and jurisdiction of this Declaration and application for Membership. The

⁴ The information used by the Relevant Euronext Market Undertaking shall be subject to the privacy policy available on the Euronext website, www.euronext.com

EURONEXT APPLICATION FORM

Relevant Euronext Market so specified shall also be the counterparty of this Declaration and application for Membership.

Governing Law, Jurisdiction & Counterparty (please tick ✓ one only):

Belgium	France	Netherlands	Portugal	United Kingdom

If no jurisdiction is specified in the above table by the Applicant seeking membership of more than one Relevant Euronext Market Undertaking, this Agreement shall be governed by and construed under the laws of France, except if the Applicant is not hereby seeking Membership of Euronext Paris, in which case this Agreement shall be governed by and construed under the laws of the Netherlands. Likewise, if no jurisdiction is specified in the above table by the Applicant seeking membership of more than one Relevant Euronext Market Undertaking, jurisdiction over any matter or dispute arising from the present application form and Declaration shall be abiding to the same governing law attribution principles described above so that exclusive competence to hear any such disputes or matters shall be given respectively to the courts of France or the Netherlands, as relevant.

We certify that the statements in our application for membership and in this Declaration are true and complete.

WILFUL FALSIFICATION, MISREPRESENTATION, OR OMISSION OF ANY MATERIAL FACT REQUIRED TO BE STATED CONSTITUTES CAUSE FOR DENIAL, SUSPENSION, OR REVOCATION OF MEMBERSHIP

Applicant's/Member's Statutory Name	
Signature of authorized person (confirmed by the authorized signatory list)	
Print full name	
Job title	
Date	

APPENDIX A: SUPPORTING DOCUMENTS

The following supporting documents should be submitted together with this application form:

To be completed by ALL applicants

If applicable regulated firms are obliged to provide a copy of their license and settlement of the EU passports for the relevant countries.

Non-regulated firms have to provide a copy of the confirmation to have filed for a MiFID II license from their home state regulator.

Legal incorporation documentation e.g. Certificate of Incorporation and Memorandum and Articles of Association, or equivalent document(s) depending on country of incorporation.

Group structure diagram showing the ownership of the Applicant and where relevant the whole group structure, including percentage sizes of holdings and stakeholders' nationalities. The mandatory threshold for inclusion of stakeholders is an interest of 20% or more.

A letter of intention from your preferred clearing member (including preferred CCP)

List of the Applicant's authorised signatories (persons who are authorized to sign all documents relating to the Euronext Membership, on behalf of the company)

FOR NON-MIFID FIRMS, PLEASE ADD:

- i **Evidence of authorisation** indicating the permitted investment activities and financial instruments
- ii **Curriculum vitae of the two individuals who effectively direct the business** (e.g. Chief Executive Officer and Managing Director) and, if available, their certificates stating an absence of criminal record

To be completed by applicants to the Euronext Derivatives Markets only

For applicants which are either a “natural person” or a sole proprietorship

Curriculum vitae and where available, a certificate of absence of criminal record, for the controller of the business

APPENDIX B: KEY CONTACTS

Please provide details of the key contacts who will be responsible for the business on the Euronext Markets on either cash and/or derivatives markets. Please provide us with 2 Appendix B when necessary. The key contacts will be screened according to the current legal and regulatory expectations.

CASH MARKETS and/or DERIVATIVES MARKETS

MANAGEMENT/BOARD CONTACT

Full Name:	
Telephone No:	Date of Birth:
Email:	

CHIEF FINANCIAL OFFICER (CFO)

Full Name:	
Telephone No:	Date of Birth:
Email:	

COMPLIANCE OFFICER

Full Name:	
Telephone No:	Date of Birth:
Email:	Generic email:

AML (Anti money laundering) CONTACT

Full Name:	
Telephone No:	Date of Birth:
Email:	

HEAD OF TRADING

Full Name:	
Telephone No:	Date of Birth:
Email:	Generic email:

IT CONTACT

Full Name:	
Telephone No:	Date of Birth:
Email:	Generic email:

This Appendix will be forwarded to our **Market Data Department**. **This contact will be the main entry point for any subject relative to Market Data (databuyeuronext@euronext.com).**

Full Name:	
Telephone No:	Date of Birth:
Email:	Generic email:

APPENDIX C: CONTACT FOR INVOICING / SEPA DD

Please tick ✓ the box according to the markets. This Appendix will be forwarded to the **Euronext Finance Department**, who will contact you for arranging a SEPA Direct Debit after completion of this Appendix.

CASH MARKETS

and/or DERIVATIVES MARKETS

Applicant's statutory name	
Mailing address	
Contact person	
Job title/position	
Telephone no. (including extension)	
Email address contact person	
VAT (tax) registration no.	

If different,

DERIVATIVES MARKETS

Applicant's statutory name	
Mailing address	
Contact person	
Job title/position	
Telephone no. (including extension)	
Email address contact person	
VAT (tax) registration no.	

AEX-INDEX® AND CAC 40® WEEKLY INDEX FUTURES

What are Weekly Index Futures?

Euronext now offers weekly expiries on Euronext's CAC 40 and AEX indices. This initiative is the first of its kind in Europe, where index futures contracts traditionally expire on a monthly or quarterly basis.

Leveraging on a strong index future franchise with monthly and quarterly expiries:

- The CAC 40 index future is the second most traded equity index future in Europe in number of lots
- The CAC 40 and AEX futures provide a high level of liquidity and attract a wide variety of investors around the world

Fee structure matching investors' needs:

- Same fees as the monthly expiries for single trades
- Optimised pricing for Inter-Commodity Spreads

Exchange for Physicals will also be available on weekly expiries

Why trade Weekly Index Futures?

Weekly futures on the CAC 40 and AEX indices offer market participants access to an efficient hedging tool, provide additional trading opportunities and opportunities to realise capital efficiencies.

Who are the Weekly Index Futures for?

Created in response to significant demand, weekly futures are for market participants looking for shorter expiry contracts, tradable on an efficient, transparent, liquid, and fully-cleared market.

Key benefits of trading Euronext's Weekly Index Futures

- Weekly futures on the AEX and CAC 40 indices can act as an efficient hedging tool in the dividend season. Weekly futures on the AEX-Index are a perfect hedge when trading AEX-Index weekly options.
- Additional curve trading opportunities with an enlarged scope of possibilities: investors can access new trading cycles and can trade weekly contracts versus each other, or the weekly contracts versus the monthly ones, using Inter-Commodity Spreads (ICS).
- Euronext's new Exchange for Physicals facility on CAC 40 and AEX futures will offer both monthly and weekly expiries, providing investors with a one-of-a-kind Delta One offering.
- Weekly index futures are available for trading in a transparent and secured trading environment. Clearing is provided by central counterparty LCH.Clearnet SA.

Contract Specifications

CAC 40 INDEX WEEKLY FUTURES

CONTRACT SIZE	Contract valued at €10 per index point
UNIT OF TRADING	10
PRICING UNIT / QUOTATION	Index points
MINIMUM PRICE MOVEMENT (TICK SIZE AND VALUE)	0.5 index point (€5 per contract)
EXPIRY WEEKS	<p>The weekly futures contracts will expire on the Friday of the relevant week.</p> <p>When a weekly future expires, the corresponding expiry for the following month will be listed on the following Monday. For example, when the weekly future for the first Friday in the month expires, the expiry for the first Friday of the following month will then be listed on the following Monday</p> <p>When the expiry for the fourth week of the following month is created an expiry will also be created for the fifth week of the following month if required. For calendar months where week 5 is not applicable, the contract will be listed with no expiry month and marked as non-tradable</p> <p>No weekly future will be created for the third Friday in the month as the expiry would coincide with the expiry of the standard contract</p>
WHOLESALES TRADING	Basis and Block Trading
TRADING HOURS	<p>Block Trade Facility and Central Order Book: 08:00 – 22:00 CET (08:00 – 16:00 CET on the Last Trading Day)</p> <p>Day session: 08:00 – 18:30 CET: all trades will be cleared on the same day [T]</p> <p>Evening session: 18:30 – 22:00 CET: all trades will be cleared on the following business day [T+1]</p>
LAST TRADING DAY	Trading ceases at 16:00 CET on the Friday of the delivery week. In the event that the Friday is not a business day, the Last Trading Day shall normally be the last business day preceding the Friday
SETTLEMENT	Cash Settlement based on the EDSP
SETTLEMENT DAY	First business day after the Last Trading Day
EXCHANGE DELIVERY SETTLEMENT PRICE (EDSP)	Price determined on the Last Trading Day. Euronext calculates the settlement index as the arithmetic mean of all index values calculated and disseminated between 15:40 and 16:00 CET, rounded to two decimal places. Such settlement index is taken, and rounded to one decimal place, to produce the closing settlement price
CLEARING ORGANISATION	LCH.Clearnet SA

AEX-INDEX WEEKLY FUTURES

CONTRACT SIZE	Contract valued at €200 per index point
UNIT OF TRADING	200
PRICING UNIT / QUOTATION	Index points
MINIMUM PRICE MOVEMENT (TICK SIZE AND VALUE)	0.05 index point (€10 per contract)
EXPIRY WEEKS	<p>The weekly futures contracts will expire on the Friday of the relevant week.</p> <p>When a weekly future expires, the corresponding expiry for the following month will be listed on the following Monday. For example, when the weekly future for the first Friday in the month expires, the expiry for the first Friday of the following month will then be listed on the following Monday</p> <p>When the expiry for the fourth week of the following month is created an expiry will also be created for the fifth week of the following month if required. For calendar months where week 5 is not applicable, the contract will be listed with no expiry month and marked as non-tradable</p> <p>No weekly future will be created for the third Friday in the month as the expiry would coincide with the expiry of the standard contract</p>
WHOLESALES TRADING	Prof Trade facility
TRADING HOURS	<p>08:00 – 22:00 CET</p> <p>Day session: 08:00 – 18:30 CET, all trades will be cleared on the same day (T)</p> <p>Evening session: 18:30 – 22:00 CET, all trades will be cleared on the following day (T+1)</p>
LAST TRADING DAY	Until 16:00 CET on the Friday of the delivery week, provided this is a business day. If not, the last day of trading is the last business day preceding the third Friday in the delivery week
SETTLEMENT	Cash Settlement based on the EDSP
SETTLEMENT DAY	First business day after the Last Trading Day
EXCHANGE DELIVERY SETTLEMENT PRICE (EDSP)	Average of values of the AEX-Index® calculated at one-minute intervals between 15:30 to 16:30 CET. The EDSP value is rounded to two decimal places
CLEARING ORGANISATION	LCH.Clearnet SA

Fees

WEEKLY FUTURES SINGLE TRADES			
Account	Trading Fee Per lot	Clearing Fee Per lot	Total (1 leg) Per lot
AEX-Index Future*			
Broker (client account)	€0.77	€0.13	€0.90
Member (own account)	€0.32	€0.13	€0.45
CAC 40 Index Future			
All accounts	€0.15	€0.13	€0.28

WEEKLY FUTURES INTER-COMMODITY SPREAD TRADES			
Account	1 Leg Trading	1 Leg Clearing	Total Inter-Commodity Spread fee (2 legs) Trading + Clearing
AEX-Index Future			
Broker (client account)	€0.17	€0.13	€0.60
Member (own account)	€0.02	€0.13	€0.30
CAC 40 Index Future			
All accounts	€0.02	€0.13	€0.30

* **Trading fee cap** applies to Prof Trades on AEX-Index futures: €2,000 for client account and €1,000 for own account; **Clearing fee cap** applies for both COB and Prof Trades: €40 for client account and €20 for own account.

Find out more

Amsterdam

Marcel Walther

+31 20 721 4261

mwalther@euronext.com

Brussels

Leen Van Wambeke

+32 2 620 1540

lvanwambeke@euronext.com

Lisbon

Sónia Pedro

+351 21 060 0626

spedro@euronext.com

London

Christopher French

+44 20 7076 0907

cfrench@euronext.com

Paris

Charlotte Alliot

+33 1 70 48 2843

calliot@euronext.com

**derivatives.euronext.com/
weekly-futures**

Disclaimer

This publication is for information purposes only and is not a recommendation to engage in investment activities. This publication is provided "as is" without representation or warranty of any kind. Whilst all reasonable care has been taken to ensure the accuracy of the content, Euronext does not guarantee its accuracy or completeness. Euronext will not be held liable for any loss or damages of any nature ensuing from using, trusting or acting on information provided. No information set out or referred to in this publication shall form the basis of any contract. The creation of rights and obligations in respect of financial products that are traded on the exchanges operated by Euronext's subsidiaries shall depend solely on the applicable rules of the market operator. All proprietary rights and interest in or connected with this publication shall vest in Euronext. No part of it may be redistributed or reproduced in any form without the prior written permission of Euronext. Euronext refers to Euronext N.V. and its affiliates. Information regarding trademarks and intellectual property rights of Euronext is located at <https://www.euronext.com/terms-use>.

MINI INDEX DERIVATIVES ON THE AEX-INDEX® AND CAC 40® INDEX

Fast facts for retail broker members

What are they?

Euronext has launched options on the AEX-Index and futures on the AEX and CAC 40 with smaller contract sizes.

Who are they for?

Investors who want the opportunity to trade derivatives on our European blue chip indices with a lower trading size.

What do they provide?

Access to the same investment strategies as with the standard contracts, but now in smaller portions.

Enjoy the full taste
with just a slice

Cheaper access to European blue chip index derivatives

Standard AEX and CAC 40 index options and futures are large contracts and investing in them can require large amounts of capital. This can make them too expensive for many retail investors.

New Mini Index Derivatives are exactly the same as the standard derivatives only the contract size is 10 times smaller (see reverse for full contract specifications).

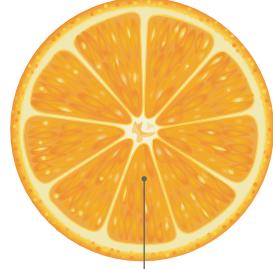
By trading these products your clients can follow the same investment strategies as with the standard contracts, but with less initial margin or with a smaller trading amount. The value this provides is:

- Capitalize on a rising or falling index with a smaller traded amount; pay less for options and deposit lower margins for futures. If, for example, the theoretical price of a standard AEX-index option is € 9.50, then the total price of the option is € 950; in that same example the total price of the AEX mini option is € 95.
- Unlock more possibilities to close part of a position and therefore secure part of a profit or limit a loss.
- More flexibility to manage a portfolio: build a larger position or close a position gradually with smaller amounts.

Enjoy the full taste
with just a slice



1 AEX future =
€200 per index point



1 AEX mini future =
€20 per index point

CONTRACT SPECIFICATIONS – AEX-INDEX MINI OPTIONS

AEX-INDEX MINI OPTIONS

EXCHANGE CONTRACT CODE	MOA
CONTRACT SIZE	Contract valued at € 10 per index point
TRADING UNIT	10
PRICING UNIT	Euros per index point
CURRENCY	Euro
OPTION PRICE	Premium x trading unit
MINIMUM PRICE MOVE (TICK SIZE AND VALUE)	€0.05 / €0.50 ¹
TRADING HOURS	09:01 – 17:30 Amsterdam time
OPTION STYLE	European
EXPIRY MONTHS	Initial lifetime: 1, 2 and 3 months Cycle: Every month
LAST TRADING DAY	Trading ceases at 16:00 Amsterdam time on the third Friday of the expiry month. In the event that the third Friday is not a business day, the Last Trading Day shall normally be the last business day preceding the third Friday
SETTLEMENT	Cash settlement based on the EDSP
EXCHANGE DELIVERY SETTLEMENT PRICE (EDSP)	Price determined on the Last Trading Day as the average of the AEX-Index values calculated and disseminated at one minute intervals between, and including, 15:30 and 16:00 Amsterdam time. The EDSP value is rounded to two decimal places
CLEARING ORGANIZATION	LCH.Clearnet SA

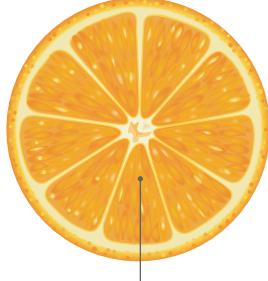
¹ As from 4 October Premium Based Tick Size (PBTS) will be introduced:

If the premium of an order at order entry is below or equal to the premium threshold of € 1.50, the tick size is € 0.01 (€ 0.10 per contract)

If the premium of an order at order entry is above the premium threshold of € 1.50, the tick size is € 0.05 (€ 0.50 per contract)



1 CAC 40 future =
€10 per index point



1 CAC 40 mini future =
€1 per index point

CONTRACT SPECIFICATIONS – MINI FUTURES

	AEX-INDEX MINI FUTURES	CAC 40 INDEX MINI FUTURES
EXCHANGE CONTRACT CODE	MFA	MFC
CONTRACT SIZE	Contract valued at € 20 per index point	Contract valued at € 1 per index point
PRICING UNIT	Index points	Index points
CURRENCY	Euro	Euro
MINIMUM PRICE MOVE (TICK SIZE AND VALUE)	0.05 index point / € 1.00	0.5 index point / € 0.50
TRADING HOURS	08:00 – 22:00 Amsterdam time - Day session: 08:00 – 18:30: all trades will be cleared on the same day [T] - Evening session: 18:30 – 22:00: all trades will be cleared on the following business day [T+1]	08:00 – 22:00 Paris time - Day session: 08:00 – 18:30: all trades will be cleared on the same day [T] - Evening session: 18:30 – 22:00: all trades will be cleared on the following business day [T+1]
DELIVERY MONTHS	Initial lifetime: 1, 2 and 3 months Cycle: Every month	Initial lifetime: 1, 2 and 3 months Cycle: Every month
LAST TRADING DAY	Trading ceases at 16:00 Amsterdam time on the third Friday of the expiry month. In the event that the third Friday is not a business day, the Last Trading Day shall normally be the last business day preceding the third Friday	Trading ceases at 16:00 Paris time on the third Friday of the expiry month. In the event that the third Friday is not a business day, the Last Trading Day shall normally be the last business day preceding the third Friday
SETTLEMENT	Cash settlement based on the EDSP	Cash settlement based on the EDSP
EXCHANGE DELIVERY SETTLEMENT PRICE (EDSP)	Price determined on the Last Trading Day as the average of the AEX-Index values calculated and disseminated at one minute intervals between, and including, 15:30 and 16:00 Amsterdam time. The EDSP value is rounded to two decimal places	On the Last Trading Day, Euronext Paris calculates the settlement index as the arithmetic mean of all index values calculated and disseminated between 15:40 and 16:00 CET, rounded to two decimal places. Such settlement index is taken, and rounded to one decimal place, to produce the closing settlement price
CLEARING ORGANIZATION	LCH.Clearnet SA	LCH.Clearnet SA

Trading fees mini options and futures

CENTRAL ORDER BOOK	BROKER (CLIENT ACCOUNT)	MEMBER (OWN ACCOUNT)	LIQUIDITY PROVIDER
AEX-Index mini options	€ 0.08	€ 0.015	€ 0.007
AEX-Index mini futures	€ 0.15	€ 0.04	N/A
CAC 40 mini futures	€ 0.03	€ 0.02	N/A

PROF TRANSACTIONS	BROKER (CLIENT ACCOUNT)	MEMBER (OWN ACCOUNT)	LIQUIDITY PROVIDER
AEX-Index mini options	€ 0.08	€ 0.015	€ 0.015
Maximum fee per order	€ 1,000	€ 500	€ 500
AEX-Index mini futures	€ 0.15	€ 0.04	N/A
Maximum fee per order	€ 1,000	€ 500	N/A

Find out more

Amsterdam

Marcel Walther
+31 20 721 4261
mwalther@euronext.com

Brussels

Leen Van Wambeke
+32 2 620 1540
lvanwambeke@euronext.com

Lisbon

Sónia Pedro
+351 21 060 0626
spedro@euronext.com

London

Christopher French
+44 20 7076 0907
cfrench@euronext.com

Paris

Charlotte Alliot
+33 1 70 48 2843
calliot@euronext.com

Disclaimer

This publication is for information purposes only and is not a recommendation to engage in investment activities. This publication is provided "as is" without representation or warranty of any kind. Whilst all reasonable care has been taken to ensure the accuracy of the content, Euronext does not guarantee its accuracy or completeness. Euronext will not be held liable for any loss or damages of any nature ensuing from using, trusting or acting on information provided. No information set out or referred to in this publication shall form the basis of any contract. The creation of rights and obligations in respect of financial products that are traded on the exchanges operated by Euronext's subsidiaries shall depend solely on the applicable rules of the market operator. All proprietary rights and interest in or connected with this publication shall vest in Euronext. No part of it may be redistributed or reproduced in any form without the prior written permission of Euronext. Euronext refers to Euronext N.V. and its affiliates. Information regarding trademarks and intellectual property rights of Euronext is located at <https://www.euronext.com/terms-use>.

AMSTERDAM NOTICE NO. 14/013

Issue Date: 10 September 2014

Effective Date: 17 September 2014

ADJUSTMENT AEX DIVIDEND INDEX FUTURES

Executive Summary

This notice informs Members of changes to the Last Trading Day and trading hours of the AEX® Dividend Index Futures.

1. Introduction

1.1 Euronext will make changes to the Last Trading Day and trading hours of the AEX® Dividend Index Futures (trading symbol: AXF) to align this product with other listed products. The changes will come into effect on 17 September 2014. The full contract specifications are shown in the attachment.

2. Change of the Last Trading day

2.1 The Last Trading Day will be equal to the expiry day. On this day trading will be possible until 13:00 CET; the time that the EDSP is published.

Current situation	New situation
LTD is the business day immediately preceding the third Friday of the delivery month (trading until 18:15 CET)	LTD is the third Friday of the delivery month (trading until 13:00 CET; the time that the EDSP is published)

3. Change of the trading hours

3.1 The trading hours will be changed as follows.

	Current situation	New situation
COB	08:00 - 18:15 (CET)	09:00 - 18:30 (CET)
Prof Trades	07:00 - 18:15 (CET)	07:00 - 18:30 (CET)

For further information in relation to this Notice, Members should contact:

Sales & Account Management +31 (0)20 550 5315 eurmteam@euronext.com
Amsterdam

The Euronext Markets comprise the markets operated by Euronext Amsterdam, Euronext Brussels, Euronext Lisbon, Euronext Paris and Euronext UK Markets, referred to respectively as the Amsterdam, Brussels, Lisbon, Paris and London markets, as relevant. Euronext refers to Euronext N.V. and its affiliates.

Attachment

The contract specifications for AEX Dividend Index Futures applicable as from 17 September 2014 are as follows:

Underlying Index	AEX Dividend Index
Exchange contract code	AXF
Contract size	Contract valued at € 200 per index point (e.g. value € 2,000 at 10.00)
Trading unit	200
Pricing unit/quotation	Index points (e.g. 100.00)
Currency	Euro
Minimum price move	Central Order Book 0.01 index point (€ 2 per contract) Prof Transaction Facility 0.001 index point (€ 0.20 per contract)
Trading hours	Central Order Book 09:00 - 18:30 CET Prof Transaction Facility 07:00 - 18:30 CET
Expiry months	12, 24, 36, 48 and 60 months yearly (of the December cycle)
Introduction of new delivery months	New delivery months are available for trading on the first business day after the expiry of a maturity
Last day of trading	Trading ceases at 13:00 CET on the third Friday of the delivery month. In the event that the third Friday is not a business day, the Last Trading Day shall normally be the last business day preceding the third Friday.
Settlement	Cash settlement based on the EDSP
Settlement day	First business day after the Last Trading Day
Exchange Delivery Settlement Price (EDSP)	The settlement value of the AEX Dividend Index as published at 13:00 (CET) on the third Friday of the delivery month, rounded to three decimal places.
EDSP Tick Size	0.001 index point
Wholesale services	Prof transaction (threshold 250 contracts)
Clearing organization	LCH.Clearnet S.A.

CONTRACT SPECIFICATIONS FOR CURRENCY DERIVATIVES as from 20 May 2016:

	EUR/USD Option	GBP/EUR Option	GBP/USD Option
Symbol	EDX	PEX	PDX
Contract size	EUR 10,000	GBP 10,000	GBP 10,000
Trading unit	100	100	100
Pricing unit	USD per EUR 100	EUR per GBP 100	USD per GBP 100
Trading currency	USD	EUR	USD
Minimum price move	USD 0.01 (USD 1 per contract)	EUR 0.01 (EUR 1 per contract)	USD 0.01 (USD 1 per contract)
Option price	Premium x trading unit		
Trading hours	Central Order Book Prof Transaction facility	09:00 - 17:30 CET 07:00 - 18:30 CET	
Option style	European style		
Expiry months	Initial lifetime: 1, 2 and 3 months Cycle: Every month Initial lifetime: 6, 9 and 12 month quarterlies Cycle: March, June, September, December		
Last day of trading	Until 14:15 CET on the third Friday of each expiry month, provided this is a business day. If not, the last day of trading shall be the last business day preceding the third Friday in the expiry month.		
Clearing	LCH.Clearnet S.A.		
Settlement	Cash settlement, based on the EUR/USD rate set by BFIX: Bloomberg FX Fixings at 14:00 CET and rounded to four decimal places.	Cash settlement, based on the EUR/GBP rate set by BFIX: Bloomberg FX Fixings at 14:00 CET and rounded to four decimal places.	Cash settlement, based on the GBP/USD rate set by BFIX: Bloomberg FX Fixings at 14:00 CET and rounded to four decimal places.
Wholesale service	Prof Trade Facility Minimum volume requirement: 250 lots		

The Euronext Markets comprise the markets operated by Euronext Amsterdam, Euronext Brussels, Euronext Lisbon, Euronext Paris and Euronext London Markets, referred to respectively as the Amsterdam, Brussels, Lisbon, Paris and London markets, as relevant. Euronext refers to Euronext N.V. and its affiliates.

	EUR/USD Future	GBP/EUR Future	GBP/USD Future
Symbol	FED	FPE	FPD
Contract size	EUR 20,000	GBP 10,000	GBP 10,000
Trading unit	200	100	100
Pricing unit	USD per EUR 100	EUR per GBP 100	USD per GBP 100
Trading currency	USD	EUR	USD
Minimum price move	USD 0.01 (USD 2 per contract)	EUR 0.01 (EUR 1 per contract)	USD 0.01 (USD 1 per contract)
Trading hours	Central Order Book 09:00 - 17:30 CET Prof Transaction facility 07:00 - 18:30 CET		
Expiry months	Initial lifetime: 1, 2 and 3 months Cycle: Every month Initial lifetime: 6, 9 and 12 month quarterlies Cycle: March, June, September, December		
Last day of trading	Until 14:15 CET on the third Friday of each expiry month, provided this is a business day. If not, the last day of trading shall be the last business day preceding the third Friday in the expiry month.		
Clearing	LCH.Clearnet S.A.		
Settlement	Cash settlement, based on the EUR/USD rate set by BFIX: Bloomberg FX Fixings at 14:00 CET and rounded to four decimal places.	Cash settlement, based on the EUR/GBP rate set by BFIX: Bloomberg FX Fixings at 14:00 CET and rounded to four decimal places.	Cash settlement, based on the GBP/USD rate set by BFIX: Bloomberg FX Fixings at 14:00 CET and rounded to four decimal places.
Wholesale service	Prof Trade Facility Minimum volume requirement: 250 lots		



Document title

SWEET WHEY FOOD GRADE POWDER FUTURES CONTRACT

(A) CONTRACT TERMS - Issue Date: 13 April 2015

(B) ADMINISTRATIVE PROCEDURES - Issue Date: 13 April 2015

Number of pages

25

Delivery Months: May 2015 Onwards

CONTENTS

Contract Terms

1. Interpretation
2. Sweet Whey Food Grade Powders Tenderable
3. Contract Specification
4. Price
5. Exchange Delivery Settlement Price
6. Settlement Payments
7. Payment
8. Invoicing Amount
9. Notification to Deliver
10. Withdrawal, Substitution or Exchange of Notification Notices
11. Delivery
12. Presentation of Documents
13. New Legislation
14. Default in Performance
15. Force Majeure
16. Dispute Resolution
17. Rules, Administrative Procedures etc
18. Adopted Rules
19. Law and Jurisdiction
20. Non-Registered Contracts

Administrative Procedures

1. Index
2. Timetable
3. Delivery

Sweet Whey Food Grade Powder Futures Contract

1. INTERPRETATION

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

1.02 In these terms and in the Administrative Procedures:

“Administrative Procedures” means the procedures from time to time implemented by Euronext pursuant to the Rules for the purposes of this Exchange Contract.

“Adopted Rules” means the MPC-Conditions for use within the European Union as published by Gemzu established in the Hague (the Netherlands) that are in force at the time of delivery.

“Business Day” means a day on which the Euronext Derivatives Market is open for business.

“Buyer” in respect of a Contract means the person who is obliged under such Contract to accept transfer in respect of each Lot of the delivery amount of Sweet Whey Food Grade Powder and to pay the Invoicing Amount in respect of each such Lot (including, except where the context otherwise requires, the Clearing House as buyer under a Registered Contract).

“Clearing House” means LCH.Clearnet SA.

“Clearing House Procedures” means LCH.Clearnet SA’s Clearing Rules as set forth in the LCH.Clearnet SA Clearing Rule Book, Instructions and Notices thereto, as may be amended from time to time.

“CMR Note” (where CMR stands for “Contrat de Transport International De Marchandises Par Route”) means a consignment note that confirms that the carrier (i.e. the road haulage company) has received the goods and that a contract of carriage exists between the customer and the carrier.

“Competent Court” means, in relation to disputes arising before the time of a Tender, where appropriate either the Dutch courts having jurisdiction on the matter or the arbitration tribunal in the event where the parties involved have agreed to go to arbitration.

“Contract” means a contract made expressly or impliedly in the terms of this Exchange Contract for the sale and purchase of one or more Lots for a Delivery Month and “Registered Contract” means a Contract registered by the Clearing House.

“Contract Price” means the price agreed between a Buyer and a Seller in respect of a Contract.

“Default in Performance” has the meaning attributed to it in terms 14.02 and 14.03.

“Delivery Area” means a geographic area referred to in term 2, as determined by Euronext from time to time.

“Delivery Month” means each month specified as such by Euronext pursuant to the Rules.

“Delivery Notice” shall have a meaning as defined in the Clearing House Procedures and is the form committing the selling clearing member to deliver the specified quantity of Sweet Whey Food Grade Powder and the buying clearing member to take delivery at the agreed Delivery Point.

“Delivery Period” means the period commencing on and including the first Business Day of the Delivery Month, up to and including the last Business Day of the Delivery Month, subject to term 15.02.

“Delivery Point” means the location within a Delivery Area, as nominated by the Seller, where delivery will take place and which is either a European Union regulations compliant Sweet Whey Food Grade Powder storage facility or is a Sweet Whey Food Grade Powder production facility approved by the competent authority as per regulation (EC) No 853/2004 of the European Parliament and the Council.

“DSP” means the Daily Settlement Price established by Euronext according to its Rules and Trading Procedures.

“EDSP” means Exchange Delivery Settlement Price and has the meaning attributed to it in term 5.

“€”, “EUR” and “Euro” denotes the single currency of the European Union.

“Gemzu” means the umbrella organisation of Dutch Dairy Trade and other affiliated associations established in the Hague, the Netherlands.

“Invoicing Amount” has the meaning attributed to it in term 8.

“Last Trading Day” (also known as “Expiry”) in respect of any Delivery Month means the seventh Business Day preceding the first Business Day of the Delivery Period for the Delivery Month.

“Lot” shall have the meaning attributed to it in term 3.01.

“Notice of Performance” shall have a meaning as defined in the Clearing House Procedures and which is the document submitted to the Clearing House by the Buyer and the Seller attesting to proper performance of the Contract and terminating the Clearing House’s role as central counterparty.

“Notification Notice” shall mean the form instigating delivery submitted by the Seller to the Clearing House.

“Regulations” means any and all applicable laws and regulations and the Clearing House Procedures from time to time in force.

“Seller” in respect of a Contract means the person who is obliged under such Contract to deliver in respect of each Lot the delivery amount of Sweet Whey Food Grade Powder (including, except where the context otherwise requires, the Clearing House as seller under a Registered Contract).

“Sweet Whey Food Grade Powder” means sweet whey food grade powder of the quality and condition specified in term 2.

“Tender” means the notification to deliver made by the Seller in the form of the Notification Notice in accordance with these terms.

“Tonne” means 1000 kilogrammes as defined by the BIPM (Bureau International des Poids et Mesures, International Bureau of Weight and Measures).

1.03 References to a “term” refer to terms hereof, and references to a “Rule” refer to a rule of Euronext. Save where the context otherwise requires references herein to the singular include the plural, and vice versa.

2. SWEET WHEY FOOD GRADE POWDERS TENDERABLE

2.01 Each Contract shall be for Sweet Whey Food Grade Powder that, as a minimum, meets the quality requirements as specified in terms 2.01 (a) 2.01 (b) and 2.01 (c) at time of delivery to the carrier nominated by the Buyer in accordance with Incoterm FCA and within the Delivery Area named in the Notification Notice, as evidenced by a certificate of analysis issued in accordance with these terms.

(a) The Sweet Whey Food Grade Powder must be made by the spray process directly and exclusively from the removal of water from fresh sweet whey, derived either from the manufacture of cheese or rennet casein, pasteurised and without added preservatives, compliant with EU legislation and produced within the European Union. It must be a non-GMO product as per EU directive 2001/18, Regulation 1829/2003 and 1830/2003. It must comply with Council Regulation (Euratom) No. 3954/87 on maximum levels of radioactive contamination in foodstuffs as amended from time to time. It must comply with the maximum levels of certain contaminants as per Commission Regulation (EC) No 1881/2006 and 178/2010.

(b) Physical and Chemical Analyses

Fat	1.5% maximum
Protein	11.0% (non-fat dry matter) minimum
Lactose	67.0% minimum
pH value	6.0 minimum
Ash	9.0% maximum
Moisture	4.5% maximum
Scorched Particles	Disc B maximum
Solubility Index	1.5 ml maximum

- (c) Microbiological Analyses
- | | |
|----------------------|---------------------------------------|
| Standard Plate Count | 30,000/g maximum @ 30 degrees Celsius |
| Coliforms | 10/g maximum |
| E. Coli | Negative in 1 g |
| Salmonella | Negative in 25g |
| Yeast and mould | 100/g maximum |
| Inhibitors | Negative |
- (d) Quality to be assessed in accordance with COKZ (The Netherlands Controlling Authority for Milk and Milk Products) methodology as current at the time of delivery.
- 2.02 (a) Delivery shall take place at a Delivery Point within the Delivery Areas included on the list of Delivery Areas from time to time published by Euronext by Notice, which shall apply to such Delivery Months specified in the Notice as Euronext may determine. Euronext may from time to time list or de-list a Delivery Area, which shall have such effect with regard to existing or new Contracts or both as Euronext may determine in its absolute discretion. Any such determination will be notified to members of Euronext by means of a Notice or otherwise as Euronext may direct.
- (b) Delivery of each Lot shall take place from a single Delivery Point.
- (c) Euronext gives no warranty and does not make any representation or promise that any Delivery Point has any particular characteristics or facilities or is safe or suitable in any way whatsoever, and Euronext shall not be liable for any loss, damage, or delay resulting from conditions at any such Delivery Point.
- 2.03 The Sweet Whey Food Grade Powder shall be packed in new, sound, heat sealed, minimum 2-ply kraft paper bags, each with a single new polyethylene liner, of a weight of 25 kg net each of Sweet Whey Food Grade Powder and each bag and liner having a combined minimum tare of 240g. The bags of each Lot shall be uniform and suitable for transport. All bags shall be of a colour as customarily used by the relevant producer, and for each Lot each bag shall bear the same minimum marks written in the English language stating the following:

- (a) product description (e.g. Sweet Whey Food Grade Powder);
- (b) net weight;
- (c) country of origin;
- (d) date of production;
- (e) name of the producer;
- (f) batch code;
- (g) a recognised EU oval marking incorporating the “EU plant number”.

Additional marks in local lettering/language are permitted provided that they do not contradict the marks referred to above.

The date of production detailed in term 2.03 (d) must be within six months of the final date of the Delivery Period and each Lot tendered must be of Sweet Whey Food Grade Powder from the same production facility approved by the competent authority as per regulation (EC) No 853/2004 of the European Parliament and the Council and shall consist of Sweet Whey Food Grade Powder made up of no more than three different production batches.

- 2.04 Sweet Whey Food Grade Powder delivered shall be free of all liens and claims of any kind and shall be freely available for delivery within the European Union.

3. CONTRACT SPECIFICATION

- 3.01 Each Contract shall be for one or more Lots for the Delivery Month specified. A Lot shall be for an amount of Sweet Whey Food Grade Powder having a nominal net weight of 6 Tonnes.

4. PRICE

- 4.01 The Contract Price shall be in Euros (€) and Euro cents per Tonne delivered to the carrier nominated by the Buyer in accordance with Incoterm FCA at a Delivery Point within a Delivery Area included in the list published by Euronext pursuant to term 2.02.

4.02 The Contract Price shall be exclusive of any value added tax which may be or may become payable thereon.

5. EXCHANGE DELIVERY SETTLEMENT PRICE

5.01 Subject to term 5.02, the EDSP for Contracts for a particular Delivery Month shall be calculated by Euronext on the Last Trading Day as follows:

- (a) if (as far as reasonably ascertainable) one or more Contracts for that Delivery Month have been made in the market on the Last Trading Day during the period specified for this purpose in the Administrative Procedures, then:
 - (i) if only one Contract has been made, the EDSP shall be the price (as far as reasonably ascertainable) at which that Contract was made; or
 - (ii) if more than one Contract has been made, the EDSP shall be the average rounded down to the nearest Euro of the prices (as far as reasonably ascertainable) at which such Contracts were made, weighted by reference to the number of Lots (as far as reasonably ascertainable) comprised in each such Contract;
- (b) if (as far as reasonably ascertainable) on the Last Trading Day, during the period specified for this purpose in the Administrative Procedures, no Contract for that Delivery Month has been made in the market but both an offer (or offers) and a bid (or bids) have been made in the market in respect of a Contract (or Contracts) for that Delivery Month, then the EDSP shall be the average of the lowest price (as far as reasonably ascertainable) at which such an offer was made and the highest price (as far as reasonably ascertainable) at which such a bid was made and such average shall be rounded down to the nearest Euro;
- (c) if (as far as reasonably ascertainable) on the Last Trading Day, during the period specified for this purpose in the Administrative Procedures, no Contract for that Delivery Month has been made in the market and either no offer or no bid has been made in the market in respect of a Contract (or Contracts) for that Delivery Month, then Euronext shall determine the EDSP by reference inter alia to the price at which any offer or bid, as the case may be, in respect of a Contract for that Delivery Month was made in the market during such period on such day; or

- (d) if (as far as reasonably ascertainable) on the Last Trading Day, during the period specified for this purpose in the Administrative Procedures, no Contract for that Delivery Month has been made in the market and neither an offer nor a bid have been made in the market in respect of a Contract (or Contracts) for that Delivery Month, then Euronext may in their absolute discretion fix the EDSP at a price determined by them as being consistent with the prices at which any Contracts or any offers or bids in respect of a Contract were made in the market on the Last Trading Day for the Delivery Month and period referred to in paragraphs (a) and (b) of term 5.02 below and, if necessary, rounded down to the nearest 50 cents.
- 5.02 If in the opinion of Euronext, the EDSP which would result from a calculation made in accordance with paragraphs (a), (b) or (c) of term 5.01 would not be consistent with the prices at which any Contracts or any offers or bids in respect of a Contract were made in the market on the Last Trading Day for:
- (a) the relevant Delivery Month prior to the applicable period referred to in paragraphs (a), (b) or (c) of term 5.01, as the case may be; or
 - (b) any other Delivery Month during the applicable period referred to in paragraphs (a), (b) or (c) of term 5.01, as the case may be,
- then Euronext may in their absolute discretion fix the EDSP at a price determined by them as being consistent with the prices, offers or bids for the Delivery Month and period referred to in paragraphs (a) or (b) of term 5.02 above, and, if necessary, rounded down to the nearest 10 cents.
- 5.03 Euronext shall publish the EDSP at the time specified for that purpose in the Administrative Procedures. The EDSP shall be final and binding for all purposes.

6. SETTLEMENT PAYMENTS

- 6.01 In addition to any other payment required by these terms, all payments arising from successive variation margin calls called by the Clearing House between the original Contract Price and the subsequent settlement prices, including the successive DSPs and the EDSP, shall have been made by the time specified for that purpose in the Clearing House Procedures.

7. PAYMENT

- 7.01 For each Lot delivered under the terms of this Contract, the Seller shall present within five Business Days of the issue of the CMR Note the following documents to the Buyer evidencing the proper fulfilment of the terms of the Contract and conforming with the information given by the Seller in the Notification Notice:
- (a) commercial invoice;
 - (b) copy of CMR Note;
 - (c) packing list showing composition of each Lot including batch numbers, number of bags per batch, pallets per batch and marks per batch; and
 - (d) certificate(s) of analysis issued by an independent analyst and which guarantees a minimum shelf life for the Sweet Whey Food Grade Powder of eighteen months from the date of production.
- 7.02 Without prejudice to the Buyer's ability to request that the Seller provides additional documents, the Buyer shall not be entitled to require the presentation of any documents in return for payment other than those specified in term 7.01.
- 7.03 The documents shall be deemed to have been accepted by the Buyer unless the Buyer has prior to 14.00 hours on the day of presentation of documents notified the Clearing House and the Seller in writing that the documents are rejected by the Buyer on the grounds that they do not evidence the proper fulfilment of the terms of the Contract, and the documents have been returned to the Seller. The Buyer shall in any such notice state with reasonable precision the respects in which the documents do not evidence such fulfilment. The Buyer shall be precluded from relying on any grounds for the rejection of the documents which are not stated in any such notice. For the avoidance of doubt, where a Seller presents more than one set of documents to the Buyer, the Buyer shall not be entitled to reject any documents which are tendered in respect of a Lot or Lots where this is solely on the ground that the Buyer has rejected a document or documents which relate to a different Lot or Lots.

- 7.04 Where documents have been rejected by the Buyer, the Seller may re-present documents provided always that any such re-presentation must be within five Business Days of the issue of the CMR Note.
- 7.05 Title to goods shall not pass from the Seller and final payment shall not pass from the Buyer to the Seller until the Buyer has accepted the documents. Such final payment shall be effected within three Business Days of presentation and acceptance of documents.
- 7.06 Upon the day of final payment a Notice of Performance, duly fulfilled and signed by the selling clearing member and the buying clearing member, shall be sent to the Clearing House.
- 7.07 The Seller and Buyer may mutually agree to take the Sweet Whey Food Grade Powder off the market on any Business Day from and including the first Business Day following the Last Trading Day to the last day of the Delivery Period. In such event, the Seller and Buyer must conform to the "alternative delivery procedure" as detailed in the Clearing House Procedures.

8. INVOICING AMOUNT

- 8.01 The Invoicing Amount in respect of each Lot referred to in a Notification Notice shall be the sum calculated in accordance with the formula:
- Contract Weight x EDSP
- where:
- EDSP = The EDSP for the relevant Delivery Month
- 8.02 (a) Subject to term 8.02 (b), where the sum calculated in accordance with term 8.01 is not a number of whole Euros, such sum shall be rounded to the nearest sum which is a number of whole Euros cents and the Invoicing Amount shall be such nearest sum.
- (b) Where the sum calculated in accordance with term 8.01 is a number of Euros and one half of one Euro, such sum shall be rounded up to the nearest sum which is a number of whole Euros, and the Invoicing Amount shall be such nearest sum.

9. NOTIFICATION TO DELIVER

- 9.01 A Tender shall be made by the Seller on the first Business Day following the Last Trading Day to the Clearing House in the form of the Notification Notice prescribed by the Clearing House Procedures. The tender must be submitted by the time specified in the Administrative Procedures.

10. WITHDRAWAL, SUBSTITUTION OR EXCHANGE OF NOTIFICATION NOTICES

- 10.01 A Notification Notice shall not be withdrawn nor substitution allowed except with the consent of the Buyer or, in case of dispute, unless so ordered by Euronext.
- 10.02 A Notification Notice which has been submitted to the Clearing House in time shall, subject to term 10.01, be accepted by the Buyer as a valid Tender for that date.
- 10.03 With the consent of the Clearing House, Buyers may exchange, in accordance with the Clearing House Procedures, Notification Notices with one another by the time specified in the Administrative Procedures.

11. DELIVERY

- 11.01 Delivery shall be in accordance with the Clearing House Procedures, the Adopted Rules and the Administrative Procedures.
- 11.02 The minimum quantity eligible to delivery is set up at 12 Lots (72 Tonnes).
- 11.03 The Buyer shall give notice of five Business Days to the Seller and the Clearing House of the date and time of presentation of the Buyer's transport in readiness for loading at the Delivery Point nominated by the Seller.
- 11.04 To the extent that the Adopted Rules are inconsistent with these terms and Administrative Procedures and the Clearing House Procedures, these terms and Administrative Procedures and the Clearing House Procedures shall prevail.

12. PRESENTATION OF DOCUMENTS

- 12.01 For each Lot delivered under the terms of this Contract, documents as prescribed in term 7.01 shall be presented by the Seller to the Buyer within five Business Days of the issue of the CMR Note.
- 12.03 The Buyer shall (unless the documents have been rejected in accordance with the provisions of term 7.04) be bound to take up and pay for such documents on the same day by the time specified in the Administrative Procedures without prejudice to the reference of any claim or dispute of whatsoever nature to the Competent Court.

13. NEW LEGISLATION

- 13.01 If after consultation with the Clearing House, Euronext shall in its absolute discretion determine that a change of legislative or administrative provisions of a state or territory of the European Union, or of an institution or market organisation in any country or group of countries, has affected, is affecting or is likely to affect the normal course of business, Euronext shall have power to vary the terms of Contracts in any way it deems necessary or desirable for restoring or preserving the orderly course of business.
- 13.02 Such variation may be made notwithstanding that it may affect the performance or value of existing Contracts (or of such existing Contracts as may be specified by Euronext). Without limitation of its powers hereunder Euronext will use its best endeavours to keep any variation to the minimum considered reasonably necessary to achieve the purpose of this term.
- 13.03 Any determination made by Euronext pursuant to this term 13 shall be published by Notice. A variation of contract terms made hereunder shall take effect at such time and for such period as Euronext shall declare but (without prejudice to term 13.02 above) shall not take effect earlier than the day on which such Notice is issued.
- 13.04 A Contract affected by a variation under this term 13 shall remain in full force and effect subject to such variation and shall not be treated as frustrated or repudiated except so far as may be allowed by Euronext.

13.05 A variation made by Euronext under this term may be modified or revoked by a subsequent variation made hereunder.

14. DEFAULT IN PERFORMANCE

14.01 The provisions of this term 14 shall be subject to the relevant Clearing House Procedures and also subject to the provisions of term 18.03.

14.02 Any “Default in Performance” including an actual failure or an anticipated failure by a Seller or a Buyer in performing its obligations under a Contract at any time before the time of Tender on the first Business Day following the Last Trading Day shall be treated under the Clearing House procedures applicable for default management.

14.03 Any “Default in Performance” arising at any time upon or after the time of Tender on the first Business Day following the Last Trading Day shall be treated under the Clearing House procedures applicable for failure to deliver, subject to Force Majeure Events where Term 15 principles shall apply.

14.04 Errors in a notice, which are determined in the Clearing House’s absolute discretion to be clerical errors which can be readily rectified and are rectified, shall not be treated as constituting a Default in Performance.

14.05 Subject to term 14.10, if it appears to the Clearing House that a Seller or a Buyer is in Default in Performance under a Registered Contract, the Clearing House shall notify Euronext of the Default in Performance and may take all steps as it deems appropriate pursuant to the Clearing House procedures.

14.06 Any cash settlement price fixed under the Clearing House procedures shall be binding on the parties. The completion of cash settlement shall be without prejudice to the right of either party to refer the dispute or issue between them to the Competent Court under term 16.

14.07 Any costs, claims, losses, taxes or expenses of whatsoever nature suffered or incurred by the Clearing House in connection with any steps taken by the Clearing House in relation to a Contract to which the Default in Performance relates shall be paid by the Buyer or Seller who is in Default in Performance. Any steps taken by the Clearing House in relation to a Default in Performance shall be without prejudice to any rights (including rights to refer matters to the Competent Court under term 16), obligations or claims of the Buyer, the Seller

- or the Clearing House in relation to a Contract to which the Default in Performance relates.
- 14.08 A Buyer or Seller who is in Default in Performance under this term 14, shall forthwith pay to the Clearing House any sums payable by him under term 8 and any sums payable pursuant to this term 14.
- 14.9 Notwithstanding that a Buyer or Seller may be in Default in Performance under this term 14, the Clearing House may in its absolute discretion determine not to exercise or to delay in exercising any of its rights under this term 14, and no failure by the Clearing House to exercise nor any delay on its part in exercising any of such rights shall operate as a waiver of the Clearing House's rights upon that or any subsequent occasion, nor shall any single or partial exercise of any such rights prevent any further exercise thereof or of any other right.
- 14.10 A Buyer, a Seller or the Clearing House may refer a dispute or issue arising out of a Default in Performance under this term 14 (subject always to the application of provisions of terms 14.05 and 14.06) to the Competent Court under term 16.

15 FORCE MAJEURE

- 15.01 For the purposes of this term 15, "Force Majeure Event" shall mean an event which is beyond the reasonable control of either party to a Contract and which delays, hinders or prevents the performance in whole or in part by a party of its obligations under the Contract (other than an obligation to make a payment), including, without limitation, storm, flood, earthquake, fire, explosion, malicious damage, accident howsoever caused, strike, lock-out, labour dispute, riot, civil commotion, war whether declared or undeclared, armed conflict, use of force by authority of United Nations, act of terrorism, act of government or other national or local authority or any agency thereof, breakdown of machinery, and unavailability, restriction, failure or delay in or computer or data processing systems or communication or energy supplies or bank transfer systems. The failure for whatever reason of a computer or other electronic facility to accept a notification made by a Seller or a Buyer (other than the Clearing House) as required by these terms and the Administrative Procedures shall not be a Force Majeure Event;

If a Force Majeure Event occurs and delays, hinders or prevents the performance in whole or in part by a party of its obligations under the Contract (other than an obligation to make a payment):

- (a) neither party will be deemed in Default in Performance of its obligations under a Contract if such party was unable to perform its obligations as a direct result of the occurrence of such Force Majeure Event nor will any penalty or damages be payable if and to the extent that performance of any obligation is hindered or prevented by a Force Majeure Event;
- (b) the party prevented from performing its obligations shall immediately notify the Clearing House and Euronext of such fact and the quantity so affected. If such party is prevented from advising the Clearing House or Euronext through circumstances beyond its control, it shall notify them as soon as possible. The notice shall state the date on which the Force Majeure Event commenced and the effects of the Force Majeure Event on such party's ability to perform its obligations in accordance with the Contract, including an estimate of the period of the Force Majeure Event;
- (c) upon the request of the Clearing House or Euronext, a party seeking relief under this term 15.01 promptly provide such other information as required by the Clearing House or Euronext as soon as reasonably practicable;
- (d) subject to any steps taken at any time by Euronext under emergency powers in the Rules and subject to the Clearing House Procedures, if a Force Majeure Event occurs, the Delivery Period shall be extended by a maximum of thirty days as per MPC conditions;
- (e) the Seller shall notify the Clearing House immediately that the Force Majeure Event(s) terminates;
- (f) if the party is still prevented from performing its obligations at the end of the thirty days extended Delivery Period, the contract is terminated and a financial payment is calculated by the Clearing House in accordance with the Clearing House Procedures, such financial payment being calculated upon a fair value set by Euronext based on available information (i.e. average price of the goods recorded on the cash market or market survey where appropriate, on the last day of the Delivery Period as extended);

- (g) these provisions shall apply notwithstanding the occurrence of events which would otherwise frustrate the Contract;
- (h) the party claiming Force Majeure shall within fourteen days from the initial notification of the facts relied upon deliver to the Clearing House evidence of the existence of those facts. If evidence is not delivered in accordance with this provision, the right to invoke force majeure shall be forfeited unless a Competent Court in its absolute discretion decides otherwise.

16. DISPUTE RESOLUTION

- 16.01 Any dispute arising out of a Contract shall (subject to terms 14, 15.02(f) and 18.03 to the extent that they apply) be referred to the Competent Court in accordance with Term 19.
- 16.02 The determination and payment of an invoicing back price shall not limit the jurisdiction of the Competent Court to make such ruling as they deem proper on the issue before them.
- 16.03 Terms 16.01 and 16.02 apply only to a dispute arising before the time of Tender on the first Business Day following the Last Trading Day. A dispute arising on or after the time of Tender on the first Business Day following the Last Trading Day shall be referred to arbitration in accordance with term 18.03.

17. ADMINISTRATIVE PROCEDURES AND RULES

- 17.01 Every Contract shall be subject to the Rules and the Regulations insofar as applicable notwithstanding that either or both of the parties to it are not members of Euronext or of the Clearing House.
- 17.02 In case of any conflict between the Administrative Procedures and these terms or the Rules, the provisions of these terms and the Rules shall prevail and in the event of any conflict between these terms and the Rules, the Rules shall prevail.
- 17.03 Euronext may at its discretion at any time revoke, alter or add to the Administrative Procedures. Any such amendment shall have such effect on existing as well as new Contracts as Euronext may direct and will be notified to members of Euronext by means of a Notice or otherwise as Euronext may direct.

18. ADOPTED RULES

- 18.01 From the time of Tender on the first Business Day following the Last Trading Day a Contract shall be subject to the Adopted Rules, except where otherwise stated in these terms, the Administrative Procedures or the Clearing House Procedures.
- 18.02 To the extent that the Adopted Rules are inconsistent with these terms and Administrative Procedures and the Clearing House Procedures, these terms and Administrative Procedures and the Clearing House Procedures shall prevail.
- 18.03 All disputes arising at or after the time of Tender on the first Business Day following the Last Trading Day shall be referred to the Gemzu in the Netherlands for settlement in accordance with its MPC Arbitration Regulations subject always (where the Clearing House is a party) to the Clearing House Procedures.

19. LAW AND JURISDICTION

- 19.01 Every Contract shall be governed by and construed in accordance with Dutch law. Subject to term 18.03, any question arising there from shall be subject to the jurisdiction of the Competent Courts.
- 19.02 The provisions of neither the Convention relating to a Uniform Law on the International Sale of Goods, of 1964, nor the United Nations Convention on Contracts for the International Sale of Goods, 1980, shall apply to Contracts.

20. NON-REGISTERED CONTRACTS

- 20.01 In respect of a Contract which is not a Registered Contract ("non-Registered Contract") these terms shall be modified so as to require and allow that a Contract to be registered with the Clearing House under the Rules and the Regulations is capable of being so registered, and to facilitate the performance of such Registered Contract (and of any intermediate Contract) in accordance with these terms and the Administrative Procedures. Modifications may also be made to the terms of a non-Registered Contract if, without such modifications, it may not be possible to perform such Contract by the applicable times specified in these terms and the Administrative Procedures.

Without prejudice to the generality of the foregoing, all references in these terms to payment or dealing between the Buyer or the Seller and the Clearing House shall be modified so as to require a similar payment or dealing directly between the Buyer and the Seller party to such non-Registered Contract.

-----0-----

Issue Date: 13 April 2015

Sweet Whey Food Grade Powder Futures Contract

Administrative Procedures

1 INDEX

In these Administrative Procedures:

1. Index
2. Timetable
3. Delivery

2 TIMETABLE (ALL TIMES ARE PARIS TIMES)

Last Trading Day (Expiry)

At 18.30 hours	Trading in the Contract Delivery Month shall cease.
After 18.30 hours	Euronext will publish the EDSP. The EDSP will be determined in accordance with term 5.

Last Trading Day (Expiry) + 1 Business Day

By 10.30 hours	Remaining open positions greater than 12 lots automatically become delivery contracts. Sellers deliver the Notification Notice, naming the Delivery Area(s) and Delivery Point(s) where loading shall take place, to the Clearing House in accordance with the Clearing House Procedures.
After 14.00 hours	Sweet Whey Food Grade Powder allocated to Buyers by the Clearing House in accordance with the Clearing House Procedures. The Clearing House delivers to the Seller a temporary Seller/Buyer matching notice, identifying the Buyer.
By 17.00 hours	The Clearing House delivers to the Buyer a temporary Buyer/Seller matching notice, identifying the Seller.

Last Trading Day (Expiry) + 2 Business Days

- | | |
|----------------|---|
| By 15.00 hours | Buyers may exchange assigned deliveries, with the consent of the Clearing House. |
| By 17.30 hours | The Clearing House delivers to the Seller and the Buyer the final Seller/Buyer matching notice. |

Last Trading Day (Expiry) + 3 Business Days

- | | |
|--------------------|--|
| By 12.00 hours | The Seller shall send, in accordance with Clearing House Procedures, a completed and signed Delivery Notice to each Buyer that has been assigned to him. |
| Before 15:00 hours | The Buyer shall submit a completed and signed Delivery Notice to the Clearing House. |
| After 15:00 hours | A Buyer may give notice of delivery from this point onwards. |

Delivery Day(s) – 5 Business Days

- | | |
|---------------------|---|
| By 16.00 hours | Buyer informs Seller and the Clearing House of the date and time at which the Buyer's transport shall be presented in readiness for loading to commence in accordance with the Clearing House Procedures with such date and time being within normal business hours on a working day in the country of loading, such notification to be made in accordance with the Clearing House Procedures. In the event of multiple deliveries, the Buyer must present transport such as to effect a continuous process of loading. |
| Delivery Day | Delivery shall take place between the Seller and the Buyer in accordance with these terms and Administrative Procedures. |

Delivery Day(s) + maximum 5 Business Days from issue of CMR Note(s)

By 10.00 hours	Seller lodges delivery documents with the Buyer in accordance with these terms and the Clearing House Procedures.
By 14.00 hours	The Buyer may inform the Clearing House and the Seller in writing that he wishes to reject the documents specified in term 7.01, and in that event the Buyer shall comply with the process detailed in term 7.
After 14.00 hours	The documents shall be deemed to have been accepted by the Buyer unless a rejection has been made in accordance with term 7.

Delivery Day(s) + maximum 3 Business Days from presentation of delivery documents

By 14.00 hours	The Buyer shall make final payment to the Seller in accordance with term 7.
By 16.00 hours	A Notice of Performance, duly fulfilled and signed by the selling clearing member and the buying clearing member, shall be sent to the Clearing House in accordance with term 7 and the Clearing House Procedures.

3. DELIVERY

3.01 Subject to Administrative Procedure 3.03:

- (a) the Seller shall be responsible for all expenses pertaining to delivery and loading of Sweet Whey Food Grade Powder onto the Buyer's transport including freight taxes and other taxes of any nature of the country of origin or loading;
- (b) the Buyer shall be responsible for all expenses pertaining to entry to and exit from the Delivery Point; and
- (c) in the event of multiple deliveries, Seller and Buyer shall be responsible for negotiating a rate of loading that must at the very least fulfil the minimum loading requirements as set out in these Administrative Procedures and Contract terms.

- 3.02 (a) Subject to Contract term 2.02, the Seller shall ensure that the Delivery Point at which the Sweet Whey Food Grade Powder is to be delivered shall:
- (i) have storage close to and/or transport facilities to the Delivery Point, to allow for uninterrupted loading at the prescribed minimum loading rate;
 - (ii) have sampling facilities to allow independent supervision companies to operate unimpeded in accordance with these terms; and
 - (iii) have access for independent supervision companies to ensure compliance with these terms.
- (b) The Sweet Whey Food Grade Powder shall be loaded with the following provisions:
- (i) Sweet Whey Food Grade Powder to be loaded onto Buyer's transport stacked on wooden pallets suitable for food contact use;
 - (ii) Seller to load each Lot of Sweet Whey Food Grade Powder onto Buyer's transport at a rate of no less than 12 Tonnes per hour during the normal business hours of each working day in the country of loading with such loading to commence and finish within a four hour delivery window commencing on the date and time detailed in the notice made by the Buyer five working days prior to delivery;
 - (iii) Seller to load from each Delivery Point at a minimum rate of twelve Lots of Sweet Whey Food Grade Powder per day with such loading to take place during the normal business hours of each working day in the country of loading (to fulfil this requirement each Delivery Point must be able to handle loading of a minimum of six Lots during the same time period);
 - (iv) Seller is liable to pay any additional waiting charges or demurrage rates incurred by the Buyer in the event that a Lot of Sweet Whey Food Grade Powder is loaded at a rate of less than 12 Tonnes per hour within the allotted four hour delivery window during the normal business hours of each working day in the country of loading. Such additional waiting charges or demurrage rates shall be equal to those detailed in the Contract between the Buyer and the carrier of the Buyer's goods with the rate of additional charges being declared by the Buyer to the Seller no later than 24 hours prior to the commencement of loading;

- (v) In the event that the Buyer's transport is not present and/or ready to load in accordance with the notice made by the Buyer five days prior to delivery then, for each hour of delay incurred during the normal business hours of each working day in the country of loading, the Seller may charge the Buyer a penalty that is equivalent to the rate of additional waiting charges or demurrage rates as detailed in the Contract between the Buyer and the carrier of the Buyer's goods;
 - (vi) Seller to ensure that loading, including palletisation, complies with local safety regulations; and
 - (vii) All other terms pertaining to loading shall be in accordance with the Contract between the Buyer and the carrier of the Buyer's goods.
- 3.03 The Buyer may, at his own expense, either appoint an internationally recognised independent or with the written consent of the Buyer, appoint a state supervision firm, to supervise and inspect the loading of the Sweet Whey Food Grade Powder to be delivered to the Buyer. Such appointment shall be made not less than 48 hours prior to the Seller commencing loading of the Sweet Whey Food Grade Powder. The Buyer shall upon the appointment of a Supervisor notify the Seller of such appointment.
- 3.04 If either party has a claim, or wishes to bring a claim, as to the quality, weight or packing of the Sweet Whey Food Grade Powder it may refer such claim to arbitration in accordance with the Contract terms and these Administrative Procedures and in accordance with the Clearing House Procedures.

-----0-----

Issue Date: xxxxxxxx



Document title

UNSALTED LACTIC BUTTER FUTURES CONTRACT

(A) CONTRACT TERMS - Issue Date: xxxxxxxx

(B) ADMINISTRATIVE PROCEDURES - Issue Date: xxxxxxxxxxx

Number of pages

24

Delivery Months: May 2015 Onwards

CONTENTS

Contract Terms

1. Interpretation
2. Unsalted Lactic Butter Tenderable
3. Contract Specification
4. Price
5. Exchange Delivery Settlement Price
6. Settlement Payments
7. Payment
8. Invoicing Amount
9. Notification to Deliver
10. Withdrawal, Substitution or Exchange of Notification Notices
11. Delivery
12. Presentation of Documents
13. New Legislation
14. Default in Performance
15. Force Majeure
16. Dispute Resolution
17. Rules, Administrative Procedures etc
18. Adopted Rules
19. Law and Jurisdiction
20. Non-Registered Contracts

Administrative Procedures

1. Index
2. Timetable
3. Delivery

Unsalted Lactic ButterFutures Contract

1. INTERPRETATION

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

1.02 In these terms and in the Administrative Procedures:

“Administrative Procedures” means the procedures from time to time implemented by Euronext pursuant to the Rules for the purposes of this Exchange Contract.

“Adopted Rules” means the MPC-Conditions for use within the European Union as published by Gemzu established in the Hague (the Netherlands) that are in force at the time of delivery.

“Business Day” means a day on which the Euronext Derivatives Market is open for business.

“Buyer” in respect of a Contract means the person who is obliged under such Contract to accept transfer in respect of each Lot of the delivery amount of Unsalted Lactic Butter and to pay the Invoicing Amount in respect of each such Lot (including, except where the context otherwise requires, the Clearing House as buyer under a Registered Contract).

“Clearing House” means LCH.Clearnet SA.

“Clearing House Procedures” means LCH.Clearnet SA’s Clearing Rules as set forth in the LCH.Clearnet SA Clearing Rule Book, Instructions and Notices thereto, as may be amended from time to time.

“CMR Note” (where CMR stands for “Contrat de Transport International De Marchandises Par Route”) means a consignment note that confirms that the carrier (i.e. the road haulage company) has received the goods and that a contract of carriage exists between the customer and the carrier.

“Competent Court” means, in relation to disputes arising before the time of a Tender, where appropriate either the Dutch courts having jurisdiction on the matter or the arbitration tribunal in the event where the parties involved have agreed to go to arbitration.

“Contract” means a contract made expressly or impliedly in the terms of this Exchange Contract for the sale and purchase of one or more Lots for a Delivery Month and “Registered Contract” means a Contract registered by the Clearing House.

“Contract Price” means the price agreed between a Buyer and a Seller in respect of a Contract.

“Default in Performance” has the meaning attributed to it in terms 14.02 and 14.03.

“Delivery Area” means a geographic area referred to in term 2, as determined by Euronext from time to time.

“Delivery Month” means each month specified as such by Euronext pursuant to the Rules.

“Delivery Notice” shall have a meaning as defined in the Clearing House Procedures and is the form committing the selling clearing member to deliver the specified quantity of Unsalted Lactic Butter and the buying clearing member to take delivery at the agreed Delivery Point.

“Delivery Period” means the period commencing on and including the first Business Day of the Delivery Month, up to and including the last Business Day of the Delivery Month, subject to term 15.02.

“Delivery Point” means the location within a Delivery Area, as nominated by the Seller, where delivery will take place and which is either an Unsalted Lactic Butter storage facility approved by the competent authority as per regulation (EC) No 853/2004 of the European Parliament and the Council or is an Unsalted Lactic Butter production facility approved by the competent authority as per regulation (EC) No 853/2004 of the European Parliament and the Council.

“DSP” means the Daily Settlement Price established by Euronext according to its Rules and Trading Procedures.

“EDSP” means Exchange Delivery Settlement Price and has the meaning attributed to it in term 5.

“€”, “EUR” and “Euro” denotes the single currency of the European Union.

“Gemzu” means the umbrella organisation of Dutch Dairy Trade and other affiliated associations established in the Hague, the Netherlands.

“Invoicing Amount” has the meaning attributed to it in term 8.

“Last Trading Day” (also known as “Expiry”) in respect of any Delivery Month means the seventh Business Day preceding the first Business Day of the Delivery Period for the Delivery Month.

“Lot” shall have the meaning attributed to it in term 3.01.

“Notice of Performance” shall have a meaning as defined in the Clearing House Procedures and which is the document submitted to the Clearing House by the Buyer and the Seller attesting to proper performance of the Contract and terminating the Clearing House’s role as central counterparty.

“Notification Notice” shall mean the form instigating delivery submitted by the Seller to the Clearing House.

“Regulations” means any and all applicable laws and regulations and the Clearing House Procedures from time to time in force.

“Seller” in respect of a Contract means the person who is obliged under such Contract to deliver in respect of each Lot the delivery amount of Unsalted Lactic Butter (including, except where the context otherwise requires, the Clearing House as seller under a Registered Contract).

“Unsalted Lactic Butter” means Unsalted Lactic Butter of the quality and condition specified in term 2.

“Tender” means the notification to deliver made by the Seller in the form of the Notification Notice in accordance with these terms.

“Tonne” means 1000 kilogrammes as defined by the BIPM (Bureau International des Poids et Mesures, International Bureau of Weight and Measures).

- 1.03 References to a “term” refer to terms hereof, and references to a “Rule” refer to a rule of Euronext. Save where the context otherwise requires references herein to the singular include the plural, and vice versa.

2. UNSALTED LACTIC BUTTER TENDERABLE

2.01 Each Contract shall be for Unsalted Lactic Butter that, as a minimum, meets the quality requirements as specified in terms 2.01 (a) 2.01 (b) and 2.01 (c) at time of delivery to the carrier nominated by the Buyer in accordance with Incoterm FCA and within the Delivery Area named in the Notification Notice, as evidenced by a certificate of analysis issued in accordance with these terms.

(a) The Unsalted Lactic Butter must be non-reconstituted unsalted lactic butter produced exclusively from pasteurised cream or milk, compliant with EU legislation. It must be a non-GMO product as per EU directive 2001/18, Regulation 1829/2003 and 1830/2003. It must comply with Council Regulation (Euratom) No. 3954/87 on maximum levels of radioactive contamination in foodstuffs as amended from time to time. It must comply with the maximum levels of certain contaminants as per Commission Regulation (EC) No 1881/2006 and 178/2010.

(b) Physical and Chemical Analyses

Fat	82% minimum by weight, 90% maximum, by weight
Dry non-fat milk material	2% maximum
Moisture	16% maximum
Peroxide	0.3 mEqu/kg maximum
Free fatty acids	0.35% maximum
pH	4.5-5.5

(c) Microbiological Analyses

Standard Plate Count	5,000/g maximum
Coliforms	10/g maximum
E. Coli	Negative in 1 g
Salmonella	Negative in 25g
Yeast and mould	100/g maximum
Inhibitors	Negative

- (d) Quality to be assessed in accordance with COKZ (The Netherlands Controlling Authority for Milk and Milk Products) methodology as current at the time of delivery.
- 2.02 (a) Delivery shall take place at a Delivery Point within the Delivery Areas included on the list of Delivery Areas from time to time published by Euronext by Notice, which shall apply to such Delivery Months specified in the Notice as Euronext may determine. Euronext may from time to time list or de-list a Delivery Area, which shall have such effect with regard to existing or new Contracts or both as Euronext may determine in its absolute discretion. Any such determination will be notified to members of Euronext by means of a Notice or otherwise as Euronext may direct.
- (b) Delivery of each Lot shall take place from a single Delivery Point.
- (c) Euronext gives no warranty and does not make any representation or promise that any Delivery Point has any particular characteristics or facilities or is safe or suitable in any way whatsoever, and Euronext shall not be liable for any loss, damage, or delay resulting from conditions at any such Delivery Point.
- 2.03 The Unsalted Lactic Butter shall be packed in new, sound, 25 kg net weight each corrugated cartons with a single new polyethylene liner and each carton and liner having a combined minimum tare of 240g. The cartons of each Lot shall be uniform and suitable for transport. All cartons shall be of a colour as customarily used by the relevant producer, and for each Lot each bag shall bear the same minimum marks written in the English language stating the following:
- (a) product description (e.g. Unsalted Lactic Butter);
- (b) net weight;
- (c) country of origin;
- (d) date of production;
- (e) name of the producer;
- (f) batch code;
- (g) a recognised EU oval marking incorporating the “EU plant number” when applicable.

Additional marks in local lettering/language are permitted provided that they do not contradict the marks referred to above.

The date of production detailed in term 2.03 (d) must be within six months of the final date of the Delivery Period and each Lot tendered must be of Unsalted Lactic Butter from the same production facility compliant with regulation (EC) No 853/2004 of the European Parliament and the Council and shall consist of Unsalted Lactic Butter made up of no more than three different production batches.

- 2.04 Unsalted Lactic Butter delivered shall be free of all liens and claims of any kind and shall be freely available for delivery within the European Union.

3. CONTRACT SPECIFICATION

- 3.01 Each Contract shall be for one or more Lots for the Delivery Month specified. A Lot shall be for an amount of Unsalted Lactic Butter having a nominal net weight of 6 Tonnes.

4. PRICE

- 4.01 The Contract Price shall be in Euros (€) and Euro cents per Tonne delivered to the carrier nominated by the Buyer in accordance with Incoterm FCA at a Delivery Point within a Delivery Area included in the list published by Euronext pursuant to term 2.02., all duties and taxes paid.
- 4.02 The Contract Price shall be exclusive of any value added tax which may be or may become payable thereon.

5. EXCHANGE DELIVERY SETTLEMENT PRICE

- 5.01 Subject to term 5.02, the EDSP for Contracts for a particular Delivery Month shall be calculated by Euronext on the Last Trading Day as follows:
- (a) if (as far as reasonably ascertainable) one or more Contracts for that Delivery Month have been made in the market on the Last Trading Day during the period specified for this purpose in the Administrative Procedures, then:

- (i) if only one Contract has been made, the EDSP shall be the price (as far as reasonably ascertainable) at which that Contract was made; or
 - (ii) if more than one Contract has been made, the EDSP shall be the average rounded down to the nearest Euro of the prices (as far as reasonably ascertainable) at which such Contracts were made, weighted by reference to the number of Lots (as far as reasonably ascertainable) comprised in each such Contract;
- (b) if (as far as reasonably ascertainable) on the Last Trading Day, during the period specified for this purpose in the Administrative Procedures, no Contract for that Delivery Month has been made in the market but both an offer (or offers) and a bid (or bids) have been made in the market in respect of a Contract (or Contracts) for that Delivery Month, then the EDSP shall be the average of the lowest price (as far as reasonably ascertainable) at which such an offer was made and the highest price (as far as reasonably ascertainable) at which such a bid was made and such average shall be rounded down to the nearest Euro;
- (c) if (as far as reasonably ascertainable) on the Last Trading Day, during the period specified for this purpose in the Administrative Procedures, no Contract for that Delivery Month has been made in the market and either no offer or no bid has been made in the market in respect of a Contract (or Contracts) for that Delivery Month, then Euronext shall determine the EDSP by reference inter alia to the price at which any offer or bid, as the case may be, in respect of a Contract for that Delivery Month was made in the market during such period on such day; or
- (d) if (as far as reasonably ascertainable) on the Last Trading Day, during the period specified for this purpose in the Administrative Procedures, no Contract for that Delivery Month has been made in the market and neither an offer nor a bid have been made in the market in respect of a Contract (or Contracts) for that Delivery Month, then Euronext may in their absolute discretion fix the EDSP at a price determined by them as being consistent with the prices at which any Contracts or any offers or bids in respect of a Contract were made in the market on the Last Trading Day for the Delivery Month and period referred to in paragraphs (a) and (b) of term 5.02 below and, if necessary, rounded down to the nearest 50 cents.

5.02 If in the opinion of Euronext, the EDSP which would result from a calculation made in accordance with paragraphs (a), (b) or (c) of term 5.01 would not be consistent with the prices at which any Contracts or any offers or bids in respect of a Contract were made in the market on the Last Trading Day for:

- (a) the relevant Delivery Month prior to the applicable period referred to in paragraphs (a), (b) or (c) of term 5.01, as the case may be; or
- (b) any other Delivery Month during the applicable period referred to in paragraphs (a), (b) or (c) of term 5.01, as the case may be,

then Euronext may in their absolute discretion fix the EDSP at a price determined by them as being consistent with the prices, offers or bids for the Delivery Month and period referred to in paragraphs (a) or (b) of term 5.02 above, and, if necessary, rounded down to the nearest 10 cents.

5.03 Euronext shall publish the EDSP at the time specified for that purpose in the Administrative Procedures. The EDSP shall be final and binding for all purposes.

6. SETTLEMENT PAYMENTS

6.01 In addition to any other payment required by these terms, all payments arising from successive variation margin calls called by the Clearing House between the original Contract Price and the subsequent settlement prices, including the successive DSPs and the EDSP, shall have been made by the time specified for that purpose in the Clearing House Procedures.

7. PAYMENT

7.01 For each Lot delivered under the terms of this Contract, the Seller shall present within five Business Days of the issue of the CMR Note the following documents to the Buyer evidencing the proper fulfilment of the terms of the Contract and conforming with the information given by the Seller in the Notification Notice:

- (a) commercial invoice;
- (b) copy of CMR Note;

- (c) packing list showing composition of each Lot including batch numbers, number of bags per batch, pallets per batch and marks per batch; and
 - (d) certificate(s) of analysis issued by an independent analyst and which guarantees a minimum shelf life for the Unsalted Lactic Butter of eighteen months from the date of production.
- 7.02 Without prejudice to the Buyer's ability to request that the Seller provides additional documents, the Buyer shall not be entitled to require the presentation of any documents in return for payment other than those specified in term 7.01.
- 7.03 The documents shall be deemed to have been accepted by the Buyer unless the Buyer has prior to 14.00 hours on the day of presentation of documents notified the Clearing House and the Seller in writing that the documents are rejected by the Buyer on the grounds that they do not evidence the proper fulfilment of the terms of the Contract, and the documents have been returned to the Seller. The Buyer shall in any such notice state with reasonable precision the respects in which the documents do not evidence such fulfilment. The Buyer shall be precluded from relying on any grounds for the rejection of the documents which are not stated in any such notice. For the avoidance of doubt, where a Seller presents more than one set of documents to the Buyer, the Buyer shall not be entitled to reject any documents which are tendered in respect of a Lot or Lots where this is solely on the ground that the Buyer has rejected a document or documents which relate to a different Lot or Lots.
- 7.04 Where documents have been rejected by the Buyer, the Seller may re-present documents provided always that any such re-presentation must be within five Business Days of the issue of the CMR Note.
- 7.05 Title to goods shall not pass from the Seller and final payment shall not pass from the Buyer to the Seller until the Buyer has accepted the documents. Such final payment shall be effected within three Business Days of presentation and acceptance of documents.
- 7.06 Upon the day of final payment a Notice of Performance, duly fulfilled and signed by the selling clearing member and the buying clearing member, shall be sent to the Clearing House.

7.07 The Seller and Buyer may mutually agree to take the Unsalted Lactic Butter off the market on any Business Day from and including the first Business Day following the Last Trading Day to the last day of the Delivery Period. In such event, the Seller and Buyer must conform to the "alternative delivery procedure" as detailed in the Clearing House Procedures.

8. INVOICING AMOUNT

8.01 The Invoicing Amount in respect of each Lot referred to in a Notification Notice shall be the sum calculated in accordance with the formula:

Contract Weight x EDSP

where:

EDSP = The EDSP for the relevant Delivery Month

- 8.02
- (a) Subject to term 8.02 (b), where the sum calculated in accordance with term 8.01 is not a number of whole Euros, such sum shall be rounded to the nearest sum which is a number of whole Euros cents and the Invoicing Amount shall be such nearest sum;
 - (b) Where the sum calculated in accordance with term 8.01 is a number of Euros and one half of one Euro, such sum shall be rounded up to the nearest sum which is a number of whole Euros, and the Invoicing Amount shall be such nearest sum.

9. NOTIFICATION TO DELIVER

9.01 A Tender shall be made by the Seller on the first Business Day following the Last Trading Day to the Clearing House in the form of the Notification Notice prescribed by the Clearing House Procedures. The tender must be submitted by the time specified in the Administrative Procedures.

10. WITHDRAWAL, SUBSTITUTION OR EXCHANGE OF NOTIFICATION NOTICES

- 10.01 A Notification Notice shall not be withdrawn nor substitution allowed except with the consent of the Buyer or, in case of dispute, unless so ordered by Euronext.
- 10.02 A Notification Notice which has been submitted to the Clearing House in time shall, subject to term 10.01, be accepted by the Buyer as a valid Tender for that date.
- 10.03 With the consent of the Clearing House, Buyers may exchange, in accordance with the Clearing House Procedures, Notification Notices with one another by the time specified in the Administrative Procedures.

11. DELIVERY

- 11.01 Delivery shall be in accordance with the Clearing House Procedures, the Adopted Rules and the Administrative Procedures.
- 11.02 The minimum quantity eligible to delivery is set up at 11 Lots (66 Tonnes).
- 11.03 The Buyer shall give notice of five Business Days to the Seller and the Clearing House of the date and time of presentation of the Buyer's transport in readiness for loading at the Delivery Point nominated by the Seller.
- 11.04 To the extent that the Adopted Rules are inconsistent with these terms and Administrative Procedures and the Clearing House Procedures, these terms and Administrative Procedures and the Clearing House Procedures shall prevail.

12. PRESENTATION OF DOCUMENTS

- 12.01 For each Lot delivered under the terms of this Contract, documents as prescribed in term 7.01 shall be presented by the Seller to the Buyer within five Business Days of the issue of the CMR Note.

12.03 The Buyer shall (unless the documents have been rejected in accordance with the provisions of term 7.04) be bound to take up and pay for such documents on the same day by the time specified in the Administrative Procedures without prejudice to the reference of any claim or dispute of whatsoever nature to the Competent Court.

13. NEW LEGISLATION

- 13.01 If after consultation with the Clearing House, Euronext shall in its absolute discretion determine that a change of legislative or administrative provisions of a state or territory of the European Union, or of an institution or market organisation in any country or group of countries, has affected, is affecting or is likely to affect the normal course of business, Euronext shall have power to vary the terms of Contracts in any way it deems necessary or desirable for restoring or preserving the orderly course of business.
- 13.02 Such variation may be made notwithstanding that it may affect the performance or value of existing Contracts (or of such existing Contracts as may be specified by Euronext). Without limitation of its powers hereunder Euronext will use its best endeavours to keep any variation to the minimum considered reasonably necessary to achieve the purpose of this term.
- 13.03 Any determination made by Euronext pursuant to this term 13 shall be published by Notice. A variation of contract terms made hereunder shall take effect at such time and for such period as Euronext shall declare but (without prejudice to term 13.02 above) shall not take effect earlier than the day on which such Notice is issued.
- 13.04 A Contract affected by a variation under this term 13 shall remain in full force and effect subject to such variation and shall not be treated as frustrated or repudiated except so far as may be allowed by Euronext.
- 13.05 A variation made by Euronext under this term may be modified or revoked by a subsequent variation made hereunder.

14. DEFAULT IN PERFORMANCE

- 14.01 The provisions of this term 14 shall be subject to the relevant Clearing House Procedures and also subject to the provisions of term 18.03.
- 14.02 Any “Default in Performance” including an actual failure or an anticipated failure by a Seller or a Buyer in performing its obligations under a Contract at any time before the time of Tender on the first Business Day following the Last Trading Day shall be treated under the Clearing House procedures applicable for default management.
- 14.03 Any “Default in Performance” arising at any time upon or after the time of Tender on the first Business Day following the Last Trading Day shall be treated under the Clearing House procedures applicable for failure to deliver, subject to Force Majeure Events where Term 15 principles shall apply.
- 14.04 Errors in a notice, which are determined in the Clearing House’s absolute discretion to be clerical errors which can be readily rectified and are rectified, shall not be treated as constituting a Default in Performance.
- 14.05 Subject to term 14.10, if it appears to the Clearing House that a Seller or a Buyer is in Default in Performance under a Registered Contract, the Clearing House shall notify Euronext of the Default in Performance and may take all steps as it deems appropriate pursuant to the Clearing House procedures.
- 14.06 Any cash settlement price fixed under the Clearing House procedures shall be binding on the parties. The completion of cash settlement shall be without prejudice to the right of either party to refer the dispute or issue between them to the Competent Court under term 16.
- 14.07 Any costs, claims, losses, taxes or expenses of whatsoever nature suffered or incurred by the Clearing House in connection with any steps taken by the Clearing House in relation to a Contract to which the Default in Performance relates shall be paid by the Buyer or Seller who is in Default in Performance. Any steps taken by the Clearing House in relation to a Default in Performance shall be without prejudice to any rights (including rights to refer matters to the Competent Court under term 16), obligations or claims of the Buyer, the Seller or the Clearing House in relation to a Contract to which the Default in Performance relates.
- 14.08 A Buyer or Seller who is in Default in Performance under this term 14, shall forthwith pay to the Clearing House any sums payable by him under term 8 and any sums payable pursuant to this term 14.

- 14.9 Notwithstanding that a Buyer or Seller may be in Default in Performance under this term 14, the Clearing House may in its absolute discretion determine not to exercise or to delay in exercising any of its rights under this term 14, and no failure by the Clearing House to exercise nor any delay on its part in exercising any of such rights shall operate as a waiver of the Clearing House's rights upon that or any subsequent occasion, nor shall any single or partial exercise of any such rights prevent any further exercise thereof or of any other right.
- 14.10 A Buyer, a Seller or the Clearing House may refer a dispute or issue arising out of a Default in Performance under this term 14 (subject always to the application of provisions of terms 14.05 and 14.06) to the Competent Court under term 16.

15 FORCE MAJEURE

- 15.01 For the purposes of this term 15, "Force Majeure Event" shall mean an event which is beyond the reasonable control of either party to a Contract and which delays, hinders or prevents the performance in whole or in part by a party of its obligations under the Contract (other than an obligation to make a payment), including, without limitation, storm, flood, earthquake, fire, explosion, malicious damage, accident howsoever caused, strike, lock-out, labour dispute, riot, civil commotion, war whether declared or undeclared, armed conflict, use of force by authority of United Nations, act of terrorism, act of government or other national or local authority or any agency thereof, breakdown of machinery, and unavailability, restriction, failure or delay in or computer or data processing systems or communication or energy supplies or bank transfer systems. The failure for whatever reason of a computer or other electronic facility to accept a notification made by a Seller or a Buyer (other than the Clearing House) as required by these terms and the Administrative Procedures shall not be a Force Majeure Event.

If a Force Majeure Event occurs and delays, hinders or prevents the performance in whole or in part by a party of its obligations under the Contract (other than an obligation to make a payment):

- (a) neither party will be deemed in Default in Performance of its obligations under a Contract if such party was unable to perform its obligations as a direct result of the occurrence of such Force Majeure Event nor will any penalty or damages be payable if and to the extent that performance of any obligation is hindered or prevented by a Force Majeure Event;

- (b) the party prevented from performing its obligations shall immediately notify the Clearing House and Euronext of such fact and the quantity so affected. If such party is prevented from advising the Clearing House or Euronext through circumstances beyond its control, it shall notify them as soon as possible. The notice shall state the date on which the Force Majeure Event commenced and the effects of the Force Majeure Event on such party's ability to perform its obligations in accordance with the Contract, including an estimate of the period of the Force Majeure Event;
- (c) upon the request of the Clearing House or Euronext, a party seeking relief under this term 15.01 promptly provide such other information as required by the Clearing House or Euronext as soon as reasonably practicable;
- (d) subject to any steps taken at any time by Euronext under emergency powers in the Rules and subject to the Clearing House Procedures, if a Force Majeure Event occurs, the Delivery Period shall be extended by a maximum of thirty days as per MPC conditions;
- (e) the Seller shall notify the Clearing House immediately that the Force Majeure Event(s) terminates;
- (f) if the party is still prevented from performing its obligations at the end of the thirty days extended Delivery Period, the contract is terminated and a financial payment is calculated by the Clearing House in accordance with the Clearing House Procedures, such financial payment being calculated upon a fair value set by Euronext based on available information (i.e. average price of the goods recorded on the cash market or market survey where appropriate, on the last day of the Delivery Period as extended);
- (g) these provisions shall apply notwithstanding the occurrence of events which would otherwise frustrate the Contract;
- (h) the party claiming Force Majeure shall within fourteen days from the initial notification of the facts relied upon deliver to the Clearing House evidence of the existence of those facts. If evidence is not delivered in accordance with this provision, the right to invoke force majeure shall be forfeited unless a Competent Court in its absolute discretion decides otherwise.

16. DISPUTE RESOLUTION

- 16.01 Any dispute arising out of a Contract shall (subject to terms 14, 15.02(f) and 18.03 to the extent that they apply) be referred to the Competent Court in accordance with Term 19.
- 16.02 The determination and payment of an invoicing back price shall not limit the jurisdiction of the Competent Court to make such ruling as they deem proper on the issue before them.
- 16.03 Terms 16.01 and 16.02 apply only to a dispute arising before the time of Tender on the first Business Day following the Last Trading Day. A dispute arising on or after the time of Tender on the first Business Day following the Last Trading Day shall be referred to arbitration in accordance with term 18.03.

17. ADMINISTRATIVE PROCEDURES AND RULES

- 17.01 Every Contract shall be subject to the Rules and the Regulations insofar as applicable notwithstanding that either or both of the parties to it are not members of Euronext or of the Clearing House.
- 17.02 In case of any conflict between the Administrative Procedures and these terms or the Rules, the provisions of these terms and the Rules shall prevail and in the event of any conflict between these terms and the Rules, the Rules shall prevail.
- 17.03 Euronext may at its discretion at any time revoke, alter or add to the Administrative Procedures. Any such amendment shall have such effect on existing as well as new Contracts as Euronext may direct and will be notified to members of Euronext by means of a Notice or otherwise as Euronext may direct.

18. ADOPTED RULES

- 18.01 From the time of Tender on the first Business Day following the Last Trading Day a Contract shall be subject to the Adopted Rules, except where otherwise stated in these terms, the Administrative Procedures or the Clearing House Procedures.

- 18.02 To the extent that the Adopted Rules are inconsistent with these terms and Administrative Procedures and the Clearing House Procedures, these terms and Administrative Procedures and the Clearing House Procedures shall prevail.
- 18.03 All disputes arising at or after the time of Tender on the first Business Day following the Last Trading Day shall be referred to the Gemzu in the Netherlands for settlement in accordance with its MPC Arbitration Regulations subject always (where the Clearing House is a party) to the Clearing House Procedures.

19. LAW AND JURISDICTION

- 19.01 Every Contract shall be governed by and construed in accordance with Dutch law. Subject to term 18.03, any question arising there from shall be subject to the jurisdiction of the Competent Courts.
- 19.02 The provisions of neither the Convention relating to a Uniform Law on the International Sale of Goods, of 1964, nor the United Nations Convention on Contracts for the International Sale of Goods, 1980, shall apply to Contracts.

20. NON-REGISTERED CONTRACTS

- 20.01 In respect of a Contract which is not a Registered Contract ("non-Registered Contract") these terms shall be modified so as to require and allow that a Contract to be registered with the Clearing House under the Rules and the Regulations is capable of being so registered, and to facilitate the performance of such Registered Contract (and of any intermediate Contract) in accordance with these terms and the Administrative Procedures. Modifications may also be made to the terms of a non-Registered Contract if, without such modifications, it may not be possible to perform such Contract by the applicable times specified in these terms and the Administrative Procedures. Without prejudice to the generality of the foregoing, all references in these terms to payment or dealing between the Buyer or the Seller and the Clearing House shall be modified so as to require a similar payment or dealing directly between the Buyer and the Seller party to such non-Registered Contract.

-----0-----

Issue Date: xxxxxxxxxxxxx

Unsalted Lactic Butter Futures Contract

Administrative Procedures

1 INDEX

In these Administrative Procedures:

1. Index
2. Timetable
3. Delivery

2 TIMETABLE (ALL TIMES ARE PARIS TIMES)

Last Trading Day (Expiry)

At 18.00 hours	Trading in the Contract Delivery Month shall cease.
After 18.00 hours	Euronext will publish the EDSP. The EDSP will be determined in accordance with term 5.

Last Trading Day (Expiry) + 1 Business Day

By 10.30 hours	Remaining open positions greater than 12 lots automatically become delivery contracts. Sellers deliver the Notification Notice, naming the Delivery Area(s) and Delivery Point(s) where loading shall take place, to the Clearing House in accordance with the Clearing House Procedures.
After 14.00 hours	Unsalted Lactic Butter allocated to Buyers by the Clearing House in accordance with the Clearing House Procedures. The Clearing House delivers to the Seller a temporary Seller/Buyer matching notice, identifying the Buyer.
By 17.00 hours	The Clearing House delivers to the Buyer a temporary Buyer/Seller matching notice, identifying the Seller.

Last Trading Day (Expiry) + 2 Business Days

- | | |
|----------------|---|
| By 15.00 hours | Buyers may exchange assigned deliveries, with the consent of the Clearing House. |
| By 17.30 hours | The Clearing House delivers to the Seller and the Buyer the final Seller/Buyer matching notice. |

Last Trading Day (Expiry) + 3 Business Days

- | | |
|--------------------|--|
| By 12.00 hours | The Seller shall send, in accordance with Clearing House Procedures, a completed and signed Delivery Notice to each Buyer that has been assigned to him. |
| Before 15:00 hours | The Buyer shall submit a completed and signed Delivery Notice to the Clearing House. |
| After 15:00 hours | A Buyer may give notice of delivery from this point onwards. |

Delivery Day(s) – 5 Business Days

- | | |
|----------------|---|
| By 16.00 hours | Buyer informs Seller and the Clearing House of the date and time at which the Buyer's transport shall be presented in readiness for loading to commence in accordance with the Clearing House Procedures with such date and time being within normal business hours on a working day in the country of loading, such notification to be made in accordance with the Clearing House Procedures. In the event of multiple deliveries, the Buyer must present transport such as to effect a continuous process of loading. |
|----------------|---|

Delivery Day

Delivery shall take place between the Seller and the Buyer in accordance with these terms and Administrative Procedures.

Delivery Day(s) + maximum 5 Business Days from issue of CMR Note(s)

- | | |
|----------------|--|
| By 10.00 hours | Seller lodges delivery documents with the Buyer in accordance with these terms and the Clearing House Procedures. |
| By 14.00 hours | The Buyer may inform the Clearing House and the Seller in writing that he wishes to reject the documents specified in term 7.01, and in that event the Buyer shall comply with the process detailed in term 7. |

After 14.00 hours The documents shall be deemed to have been accepted by the Buyer unless a rejection has been made in accordance with term 7.

Delivery Day(s) + maximum 3 Business Days from presentation of delivery documents

By 14.00 hours The Buyer shall make final payment to the Seller in accordance with term 7.

By 16.00 hours A Notice of Performance, duly fulfilled and signed by the selling clearing member and the buying clearing member, shall be sent to the Clearing House in accordance with term 7 and the Clearing House Procedures.

3. DELIVERY

3.01 Subject to Administrative Procedure 3.03:

- (a) the Seller shall be responsible for all expenses pertaining to delivery and loading of Unsalted Lactic Butter onto the Buyer's transport including freight taxes and other taxes of any nature of the country of origin or loading;
- (b) the Buyer shall be responsible for all expenses pertaining to entry to and exit from the Delivery Point; and
- (c) in the event of multiple deliveries, Seller and Buyer shall be responsible for negotiating a rate of loading that must at the very least fulfil the minimum loading requirements as set out in these Administrative Procedures and Contract terms.

3.02 (a) Subject to Contract term 2.02, the Seller shall ensure that the Delivery Point at which the Unsalted Lactic Butter is to be delivered shall:

- (i) have storage close to and/or transport facilities to the Delivery Point, to allow for uninterrupted loading at the prescribed minimum loading rate;

- (ii) have sampling facilities to allow independent supervision companies to operate unimpeded in accordance with these terms; and
 - (iii) have access for independent supervision companies to ensure compliance with these terms.
- (b) The Unsalted Lactic Butter shall be loaded with the following provisions:
- (i) Unsalted Lactic Butter to be loaded onto Buyer's transport stacked on wooden pallets suitable for food contact use;
 - (ii) Seller to load each Lot of Unsalted Lactic Butter onto Buyer's transport at a rate of no less than 12 Tonnes per hour during the normal business hours of each working day in the country of loading with such loading to commence and finish within a four hour delivery window commencing on the date and time detailed in the notice made by the Buyer five working days prior to delivery;
 - (iii) Seller to load from each Delivery Point at a minimum rate of eleven Lots of Unsalted Lactic Butter per day with such loading to take place during the normal business hours of each working day in the country of loading (to fulfil this requirement each Delivery Point must be able to handle loading of a minimum of six Lots during the same time period);
 - (iv) Seller is liable to pay any additional waiting charges or demurrage rates incurred by the Buyer in the event that a Lot of Unsalted Lactic Butter is loaded at a rate of less than 12 Tonnes per hour within the allotted four hour delivery window during the normal business hours of each working day in the country of loading. Such additional waiting charges or demurrage rates shall be equal to those detailed in the Contract between the Buyer and the carrier of the Buyer's goods with the rate of additional charges being declared by the Buyer to the Seller no later than 24 hours prior to the commencement of loading;

- (v) In the event that the Buyer's transport is not present and/or ready to load in accordance with the notice made by the Buyer five days prior to delivery then, for each hour of delay incurred during the normal business hours of each working day in the country of loading, the Seller may charge the Buyer a penalty that is equivalent to the rate of additional waiting charges or demurrage rates as detailed in the Contract between the Buyer and the carrier of the Buyer's goods;
 - (vi) Seller to ensure that loading, including palletisation, complies with local safety regulations; and
 - (vii) All other terms pertaining to loading shall be in accordance with the Contract between the Buyer and the carrier of the Buyer's goods.
- 3.03 The Buyer may, at his own expense, either appoint an internationally recognised independent or with the written consent of the Buyer, appoint a state supervision firm, to supervise and inspect the loading of the Unsalted Lactic Butter to be delivered to the Buyer. Such appointment shall be made not less than 48 hours prior to the Seller commencing loading of the Unsalted Lactic Butter. The Buyer shall upon the appointment of a Supervisor notify the Seller of such appointment.
- 3.04 If either party has a claim, or wishes to bring a claim, as to the quality, weight or packing of the Unsalted Lactic Butter it may refer such claim to arbitration in accordance with the Contract terms and these Administrative Procedures and in accordance with the Clearing House Procedures.

-----0-----

Issue Date: xxxxxxxx



Document title

SKIMMED MILK POWDER FUTURES CONTRACT

(A) CONTRACT TERMS - Issue Date: 13 April 2015

(B) ADMINISTRATIVE PROCEDURES - Issue Date: 13 April 2015

Number of pages

21

Delivery Months: May 2015 Onwards

CONTENTS

Contract Terms

1. Interpretation
2. Skimmed Milk Powders Tenderable
3. Contract Specification
4. Price
5. Exchange Delivery Settlement Price
6. Settlement Payments
7. Payment
8. Invoicing Amount
9. Notification to Deliver
10. Withdrawal, Substitution or Exchange of Notification Notices
11. Delivery
12. Presentation of Documents
13. New Legislation
14. Default in Performance
15. Force Majeure
16. Dispute Resolution
17. Rules, Administrative Procedures etc
18. Adopted Rules
19. Law and Jurisdiction
20. Non-Registered Contracts

Administrative Procedures

1. Index
2. Timetable
3. Delivery

Skimmed Milk Powder Futures Contract

1. INTERPRETATION

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

1.02 In these terms and in the Administrative Procedures:

“Administrative Procedures” means the procedures from time to time implemented by Euronext pursuant to the Rules for the purposes of this Exchange Contract.

“Adopted Rules” means the MPC-Conditions for use within the European Union as published by Gemzu established in the Hague (the Netherlands) that are in force at the time of delivery.

“Business Day” means a day on which the Euronext Derivatives Market is open for business.

“Buyer” in respect of a Contract means the person who is obliged under such Contract to accept transfer in respect of each Lot of the delivery amount of Skimmed Milk Powder and to pay the Invoicing Amount in respect of each such Lot (including, except where the context otherwise requires, the Clearing House as buyer under a Registered Contract).

“Clearing House” means LCH.Clearnet SA.

“Clearing House Procedures” means LCH.Clearnet SA’s Clearing Rules as set forth in the LCH.Clearnet SA Clearing Rule Book, Instructions and Notices thereto, as may be amended from time to time.

“CMR Note” (where CMR stands for “Contrat de Transport International De Marchandises Par Route”) means a consignment note that confirms that the carrier (i.e. the road haulage company) has received the goods and that a contract of carriage exists between the customer and the carrier.

“Competent Court” means, in relation to disputes arising before the time of a Tender, where appropriate either the Dutch courts having jurisdiction on the matter or the arbitration tribunal in the event where the parties involved have agreed to go to arbitration.

“Contract” means a contract made expressly or impliedly in the terms of this Exchange Contract for the sale and purchase of one or more Lots for a Delivery Month and “Registered Contract” means a Contract registered by the Clearing House.

“Contract Price” means the price agreed between a Buyer and a Seller in respect of a Contract.

“Default in Performance” has the meaning attributed to it in terms 14.02 and 14.03.

“Delivery Area” means a geographic area referred to in term 2, as determined by Euronext from time to time.

“Delivery Month” means each month specified as such by Euronext pursuant to the Rules.

“Delivery Notice” shall have a meaning as defined in the Clearing House Procedures and is the form committing the selling clearing member to deliver the specified quantity of Skimmed Milk Powder and the buying clearing member to take delivery at the agreed Delivery Point.

“Delivery Period” means the period commencing on and including the first Business Day of the Delivery Month, up to and including the last Business Day of the Delivery Month, subject to term 15.02.

“Delivery Point” means the location within a Delivery Area, as nominated by the Seller, where delivery will take place and which is either a European Union regulations compliant skimmed milk powder storage facility or is a Skimmed Milk Powder production facility approved by the competent authority as per regulation (EC) No 853/2004 of the European Parliament and the Council.

“DSP” means the Daily Settlement Price established by Euronext according to its Rules and Trading Procedures.

“EDSP” means Exchange Delivery Settlement Price and has the meaning attributed to it in term 5.

“€”, “EUR” and “Euro” denotes the single currency of the European Union.

“Gemzu” means the umbrella organisation of Dutch Dairy Trade and other affiliated associations established in the Hague, the Netherlands.

“Invoicing Amount” has the meaning attributed to it in term 8.

“Last Trading Day” (also known as “Expiry”) in respect of any Delivery Month means the seventh Business Day preceding the first Business Day of the Delivery Period for the Delivery Month.

“Lot” shall have the meaning attributed to it in term 3.01.

“Notice of Performance” shall have a meaning as defined in the Clearing House Procedures and which is the document submitted to the Clearing House by the Buyer

and the Seller attesting to proper performance of the Contract and terminating the Clearing House's role as central counterparty.

"Notification Notice" shall mean the form instigating delivery submitted by the Seller to the Clearing House.

"Regulations" means any and all applicable laws and regulations and the Clearing House Procedures from time to time in force.

"Seller" in respect of a Contract means the person who is obliged under such Contract to deliver in respect of each Lot the delivery amount of Skimmed Milk Powder (including, except where the context otherwise requires, the Clearing House as seller under a Registered Contract).

"Skimmed Milk Powder" means skimmed milk powder of the quality and condition specified in term 2.

"Tender" means the notification to deliver made by the Seller in the form of the Notification Notice in accordance with these terms.

"Tonne" means 1000 kilogrammes as defined by the BIPM (Bureau International des Poids et Mesures, International Bureau of Weight and Measures).

1.03 References to a "term" refer to terms hereof, and references to a "Rule" refer to a rule of Euronext. Save where the context otherwise requires references herein to the singular include the plural, and vice versa.

2. SKIMMED MILK POWDERS TENDERABLE

2.01 Each Contract shall be for Skimmed Milk Powder that, as a minimum, meets the quality requirements as specified in terms 2.01 (a) 2.01 (b) and 2.01 (c) at time of delivery to the carrier nominated by the Buyer in accordance with Incoterm FCA and within the Delivery Area named in the Notification Notice, as evidenced by a certificate of analysis issued in accordance with these terms.

(a) The Skimmed Milk Powder must be made by the spray process directly and exclusively from skimmed milk, compliant with EU legislation and produced within the European Union. It must be a non-GMO product as per EU directive 2001/18, Regulation 1829/2003 and 1830/2003. It must comply with Council Regulation (Euratom) No. 3954/87 on maximum levels of radioactive contamination in foodstuffs as amended from time to time. It must comply with the maximum levels of certain contaminants as per Commission Regulation (EC) No 1881/2006 and 178/2010.

- (b) Physical and Chemical Analyses

Fat	1.25% maximum
Protein	34.0% (non-fat dry matter) minimum
Ash	8.2% maximum
Moisture	4.0% maximum
Scorched Particles	Disc B maximum
Titratable Acidity	0.15% maximum
Solubility Index	1.0 ml maximum
WPN index	1.51-5.99 mg/g – medium heat
 - (c) Microbiological Analyses

Standard Plate Count	10,000/g maximum
Coliforms	10/g maximum
E. Coli	Negative in 1 g
Salmonella	Negative in 25g
Yeast and mould	100/g maximum
Inhibitors	Negative
 - (d) Quality to be assessed in accordance with COKZ (The Netherlands Controlling Authority for Milk and Milk Products) methodology as current at the time of delivery.
- 2.02
- (a) Delivery shall take place at a Delivery Point within the Delivery Areas included on the list of Delivery Areas from time to time published by Euronext by Notice, which shall apply to such Delivery Months specified in the Notice as Euronext may determine. Euronext may from time to time list or de-list a Delivery Area, which shall have such effect with regard to existing or new Contracts or both as Euronext may determine in its absolute discretion. Any such determination will be notified to members of Euronext by means of a Notice or otherwise as Euronext may direct.
 - (b) Delivery of each Lot shall take place from a single Delivery Point.
 - (c) Euronext gives no warranty and does not make any representation or promise that any Delivery Point has any particular characteristics or facilities or is safe or suitable in any way whatsoever, and Euronext shall not be liable for any loss, damage, or delay resulting from conditions at any such Delivery Point.

- 2.03 The Skimmed Milk Powder shall be packed in new, sound, heat sealed, minimum 2-ply kraft paper bags, each with a single new polyethylene liner, of a weight of 25 kg net each of Skimmed Milk Powder and each bag and liner having a combined minimum tare of 240g. The bags of each Lot shall be uniform and suitable for transport. All bags shall be of a colour as customarily used by the relevant producer, and for each Lot each bag shall bear the same minimum marks written in the English language stating the following:
- (a) product description (e.g. Skimmed Milk Powder);
 - (b) net weight;
 - (c) country of origin;
 - (d) date of production;
 - (e) name of the producer;
 - (f) batch code;
 - (g) a recognised EU oval marking incorporating the “EU plant number”

Additional marks in local lettering/language are permitted provided that they do not contradict the marks referred to above.

The date of production detailed in term 2.03 (d) must be within six months of the final date of the Delivery Period and each Lot tendered must be of Skimmed Milk Powder from the same production facility approved by the competent authority as per regulation (EC) No 853/2004 of the European Parliament and the Council and shall consist of Skimmed Milk Powder made up of no more than three different production batches.

- 2.04 Skimmed Milk Powder delivered shall be free of all liens and claims of any kind and shall be freely available for delivery within the European Union.

3. CONTRACT SPECIFICATION

- 3.01 Each Contract shall be for one or more Lots for the Delivery Month specified. A Lot shall be for an amount of Skimmed Milk Powder having a nominal net weight of 6 Tonnes.

4. PRICE

- 4.01 The Contract Price shall be in Euros (€) and Euro cents per Tonne delivered to the carrier nominated by the Buyer in accordance with Incoterm FCA at a Delivery Point within a Delivery Area included in the list published by Euronext pursuant to term 2.02.
- 4.02 The Contract Price shall be exclusive of any value added tax which may be or may become payable thereon.

5. EXCHANGE DELIVERY SETTLEMENT PRICE

- 5.01 Subject to term 5.02, the EDSP for Contracts for a particular Delivery Month shall be calculated by Euronext on the Last Trading Day as follows:
- (a) if (as far as reasonably ascertainable) one or more Contracts for that Delivery Month have been made in the market on the Last Trading Day during the period specified for this purpose in the Administrative Procedures, then:
- (i) if only one Contract has been made, the EDSP shall be the price (as far as reasonably ascertainable) at which that Contract was made; or
- (ii) if more than one Contract has been made, the EDSP shall be the average rounded down to the nearest Euro of the prices (as far as reasonably ascertainable) at which such Contracts were made, weighted by reference to the number of Lots (as far as reasonably ascertainable) comprised in each such Contract;
- (b) if (as far as reasonably ascertainable) on the Last Trading Day, during the period specified for this purpose in the Administrative Procedures, no Contract for that Delivery Month has been made in the market but both an offer (or offers) and a bid (or bids) have been made in the market in respect of a Contract (or Contracts) for that Delivery Month, then the EDSP shall be the average of the lowest price (as far as reasonably ascertainable) at which such an offer was made and the highest price (as far as reasonably ascertainable) at which such a bid was made and such average shall be rounded down to the nearest Euro;
- (c) if (as far as reasonably ascertainable) on the Last Trading Day, during the period specified for this purpose in the Administrative Procedures, no Contract for that Delivery Month has been made in the market and either no offer or no bid has been made in the market in respect of a Contract (or Contracts) for that Delivery Month, then Euronext shall determine the EDSP by reference inter alia to the price at which any offer or bid, as the case may be, in respect of a

Contract for that Delivery Month was made in the market during such period on such day; or

- (d) if (as far as reasonably ascertainable) on the Last Trading Day, during the period specified for this purpose in the Administrative Procedures, no Contract for that Delivery Month has been made in the market and neither an offer nor a bid have been made in the market in respect of a Contract (or Contracts) for that Delivery Month, then Euronext may in their absolute discretion fix the EDSP at a price determined by them as being consistent with the prices at which any Contracts or any offers or bids in respect of a Contract were made in the market on the Last Trading Day for the Delivery Month and period referred to in paragraphs (a) and (b) of term 5.02 below and, if necessary, rounded down to the nearest 50 cents.

5.02 If in the opinion of Euronext, the EDSP which would result from a calculation made in accordance with paragraphs (a), (b) or (c) of term 5.01 would not be consistent with the prices at which any Contracts or any offers or bids in respect of a Contract were made in the market on the Last Trading Day for:

- (a) the relevant Delivery Month prior to the applicable period referred to in paragraphs (a), (b) or (c) of term 5.01, as the case may be; or
(b) any other Delivery Month during the applicable period referred to in paragraphs (a), (b) or (c) of term 5.01, as the case may be,

then Euronext may in their absolute discretion fix the EDSP at a price determined by them as being consistent with the prices, offers or bids for the Delivery Month and period referred to in paragraphs (a) or (b) of term 5.02 above, and, if necessary, rounded down to the nearest 10 cents.

5.03 Euronext shall publish the EDSP at the time specified for that purpose in the Administrative Procedures. The EDSP shall be final and binding for all purposes.

6. SETTLEMENT PAYMENTS

6.01 In addition to any other payment required by these terms, all payments arising from successive variation margin calls called by the Clearing House between the original Contract Price and the subsequent settlement prices, including the successive DSPs and the EDSP, shall have been made by the time specified for that purpose in the Clearing House Procedures.

7. PAYMENT

- 7.01 For each Lot delivered under the terms of this Contract, the Seller shall present within five Business Days of the issue of the CMR Note the following documents to the Buyer evidencing the proper fulfilment of the terms of the Contract and conforming with the information given by the Seller in the Notification Notice:
- (a) commercial invoice;
 - (b) copy of CMR Note;
 - (c) packing list showing composition of each Lot including batch numbers, number of bags per batch, pallets per batch and marks per batch; and
 - (d) certificate(s) of analysis issued by an independent analyst and which guarantees a minimum shelf life for the Skimmed Milk Powder of eighteen months from the date of production.
- 7.02 Without prejudice to the Buyer's ability to request that the Seller provides additional documents, the Buyer shall not be entitled to require the presentation of any documents in return for payment other than those specified in term 7.01.
- 7.03 The documents shall be deemed to have been accepted by the Buyer unless the Buyer has prior to 14.00 hours on the day of presentation of documents notified the Clearing House and the Seller in writing that the documents are rejected by the Buyer on the grounds that they do not evidence the proper fulfilment of the terms of the Contract, and the documents have been returned to the Seller. The Buyer shall in any such notice state with reasonable precision the respects in which the documents do not evidence such fulfilment. The Buyer shall be precluded from relying on any grounds for the rejection of the documents which are not stated in any such notice. For the avoidance of doubt, where a Seller presents more than one set of documents to the Buyer, the Buyer shall not be entitled to reject any documents which are tendered in respect of a Lot or Lots where this is solely on the ground that the Buyer has rejected a document or documents which relate to a different Lot or Lots.
- 7.04 Where documents have been rejected by the Buyer, the Seller may re-present documents provided always that any such re-presentation must be within five Business Days of the issue of the CMR Note.
- 7.05 Title to goods shall not pass from the Seller and final payment shall not pass from the Buyer to the Seller until the Buyer has accepted the documents. Such final payment shall be effected within three Business Days of presentation and acceptance of documents.
- 7.06 Upon the day of final payment a Notice of Performance, duly fulfilled and signed by the selling clearing member and the buying clearing member, shall be sent to the Clearing House.

7.07 The Seller and Buyer may mutually agree to take the Skimmed Milk Powder off the market on any Business Day from and including the first Business Day following the Last Trading Day to the last day of the Delivery Period. In such event, the Seller and Buyer must conform to the “alternative delivery procedure” as detailed in the Clearing House Procedures.

8. INVOICING AMOUNT

8.01 The Invoicing Amount in respect of each Lot referred to in a Notification Notice shall be the sum calculated in accordance with the formula:

Contract Weight x EDSP

where:

EDSP = The EDSP for the relevant Delivery Month

- 8.02
- (a) Subject to term 8.02 (b), where the sum calculated in accordance with term 8.01 is not a number of whole Euros, such sum shall be rounded to the nearest sum which is a number of whole Euros cents and the Invoicing Amount shall be such nearest sum.
 - (b) Where the sum calculated in accordance with term 8.01 is a number of Euros and one half of one Euro, such sum shall be rounded up to the nearest sum which is a number of whole Euros, and the Invoicing Amount shall be such nearest sum.

9. NOTIFICATION TO DELIVER

9.01 A Tender shall be made by the Seller on the first Business Day following the Last Trading Day to the Clearing House in the form of the Notification Notice prescribed by the Clearing House Procedures. The tender must be submitted by the time specified in the Administrative Procedures.

10. WITHDRAWAL, SUBSTITUTION OR EXCHANGE OF NOTIFICATION NOTICES

10.01 A Notification Notice shall not be withdrawn nor substitution allowed except with the consent of the Buyer or, in case of dispute, unless so ordered by Euronext.

- 10.02 A Notification Notice which has been submitted to the Clearing House in time shall, subject to term 10.01, be accepted by the Buyer as a valid Tender for that date.
- 10.03 With the consent of the Clearing House, Buyers may exchange, in accordance with the Clearing House Procedures, Notification Notices with one another by the time specified in the Administrative Procedures.

11. DELIVERY

- 11.01 Delivery shall be in accordance with the Clearing House Procedures, the Adopted Rules and the Administrative Procedures.
- 11.02 The minimum quantity eligible to delivery is set up at 12 Lots (72 Tonnes).
- 11.03 The Buyer shall give notice of five Business Days to the Seller and the Clearing House of the date and time of presentation of the Buyer's transport in readiness for loading at the Delivery Point nominated by the Seller.
- 11.04 To the extent that the Adopted Rules are inconsistent with these terms and Administrative Procedures and the Clearing House Procedures, these terms and Administrative Procedures and the Clearing House Procedures shall prevail.

12. PRESENTATION OF DOCUMENTS

- 12.01 For each Lot delivered under the terms of this Contract, documents as prescribed in term 7.01 shall be presented by the Seller to the Buyer within five Business Days of the issue of the CMR Note.
- 12.03 The Buyer shall (unless the documents have been rejected in accordance with the provisions of term 7.04) be bound to take up and pay for such documents on the same day by the time specified in the Administrative Procedures without prejudice to the reference of any claim or dispute of whatsoever nature to the Competent Court.

13. NEW LEGISLATION

- 13.01 If after consultation with the Clearing House, Euronext shall in its absolute discretion determine that a change of legislative or administrative provisions of a state or territory of the European Union, or of an institution or market organisation in any country or group of countries, has affected, is affecting or is likely to affect the normal course of business, Euronext shall have power to vary the terms of Contracts in any way it deems necessary or desirable for restoring or preserving the orderly course of business.

- 13.02 Such variation may be made notwithstanding that it may affect the performance or value of existing Contracts (or of such existing Contracts as may be specified by Euronext). Without limitation of its powers hereunder Euronext will use its best endeavours to keep any variation to the minimum considered reasonably necessary to achieve the purpose of this term.
- 13.03 Any determination made by Euronext pursuant to this term 13 shall be published by Notice. A variation of contract terms made hereunder shall take effect at such time and for such period as Euronext shall declare but (without prejudice to term 13.02 above) shall not take effect earlier than the day on which such Notice is issued.
- 13.04 A Contract affected by a variation under this term 13 shall remain in full force and effect subject to such variation and shall not be treated as frustrated or repudiated except so far as may be allowed by Euronext.
- 13.05 A variation made by Euronext under this term may be modified or revoked by a subsequent variation made hereunder.

14. DEFAULT IN PERFORMANCE

- 14.01 The provisions of this term 14 shall be subject to the relevant Clearing House Procedures and also subject to the provisions of term 18.03.
- 14.02 Any “Default in Performance” including an actual failure or an anticipated failure by a Seller or a Buyer in performing its obligations under a Contract at any time before the time of Tender on the first Business Day following the Last Trading Day shall be treated under the Clearing House procedures applicable for default management.
- 14.03 Any “Default in Performance” arising at any time upon or after the time of Tender on the first Business Day following the Last Trading Day shall be treated under the Clearing House procedures applicable for failure to deliver, subject to Force Majeure Events where Term 15 principles shall apply.
- 14.04 Errors in a notice, which are determined in the Clearing House’s absolute discretion to be clerical errors which can be readily rectified and are rectified, shall not be treated as constituting a Default in Performance.
- 14.05 Subject to term 14.10, if it appears to the Clearing House that a Seller or a Buyer is in Default in Performance under a Registered Contract, the Clearing House shall notify Euronext of the Default in Performance and may take all steps as it deems appropriate pursuant to the Clearing House procedures.

- 14.06 Any cash settlement price fixed under the Clearing House procedures shall be binding on the parties. The completion of cash settlement shall be without prejudice to the right of either party to refer the dispute or issue between them to the Competent Court under term 16.
- 14.07 Any costs, claims, losses, taxes or expenses of whatsoever nature suffered or incurred by the Clearing House in connection with any steps taken by the Clearing House in relation to a Contract to which the Default in Performance relates shall be paid by the Buyer or Seller who is in Default in Performance. Any steps taken by the Clearing House in relation to a Default in Performance shall be without prejudice to any rights (including rights to refer matters to the Competent Court under term 16), obligations or claims of the Buyer, the Seller or the Clearing House in relation to a Contract to which the Default in Performance relates.
- 14.08 A Buyer or Seller who is in Default in Performance under this term 14, shall forthwith pay to the Clearing House any sums payable by him under term 8 and any sums payable pursuant to this term 14.
- 14.9 Notwithstanding that a Buyer or Seller may be in Default in Performance under this term 14, the Clearing House may in its absolute discretion determine not to exercise or to delay in exercising any of its rights under this term 14, and no failure by the Clearing House to exercise nor any delay on its part in exercising any of such rights shall operate as a waiver of the Clearing House's rights upon that or any subsequent occasion, nor shall any single or partial exercise of any such rights prevent any further exercise thereof or of any other right.
- 14.10 A Buyer, a Seller or the Clearing House may refer a dispute or issue arising out of a Default in Performance under this term 14 (subject always to the application of provisions of terms 14.05 and 14.06) to the Competent Court under term 16.

15 FORCE MAJEURE

- 15.01 For the purposes of this term 15, "Force Majeure Event" shall mean an event which is beyond the reasonable control of either party to a Contract and which delays, hinders or prevents the performance in whole or in part by a party of its obligations under the Contract (other than an obligation to make a payment), including, without limitation, storm, flood, earthquake, fire, explosion, malicious damage, accident howsoever caused, strike, lock-out, labour dispute, riot, civil commotion, war whether declared or undeclared, armed conflict, use of force by authority of United Nations, act of terrorism, act of government or other national or local authority or any agency thereof, breakdown of machinery, and unavailability, restriction, failure or delay in or computer or data processing systems or communication or energy supplies or bank

transfer systems. The failure for whatever reason of a computer or other electronic facility to accept a notification made by a Seller or a Buyer (other than the Clearing House) as required by these terms and the Administrative Procedures shall not be a Force Majeure Event;

If a Force Majeure Event occurs and delays, hinders or prevents the performance in whole or in part by a party of its obligations under the Contract (other than an obligation to make a payment):

- (a) neither party will be deemed in Default in Performance of its obligations under a Contract if such party was unable to perform its obligations as a direct result of the occurrence of such Force Majeure Event nor will any penalty or damages be payable if and to the extent that performance of any obligation is hindered or prevented by a Force Majeure Event;
- (b) the party prevented from performing its obligations shall immediately notify the Clearing House and Euronext of such fact and the quantity so affected. If such party is prevented from advising the Clearing House or Euronext through circumstances beyond its control, it shall notify them as soon as possible. The notice shall state the date on which the Force Majeure Event commenced and the effects of the Force Majeure Event on such party's ability to perform its obligations in accordance with the Contract, including an estimate of the period of the Force Majeure Event;
- (c) upon the request of the Clearing House or Euronext, a party seeking relief under this term 15.01 promptly provide such other information as required by the Clearing House or Euronext as soon as reasonably practicable;
- (d) subject to any steps taken at any time by Euronext under emergency powers in the Rules and subject to the Clearing House Procedures, if a Force Majeure Event occurs, the Delivery Period shall be extended by a maximum of thirty days as per MPC conditions;
- (e) the Seller shall notify the Clearing House immediately that the Force Majeure Event(s) terminates;
- (f) if the party is still prevented from performing its obligations at the end of the thirty days extended Delivery Period, the contract is terminated and a financial payment is calculated by the Clearing House in accordance with the Clearing House Procedures, such financial payment being calculated upon a fair value set by Euronext based on available information (i.e. average price of the goods recorded on the cash market or market survey where appropriate, on the last day of the Delivery Period as extended);
- (g) these provisions shall apply notwithstanding the occurrence of events which would otherwise frustrate the Contract;

(h) the party claiming Force Majeure shall within fourteen days from the initial notification of the facts relied upon deliver to the Clearing House evidence of the existence of those facts. If evidence is not delivered in accordance with this provision, the right to invoke force majeure shall be forfeited unless a Competent Court in its absolute discretion decides otherwise.

16. DISPUTE RESOLUTION

- 16.01 Any dispute arising out of a Contract shall (subject to terms 14, 15.02(f) and 18.03 to the extent that they apply) be referred to the Competent Court in accordance with Term 19.
- 16.02 The determination and payment of an invoicing back price shall not limit the jurisdiction of the Competent Court to make such ruling as they deem proper on the issue before them.
- 16.03 Terms 16.01 and 16.02 apply only to a dispute arising before the time of Tender on the first Business Day following the Last Trading Day. A dispute arising on or after the time of Tender on the first Business Day following the Last Trading Day shall be referred to arbitration in accordance with term 18.03.

17. ADMINISTRATIVE PROCEDURES AND RULES

- 17.01 Every Contract shall be subject to the Rules and the Regulations insofar as applicable notwithstanding that either or both of the parties to it are not members of Euronext or of the Clearing House.
- 17.02 In case of any conflict between the Administrative Procedures and these terms or the Rules, the provisions of these terms and the Rules shall prevail and in the event of any conflict between these terms and the Rules, the Rules shall prevail.
- 17.03 Euronext may at its discretion at any time revoke, alter or add to the Administrative Procedures. Any such amendment shall have such effect on existing as well as new Contracts as Euronext may direct and will be notified to members of Euronext by means of a Notice or otherwise as Euronext may direct.

18. ADOPTED RULES

- 18.01 From the time of Tender on the first Business Day following the Last Trading Day a Contract shall be subject to the Adopted Rules, except where otherwise stated in these terms, the Administrative Procedures or the Clearing House Procedures.

- 18.02 To the extent that the Adopted Rules are inconsistent with these terms and Administrative Procedures and the Clearing House Procedures, these terms and Administrative Procedures and the Clearing House Procedures shall prevail.
- 18.03 All disputes arising at or after the time of Tender on the first Business Day following the Last Trading Day shall be referred to the Gemzu in the Netherlands for settlement in accordance with its MPC Arbitration Regulations subject always (where the Clearing House is a party) to the Clearing House Procedures.

19. LAW AND JURISDICTION

- 19.01 Every Contract shall be governed by and construed in accordance with Dutch law. Subject to term 18.03, any question arising there from shall be subject to the jurisdiction of the Competent Courts.
- 19.02 The provisions of neither the Convention relating to a Uniform Law on the International Sale of Goods, of 1964, nor the United Nations Convention on Contracts for the International Sale of Goods, 1980, shall apply to Contracts.

20. NON-REGISTERED CONTRACTS

- 20.01 In respect of a Contract which is not a Registered Contract ("non-Registered Contract") these terms shall be modified so as to require and allow that a Contract to be registered with the Clearing House under the Rules and the Regulations is capable of being so registered, and to facilitate the performance of such Registered Contract (and of any intermediate Contract) in accordance with these terms and the Administrative Procedures. Modifications may also be made to the terms of a non-Registered Contract if, without such modifications, it may not be possible to perform such Contract by the applicable times specified in these terms and the Administrative Procedures. Without prejudice to the generality of the foregoing, all references in these terms to payment or dealing between the Buyer or the Seller and the Clearing House shall be modified so as to require a similar payment or dealing directly between the Buyer and the Seller party to such non-Registered Contract.
-

Issue Date: 13 April 2015

Skimmed Milk Powder Futures Contract

Administrative Procedures

1 INDEX

In these Administrative Procedures:

1. Index
2. Timetable
3. Delivery

2 TIMETABLE (ALL TIMES ARE PARIS TIMES)

Last Trading Day (Expiry)

At 18.30 hours	Trading in the Contract Delivery Month shall cease.
After 18.30 hours	Euronext will publish the EDSP. The EDSP will be determined in accordance with term 5.

Last Trading Day (Expiry) + 1 Business Day

By 10.30 hours	Remaining open positions greater than 12 lots automatically become delivery contracts.
	Sellers deliver the Notification Notice, naming the Delivery Area(s) and Delivery Point(s) where loading shall take place, to the Clearing House in accordance with the Clearing House Procedures.
After 14.00 hours	Skimmed Milk Powder allocated to Buyers by the Clearing House in accordance with the Clearing House Procedures.
	The Clearing House delivers to the Seller a temporary Seller/Buyer matching notice, identifying the Buyer.
By 17.00 hours	The Clearing House delivers to the Buyer a temporary Buyer/Seller matching notice, identifying the Seller.

Last Trading Day (Expiry) + 2 Business Days

- | | |
|----------------|---|
| By 15.00 hours | Buyers may exchange assigned deliveries, with the consent of the Clearing House. |
| By 17.30 hours | The Clearing House delivers to the Seller and the Buyer the final Seller/Buyer matching notice. |

Last Trading Day (Expiry) + 3 Business Days

- | | |
|--------------------|--|
| By 12.00 hours | The Seller shall send, in accordance with Clearing House Procedures, a completed and signed Delivery Notice to each Buyer that has been assigned to him. |
| Before 15:00 hours | The Buyer shall submit a completed and signed Delivery Notice to the Clearing House. |
| After 15:00 hours | A Buyer may give notice of delivery from this point onwards. |

Delivery Day(s) – 5 Business Days

- | | |
|----------------|---|
| By 16.00 hours | Buyer informs Seller and the Clearing House of the date and time at which the Buyer's transport shall be presented in readiness for loading to commence in accordance with the Clearing House Procedures with such date and time being within normal business hours on a working day in the country of loading, such notification to be made in accordance with the Clearing House Procedures. In the event of multiple deliveries, the Buyer must present transport such as to effect a continuous process of loading. |
|----------------|---|

- | | |
|---------------------|--|
| Delivery Day | Delivery shall take place between the Seller and the Buyer in accordance with these terms and Administrative Procedures. |
|---------------------|--|

Delivery Day(s) + maximum 5 Business Days from issue of CMR Note(s)

- | | |
|-------------------|--|
| By 10.00 hours | Seller lodges delivery documents with the Buyer in accordance with these terms and the Clearing House Procedures. |
| By 14.00 hours | The Buyer may inform the Clearing House and the Seller in writing that he wishes to reject the documents specified in term 7.01, and in that event the Buyer shall comply with the process detailed in term 7. |
| After 14.00 hours | The documents shall be deemed to have been accepted by the Buyer unless a rejection has been made in accordance with term 7. |

Delivery Day(s) + maximum 3 Business Days from presentation of delivery documents

By 14.00 hours	The Buyer shall make final payment to the Seller in accordance with term 7.
By 16.00 hours	A Notice of Performance, duly fulfilled and signed by the selling clearing member and the buying clearing member, shall be sent to the Clearing House in accordance with term 7 and the Clearing House Procedures.

3. DELIVERY

- 3.01 Subject to Administrative Procedure 3.03:
- (a) the Seller shall be responsible for all expenses pertaining to delivery and loading of Skimmed Milk Powder onto the Buyer's transport including freight taxes and other taxes of any nature of the country of origin or loading;
 - (b) the Buyer shall be responsible for all expenses pertaining to entry to and exit from the Delivery Point; and
 - (c) in the event of multiple deliveries, Seller and Buyer shall be responsible for negotiating a rate of loading that must at the very least fulfil the minimum loading requirements as set out in these Administrative Procedures and Contract terms.
- 3.02 (a) Subject to Contract term 2.02, the Seller shall ensure that the Delivery Point at which the Skimmed Milk Powder is to be delivered shall:
- (i) have storage close to and/or transport facilities to the Delivery Point, to allow for uninterrupted loading at the prescribed minimum loading rate;
 - (ii) have sampling facilities to allow independent supervision companies to operate unimpeded in accordance with these terms; and
 - (iii) have access for independent supervision companies to ensure compliance with these terms.
- (b) The Skimmed Milk Powder shall be loaded with the following provisions:
- (i) Skimmed Milk Powder to be loaded onto Buyer's transport stacked on wooden pallets suitable for food contact use.
 - (ii) Seller to load each Lot of Skimmed Milk Powder onto Buyer's transport at a rate of no less than 12 Tonnes per hour during the normal business hours of each working day in the country of loading with such loading to

- commence and finish within a four hour delivery window commencing on the date and time detailed in the notice made by the Buyer five working days prior to delivery;
- (iii) Seller to load from each Delivery Point at a minimum rate of twelve Lots of Skimmed Milk Powder per day with such loading to take place during the normal business hours of each working day in the country of loading (to fulfil this requirement each Delivery Point must be able to handle loading of a minimum of six Lots during the same time period);
 - (iv) Seller is liable to pay any additional waiting charges or demurrage rates incurred by the Buyer in the event that a Lot of Skimmed Milk Powder is loaded at a rate of less than 12 Tonnes per hour within the allotted four hour delivery window during the normal business hours of each working day in the country of loading. Such additional waiting charges or demurrage rates shall be equal to those detailed in the Contract between the Buyer and the carrier of the Buyer's goods with the rate of additional charges being declared by the Buyer to the Seller no later than 24 hours prior to the commencement of loading;
 - (v) In the event that the Buyer's transport is not present and/or ready to load in accordance with the notice made by the Buyer five days prior to delivery then, for each hour of delay incurred during the normal business hours of each working day in the country of loading, the Seller may charge the Buyer a penalty that is equivalent to the rate of additional waiting charges or demurrage rates as detailed in the Contract between the Buyer and the carrier of the Buyer's goods;
 - (vi) Seller to ensure that loading, including palletisation, complies with local safety regulations; and
 - (vii) All other terms pertaining to loading shall be in accordance with the Contract between the Buyer and the carrier of the Buyer's goods.
- 3.03 The Buyer may, at his own expense, either appoint an internationally recognised independent or with the written consent of the Buyer, appoint a state supervision firm, to supervise and inspect the loading of the Skimmed Milk Powder to be delivered to the Buyer. Such appointment shall be made not less than 48 hours prior to the Seller commencing loading of the Skimmed Milk Powder. The Buyer shall upon the appointment of a Supervisor notify the Seller of such appointment.
- 3.04 If either party has a claim, or wishes to bring a claim, as to the quality, weight or packing of the Skimmed Milk Powder it may refer such claim to arbitration in accordance with the Contract terms and these Administrative Procedures and in accordance with the Clearing House Procedures.
-



EURONEXT DERIVATIVES

FUTURES ON THE MORNINGSTAR® EUROZONE 50 INDEX™

What is the Morningstar® Eurozone 50 Index™?

This new index has been designed by Morningstar together with Euronext to provide exposure to the largest and most liquid companies in the Eurozone region.

Why trade European index futures?

Futures on the new index allow investors to benefit from margin efficiencies while trading through the centralised order book, offering the advantages of transparency and central clearing.

Who are the new futures for?

Market participants who want to trade exposure in the Eurozone through a single futures contract for hedging or arbitrage purposes.

ABOUT THE INDICES

The new derived blue-chip Morningstar® Eurozone 50 Index™ was developed through a strategic collaboration between Euronext and Morningstar, and was designed to provide exposure to the largest and most liquid companies in the Eurozone.

It is positioned, alongside the Morningstar® Developed Markets Europe 100 Index™, as a competitive alternative to existing products, and forms part of the Morningstar Global Index Family.

These indices, developed by Euronext and Morningstar, aim to provide different investor profiles (asset managers, brokers, ETF issuers, banks and trading desks) with equity beta indices which can be used as benchmarks and for investable product creation.

To find out more go to:
www.euronext.com/morningstar-european-indices

Key benefits of trading futures on the Morningstar® Eurozone 50 Index™

Gain exposure to the price movements of an entire index of European stocks through a single futures contract. This innovative futures contract can be used with a variety of trading strategies and business objectives.

- Hedge your European portfolio simply and efficiently;
- Leverage on a strong collaboration between Euronext and Morningstar, based on Morningstar's open index licensing model;
- Trade a basket of stocks through one single contract;
- Add flexibility to your investment portfolio;
- Benefit from lower transaction costs than for trading stocks;
- Trade in a transparent and secured trading environment, with clearing provided by central counterparty LCH S.A.

Contract specifications

FUTURES ON THE MORNINGSTAR® EUROZONE 50 INDEXSM

MORNINGSTAR® EUROZONE 50 FUTURE

EXCHANGE CONTRACT CODE	FME
UNDERLYING	Morningstar® Eurozone 50 Index SM
UNIT OF TRADING	100
CONTRACT VALUE	100 * Index level (e.g. 100 * 1,179.23 = €117,923.00)
MINIMUM PRICE MOVEMENT (TICK SIZE AND VALUE)	COB: 0.01 Index points (€1.00 per contract) Large-in-Scale Facility: 0.01 Index points (€1.00 per contract)
EXPIRY MONTHS	3, 6, 9, 12 months quarterly (of the March, June, September, December cycle)
INTRODUCTION OF NEW EXPIRY MONTHS	New expiry months are available for trading on the first business day after the expiry of a maturity
WHOLESALE SERVICES	Large-in-Scale Facility, AtomX
MARKET	Amsterdam
LAST TRADING DAY	Trading ceases at 18:00 CET on the third Friday of the expiry month. In the event that the third Friday is not a business day, the Last Trading Day shall normally be the last business day preceding the third Friday
SETTLEMENT	Cash Settlement based on the EDSP
SETTLEMENT DAY	First business day after the Last Trading Day
EXCHANGE DELIVERY SETTLEMENT PRICE (EDSP)	Price determined on the Last Trading Day as the closing price of the Morningstar® Eurozone 50 Index SM as calculated by S&P Dow Jones
CLEARING	LCH S.A.
TRADING HOURS	Central Order Book 08:00 – 18:00 CET Large-in-Scale Facility 07:00 – 18:30 CET
TRADING PLATFORM	UTP-D
ALGORITHM	Central order book applies a price-time trading algorithm with priority given to the first order at the best price

Find out more

Contact your relationship manager via our **Client Coverage Centre**

Email ccc@euronext.com or call:

CCC Belgium

+32 2 62 00 586

CCC France

+33 1 85 148 586

CCC Netherlands

+31 2 07 219 586

CCC Portugal

+351 2 10 608 586

CCC UK

+44 20 76 608 586

derivatives.euronext.com

Disclaimer

- 1) The referential use of the name of the index is necessary to indicate the underlying value and performance of the Financial Product. This index may be registered as trademark by third parties. The Euronext Financial Products are not sponsored, endorsed, sold or promoted by those third parties.
- 2) The referential use of the name of S&P Dow Jones is necessary to indicate the calculating party of the index which forms the underlying value and performance of the Financial Product. This name may be registered as trademark by third parties. The Euronext Financial Products are not sponsored, endorsed, sold or promoted by those third parties.
- 3) The calculation of the index is not carried out by Euronext and is provided "as is", based on information provided to Euronext without representation or warranty of any kind. Euronext will not be held liable for any loss or damages of any nature ensuing from using, trusting or acting on information provided. No information set out or referred to in this notice shall form the basis of any contract. The creation of rights and obligations in respect of financial products that are traded on the exchanges operated by Euronext's subsidiaries shall depend solely on the applicable rules of the market operator.



Euronext Rule Book

Book I:
Harmonised Rules

ISSUE DATE: 21 December 2017

EFFECTIVE DATE: See Notice 1-01- Entry into effect of the Euronext Rule Book

TABLE OF CONTENTS:

CHAPTER 1: GENERAL PROVISIONS	5
1.1. DEFINITIONS	5
1.2. CONSTRUCTION.....	16
1.3. LANGUAGE.....	17
1.4. IMPLEMENTATION AND MODIFICATION OF RULES	17
1.5. PUBLICATION AND COMMUNICATIONS.....	18
1.6. EXCLUSION OF LIABILITY	19
1.6A. CONFIDENTIALITY OF INFORMATION.....	20
1.7. GOVERNING LAW	20
1.8. ENTRY INTO EFFECT	21
CHAPTER 2: EURONEXT MEMBERSHIP.....	22
2.1. EURONEXT MEMBERSHIP AND MEMBERSHIP CAPACITIES	22
2101 Euronext Membership	22
2102 Membership Capacities.....	22
2.2. REQUIREMENTS FOR EURONEXT MEMBERSHIP	22
2201 Eligibility for Membership	22
2202 Responsible Persons and Traders	23
2.3. APPLICATION PROCEDURE	24
2301 Submission of the Application	24
2302 Application File.....	24
2303 Determination of Application	24
2.4. MEMBERS' CONTINUING OBLIGATIONS	25
2.5. CLEARING ARRANGEMENTS	26
2501 General Clearing Arrangements.....	26
2502 Clearing Agreements.....	27
2.6. EXTENSION OF MEMBERSHIP	27
2601 27	
2.7. REGISTER OF MEMBERS	27
2.8. RESIGNATION, SUSPENSION AND TERMINATION.....	28
2801 Resignation	28
2802 Suspension and Termination.....	28
2803 Notification of resignation, suspension and termination of Membership.....	30
CHAPTER 3: MARKET ACCESS ARRANGEMENTS	31
3.1. CROSS MEMBERSHIP	31
3.2. ELECTRONIC ACCESS FACILITIES FOR CLIENTS	31
3.3. SPONSORED ACCESS.....	32
3.4. ELECTRONIC ACCESS FACILITIES FOR AFFILIATES	34
3.5. REMOTE ACCESS.....	34
CHAPTER 4: TRADING RULES FOR SECURITIES.....	36
4.1. GENERAL.....	36
4101 Scope of Chapter 4	36
4102 Trading Days.....	36
4103 Currency of Trading	36
4104 Trading Symbols	36
4105 System Rules and Requirements.....	36
4106 Member Responsibility.....	36
4107 Market Makers / Liquidity Providers	36
4.2. ORDERS	37
4201 Scope of Rule 4.2.....	37

4202	General Terms and Conditions	37
4203	Order Types	38
4204	Order Parameters	39
4205	Retail Trading Facility.....	40
4.3.	TRADING CYCLES IN THE CENTRAL ORDER BOOK	40
4301	Overview	40
4302	Continuous Trading.....	40
4303	Auctions	41
4304	Post-Trading Order Book Management	41
4305	Out-of-Hours Trading	41
4.4.	MARKET MECHANISMS	41
4401	Order Matching and Execution in the Central Order Book	41
4402	Guaranteed Cross Trades and guaranteed Principal Trades	43
4403	Trading Safeguards.....	43
4404	Off-Order Book Trading.....	45
4.5.	CONFIRMATION, REPORTING AND PUBLICATION	46
4501	Confirmation.....	46
4502	Reporting of Transactions	46
4503	Publication.....	47
4.6.	CLEARING AND SETTLEMENT.....	49
CHAPTER 5: TRADING RULES FOR DERIVATIVES		50
5.1	GENERAL	50
5101	Scope of Chapter 5	50
5102	Trading Days and trading hours	50
5103	Admission to Trading and Contract Specifications	50
5104	Delivery months, expiry months and expiry dates	50
5105	Market Makers / Liquidity Providers	50
5106	Trading Procedures.....	51
5107	Member Responsibility	51
5.2.	ACCESS TO EURONEXT TRADING PLATFORM	51
5.3.	TRADING ON THE EURONEXT TRADING PLATFORM.....	52
5301	Trading and Order matching	52
5302	Order types	52
5303	Order execution.....	53
5304	Contractual relationships.....	53
5.4.	TERMINATION, SUSPENSION AND TRADE INVALIDATION/CANCELLATION	53
5401	Termination of a trading session	53
5402	Suspension or limitation of trading	53
5403	Invalidation and cancellation of Transactions	54
5404	DELISTING OF DERIVATIVES	54
5.5.	PRE-NEGOTIATION AND PRE-ARRANGEMENT	54
5.6	CROSS TRANSACTIONS AND OFF ORDER BOOK TRANSACTIONS.....	55
5601	Cross Transactions	55
5602	Off Order Book Transactions.....	55
5.7.	REPORTING AND PUBLICATION	55
5701	Reporting.....	55
5702	Publication.....	56
5703	Use of market data by Euronext Derivatives Members	56
CHAPTER 6: ADMISSION TO LISTING AND CONTINUING OBLIGATIONS OF ISSUERS		57
6.1.	SCOPE OF CHAPTER 6	57
6.2.	APPLICATION PROCEDURE	57
6.3.	DECISION BY THE RELEVANT EURONEXT MARKET UNDERTAKING	58
6.4.	GROUNDS FOR REFUSAL	59
6.5.	GENERAL DOCUMENTATION TO BE FURNISHED AT THE TIME OF THE APPLICATION	59
6.6.	GENERAL LISTING REQUIREMENTS FOR SECURITIES	60
6.7.	ADDITIONAL LISTING REQUIREMENTS PER CATEGORY OF SECURITIES	61

6702 Shares, Depositary Receipts for Shares and Equity Securities.....	61
6703 Bonds.....	62
6704 Closed-Ended Investment Funds and Investment Companies.....	63
6705 ETFs, ETNs, ETVs and Open-ended Investment funds other than ETFs	63
6706 structured products	63
6707 other transferable Securities	64
6.8. ADDITIONAL REQUIREMENTS FOR THE ADMISSION TO TRADING OF SECURITIES ON A “IF AND WHEN ISSUED/DELIVERED” BASIS	64
6.9. LISTING MEASURES	65
6901 General	65
6902 Market Capitalisation compartments	65
6903 Specific compartments - Recovery Box and Penalty Bench.....	65
6904 Additional listing measures for Securities admitted on a “If and When Issued/Delivered” basis...	66
6905 Delisting	66
6.10. CONTINUING OBLIGATIONS.....	67
61001 General	67
61002 Listing of Newly-Issued Securities of the Same Class	68
61003 Investor Relations	68
61004 Administration of corporate and securities events.....	68
61005 Cooperation with a Euronext Market Undertaking.....	70
CHAPTER 7: [RESERVED]	71
CHAPTER 8: RULES OF CONDUCT	72
8.1. GENERAL	72
8101 Scope of Chapter 8	72
8102 General Duties of Integrity, Fair Dealing and Care.....	72
8103 Cooperation with a Euronext Market Undertaking.....	72
8104 No Abusive or Misleading Conduct	72
8105 Use of Euronext Trading Platforms	73
8106 Internal controls.....	73
8.2. RESERVED	74
8.3. AUDIT TRAIL.....	74
8301 Recording of Order Details.....	74
8302 Retention of Information	75
8303 Voice recording	75
CHAPTER 9: MEASURES IN CASE OF VIOLATION OF THE RULES.....	76
9.1. SCOPE OF CHAPTER 9	76
9.2. PROCEDURE	76
9201 Examination	76
9202 Confidentiality.....	76
9203 Report	77
9204 Exploratory Meeting	77
9.3. RECTIFICATION, SUSPENSION AND TERMINATION	77
9.4. REPORTING AND PUBLICATION.....	78
9401 Reporting.....	78
9402 Infringement of National Regulations	79
9.5. LIABILITY AFTER MEMBERSHIP TERMINATION OR RESIGNATION	79

CHAPTER 1: GENERAL PROVISIONS

1.1. DEFINITIONS

For purposes of this Rule Book, the following capitalised terms shall, unless specifically provided otherwise, have the following meanings:

"Admission Agreement" :	a written agreement entered into between the Relevant Euronext Market Undertaking and a Member or prospective Member in which the Member or prospective Member, as the case may be, applies for membership and agrees inter alia to abide by the Rules from time to time in force;
"Admitted Financial Instrument" :	any Financial Instrument admitted to listing or trading on a Euronext Market;
"Affiliate" :	any Person designated as such by the Relevant Euronext Market Undertaking pursuant to Rule 3.4;
"Algorithmic Trading"	means trading as defined in article 4(1)(39) of MIFID: 'algorithmic trading' means trading in financial instruments where a computer algorithm automatically determines individual parameters of orders such as whether to initiate the order, the timing, price or quantity of the order or how to manage the order after its submission, with limited or no human intervention, and does not include any system that is only used for the purpose of routing orders to one or more trading venues or for the processing of orders involving no determination of any trading parameters or for the confirmation of orders or the post-trade processing of executed Transactions;
"Applicant" :	an Issuer that is proposing, or is applying, for an admission to listing and/or trading of any of its Securities;
"Application Form" :	a form filed by an Applicant with the Relevant Euronext Market Undertaking requesting admission to listing and/or trading of Securities, notably setting forth the commitments and undertakings from the Applicant vis-à-vis the Relevant Euronext Market Undertaking in connection with an application for admission to listing and/or trading of Securities and, to the extent the latter is approved by the Relevant Euronext Market Undertaking, serving as evidence of the contractual relationship between the Relevant Euronext Market Undertaking and the Issuer;
"Automated Order Routing System" :	any system of computers, software or other devices that allows orders to be sent by a Client to a Member and submitted to the Euronext Trading Platform without substantial human intervention;

“Banking Directive”:	the EU Directive of the European Parliament and of the Council on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (2013/36/EC);
“Basket Trade”:	guaranteed cross trades in two or more Securities involving the same counterparties;
“Central Order Book”:	the Euronext Trading Platform’s order book, in which all submitted orders and any modifications thereto are held until matched, expired or withdrawn;
“Certificate”:	a document embodying one or more Securities;
“Class”:	all options of the same type (call or put), of the same style (e.g. American or European) relating to the same underlying Financial Instrument as determined by the Relevant Euronext Market Undertaking;
“Clearing Agreement”:	the written agreement defining, amongst other things, the mutual rights and obligations of a Member and a Clearing Member in relation to the clearing of Transactions entered into pursuant to Rule 2502;
“Clearing Organisation”:	the entity authorised and regulated as a Central Counterparty pursuant to EMIR and appointed by the Euronext Market Undertaking to clear Transactions being, for the time being, EuroCCP and LCH SA;
“Clearing Mandate”:	a statement, in such form as may be prescribed by the Relevant Euronext Market Undertaking, made by a Member and a Clearing Member, that the Member has appointed the Clearing Member to act on the Member’s behalf to clear and settle Transactions executed on a Euronext Market by the Member;
“Clearing Member”:	any Person authorised by the Clearing Organisation to clear Transactions in accordance with the relevant provisions of the Clearing Rule Book;
“Clearing Rule Book”:	the collection of rules governing the operation of the Clearing Organisation, adopted by the Clearing Organisation and approved, where appropriate, by the Competent Authorities, as interpreted and implemented by instructions, notices and procedures issued by the Clearing Organisation;
“Client”:	any Person who employs the services of a Member in relation to one or more orders for the purchase or sale of one or more Admitted Financial Instruments;
“Closed-ended Investment Fund”:	a collective investment scheme that does not offer creation and redemption of shares/units;
“Commodity Derivatives”	means commodity derivatives as defined in Article 2(1)(30) of MIFIR : ‘commodity derivatives’ means those financial instruments defined in point (44)(c) of

Article 4(1) of Directive 2014/65/EU; which relate to a commodity or an underlying referred to in Section C(10) of Annex I to Directive 2014/65/EU; or in points (5), (6), (7) and (10) of Section C of Annex I thereto;

“Competent Authority”: the public authority or self-regulatory body of Belgium, France, the Netherlands, Portugal or the United Kingdom as the case may be, having jurisdiction over the relevant matter;

“Contract Specifications”: the terms and arrangements specified by the Relevant Euronext Market Undertaking pursuant to Rule 5103 in respect of each Derivative which is an Admitted Financial Instrument, issued as a Notice;

“Credit Institution”: any credit institution as defined in Article 3.1(1) of the Banking Directive, excluding any of the institutions referred to in Article 2(5) thereof;

“Cross Transaction”: a Transaction executed pursuant to requirements (including those as to price) set out in the Rules whereby both the purchase and the sale are executed by one Member, albeit that the relevant orders must have originated from separate Clients or from separate accounts with different beneficial owners, as the case may be;

“Depository Receipt”: a Security embodying an entitlement to specific rights attaching to an Underlying Security, issued by an entity other than the Issuer of the Underlying Security;

“Euronext Derivative”: any non-securitised instrument of one of the following categories:

- (i) options and futures contracts in respect of Securities or commodities, including equivalent cash-settled instruments;
- (ii) any other instruments (other than warrants and other types of Securities) the value of which is determined by reference to prices of Securities or commodities, interest rates or yields, foreign exchange rates or other indices or measures which, subject to relevant National Regulations, Euronext may determine to be eligible for trading on a Euronext Market for Derivatives;

“Direct Electronic Access” shall have the meaning ascribed to it by Article 4(1)(41) of MIFID;

“EEA Right”: the entitlement of a Person to establish a branch or provide services in an EEA State other than that in which it has its head office, subject to the conditions of the relevant single market directive;

“Eligible Financial Instrument”:	an Admitted Financial Instrument specified in the Appendix to the Trading Manual as eligible to be included in the Internal Matching Facility;
“EMIR”:	the Regulation of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories (EP & Council Regulation No.648/2012/EU);
“Equity Securities”:	Shares and other transferable securities equivalent to Shares, as well as any other type of transferable securities giving the right to acquire Equities Securities as a consequence of their being converted or the rights conferred by them being exercised, provided that Securities of the latter type are issued by the issuer of the Underlying Securities or by an entity belonging to the group of the said issuer;
“ETF”:	an “exchange-traded fund”, i.e. an Open-ended Investment Fund providing exposure to the performance of a daily transparent and intra-day priced index or portfolio of assets and offering daily creation/redemption of shares/units;
“ETN”:	an “exchange-traded note”, i.e. a zero-coupon debt security issued by a credit institution or an investment firm, providing exposure to the performance of an intra-day priced underlying reference and offering regular redemption of securities;
“ETV”:	an “exchange-traded vehicle”, i.e. a zero-coupon debt security issued by a special purpose vehicle, providing exposure to the performance of an intra-day priced underlying reference and offering regular redemption of securities;
“EuroCCP”:	European Central Counterparty N.V., a company with limited liability (<i>naamloze vennootschap</i>) organised under the laws of the Netherlands and authorised and regulated as a Central Counterparty pursuant to EMIR;
“Euronext”:	the corporate group consisting of Euronext N.V., a corporation (“naamloze vennootschap”) organised under the laws of the Netherlands, the Euronext Market Undertakings and any other subsidiary of Euronext N.V., as the context may require;
“Euronext Amsterdam”:	Euronext Amsterdam N.V., a corporation (“naamloze vennootschap”) organized under the laws of the Netherlands, operator of a securities exchange (“houder van een effectenbeurs”) authorised pursuant to Article 5:26 of the Dutch Financial Supervision Act (“Wet op het financieel toezicht”);
“Euronext Brussels”:	Euronext Brussels S.A./N.V., a corporation (“société anonyme”, “naamloze vennootschap”) organised under the laws of Belgium and recognised as a market undertaking in accordance with Article 16 of the Belgian Law of August 2, 2002 governing the supervision of the financial sector and financial services (“Loi relative à la surveillance du secteur

	financier et aux services financiers / Wet betreffende het toezicht op de financiële sector en de financiële diensten”);
“Euronext Derivatives Market”:	any market, including any Regulated Market, for Derivatives operated by any Euronext Market Undertaking;
“Euronext Derivatives Membership”:	membership of one or more of the Euronext Derivatives Markets as defined in Rule 2.1;
“Euronext Lisbon”:	Euronext Lisbon – Sociedade Gestora de Mercados Regulamentados, S.A., a corporation (“sociedade anónima”) organised under the laws of Portugal, a regulated market managing company authorised pursuant to the Portuguese Decree-Law n.º 357-C/2007, of October 31st (“Regime jurídico das sociedades gestoras de mercado regulamentado, das sociedades gestoras de sistemas de negociação multilateral, das sociedades gestoras de câmara de compensação ou que actuem como contraparte central, das sociedades gestoras de sistema de liquidação e das sociedades gestoras de sistema centralizado de valores mobiliários”);
“Euronext London”	Euronext London Limited, a company incorporated in England and Wales (registration no. 8631662) whose registered office is at Juxon House, 100 St Paul’s Churchyard, London, EC4M 8BU, England and which has been recognised as an investment exchange pursuant to section 290 of the Financial Services and Markets Act 2000;
“Euronext Market”:	any Euronext Derivatives Market or Euronext Securities Market;
“Euronext Market Undertakings”:	Euronext Amsterdam, Euronext Brussels, Euronext Lisbon, Euronext London and Euronext Paris;
“Euronext Paris”:	Euronext Paris S.A., a corporation (“société anonyme”) organised under the laws of France and a market undertaking (“entreprise de marché”) within the meaning of Article L. 421-2 of the French Monetary and Financial Code;
“Euronext Securities Market”:	any Regulated Market for Securities operated by any Euronext Market Undertaking;
“Euronext Securities Membership”:	membership of the Euronext Securities Markets as defined in Rule 2.1;
“Euronext Trading Platform”:	the technical platform operated by Euronext and interlinking Euronext Markets for Securities or for Derivatives, as the case may be;
“EU Sanction List”:	List containing the names and identification details of all persons, groups and entities targeted by financial restrictions, sanctions or other measures that the European Union has applied in pursuit of the specific

objectives of the Common Foreign and Security Policy (CFSP) as set out in Article 11 of the Treaty on European Union, to help prevent the financing of terrorism;

“Exercise Price”: the price at which the underlying asset is purchased or sold pursuant to the exercise of an Option Contract;

“Financial Institution”: any financial institution as defined in Article 3.1(22) of the Banking Directive, which fulfils the conditions set forth in Article 34 thereof;

“Financial Instrument”: any Security or Derivative;

“Flex Contract”: an Admitted Financial Instrument which permits a Member to vary certain parameters of the Contract Specifications within the limits specified by the Relevant Euronext Market Undertaking;

“Guaranteed Cross Trade”: a Cross Transaction executed pursuant to the Rules which does not interact with orders in the Central Order Book but whose price is constrained by the prices of such orders;

“Home State”: the country in which a Person has its registered office or, absent a registered office, its head office or, in the case of an individual, the country in which such individual has its principal place of business;

“Individual Trading Mnemonic” or “ITM”: any trading access identifier assigned to a Responsible Person for the execution of business on the Euronext Trading Platform for Derivatives for which he is responsible;

“Insider Dealing” the activities specified in Article 8 (Insider Dealing) of the Market Abuse Regulation (Regulation 596/2014/EU);

“Internal Matching Facility”: a service for a member which implies that an order in respect of an Eligible Financial Instrument entering the order book already containing an order by that member at the best limit will be executed against this latter order without regard to its entry time;

“Investment Company”: an investment company whether or not constituted as a UCITS;

“Investment Firm”: shall have the meaning ascribed to it by Article 4(1)(1) of MiFID;

“Investment Service”: any of the services listed in Section A of Annex 1 to MiFID, relating to any Financial Instrument, that are provided to a third party;

“Issuer”: any legal entity whose Securities (or any class) have been admitted or are the subject of an application for

	admission to listing and/or trading on a Euronext Market;
“Large-in-Scale Trade”	in respect of the Euronext Securities Markets, any Transaction of the kind defined in Rule 4404/2; in respect of the Euronext Derivatives Markets shall have the meaning ascribed to it by Rule 5602/1(b);
“LCH SA”:	Banque Centrale de Compensation S.A., a corporation (“société anonyme”) organised under the laws of France and authorised and regulated as a Central Counterparty pursuant to EMIR;
“LEI”:	legal entity identifier, as defined in ISO 17442;
“Liquidity Provider”:	unless otherwise specified in Book II, any Member or, in respect of Euronext Derivatives Markets, any Member or Client of a Member who has undertaken, and been appointed by the Relevant Euronext Market Undertaking, to enhance the market liquidity of a particular Admitted Financial Instrument, in accordance with Rule 4107 or Rule 5105, as the case may be and not pursuing any Market Making activity as defined in Article 17(4) and Article 48(2) of MiFID;;
“Liquidity Provision Programme”:	a written agreement entered into between the Relevant Euronext Market Undertaking and a Liquidity Provider pursuant to Rule 4107 or Rule 5105, as the case may be;
“Listing Agent”:	a legal entity appointed by the Issuer to assist and guide the relevant Issuer in respect of an admission to listing and/or trading of its Securities on a Euronext Securities Market;
“Listing Agreement”:	an agreement to be concluded prior to the admission to listing between the Issuer and the Relevant Euronext Market Undertaking under which the Issuer agree to be bound by the Rules;
“Long Code”	at the latest by the end of the day, members are required to supply information mapping each short code to an LEI, National ID or Algorithm ID (so-called Long Code) to allow Euronext to complete its order records in the format required by MiFIR,
“Market Capitalisation”:	with regards to a particular Security on a particular day: <ul style="list-style-type: none">(i) the price multiplied by the number of Securities of that particular type at a certain period of time, subject to a maximum of the total number of Securities of that type admitted to listing on a Euronext Securities Market, or(ii) in the case of Bonds, the amount obtained by multiplying the percentage stated as the issue price of the Bond by the issued nominal amount of the relevant issue at the end of that day;

"Market Maker"	means a Market Maker as defined in Articles 4(1)(7), 17(4) and 48(2) of MIFID
"Market Making Agreement"	means a written agreement entered into between the Relevant Euronext Market Undertaking and a Member according to Article 1 of the Commission Delegated Regulation (EU) 2017/578. The content of the agreement, made public by Euronext, include at least the provisions listed in Article 2 of Commission Delegated Regulation (EU) 2017/578 with regard to regulatory technical standards specifying the requirements on market making agreements and schemes,
"Market Making Scheme"	means a written agreement entered into between the Relevant Euronext Market Undertaking and a Member according to Article 48 (2) (b) of MIFID and Article 5 of the Commission Delegated Regulation (EU) 2017/578. The content of the agreement, made public by Euronext include at least the provisions listed in Article 5 of Commission Delegated Regulation (EU) 2017/578 with regard to regulatory technical standards specifying the requirements on market making agreements and schemes,
"Market Manipulation"	the activities specified in Article 12 (Market Manipulation) of the Market Abuse Regulation (Regulation 596/2014/EU);
"Market of Reference":	where an Admitted Financial Instrument is admitted to trading on more than one Euronext Securities Market (other than that operated by Euronext Lisbon), the Market of Reference shall be the Euronext Securities Market specified by Euronext on which all Transactions in the Central Order Book shall be executed;
"Member":	any Person who has been admitted to Euronext Securities Membership or Euronext Derivatives Membership and whose membership has not been terminated;
"Member State":	any of the Member States of the European Economic Area;
"MIFID":	the Directive of the European Parliament and of the Council on markets in financial instruments (EP & Council Directive 2014/65/EU);
"MIFID Passport":	the freedom of an Investment Firm or a Credit Institution to carry on investment business throughout the European Economic Area on the basis of

authorisation by the competent authorities of its home Member State pursuant to MIFID or the Banking Directive, as the case may be;

“MIFIR”:	the Regulation of the European Parliament and of the Council on markets in financial instruments (EP & Council Regulation (600/2014/EU);
“National Regulations”:	any and all laws and regulations applicable in the jurisdiction of the Relevant Euronext Market Undertaking;
“NAV Trading”:	A facility specially designed for and limited to the trading of Open-Ended Investment Funds. This service is offered to fund agents and to other Members of the relevant Euronext Securities Market;
“Non-MIFID Firm”:	a Person without the right to a MIFID Passport, including a Person established within a Member State of the European Economic Area but excluded from the scope of MIFID and a Person from a third country, whether authorised or not;
“Notice”:	any written communication, labelled “Notice”, issued by the Euronext Market Undertakings to Members or Issuers generally or to any class of Members or Issuers for the purpose of interpreting or implementing the Rules or any other purpose contemplated in this Rule Book;
“Off Order Book Transaction”	shall have the meaning ascribed to it by Rule 5602/1;
“Open-ended Investment Fund”	A collective investment scheme offering regular creation/redemption of shares/units;
“Participation Certificate”:	a Certificate of participation in an Investment Fund;
“Partner Market”:	a market which is the subject of an agreement with a Euronext Market Undertaking pursuant to Rule 3101/1;
“Penalty Bench”:	a special compartment maintained by the Relevant Euronext Market Undertaking grouping together Issuers that do not comply with the Rules;
“Person”:	any individual, corporation, partnership, association, trust or entity as the context admits or requires;
“Primary Market Maker” or “Primary Liquidity Provider”:	a (designated) Liquidity Provider having certain quoting obligations greater than those of a Competitive Market Maker (where such Competitive Market Maker exists) as determined and published by the Relevant Euronext Market Undertaking from time to time;
“Public-Law Issuer”:	an Issuer that is a state, a territorial body under public law or an international institution under public law;

“Recovery Box”:	a special compartment maintained by the Relevant Euronext Market Undertaking grouping together Issuers that are subject to insolvency procedures;
“Regulated Market”:	any organised market for Financial Instruments within the scope of Article 4(1)(21) of MiFID;
“Regulatory Technical Standard”	shall mean a regulatory technical standard adopted by the European Commission in accordance with Articles 10 to 14 of EP & Council Regulation No. 1095/2010/EU;
“Relevant Euronext Market Undertaking”:	the Euronext Market Undertaking which has approved, or is in the process of reviewing, the application for Euronext Membership of the relevant Member or prospective Member, or the Euronext Market Undertaking which has admitted the relevant Financial Instrument to listing or trading on a Euronext Market or with which the relevant application for admission to listing or trading is pending, as the context requires; for the purposes of certain agreements contemplated by the Rules, when this term is intended to refer solely to a Euronext Market Undertaking in the first sense, it is marked with an asterisk (*); for the purposes of the situations where a given Security is admitted on more than one Euronext Securities Market, any mention in this rulebook of the “Relevant Euronext Market Undertaking” should be construed as referring to the one operating the Market of Reference where the context deals with Central Order Book trading only and related matters thereto;
“Responsible Person”:	an individual designated as such by a Member and registered with the Relevant Euronext Market Undertaking pursuant to Rule 2202;
“Retail Trading Facility”:	arrangements designed to provide appropriate matching rules for Retail Orders, in consideration of their specific nature. In these Rules, such arrangements include the dedicated specific provisions of Rules 4202/1, 4205, 4401/1, 4503/2 and 4503/3A;
“Retail Liquidity Provider”:	any Member who has been appointed by the Relevant Euronext Market Undertaking to provide Retail Liquidity Quotes in the Central Order Book;
“Retail Liquidity Firm Quote”:	any limit order posted in the Central Order Book by a Retail Liquidity Provider acting in such capacity and available to be matched only with Retail Orders submitted by Retail Member Organisations;
“Retail Member Organisation”:	any Member who has been accepted by the Relevant Euronext Market Undertaking to submit Retail Orders in the Central Order book in accordance with

conditions specified and published by the Relevant Euronext Market Undertaking;

“Retail Order”:

any order for which the Retail Member Organisation has sufficient reason to believe that it originates from a retail client (i.e. from a client who has not been classified as a “professional client” within the meaning of MIFID definition or equivalent definition in respect of a broker established in a country outside the European Economic Area);

“Rules”:

the rules set forth in this Rule Book, as interpreted or implemented by Notices;

“Security”:

any transferable security of one of the following categories:

- (i) Equity Securities;
- (ii) Certificates;
- (iii) Depositary Receipts in respect of Shares;
- (iv) bonds or other debt securities;
- (v) warrants or similar securities entitling the holder to acquire any of the aforesaid securities or any basket of such securities or to receive a cash amount determined by reference to a future price or value of any such security or basket;
- (vi) units in collective investment undertakings or participation units in other investment vehicles;
- (vii) any other securities which, subject to relevant National Regulations, Euronext may decide to be eligible for trading on a Euronext Market for Securities;

“Shares”:

any shares of capital stock or other equity securities issued by a corporation or other incorporated business enterprise;

“Short Code”:

code to be submitted by Members, used on each order entry, in order to minimize the information which has to circulate with the order and to ensure appropriate security standards of confidential information;

“Sponsored Access” :

an arrangement whereby a Member (the Sponsoring Member) permits a Client (the Sponsored Participant) to use its trading code to transmit orders to a Euronext Market other than by way of the Member’s trading infrastructure, subject to conditions set forth in Rule 3.3;

“Sponsoring Member”:	a Member sponsoring a Sponsored Participant pursuant to Rule 3.3.;
“Sponsored Participant”:	a Client that benefits from <u>Sponsored Access</u> solutions pursuant to Rule 3.3.;
“Technical Trade”	shall have the meaning ascribed to it by Rule 5602/1(a);
“Trading Day”:	any day on which the Euronext Markets are open for trading;
“Trading Host”:	the central processing system of the Euronext Trading Platform for Securities or Derivatives, as the case may be;
“Trading Hours”:	the trading hours on any Trading Day, as announced by a Notice;
“Trading Manual”:	those procedures concerning the Euronext Securities Markets issued pursuant to Rule 4105, issued as a Notice;
“Trading Procedures”:	those procedures concerning the Euronext Derivatives Markets issued pursuant to Rule 5106, issued as a Notice;
“Transaction”:	any purchase or sale of an Admitted Financial Instrument on a Euronext Market;
“UCITS”:	An Undertaking for Collective Investment in Transferable Securities;
“Underlying Security”:	any Security of the kind defined in Rule 6606.
“Union Law”:	any and all laws and regulations operating within the member states of European Union.

1.2. CONSTRUCTION

- 1201 References to any law, regulation, directive or rule shall be construed as those in force at the relevant time, as the same may have been amended.
- 1202 The Rule Book is composed of a harmonised part (“Book I”) and a part which is market-specific (“Book II”). Unless specifically provided otherwise, cross-references to Rules, chapters or sections in this Rule Book shall be construed to refer to Rules, chapters or sections of the same book.
- 1203 [Reserved]
- 1204 Chapter or section headings in this Rule Book or in the Notices are for ease of reference only; they are not part of the content of the relevant chapter or section and do not in any way affect the interpretation thereof.
- 1205 Capitalised terms used in this Rule Book shall be construed to be of such gender or number as the context admits or requires.
- 1206 Capitalised terms defined in Rule 1.1 and used but not otherwise defined in Notices or

- other communications of the Euronext Market Undertakings shall have the same meaning therein as set forth in Rule 1.1.
- 1207 Unless specified otherwise, references to decisions or determinations made or to be made, or other acts performed or to be performed, by Euronext shall be construed to refer to decisions, determinations or other acts made or performed, or to be made or performed, jointly by the Euronext Market Undertakings.
- 1208 Unless specifically provided otherwise, time specifications in this Rule Book or in Notices or other communications of the Euronext Market Undertakings shall be construed to refer to Central European Time.
- 1209 Unless specifically provided otherwise, any time periods stated in this Rule Book or in Notices or other communications of the Euronext Market Undertakings shall be counted from midnight to midnight. The time periods shall be deemed to begin on the day following the day on which the event that causes such period to begin takes place. If the date on which any such period terminates is not a Trading Day, the relevant time period shall expire on the next Trading Day. Time periods stated in months or years shall be counted from the starting day through the day proceeding the corresponding day in the relevant subsequent month or year.

1.3. LANGUAGE

- 1301 Book I of this Rule Book is drawn up, and Notices shall be issued, in the language(s) of the jurisdiction of each Euronext Market Undertaking. These language versions are equally authentic.
- 1302 For each Euronext Market Undertaking, Book II of this Rule Book is drawn up, and Notices shall be issued, in English and in the language(s) of the jurisdiction of that Euronext Market Undertaking. Subject to National Regulations, these language versions are equally authentic.
- 1303 Any applications, filings and correspondence with, and submissions to, a Euronext Market Undertaking by Members, Issuers and prospective Members or Issuers shall be in English or in the language or one of the languages of such Euronext Market Undertaking, as each Member, Issuer or prospective Member or Issuer may elect.

1.4. IMPLEMENTATION AND MODIFICATION OF RULES

- 1401 This Rule Book shall be implemented and interpreted by:

- (i) Notices applicable to all Euronext Derivatives Markets, issued jointly by the Euronext Market Undertakings;
- (ii) Notices applicable to all Euronext Securities Markets, issued jointly by the Euronext Market Undertakings;
- (iii) Notices applicable only to markets operated by one Euronext Market Undertaking, issued separately by that Euronext Market Undertaking; and
- (iv) individual decisions adopted by one Euronext Market Undertaking pursuant to the Rules.

Notices shall become effective and binding upon publication by the Euronext Market Undertakings in the manner set forth in Rule 1501 or at such subsequent date as is specified in such publication.

- 1402 With a view to the adequate and proper operation of the Euronext Markets and the protection of the interests of participants on those markets, the Euronext Market Undertakings may modify the Rules, including by adopting additional Rules, whenever it deems such modifications necessary or appropriate.

The Rules are modified by decision adopted jointly by the Euronext Market Undertakings in the case of Rules set forth in Book I, or by decision of the Relevant Euronext Market Undertaking in the case of Rules set forth in Book II, in each case subject to approval by the Competent Authorities. Such modifications shall become effective and binding on all Members and Issuers upon publication by the Euronext Market Undertakings in the manner set forth in Rule 1501 or at such subsequent date as is specified in such publication.

If any modification of the Rules, other than a modification required by European Community law or National Regulations, materially adversely affects the rights or obligations of Members generally or of any class of Members, then any Member so affected may terminate its Euronext Membership by notice in writing given to the Relevant Euronext Market Undertaking within five Trading Days from the date of publication of the relevant modification.

1.5. PUBLICATION AND COMMUNICATIONS

1501 The Euronext Market Undertakings shall ensure publication of this Rule Book, subsequent amendments to the Rules, and Notices through dissemination to its Members and/or Issuers or to the relevant class of Members or Issuers via its trading system, publication in its periodical publications or individual notification as appropriate.

1502 Unless specifically provided otherwise, any notification or other communication specific to a Member or an Issuer which is required to be made in writing by any Rule may be made by any means of communication producing or permitting reproduction of a written or printed text of the notice.

Any such notification or communication shall be deemed to have been received when effectively delivered to the recipient's address or transmitted to its fax number or electronic mail address, as the case may be, except that any notification or communication made by ordinary mail shall be deemed to have been received on the second, fourth or seventh Trading Day following the postal stamp date, depending on whether the notice is sent within the same country, to another Member State or to a country outside the European Economic Area, respectively.

Any such notification or communication to a Member or to an Issuer shall be made to the address, fax number or electronic mail address specified in writing by such Member or Issuer. For Members, such a registration has to be done pursuant to Rule 2.7 or Rule 3.7, as the case may be.

1503 A Relevant Euronext Market Undertaking may record conversations conducted on telecommunications equipment of any kind located on its premises, including for the avoidance of doubt conversations conducted from such premises using portable telecommunications equipment. Any such recordings shall be retained by that Euronext Market Undertaking on such terms and conditions as may be prescribed from time to time.

1.5A. OBLIGATIONS OF REGULATED MARKETS

1501A Euronext Market Undertakings are required, pursuant to National Regulations, to:

- (i) have clear and transparent Rules which (a) provide for fair and orderly trading and establish objective criteria for the efficient execution of orders; and (b) ensure that any Financial Instruments admitted to trading are capable of being traded in a fair, orderly and efficient manner;

- (ii) establish and maintain effective arrangements and procedures for the regular monitoring of the compliance with the Rules by Members and Issuers; and
 - (iii) monitor the activity undertaken by Members in order to identify breaches of the Rules, disorderly trading conditions or conduct that may involve market abuse.
- 1502A The Relevant Euronext Market Undertaking may, if in its opinion any circumstances calling for emergency action have developed or are developing and, whenever possible, after consultation with the relevant Competent Authority (and, in any case, after notifying such Competent Authority), take any steps on a temporary basis to provide for, correct or check the further developments of those circumstances in order to preserve or restore conditions enabling the maintenance of fair and orderly trading and efficient execution of orders. Steps taken pursuant to this Rule 1502A shall be published by Notice or by such means as are considered appropriate and subsequently confirmed by Notice.
- 1503A For the purposes of Rule 1502A, “circumstances calling for emergency action” should be construed as being any unexpected circumstances which threaten, or potentially threaten, the ability of the Relevant Euronext Market Undertaking to meet its responsibilities as an operator of regulated markets to maintain the fair, orderly and efficient conduct of business on the markets and the due performance of contracts. Such circumstances include, but are not limited to, extreme asset price volatility, failure or compromise of critical IT systems and material systemic problems within financial markets. The steps taken pursuant to Rule 1502A may include, but would not be limited to, those actions mentioned in Rule 1601.
- 1504A Rule 1502A is without prejudice to the powers of a Competent Authority to require a Euronext Market Undertaking to take, or cease taking, steps.

1.6.

EXCLUSION OF LIABILITY

- 1601 Euronext wishes to draw the following statement to the attention of Members and Issuers. In pursuit of Euronext's responsibilities as an operator of regulated markets including those referred to under Rule 1501A, there are a number of actions which may or may not be undertaken by Euronext, whether as a result of Euronext's own determination or at the request of a Member, Issuer or the relevant Competent Authority. Some of these actions are listed below, without limitation:
- (i) the suspension or restriction in some way of business on any of the Euronext Markets pursuant to Rule 4403 and/or Rule 5402;
 - (ii) the closure for any period of any of the Euronext Markets pursuant to Rule 4403 and/or Rule 5401;
 - (iii) the cancellation of trade(s) on any of the Euronext Markets pursuant to Rule 4403 and/or Rule 5403;
 - (iv) the cancellation of trade(s) on the Euronext Derivatives Market which are not accepted by the Clearing Organisation;
 - (v) any investigation, audit or check in respect of a Member or an Issuer to ensure compliance with the Rules pursuant to Rules 9.2, 6107 and/or 6901; and
 - (vi) the suspension of membership rights and/or termination of membership pursuant to Rule 2.8 and/or Rule 9.3.
- This may result in the inability of one or more Members and, through such Members, one or more Clients, to enter into Transactions.
- 1602 Unless otherwise expressly provided in the Rules or in any other agreement between

Euronext and a Member or an Issuer, Euronext shall only be liable for fraud, gross negligence and wilful misconduct where there is a finding of such by a court of competent jurisdiction and shall not otherwise be liable.

1603 Members are required to draw the statements in Rules 1601 and 1602 to the attention of their Clients.

1604 For the purposes of this Rule 1.6, references to “Euronext” shall include any officers, employees, agents and representatives of Euronext.

1.6A. CONFIDENTIALITY OF INFORMATION

1601A All information concerning the affairs of an Issuer, a Member or an applicant for Membership obtained or received by a Euronext Market Undertaking shall be treated as confidential and, subject to Rule 1602A, shall not be passed on to a third party without the explicit written approval of the Person in question.

1602A The Euronext Market Undertaking shall be able to pass on confidential information in respect of such Person (without seeking that Person's approval) to:

- (i) another Euronext Market Undertaking;
- (ii) the Clearing Organisation and/or a settlement agent;
- (iii) in the case of an Issuer, the Paying Agent and/or the Sponsor duly appointed by such Issuer; (iv) a Competent Authority; or
- (v) any Person or body which in the opinion of Euronext exercises a legal or regulatory function under any law or regulation or a function comprising or associated with the enforcement of such a function,

provided that any Person receiving confidential information pursuant to this Rule 1602A is subject to professional secrecy obligations and shall be required to respect the confidentiality of such information.

1603A The Euronext Market Undertaking may provide to an Issuer confidential information relating to the trading of its Securities on a Euronext Market provided that the Issuer treats such information as confidential and does not pass it on to a third party.

1.7. GOVERNING LAW

1701 All provisions in this Rule Book in respect of orders and/or Transactions executed, deemed to be executed or entered into on the respective Euronext Market and all matters related thereto and, subject to Rule 1702, all other provisions of the Rule Book shall be governed by and construed:

- (i) in respect of Euronext Amsterdam, in accordance with the laws of the Netherlands and, without prejudice to any agreement to go to arbitration, shall be subject to the exclusive jurisdiction of the Dutch courts;
- (ii) in respect of Euronext Brussels, in accordance with the laws of Belgium and, without prejudice to any agreement to go to arbitration, shall be subject to the exclusive jurisdiction of the Belgian courts;
- (iii) in respect of Euronext Lisbon, in accordance with the laws of Portugal and, without prejudice to any agreement to go to arbitration, shall be subject to the exclusive jurisdiction of the Portuguese courts;

- (iv) in respect of Euronext Paris, in accordance with the laws of France and, without prejudice to any agreement to go to arbitration, shall be subject to the exclusive jurisdiction of the French courts;
- (v) in respect of the Euronext Securities Market established in the United Kingdom, in accordance with the laws of England and Wales and, without prejudice to any agreement to go to arbitration, shall be subject to the exclusive jurisdiction of the English courts.

For the avoidance of doubt, all Transactions in the Central Order Book shall be executed on the Market of Reference and subject to the applicable laws and the exclusive jurisdiction of the courts relevant to that market as specified in this Rule 1.7.

- 1702 Other than for those provisions of the Rule Book in respect of orders and/or Transactions executed or entered into on the respective Euronext Market and all matters related thereto, The Relevant Euronext Market Undertaking and the Member may agree in a written agreement a choice of governing law and jurisdiction different from that specified in Rule 1701.
- 1703 Nothing contained in these Rules overrides any provision of applicable National Regulations and, in the case of any conflict between any provision of these Rules and National Regulations, National Regulations will prevail.
- 1704** All personal data processed by Euronext shall be processed in accordance with applicable law and regulation. Information about such processing shall be provided by the privacy policy made available on the Euronext website or in specific agreements to which Euronext is a party.

1.8. ENTRY INTO EFFECT

- 1801 This Rule Book shall enter into effect as of a date to be announced by Euronext by Notice.

CHAPTER 2: EURONEXT MEMBERSHIP

2.1. EURONEXT MEMBERSHIP AND MEMBERSHIP CAPACITIES

2101 EURONEXT MEMBERSHIP

2101/1 Any person wishing to become a Member of a Euronext Derivatives Market or a Euronext Securities Market must apply for membership in accordance with the provisions of this Chapter 2. The admission of a Person to Euronext Derivatives Membership or Euronext Securities Membership (as the case may be) is subject to the prior written approval of the Relevant Euronext Market Undertaking. Upon admission by a Relevant Euronext Market Undertaking pursuant to this Chapter 2, a Person shall be denoted as a Euronext Derivatives Member and/or a Euronext Securities Member (as the case may be).

2101/2 The trading privileges and obligations of a Member shall be set forth in this Rule Book, the Admission Agreement and in other specific agreements contemplated by this Rule Book.

2101/3 Membership or any trading privileges arising from such Membership may not in any way be transferred (other than by way of corporate restructuring with no change of beneficial ownership, subject to the prior written approval of Euronext) or encumbered by or on behalf of the Member.

2101/4 The eligibility criteria specified in, or pursuant to, Rule 2201/1 shall apply not only at the time of application for Membership but continuously, for as long as the Person in question is a Member.

2102 MEMBERSHIP CAPACITIES

2102/1 Membership capacities are determined by the scope of the Member's authorisation, licence or permission from the relevant competent authority, where such authorisation, licence or permission is required, though a Member may, if he so wishes, restrict such scope in respect of his activities on one or more of the Euronext Markets.

2.2. REQUIREMENTS FOR EURONEXT MEMBERSHIP

2201 ELIGIBILITY FOR MEMBERSHIP

2201/1 The Relevant Euronext Market Undertaking shall determine whether an Applicant which does not already hold Euronext Derivatives Membership or Euronext Securities Membership (as the case may be) satisfies the following criteria:

- (i) in respect of an Investment Firm or a Credit Institution, that:
 - (a) it is authorised by the competent authorities of its home Member State to conduct business on the market; and
 - (b) where relevant, it has given appropriate notification to the competent authority concerned that it wishes to take up its EEA Right in the jurisdiction in which the Relevant Euronext Market Undertaking is situated;

- (ii) in respect of a Non-MIFID Firm:
- (a) that it is authorised, or otherwise licensed or permitted by the Competent Authorities or other relevant regulatory authority to conduct business on the market, or can demonstrate that such authorisation, licensing or permission is not required; and
 - (b) that it is of sufficient good repute;
 - (c) that it has a sufficient level of trading activity, competence and experience; and
 - (d) that it has adequate organisational arrangements
- (iii) that its staff are suitably qualified and experienced in order to implement and maintain adequate internal procedures and controls in relation to its intended business on the market;
- (iv) that, where relevant, it has entered into any agreement contemplated by this Rule Book and has met any technical requirements specified by the Relevant Euronext Market Undertaking;
- (v) that it can demonstrate fluency of its relevant personnel in English or in one of the languages of the Relevant Euronext Market Undertaking;
- (vi) that it can demonstrate that it has sufficient resources for the role(s) it intends to perform on the market; and
- (vii) any other criteria which the Relevant Euronext Market Undertaking may prescribe with regard to Membership and publish by Notice.
- 2201/2 Natural persons and sole proprietorships are not eligible to become Euronext Securities Members.
- 2201/3 Admission to Membership of any Euronext Market Undertaking shall not confer any right to attend or vote at meetings, or right to share in or any liability in respect of debts, of any Euronext Market Undertaking.
- 2201/4 The Relevant Euronext Market Undertaking will only consider applications for membership in respect of Persons located in jurisdictions with satisfactory regulatory arrangements including those in respect of:
- (i) supervision of investment services and activity; and
 - (ii) information sharing and co-operation between the supervisory authority of the jurisdiction concerned and the Competent Authorities or, where permitted by National Regulations, the Relevant Euronext Market Undertaking.
- 2201/5 For the avoidance of doubt, a jurisdiction whose legal and supervisory framework has been recognised to be equivalent by the European Commission pursuant to Article 47(1) of MIFIR shall be deemed to comply with the requirements of Rule 2201/4.
- 2202 RESPONSIBLE PERSONS AND TRADERS
- 2202/1 A Member must ensure that it has a sufficient number of Responsible Persons for the nature and scale of business being conducted. A Responsible Person shall be responsible for trading activity conducted on:
- (i) the Euronext Derivatives Markets under his ITM(s); and/or

- (ii) the Euronext Securities Markets under his general authority,
and may be a trader himself and/or a trading supervisor.
- 2202/2 In order to comply with this Rule 2202, a Responsible Person must, pursuant to the requirements of the Relevant Euronext Market Undertaking, be adequately trained and fully conversant with the Rules and Trading Procedures. A Relevant Euronext Market Undertaking may impose requirements (and publish such requirements by Notice) in respect of training and competence of Responsible Persons.
- 2202/3 Subject to any restrictions imposed by the Relevant Euronext Market Undertaking trading may be conducted by Responsible Persons or by other individuals within the Member, at the discretion of the Member, provided all such individuals are suitable and adequately trained in accordance with the Rules. Traders who are not Responsible Persons may only submit orders for Derivatives under the ITM(s) of a Responsible Person registered to the Member or for Securities under the general authority of such Responsible Person.

2.3. APPLICATION PROCEDURE

- 2301 SUBMISSION OF THE APPLICATION
Applicants shall submit a written application to the Relevant Euronext Market Undertaking and such additional information and documents as the Relevant Euronext Market Undertaking may, in its sole judgment, consider relevant in order to review the application.
- 2301/2 An existing Member wishing to act in a capacity other than that to which it is already admitted or wishing to extend its activities on another Euronext Market shall submit a written application to the Relevant Euronext Market Undertaking.
- 2302 APPLICATION FILE
Applicants shall submit a written application for Membership to the Relevant Euronext Market Undertaking, using the standard form prescribed by Euronext, in English or in one of the languages of the Relevant Euronext Market Undertaking.
- 2302/2 The Relevant Euronext Market Undertaking may require from the applicant additional information and documents and may institute such investigation to verify information submitted by the applicant as it deems necessary. The Relevant Euronext Market Undertaking may require the applicant, or one or more representatives of the applicant, to attend for interview by the Relevant Euronext Market Undertaking.
- 2302/3 Each applicant and each Member shall authorise Euronext or its duly appointed agents to carry out such on-site inspections, during normal business hours, in respect of its activities on the Euronext Markets as Euronext may deem appropriate in its sole discretion. Furthermore, each applicant and each Member shall make a commitment to provide all information or make any modifications to its information systems that may be required by Euronext, acting in good faith, as a result of such an inspection.
- 2303 DETERMINATION OF APPLICATION
A Euronext Market Undertaking shall, after receipt of an application for Membership and any additional information requested by it, in its sole discretion approve or reject such application or approve such application subject to such conditions and/or restrictions as it considers appropriate. The Relevant Euronext Market Undertaking shall notify the applicant of its decision in writing.

- 2303/2 Without prejudice to Rule 2303/3 and subject to Rule 1.6A, the Relevant Euronext Market Undertaking shall keep confidential all information submitted to it by a Member or a prospective Member in connection with an application for Membership or obtained by it in the course of reviewing such application.
- 2303/3 The Relevant Euronext Market Undertaking shall inform Competent Authorities, the other Euronext Market Undertakings and, as applicable, the Clearing Organisation(s) of the admission of new Members and the date on which such new Members are approved and/or start trading.
- 2303/4 If a Relevant Euronext Market Undertaking decides to refuse an application it shall promptly notify the applicant in writing. Such applicant may, by notice in writing within seven days of receiving notice of such decision, require the Euronext Market Undertaking to give additional explanations for its decision within seven days of receiving such notice from the Applicant.

2.4. MEMBERS' CONTINUING OBLIGATIONS

- 2401 A Member shall on a continuing basis:
- (i) abide by the Rules, as from time to time in force, and take all appropriate actions prescribed by the Rules;
 - (ii) fulfil his obligations under the Admission Agreement and, where relevant, any other agreement(s) to which the Relevant Euronext Market Undertaking and the Member are party;
 - (iii) pay the fees and charges prescribed by Euronext according to the conditions established by Euronext and communicated to Members;
 - (iv) authorise Euronext or its duly appointed agents to carry out on-site investigations, during normal business hours, in any place of business of the Member or its Affiliate, and submit as soon as possible any information or document which Euronext or such agents consider appropriate for purposes of such investigations;
 - (v) comply with the technical requirements of the relevant Euronext Trading Platform(s) and of any other information technology system or network operated by Euronext, as set out in the relevant agreement(s);
 - (vi) notify the Relevant Euronext Market Undertaking as soon as possible and in writing of any material changes to the information submitted during the course of the Membership application, including in particular (without limitation) those in respect of the Member's authorisation, license or permission to conduct Investment Services;
 - (vii) give prior written notice to the Relevant Euronext Market Undertaking of any facts or circumstances which may affect the legal form or organisation of the Member or its trading activities on the Euronext Markets, including (without limitation) any consolidation, reorganisation, merger, change of name, change of control or similar event to which the Member is or will become a party and provide such additional information as the Relevant Euronext Market Undertaking may reasonably require;
 - (viii) notify immediately the Relevant Euronext Market Undertaking of the commencement or anticipation of any bankruptcy, insolvency, winding up, administration or equivalent event (including amicable settlement) in any

- relevant jurisdiction the Member is subject to or to which the Member is a party;
- (ix) provide the Relevant Euronext Market Undertaking with such contact details of representatives of the Member as may be determined by the Relevant Euronext Market Undertaking and notify the Relevant Euronext Market Undertaking of any changes to such details (including changes to the address of the Member) in a timely manner;
- (x) ensure that any description of his Membership or the services that he is able to provide, in the form and context in which it appears or is used, does not misrepresent the scope of the capacity which he enjoys under the Rules in relation to the Relevant Euronext Market Undertaking;
- (xi) notify immediately the Relevant Euronext Market Undertaking of the suspension or termination of a Clearing Agreement to which it is a party;
- (xii) notify immediately the Relevant Euronext Market Undertaking of its failure to comply with Rule 2501/2;
- (xiii) implement and maintain adequate internal procedures and controls in relation to its business on the market;
- (xiv) Provide Euronext with all data required pursuant to Union Law including, without limitation, requirements imposed by:
- delegated regulation (EU) 2017/580;
- delegated regulation (EU) 2017/590;
- National Regulations implementing Article 57 of MIFID II.
and comply with all associated technical requirements, such data and technical requirements being specified by Notice.
- (xv) certify that the algorithms they deploy and use as algorithmic trading on Euronext Trading Platforms have been tested to avoid contributing to or creating disorderly market conditions.

2402

Non-MIFID Members

In relation to reporting of transactions to Competent Authorities, each non-MIFID Member must ensure at all times that it has provides Euronext with all the data required according to the Commission Delegated Regulation (590/2017/EU) under conditions and manner specified by Euronext in one or more Notices.

2.5.

CLEARING ARRANGEMENTS

2501

GENERAL CLEARING ARRANGEMENTS

2501A/1

Each Euronext Market Undertaking shall appoint one or more Clearing Organisation(s).

2501A/2

[Reserved]

2501A/3

Pursuant to Rule 2501A/1, Transactions shall be cleared by LCH SA, except where either (i) the Euronext Market Undertaking has appointed a different Clearing Organisation to clear a particular category of Admitted Financial Instruments or (ii) the

Euronext Market Undertaking has provided arrangements whereby Members can indicate their preferred Clearing Organisation. The Clearing Organisation(s) applicable to each category of Admitted Financial Instrument shall be specified by the Euronext Market Undertaking and published in a Notice.

- 2501B/1 Any Member wishing to trade on the Euronext Markets other than as a customer of another Member must be party to a Clearing Agreement in respect of those Financial Instruments which it is authorised to trade but which it is not authorised to clear. For the avoidance of doubt, such Clearing Agreement must, inter alia, provide for clearing by LCH SA, in those circumstances where Rule 2501A/3(i) does not apply.
- 2501B/2 Where a Member enters into a Transaction on the Euronext Derivatives Market for its own account, or where any Member enters into a Transaction on the Euronext Derivatives Market on behalf of a client, the Member must ensure that it (where it is not a Clearing Member) or its client, as the case may be, has appropriate, legally effective contractual arrangements in place pursuant to which it or the client, as the case may be, becomes the counterparty to a cleared derivative transaction relating to such Transaction on the Euronext Derivatives Market pursuant to direct or indirect clearing arrangements with a Clearing Member.
- 2501/2 Each non-clearing Member must ensure at all times that it has lodged with its Clearing Member adequate collateral in relation to its margin liabilities.
- 2501/3 A Clearing Member must notify Euronext immediately if any Member for whom it clears fails to comply with Rule 2501/2.
- 2502 **CLEARING AGREEMENTS**
- 2502/1 Any Member wishing to trade other than as a customer of another Member shall enter into a Clearing Agreement which complies with any requirements imposed by or pursuant to the relevant Clearing Rule Book from time to time in force in respect of those Financial Instruments which it is not authorised to clear.
- 2502/2 In order to trade on a Euronext Market, each Member which is not a Clearing Member in respect of the Financial Instrument he is authorised to trade must have filed with the Relevant Euronext Market Undertaking (or have filed on his behalf) an unrevoked and valid Clearing Mandate, which may either be a copy of the Clearing Agreement entered into by such Member or written confirmation of the existence of such Clearing Agreement.

2.6. EXTENSION OF MEMBERSHIP

- 2601 A Firm which is an Euronext Member and who wishes to extend its Membership to other Euronext Markets should submit a written application to the Relevant Euronext Market Undertaking to that effect. The Relevant Euronext Market Undertaking to which the Euronext Member is applying may perform checks to ensure that the Member satisfies its additional Membership requirements (if any).

2.7. REGISTER OF MEMBERS

- 2701 The Euronext Market Undertakings shall maintain a register of Members, including at least the contact details and capacities of Members.

2702 A Member shall be deemed to have elected domicile at the address stated by him in the Admission Agreement or at the last address subsequently specifically notified by him in writing to the Relevant Euronext Market Undertaking, as the case may be.

2.8. RESIGNATION, SUSPENSION AND TERMINATION

2801 RESIGNATION

2801/1 A Member may cease to be a member of one or more Euronext Markets by giving the Relevant Euronext Market Undertaking written notice of his wish to resign from Membership (a “resignation notice”).

2801/2 Subject to National Regulations, a Relevant Euronext Market Undertaking may, in its absolute discretion, postpone the effective date if it considers it necessary for the protection of clients, or otherwise in the interests of the market. If the Relevant Euronext Market Undertaking does so, it may waive the Member's liability for some or all the fees and charges arising in respect of the period following the date on which his resignation notice would otherwise have taken effect.

2801/3 Upon a Member's notification of its resignation pursuant to Rule 2801/1, all amounts owed by such Member to the Relevant Euronext Market Undertaking shall become immediately due and payable. The Member shall forthwith return to the Relevant Euronext Market Undertaking on request, any software, equipment and documentation which may have been made available by Euronext.

2801/4 A Member's resignation shall become effective only as of the date confirmed in writing by the Relevant Euronext Market Undertaking to the Member.

2802 SUSPENSION AND TERMINATION

2802/1 Notwithstanding the rules of Chapter 9, as applicable, a Relevant Euronext Market Undertaking shall suspend (in whole or in part, for a fixed term) a Member's trading privileges on, and may terminate his Membership of, that Euronext Market in the event of:

- (i) a Member failing to perform, or delaying performing, any of such Member's obligations under the Admission Agreement, any other agreement to which both the Relevant Euronext Market Undertaking and the Member are party for which such failure would constitute a violation of the Member's obligations under the Rules; or
- (ii) in the case of a Euronext Derivatives Market, the death of the Member, if a natural person. However, personal representatives of the deceased may retain the Membership for a period of up to six months following the date of death in order to complete arrangements for the orderly closing out of open positions of the Member; or
- (iii) the dissolution of the Member, if a legal entity or partnership; or
- (iv) a Member suspending payment or calling a meeting of his creditors; or
- (v) a Member which is either a natural person or a partnership, having a receiving order or a bankruptcy order made against him or all of the partners; or
- (vi) a Member which is a legal person having a receiver, an administrative receiver or an administrator appointed or a petition for winding up presented or a resolution passed for winding-up (except a voluntary winding-up for the purposes of an amalgamation or reconstruction which has received prior

- approval of the Relevant Euronext Market Undertaking) or proceedings have otherwise commenced for its dissolution; or
 - (vii) insolvency or other similar event occurring in respect of a Member; or
 - (viii) the Member's application for Membership containing material errors or omissions or being misleading in a material respect; or
 - (ix) the revocation or expiration without renewal of the Member's Home State authorisation, licence or permission to engage in the relevant Investment Services resulting in the Member failing to satisfy the Membership requirements under Rule 2201; or
 - (x) a Member failing to comply with Rule 2501/2; or
 - (xi) the suspension or termination of a Member's capacity as a Clearing Member or termination of its Clearing Agreement, as the case may be.
- 2802/2 Any termination pursuant to Rule 2802/1 shall be decided by the Relevant Euronext Market Undertaking, taking into account the degree of seriousness or permanence of the event in question. The decision of suspension or termination shall be notified in writing to the Member.
- 2802/3 Notwithstanding the rules of Chapter 9, as applicable, a Relevant Euronext Market Undertaking reserves the right to terminate the Membership of any Member in the event of the Member:
- (i) not having commenced trading within three months following admission as a Member; or
 - (ii) having ceased to carry out regularly brokerage and/or dealing in Financial Instruments for a period of six consecutive months.
- 2802/4 A Member whose trading privileges are suspended or whose Membership is terminated may apply to the Relevant Euronext Market Undertaking at any time to have the suspension or termination revoked. On making such an application the Member shall provide the Relevant Euronext Market Undertaking with any information the Relevant Euronext Market Undertaking may require. The Relevant Euronext Market Undertaking may reject such application or may reinstate the Member or restore his trading privileges either unconditionally or subject to any conditions the Relevant Euronext Market Undertaking may think appropriate. Such Member may, by notice in writing within seven days of receiving notice of such decision, require the Relevant Euronext Market Undertaking to give additional explanations for its decision within seven days of receiving such notice from the Member.
- 2802/5 A Member whose trading privileges are in whole or in part suspended for any period:
- (i) shall be prohibited from trading as a Member during the period of suspension (save as may be allowed by the Rules for purposes of closing out his and his Clients' open positions); but
 - (ii) shall remain liable in respect of all his obligations of Membership including the payment of any fees and charges payable under the Rules.
- 2802/6 Without prejudice to the above, a Person whose Membership has been terminated shall remain subject to the Rules and to the jurisdiction of the Relevant Euronext Market Undertaking in respect of acts and omissions while he was a Member for a period of twelve months from the date at which the termination of Membership became effective. Furthermore, a Person whose Membership is terminated shall

forfeit all rights to use any trading privileges granted to him, without being entitled to any refund of fees paid in respect of the same.

2802/7 Upon a Member's notification of its suspension or termination pursuant to Rule 2802/2, all amounts owed by such Member to the Relevant Euronext Market Undertaking shall become immediately due and payable. All of such Member's obligations resulting from that Membership shall be discharged to the full satisfaction of the Relevant Euronext Market Undertaking. The Member shall forthwith return to the Relevant Euronext Market Undertaking on request, any software, equipment and documentation which may have been made available by Euronext.

2803 NOTIFICATION OF RESIGNATION, SUSPENSION AND TERMINATION OF MEMBERSHIP

Euronext shall promptly inform the Competent Authorities, and as applicable, the Clearing Organisation(s) of the resignation, termination or suspension, as well as of the termination of such suspension, of the Membership of any Person.

CHAPTER 3: MARKET ACCESS ARRANGEMENTS

3.1. CROSS MEMBERSHIP

- 3101/1 Individually or jointly, the Euronext Market Undertakings may enter into an agreement with another exchange operating a Regulated Market or an organised market recognised by the Competent Authorities in order to define, on a reciprocal basis, specific conditions for the admission of members of the said markets. For the purposes of this Rule 3.1, such Regulated Market or organised market shall be described as a “Partner Market”.
- 3101/2 A Person accessing a Euronext Market through a cross-membership agreement of the sort contemplated by Rule 3101/1 is referred to as a “Cross-Member”. Except as otherwise provided in the relevant agreement, a Cross-Member cannot benefit from other cross-membership agreements executed by Euronext.
- 3101/3 A Cross-Member is bound by the Rules of the Relevant Euronext Market Undertaking as amended by the provisions of the cross-membership agreement. Conversely, a Member shall comply with the rules of the Partner Markets where it trades.
- 3101/4 The Relevant Euronext Market Undertaking shall inform the relevant exchange with which that Euronext Market has concluded a cross-membership agreement of the admission of a new Cross-Member and of the resignation, termination or suspension of Membership of a Cross-Member.
- 3101/5 Following the termination of a cross-membership agreement, the Cross-Member may elect to remain a Member, in which case it will remain subject to the provisions contained in the Rules, but the specific provisions previously set forth in the terminated agreement will no longer apply.

3.2. ELECTRONIC ACCESS FACILITIES FOR CLIENTS

- 3201/1 Any access granted by a Member which is an Investment Firm or Credit Institution to his Clients by way of an Automated Order Routing System or through Direct Electronic Access (including Sponsored Access) must be adequately controlled in accordance with the provisions of Chapter 8. In respect of access to the Euronext Markets, the Member must have in place effective systems and controls which ensure:
- (a) that his Clients cannot exceed pre-set trading and credit thresholds set by the Sponsoring Member;
 - (b) that trading by those Clients is properly monitored; and
 - (c) that appropriate risk controls are in place to prevent trading that could adversely affect the Member’s compliance with the Euronext Rule Book, create or contribute to disorderly conditions on a Euronext Market or facilitate conduct that may involve market abuse or attempts at market abuse;
 - (d) that a policy of the use of kill functionality is defined.
- 3201/2 All business undertaken by a Client via an Automated Order Routing System or via Direct Electronic Access (including Sponsored Access) on an Euronext Market will be done in the name of the Member and the Member retains full responsibility for the conduct of all such business.

- 3201/3 A Member providing Direct Electronic Access to its Clients must comply with Chapter III of the Delegated Regulation (EU) 2017/589 specifying the organisational requirements of investment firms engaged in algorithmic trading.
- 3201/4 A Member must notify the Relevant Euronext Market Undertaking as soon as possible and in writing of any material changes to its arrangements relating to the provision of Direct Electronic Access to its Clients.

3.3 SPONSORED ACCESS

3301/1 Subject to Rule 3.5, the Relevant Euronext Market Undertaking may consider an application from a Member who wishes to provide Sponsored Access to an Euronext Market for one or more of his Clients. The Relevant Euronext Market Undertaking may refuse such application or may impose conditions on any approval granted in respect of such application. The Relevant Euronext Market Undertaking shall also have the power to rescind or modify any such approvals after they have been granted.

All successful applicants will be notified in writing by the Relevant Euronext Market Undertaking.

For the avoidance of doubt, a member shall not provide Sponsored Access to any particular Client without first having received approval in writing from the Relevant Euronext Market Undertaking in respect of such Client.

3301/2 Prior to providing Sponsored Access to a Client, the Member shall carry out at least due diligence on such Client pursuant to the requirements of Article 22 of the Commission Delegated Regulation (EU) 2017/589 specifying the organisational requirements of investment firms engaged in algorithmic trading in order to ascertain that such Client possesses:

- (a) appropriate resources in terms of systems and controls;
- (b) sufficient knowledge of Euronext's Rule Book and trading system; and
- (c) sufficient knowledge of the use of the order submission system used;

and that the Client is:

- (d) located in a jurisdiction with satisfactory regulatory arrangements in accordance with Rule 3.5; and
- (e) authorised or otherwise licensed or permitted to conduct business on the market or, in the absence of a requirement for authorisation, licensing or permission, can otherwise demonstrate that it is fit and proper;

3301/3 The Relevant Euronext Market Undertaking shall require that each Sponsoring Member enters into a legally-binding written agreement with each Sponsored Participant sponsored by such Member which requires, *inter alia*, that such Sponsored Participant:

- (a) complies with the Rules applicable to trading on the Euronext Markets and with any procedural or technical conditions that may be prescribed by Euronext from time to time in relation to Sponsored Access and published by Notice as if the Sponsored Participant were a Member;

- (b) acknowledges that the Sponsoring Member may take the relevant measures in order to ensure that the provision of Sponsored Access does not adversely affect compliance with Euronext Rules, lead to disorderly trading or facilitate conduct that may involve market abuse or attempts of market abuse;
- (c) permits the Sponsoring Member to carry out, whenever necessary, a review of the Sponsored Participant's internal risk control systems;
- (d) permits Euronext or its duly appointed agents to carry out on-site investigations and submit as soon as possible any information or document which Euronext or such agents consider appropriate for purposes of such investigations;
- (e) provides Euronext on request with information on their organisational requirements and trading controls; and
- (f) supplies contact details for such management or operational contacts as may be required by Euronext.

3301/4

The Sponsoring Member shall have appropriate arrangements in place with the Sponsored Participant to enable the Sponsoring Member, inter alia, to have control over the risk control systems it employs (to which the Sponsored Participant should have no physical or electronic access and which cannot be located in the offices of the Sponsored Participant) and be able to take appropriate measures in relation to the trading activity of the Sponsored Participant. In particular, the Sponsoring Member must be able to demonstrate to Euronext's satisfaction that:

- (a) its arrangements comply with Rules 3.2 and 8106 and Articles 19, 20 and 21 of the Commission Delegated Regulation (EU) 2017/589 on organisational requirements engaged in algorithmic trading and it has the ability to review the Sponsored Participant's internal risk control systems when it deems it necessary;;
- (b) all the orders of the Sponsored Participant pass through the pre-trade and post-trade controls of the Sponsoring Member and the Sponsoring Member is solely entitled to set or modify the parameters or limits that apply to the pre-trade and post-trade controls applicable to the Sponsored Participant;
- (c) the Sponsoring Member ~~can~~ will monitor in real time any orders submitted by the Sponsored Participant in order to prevent, inter alia, trading which could create or contribute to a disorderly market or be contrary to the Rules;
- (d) the Sponsoring Member will automatically block or cancel orders from a Sponsored Participant in respect of an Admitted Financial Instrument which the Sponsored Participant does not have permission to trade;
- (e) the Sponsoring Member will automatically block or cancel orders from a Sponsored Participant when they breach the Sponsoring Member's trading and credit thresholds; and
- (f) its internal procedures and documentation allow it to suspend or withdraw the Sponsored Participant's access to the Euronext Markets immediately, either by its own determination when the Sponsoring Member is not satisfied that continued access would be consistent with the Relevant Euronext Market Undertaking's Rules in relation to fair and orderly trading and market integrity

or when required to do so by the Relevant Euronext Market Undertaking pursuant to Rule 3301/6.

3301/5 The Sponsoring Member shall assign to each Sponsored Participant one or more unique identifiers (ITMs or SLEs) solely for the use of that Sponsored Participant.

3301/6 For the avoidance of doubt, where the Sponsored Participant is itself a Member, the Sponsored Participant will remain subject to the Rules (and in particular the general duties of integrity, fair dealing and care and the obligation to co-operate with a Euronext Market Undertaking) however its business is executed. In addition, in respect of the Sponsored Participant's own client business, it is subject to, inter alia, the provisions of Chapter 8 regardless of the technical solutions utilised to execute such business.

3301/7 The Sponsoring Member shall prohibit a Sponsored Participant from providing sponsored access to a Euronext Market to the Sponsored Participant's clients.

3301/8 A Member shall suspend access of a Sponsored Participant to a Euronext Market with immediate effect if required to do so by the Relevant Euronext Market Undertaking.

3301/9 The Relevant Euronext Market Undertaking may cancel orders submitted by a Sponsored Participant or suspend or revoke the Sponsored Participant's access to the Euronext Markets where the Sponsored Participant's actions have infringed a requirement of MIFID or MIFIR or have breached a provision of the Rule Book.

3.4. ELECTRONIC ACCESS FACILITIES FOR AFFILIATES

3401/1 Subject to Rule 3.5, the Relevant Euronext Market Undertaking may consider an application from a Member who wishes to obtain direct access to an Euronext Market for its Affiliate(s).

3401/2 For the purposes of this Rule, "Affiliate" means a Person who:

- (i) owns 95 per cent or more of the Member; or
- (ii) is owned 95 per cent or more by the Member; or
- (iii) is owned 95 per cent or more by a third party who also owns 95 per cent or more of the Member.

All successful applicants for affiliate access will be notified in writing by the Relevant Euronext Market Undertaking.

3401/3 All business undertaken by an Affiliate on an Euronext Market will be done in the name of the Member and the Member retains full responsibility for the conduct of all such business.

3.5 REMOTE ACCESS

3501/1 The Relevant Euronext Market Undertaking will only consider applications in respect of Sponsored Participants or Affiliates located in jurisdictions with satisfactory regulatory arrangements including those in respect of:

- (i) supervision of investment activity; and
- (ii) information sharing and co-operation between the supervisory authority of the jurisdiction concerned and the Competent Authorities or, where permitted by National Regulations, the Relevant Euronext Market Undertaking.

3501/2 For the avoidance of doubt, a jurisdiction whose legal and supervisory framework has been recognised to be an effective equivalent system for the recognition of investment firms by the European Commission pursuant to Article 47(1) of MiFIR shall be deemed to comply with the requirements of Rule 3501/1.

CHAPTER 4: TRADING RULES FOR SECURITIES

4.1. GENERAL

4101 SCOPE OF CHAPTER 4

This Chapter 4 sets forth rules governing trading on the Euronext Securities Markets.

4102 TRADING DAYS

The Trading Days in any given calendar year shall be announced by the Euronext Market Undertakings in a Notice published no later than the last Trading Day of the preceding year.

4103 CURRENCY OF TRADING

Orders for the purchase or sale of Securities shall be expressed in the currency determined by the Euronext Market Undertakings for the relevant class of Securities.

4104 TRADING SYMBOLS

The Euronext Market Undertakings shall define trading symbols for the purpose of identifying Securities in Euronext's trading systems. It may in its sole discretion modify or reassign such trading symbols at any time. The Issuers of the relevant Securities shall have no proprietary rights to such trading symbols.

4105 SYSTEM RULES AND REQUIREMENTS

When trading on a Euronext Securities Market, Euronext Securities Members shall comply with the operational, procedural and technical requirements of Euronext's systems and networks, as specified by Euronext.

4106 MEMBER RESPONSIBILITY

In respect of business conducted on Euronext Securities Markets or business related thereto, a Euronext Securities Member shall be responsible for the acts and conduct of all Responsible Persons registered in its name and all individuals trading under the general authority of such Responsible Persons as if the acts and conduct of each of those persons were the acts and conduct of the Euronext Securities Member. In particular, a Euronext Securities Member shall be held responsible for a violation of a relevant obligation committed by any such person and sanctions may be imposed under the Rules.

4107 MARKET MAKERS / LIQUIDITY PROVIDERS

4107/1 Obligation for investment firms to enter into a market making agreement

When the conditions set forth by the Commission Delegated Regulation (EU) 2017/578 article 1 are met by a Member, this Member shall enter in a Market Making Agreement with the Relevant Euronext Market undertaking.

4107/2 Market Making Schemes

When applicable according to Commission Delegated Regulation (EU) 2017/578 Euronext Market undertakings have in place Market Making Schemes.

4107/3 When the Relevant Euronext Market Undertaking considers it to be in the interest of

the market that liquidity in a particular Admitted Financial Instrument be improved, it may implement Programmes whereby one or more Members (or, where permitted by the relevant Book II, Clients acting purely in a proprietary capacity) not pursuing any market making activity as defined in Articles 17(4) and 48(2) of MiFID, assume the role of Liquidity Provider for such instrument.

4107/4 The Relevant Euronext Market Undertaking shall publish and regularly update the list of Market Makers and relevant information relating to their activities in accordance with Article 7.1 of the Delegated Regulation (EU)2017/578.., and regularly update the List of Liquidity Providers and information relevant to their Liquidity Provision Programme. .

4.2. ORDERS

4201 SCOPE OF RULE 4.2

This Rule 4.2 only concerns orders for the purchase or sale of Securities submitted by Euronext Securities Members to the Central Order Book of a Euronext Securities Market and shall not stand in the way of specific arrangements regarding order specifications as between Euronext Securities Members and their Clients.

A Euronext Securities Member may decline to execute orders that are subject to conditions precedent or subsequent or other validity constraints, which are not contemplated by this Chapter 4.

4202 GENERAL TERMS AND CONDITIONS

4202/1 Minimum indications

Any order submitted to the Central Order Book shall at least indicate if applicable the following elements:

- (i) the Security to which the order relates or the trading symbol assigned by the Euronext Market Undertakings to such Security;
- (ii) whether the order is for a purchase or a sale;
- (iii) the order quantity;
- (iv) the price conditions;
- (v) whether the order is submitted:
 - (a) for the Euronext Securities Member's own account;
 - (b) for the account of an Affiliate granted direct access pursuant to Rule 3.4;
 - (c) for the account of a third party;
 - (d) pursuant to a Market Making Agreement or Market Making Scheme or Liquidity Provision Programme;
 - (e) as a Retail Liquidity Firm Quote;
 - (f) as a Retail Order;
- (vi) client identification short code;
- (vii) investment decision within Firm identification short code;
- (viii) Execution within Firm identification short code.

When placing an order, a Euronext Securities Member may also indicate special conditions as per Rule 4204.

For each order Members have to provide Euronext, before the end of the trading day, with all the data requested in the Annex of the Commission Delegated Regulation (EU) 2017/580.

- | | |
|--------|---|
| 4202/2 | <p>Order size</p> <p>All order sizes can be traded, subject to particular specifications in respect of certain types of Securities as set forth in one or more Notices.</p> |
| 4202/3 | <p>Certain events</p> <p>Unexecuted orders in respect of a particular Security shall be cancelled in the Central Order Book upon the occurrence or the announcement of certain events concerning the relevant Issuer which are likely to substantially affect the price of such Security, as set forth in one or more Notices.</p> <p>Euronext Securities Members must agree with their Clients whether events of the kind referred to in the preceding paragraph require express renewal of orders or whether Euronext Securities Members are entitled to re-enter orders after having performed the necessary price or quantity adjustments, where appropriate.</p> |
| 4202/4 | <p>Modification and cancellation. Any order entered into the Central Order Book may be modified or cancelled prior to its execution. Any increase in the order quantity or change in the limit price shall cause the forfeiture of time priority.</p> |
| 4202/5 | <p>Indication of Interest</p> <p>For certain warrants and certificates where the activity of a Liquidity Provider is, in the sole opinion of Euronext, considered as mandatory to maintain an efficient market, the outstanding orders of such Liquidity Provider shall have first the status of indicative quotes (hereafter in this context “the indications of interest”) during continuous trading phase. However, the incoming Liquidity Provider orders that are immediately executable against the rest of the central order book shall be executed as firm orders and their balance, if any, shall be treated as indications of interest.</p> <p>Trades shall take place inside the bid/ask spread resulting of such indications of interest as the case may be, boundaries included. Accordingly, trading shall be reserved when the Liquidity Provider has not posted indications of interest in compliance with its presence obligations, it being understood that such obligation may consist of bid-only or offer-only posting in specific circumstances.</p> <p>To allow for such market organization, market-to-limit orders shall not be allowed and stop orders shall run on a “stop-on-quote” basis, implying that they are triggered by reference to the LP indication of interest on the relevant side.</p> <p>Euronext will specify to which warrants and certificates such provision applies.</p> |
| 4203 | <p>ORDER TYPES</p> |
| 4203/1 | <p>Market orders</p> <p>An order to buy or to sell a stated amount of a security that is to be executed at the best price(s) obtainable when the order reaches the Central Order Book.</p> |

- 4203/2 Limit orders
- Limit orders are bid or ask orders that can only be executed at their specified price limit or at a better price. The price limit must be consistent with the tick specified by Notice.
- 4203/3 Stop orders
- Stop orders are orders which are triggered when a specified price limit is reached in trading (implying that the market must trade at or above the stop limit for a buy order and at or below the stop limit for a sell order). In the case of a stop loss order, a pure market order shall then automatically be generated and added to the Central Order Book. In the case of a stop limit order, a limit order shall automatically be generated and added to the Central Order Book.
- 4203/4 Pegged Order
- A limit order to buy or sell a stated amount of a security at a display price set to track the current bid or ask of the Euronext central Order book. The associated price of each Pegged Order that is updated will be assigned a new entry time with priority in accordance with Euronext Rules.
- Pegged orders can have a limit price which if breached will cause the pegging to temporarily stop as long as the current bid or ask is more aggressive than this price.
- 4204 ORDER PARAMETERS
- 4204/1 Validity
- Orders entered into the Central Order Book may be valid for the Trading Day, until a specified date, or until cancelled, subject to a maximum duration of 365 days. Absent specification of its duration, an order shall be deemed to be valid for the Trading Day. For a specified trading session as of its entry, an order may be valid until a specified time, or for a specified length of time or for the next opening auction or closing auction.
- 4204/2 Execution parameters
- 4204/2/A Certain types of orders may be made subject to the following execution conditions in accordance with the matrix of order types and execution conditions set forth in one or more Notices:
- (i) "Immediate Or Cancelled", are orders which are executed to the fullest extent possible either immediately upon entry with any remaining unexecuted portion being cancelled;
 - (ii) "minimum-quantity orders" are orders which must be executed immediately to the extent of a specified minimum quantity, with any remaining unexecuted portion being added to the Central Order Book; provided that such orders shall be cancelled failing immediate execution of the specified minimum quantity;
- it being understood that conditions (i) and (ii) above shall be allowed only in respect of continuous trading.
- 4204/2/B Market Orders
- (i) Pure Market Orders: any remaining unexecuted portion is being added to the Central Order Book for execution as soon as possible at the next prices.

- (ii) Market-to-limit orders: are bid or ask orders which, in continuous trading are executed immediately at the best opposite price limit and, in auctions are executed at the auction price, with any remaining unexecuted portion being automatically transformed into a limit order at the last executed price and added to the Central Order Book.
- 4204/3 Transparency parameters
- "Reserve orders", also referred to as "iceberg orders", are orders, that may not be less than a size specified , in accordance with the article 8 of Delegated Regulation (EU) 2017/587 and article 4 of Delegated Regulation (EU) 2017/583. Iceceberg orders are orders of which only specified tranches are successively entered in the Central Order Book, and disclosed to the market, with the current time stamp following full execution of the preceding tranche.
- 4205 RETAIL TRADING FACILITY
- 4205/1 A Retail Member Organisation may not make any change to the terms of the order set by the client with respect to price, size or side of market either manually or through the use of trading algorithm or any other computerised methodology. This rule is without prejudice to the implementation of pre- and post-trade risk management controls pursuant to Rule 8106/3.
- 4.3. TRADING CYCLES IN THE CENTRAL ORDER BOOK**
- 4301 OVERVIEW
- Securities shall be traded either through continuous matching of orders at opposite sides of the Central Order Book or through call auction procedures following a period in which orders have been accumulated without execution.
- The allocation of Securities between continuous and auction mode trading shall be determined by the Relevant Euronext Market Undertaking on the basis of objective criteria including (without limitation) historical and expected trading volumes, the inclusion in a Euronext or other internationally recognised index and the presence of Liquidity Providers and Market Makers.
- 4302 CONTINUOUS TRADING
- 4302/1 Pre-opening phase
- An opening auction shall be held at the beginning of each Trading Day prior to the commencement of continuous trading, in the manner specified in one or more Notices.
- 4302/2 Main trading session
- Upon completion of the opening auction, trading shall take place on a continuous basis, with each incoming order being checked immediately for possible execution against orders on the opposite side of the Central Order Book and any remaining unexecuted portion of such order being added to the Central Order Book (subject to different execution conditions permitted by Rule 4204).
- 4302/3 Closing phase
- Except for certain types of Securities designated by the Relevant Euronext Market Undertaking, the final price shall be determined through a closing auction in the

manner specified in one or more Notices.

4302/4 Trading-at-last

Except for certain types of Securities designated by the Relevant Euronext Market Undertaking, a short period shall be provided at the close of a Trading Day during which orders can be entered for execution at the last traded price.

4303 AUCTIONS

4303/1 Call phase

Each auction shall begin with a call phase in which orders are automatically recorded without giving rise to Transactions. During such call phase, Euronext Securities Members may enter new orders as well as modify or cancel existing orders. An indicative price, representing the price which the system matcher would determine on the basis of the given Central Order Book situation, shall be displayed and updated continuously as the Central Order Book situation evolves.

4303/2 Price determination phase

Following completion of the call phase, the system shall seek to determine a price so as to produce the maximum executable volume as per Rule 4401/3. During such price determination phase, no new orders may be entered and existing orders may not be modified or cancelled.

4303/3 Trading-at-last

For Securities designated by the Relevant Euronext Market Undertaking, a period may be provided following the fixing during which orders can be entered for execution at the auction price.

4304 POST-TRADING ORDER BOOK MANAGEMENT

During a period after the close of trading defined by Notice, Euronext Securities Members can access the Central Order Book in order to enter new orders as well as modify or cancel existing orders for the next Trading Day.

4305 OUT-OF-HOURS TRADING

4305/1 Price range

Without prejudice to the rules applicable to Large In Scale Trades, Transactions made outside the trading sessions shall be effected at the last closing price for Financial Instrument traded on a continuous mode and at a price within a price range of 1% around the last traded price, or the last disseminated indicative net asset value for ETFs, or the last known reference price for ETNs and ETVs . Euronext's decision to allow Out-of-Hours trading for such Securities is contingent on the availability of the indicative net asset value or reference price after the close of trading in proper conditions.

4.4. MARKET MECHANISMS

4401 ORDER MATCHING AND EXECUTION IN THE CENTRAL ORDER BOOK

4401/1 Execution priority principle

Orders in the Central Order Book shall be executed according to strict price priority.

Orders at the same price are ranked and executed according to strict time priority, with the following exception: during the continuous trading phase, orders at the best limit submitted by a Member who is participating in the Internal Matching Facility will be executed against such Member's incoming orders in the Central Order Book.

Retail Liquidity Firm Quotes can be matched only with Retail Orders, whereas Retail Orders can match with any other order in the Central Order Book.

Retail Liquidity Firm Quotes shall not be valid for matching if they cross the opposite best limit of the Central Order Book.

4401/2 Continuous trading

During continuous trading, each incoming order shall be checked immediately for possible execution against orders on the opposite side of the Central Order Book. Orders in the Central Order Book shall be executed according to the execution priority principle. The traded price shall be determined by the limit price of orders sitting on the book.

For certain warrants and certificates where, for the purposes of this Rule 4401/2, the activity of a Liquidity Provider is, in the sole opinion of Euronext, considered as mandatory to maintain an efficient market.

Either

- following the entering of an opposite order that could match the initial indication of interest; or
- further to an attempt by two other orders to match inside the indication of interest spread,

the Liquidity Provider shall receive first a "request for execution" consisting of an alert that does not mention the side, price nor the quantity of the incoming order. After a refreshment period providing the Liquidity Provider with an opportunity to update its indications of interest where appropriate, Liquidity Provider indications of interest shall be turned into orders executable, on an immediate basis only, against other orders if:

- the Liquidity Provider has not refreshed its indications of interest in a way that would make the orders not executable in the first case;
- the Liquidity Provider has shifted its indications of interest and improved the relevant side thereof so as to make it executable in the second instance.

In both circumstances, the immediately active orders of the Liquidity Provider shall match according to the standard price/time priority, time priority of the Liquidity Provider active order being given by the time of the associated indication of interest provided the latter has not been altered in a way that downgrades its priority. Following execution, the balance of such orders shall return to the indication of interest status.

Euronext shall be empowered to suppress the refresh process if it determines that it results in a poor execution quality for a particular instrument, as measured solely by Euronext.

Euronext will specify to which warrants and certificates such provision applies.

4401/3 Auctions

The auction price shall be determined on the basis of the situation of the Central Order Book at the closing of the call phase and shall be the price which produces the highest executable order volume.

Market orders shall have priority over limit orders. If there are several limits with equally high executable volume, the price shall be determined by reference to the price of the last automated trade (adjusted to take account of any corporate event that may have occurred in the interval) or, if such price is not available, another reference price determined in accordance with one or more Notices on the subject, until a single auction price is achieved.

4401/4 Financial Instruments admitted to trading on more than one Euronext Securities Market

Unless specified otherwise according to Rule 4404/5, a Transaction will be executed on the Market of Reference.

The prices and volumes of the Market of Reference are the ones to be taken into account for publication of the Euronext lists and of all kind of reference prices (including opening, closing, highest, lowest prices as well as index calculations) on the other Euronext Securities Markets on which the Financial Instrument is also admitted to trading.

4402 GUARANTEED CROSS TRADES AND GUARANTEED PRINCIPAL TRADES

Guaranteed Cross Trades, which are negotiated transactions as defined in the Delegated Regulation (EU) 2017/587, involve the simultaneous production and execution by a single Euronext Securities Member of opposing buy and sell orders of Clients for an identical quantity of a particular Security and at the same price in the Central Order Book. Guaranteed Cross Trades can be made only for Securities traded continuously and shall be effected at a price within the market's best bid/ask spread at the time of execution, boundaries included.

Guaranteed principal trades involve Euronext Securities Members trading voluntarily against their Clients and shall be effected on the conditions applicable to guaranteed cross trades.

4403 TRADING SAFEGUARDS

4403/1 Collars and reservation thresholds (volatility monitoring)

4403/1A Continuous trading

Volatility monitoring on the central order book of Securities is based on (i) order control upon entry without impact on market running (referred to as the “collar” method) or (ii) a general market halt (referred to as the “reservation” method). Volatility control methods can relate to either dynamic or static reference prices, as appropriate.

In continuous trading, with the exception of certain classes of Securities, volatility monitoring is based on:

- collars or reservation thresholds determined in reference to a dynamic reference price; and
- reservation thresholds determined in reference to a static reference price.

The allocation of Securities between those mechanisms is determined solely by Euronext, with a view to facilitating the fair, efficient and orderly trading of such Securities. The allocation of Securities and associated parameters are set out in the Trading Manual and related technical appendices.

The aforesaid collars shall be determined by Euronext and published in the Trading Manual and related appendices. Where the execution of an order is bound to provoke a collar breach on the relevant Security, the order will be partially executed at the

prices inside the collars subject to specific quantity execution conditions. Continuous trading is not halted. Order execution will continue on the basis of the adjusted collar if the member confirms that the original collar is to be crossed.

The aforesaid reservation thresholds shall be determined by Euronext and published in the Trading Manual and related appendices. Where an order is bound to cause the price of the relevant Security to cross a defined dynamic or static threshold, Euronext will temporarily interrupt the execution of such orders for the portion which would be traded outside the threshold and therefore put the whole market in reservation mode. An auction shall be systematically initiated before continuous trading is resumed.

4403/1/B Auction trading

In auction mode trading, the trading resumption process shall consist of a postponement to the next auction planned.

4403/2 Trading suspensions

The Relevant Euronext Market Undertaking may suspend trading in any Security in order to prevent or halt disorderly market conditions, either on its own initiative, and in its sole discretion, or at the reasoned request of the relevant Issuer.

In addition, the Relevant Euronext Market Undertaking shall suspend trading in any Security upon the request of a Competent Authority.

4403/3 Trade cancellation

The Relevant Euronext Market Undertaking may cancel Transactions on its own authority if they have been made:

- (i) in violation of the Rules, particularly those Rules relating to the principles of fair, orderly and efficient market operation; or
- (ii) under improper trading conditions; or
- (iii) further to a manifest material error.

The power to cancel Transactions on Euronext's authority shall encompass order-book and off-order book Transactions.

In addition, and upon request of one of the counterparts:

- (i) Euronext may, for certain kinds of Securities defined in a Notice, cancel Transactions executed at an aberrant price; or
- (ii) Euronext may cancel Transactions with the agreement of the other counterpart(s), based on explanations provided by the member concerned.

The Relevant Euronext Market Undertaking shall inform the market under the conditions set forth in Rule 4503/1, as promptly as possible upon such a cancellation if made during the trading cycle and, for cancellations made after the close thereof, at the latest before the opening of the following trading session.

For the avoidance of doubt, Euronext shall not take into account the consequences of a trade cancellation on subsequent Transactions. Euronext will notably not cancel Transactions executed to close an initial position or Transactions executed further to the triggering of contingent orders (notably stop orders).

4403/4 For the avoidance of doubt, references to “the Relevant Euronext Market Undertaking” in this Rule 4403 shall be references to the Euronext Market Undertaking which has admitted the relevant Financial Instrument to trading.

4404	OFF-ORDER BOOK TRADING
4404/1	This Rule 4404 defines those transactions that can be deemed to have been effected on Euronext securities regulated markets pursuant to Articles article 4 and article 9 of MIFIR without having been processed in the central order book system, besides the out-of-hours trades referred to in Rule 4305.
4404/2	Large In Scale transactions. Large In Scale transactions in Securities admitted to listing or trading on a Euronext Securities Market may be carried out outside the Central Order Book if they are effected in accordance with this Rule 4404.
4404/2A	Definition for Shares and equivalent Securities Large In Scale Transactions shall mean Transactions that are equal to or exceed the size for large scale transactions as set forth by Delegated Regulation (EU) 2017/587 Annex II tables 1 and 2.
4404/2B	Definition for Bonds Large In Scale Trades shall mean Transactions that are equal to or exceed the size for large scale transactions as set forth by Delegated Regulation (EU) 2017/583 Annex III.
4404/3	Trading at or around the value weighted average price
4404/3A	Market value weighted average price (“Market VWAP”) Transactions are those where, in accordance with the provisions of the Trading Manual, a Member agrees with his Client or with another Member to effect a Transaction at a price within a 1% range (boundaries included) around the average price, as weighted by volumes, traded in the Central Order Book of a Security during a future period of time.
4404/3B	Euronext is solely competent for defining the computation method of the weighted average prices that may be used as reference prices when registering Transactions of this kind on Euronext Securities Markets. In particular, for the purposes of such a computation, Euronext may exclude certain types of Transactions as may be specified in the Trading Manual.
4404/3C	Only Shares traded continuously are eligible for such Market VWAP Transactions facility.
4404/4	Hedge component of stock contingent trades in derivatives (“delta neutral”) The transactions on a security admitted to trading on a Euronext Securities Market that result from a trade combining an option contract and its underlying security as a “stock contingent trade” on a Euronext Derivatives Market operated by the same Euronext Market Undertaking are automatically registered on the former Euronext Securities Market, provided that the price of the underlying security is set within an interval, the terms and conditions for calculation of which are defined according to one or more Notices on the subject.
4404/5	Other Negotiated Trades Other Negotiated Trades consist of the other kinds of Trades negotiated privately but which are still executed within this Rule 4404. They should be executed at a price at or within the current volume-weighted average spread reflected on the order book. At the explicit request of the relevant counterparties, it is possible to report such Negotiated Trades on another Euronext Securities Market than the Market of

Reference, if the concerned Financial Instrument is admitted to trading on that Euronext Securities Market.

For the purpose of price control, the price of the Transaction will be compared to the market data issued from the Central order book on the concerned security.

The price will be controlled based on the following criteria:

- The price is made at or within the current weighted spread reflected in the Central Order Book, and
- The price is within the lowest and the highest price of the concerned Security during the concerned Trading session.

If the Transaction occurs after the Trading hours, the price will be the last traded price or the last adjusted traded price (reference price).

Euronext shall specify in a Notice the conditions under which this reporting facility may be used.

4404/6 Net asset value trading

ETFs and Open-ended Investment Funds are eligible to net asset value trading on a forward pricing basis, subject to the appointment of a fund agent, under conditions specified by Euronext in a Notice.

4404/7 Security component of exchange for physicals in derivatives (“EFP”)

Any Transactions in Securities admitted to trading on a Euronext Securities Market arising pursuant to the execution of an EFP on a Euronext Derivatives Market are automatically registered on that Euronext Securities Market, with the price determined by an exchange-maintained algorithm.

4.5. CONFIRMATION, REPORTING AND PUBLICATION

4501 CONFIRMATION

4501/1 The Euronext Market Undertakings shall send an acknowledgement message for the orders entered into the Central Order Book and give them a sequential number per Security, which shall be disclosed to the relevant Euronext Securities Member.

The Euronext Market Undertakings shall send a confirmation of execution to the relevant counterparties upon full or partial execution of any order, which confirmation shall state the unfilled order quantity, if any.

4501/2 For the Transactions reported according to Rule 4404/5, the Relevant Euronext Market Undertakings shall send an acknowledgement message for the trade details entered into TCS and send a confirmation of execution to the relevant counterparties.

4502 REPORTING OF TRANSACTIONS

4502/1 This rule governs only Transactions (i.e. trades made under the Rules of Euronext Securities Markets) and is without prejudice to the transaction reporting obligations set forth by European and national regulations implementing Article 26 of MiFIR..

4502/2 Order book Transactions

Transactions carried out in the Central Order Book are automatically and immediately

deemed to have been effected on, and reported to, the Euronext Securities Market operated by the Relevant Euronext Market Undertaking.

4502/3 Off order book Transactions

A Euronext Securities Member who has effected a Transaction outside the Central Order Book shall immediately report such Transaction to the Relevant Euronext Market Undertaking. For the avoidance of doubt, Market VWAP Transactions shall be reported immediately after the end of the agreed period of time referred to in Rule 4404/3.

When reporting, a Euronext Securities Member shall indicate whether it acted as principal or not.

Transactions carried out outside the Central Order Book shall only upon reporting be deemed to have been effected on the Euronext Securities Market operated by the Relevant Euronext Market Undertaking, subject to any trade cancellation action pursuant to Rule 4403/3.

4503 PUBLICATION

4503/1 For the purposes of this Rule 4503, “publication” shall be construed as dissemination to Euronext Securities Members, Affiliates with whom Euronext Securities Members have granted direct access with the consent of the Relevant Euronext Market Undertaking pursuant to Rule 3.3, eligible information vendors and other Persons which have entered into a Euronext market databases distribution agreement.

4503/2 Pre-trade transparency

The Relevant Euronext Market Undertakings shall continuously publish:

a) for all Securities other than those traded on the LP quote driven market model:

- (i) the market by orders, i.e., all orders outstanding at a given time;
- (ii) the market by limits, i.e., the bid and offer limits in the Central Order Book, including the number of orders and total disclosed order quantity at each such limit; and
- (iii) the best bid and offer, i.e. the best bid and offer limits in the Central Order Book, including the number of orders and the total disclosed order quantity at each such limit.

b) for Securities traded on the LP quote driven market model:

- (i) the market by limits, i.e. the bid and offer limits in the Central Order Book, including the total disclosed order quantity at each such limit; and
- (ii) the best bid and offer, i.e. the best bid and offer limits in the Central Order Book, including the total disclosed order quantity at each such limit.

Retail Liquidity Firm Quotes are specifically identified as such.

During the call phase of auctions, the Euronext Market Undertakings shall continuously publish the theoretical opening price and the components of the potentially executable volume at that price.

4503/3 Post-trade transparency

4503/3A Order Book Trades

For each Transaction carried out in the Central Order Book, the Euronext Market Undertakings shall immediately publish the quantity, price and time of execution of such Transaction.

The Transactions carried out as Guaranteed Cross Transactions shall be published with a Negotiated Transaction indicator.

The Transactions resulting from matching with Retail Liquidity Firm Quotes shall be specifically identified as such.

4503/3B Off-order Book Trades in Shares and Equivalent Securities

With regard to Shares and equivalent Securities, the following distinctions shall apply:

- (i) Large In scale Trades in which the Euronext Securities Member does not act as principal shall be published upon reporting;
- (ii) principal Large In scale Tradeswith the meaning of a trade between a Member dealing on own account and a client of that Member shall be published as follows:
 - (a) with regard to Shares, pursuant to the timeframe set forth by the Delegated Regulation (EU) 2017/587 Annex II tables 4, ;
 - (b) with regard toETFs, pursuant to the timeframe and set forth by the Delegated Regulation (EU) 2017/587 Annex II table5; (c) with regard to certificates and other similar financial instruments, pursuant to the timeframe and set forth by the Delagated Regulation (EU) 2017/587 Annex II table 6.
- (iii) negotiated Trades shall be identified as such and published immediately upon reporting, unless they qualify for the Large In Scale transaction deferred publication regime;
- (iv) Market VWAP Transactions shall be identified as such and published immediately upon reporting, unless they qualify for the Large In Scale transaction deferred publication regime;
- (v) hedge of stock contingent trades or Transactions in Securities arising pursuant to an EFP shall be identified as such and published immediately upon execution; and
- (vi) Transactions carried out outside Trading Hours shall be published before market opening on the following Trading Day, unless they qualify as Large In Scale transaction for a specific publication timetable; and
- (vii) Net asset value Trades shall be identified as such and published immediately upon execution at the net asset value.

4503/3C Off-order Book Trades in Bonds and equivalent Securities

With regard to Bonds and equivalent Securities, trades are published according pursuant the timeframe set forth by Delegated Regulation 'EU) 2017/583 articles 7 and 8 and Annex III.

4503/4 Use of market data by Euronext Securities Members. The use of market data by a Euronext Securities Member is governed by the Euronext market databases distribution agreement with Euronext.

4.6. CLEARING AND SETTLEMENT

- 4601/1 Transactions executed on a Euronext Securities Market shall be cleared in accordance with the rules and procedures set forth in the Clearing Rule Book of the relevant Clearing Organisation, and settlement shall be arranged through the settlement organisations designated by Euronext.
- 4601/2 Clearing rules and procedures of the relevant Clearing Organisation may provide that some Transactions in Securities are excluded from the performance guarantee of that Clearing Organisation. Members should establish from time to time the scope thereof by referring to the appropriate information published by the relevant Clearing Organisation.

CHAPTER 5: TRADING RULES FOR DERIVATIVES

5.1 GENERAL

5101 SCOPE OF CHAPTER 5

This Chapter 5 sets forth rules governing trading on the Euronext Derivatives Markets.

5102 TRADING DAYS AND TRADING HOURS

5102/1 The Trading Days in any given calendar year shall be announced by the Euronext Derivatives Markets in a Notice published no later than the last Trading Day of the preceding year.

5102/2 The opening and closing hours of the markets, and the opening and closing trading times for each Derivative which is an Admitted Financial Instrument within the foregoing hours, shall be determined from time to time and published by the Euronext Derivatives Markets.

5103 ADMISSION TO TRADING AND CONTRACT SPECIFICATIONS

5103/1 Prior to designating a Derivative as an Admitted Financial Instrument, the Relevant Euronext Market Undertaking shall determine that the design of such Derivative shall allow for its orderly pricing and the existence of effective settlement conditions and comply with the provisions of Article 5 of Commission Delegated Regulation (EU) 2017/568 of 24 May 2016.

5103/2 The prescribed terms of arrangement in respect of a Derivative which is an Admitted Financial Instrument are published by the Euronext Derivatives Markets as Contract Specifications.

5103/3 Such Contract Specifications may be amended from time to time and such amendments will be published in a Notice. The Relevant Euronext Market Undertaking will not perform amendments to Contract Specifications in respect of open positions except in exceptional circumstances and/or in the interests of maintaining a fair and orderly market.

5104 DELIVERY MONTHS, EXPIRY MONTHS AND EXPIRY DATES

5104/1 The delivery months or expiry months or expiry dates, as the case may require, and the option series, where relevant, in respect of all Derivatives which are Admitted Financial Instruments shall be determined from time to time and published by the Euronext Derivatives Markets.

5105 LIQUIDITY PROVIDERS/ MARKET MAKERS

5105/1 When the Relevant Euronext Market Undertaking considers it to be in the interest of the market that liquidity in a particular Admitted Financial Instrument be improved, it may enter into Liquidity Provider Programme whereby Euronext Derivatives Members or Clients of Euronext Derivatives Members not pursuing any market making activity as defined in Articles 17(4) and 48(2) of MIFID assume the role of Liquidity Provider for such Instrument.

5105/2 Obligation for investment firms to enter into a market making agreement

When the conditions set forth by the Commission Delegated Regulation (EU) 2017/578 article 1 are met by a Member, this Member shall enter in a Market Making Agreement with the Relevant Euronext Market undertaking.

- 5105/3 **Market Making Schemes**
When applicable according to Commission Delegated Regulation (EU) 2017/578 Euronext Market undertakings have in place Market Making Schemes.
- 5105/4 The Relevant Euronext Market Undertaking shall publish and regularly update the list of Market Makers and information relating to their commitments under the terms of the applicable Market Making Agreements and Schemes Programmes in accordance with Article 7.1 of the Delegated Regulation (EU) 2017/578., and regularly publish and update the list of Liquidity Providers and information relating to their commitments under the terms of the applicable Liquidity Provision Programme .
- 5106 **TRADING PROCEDURES**
- 5106/1 The Euronext Derivatives Markets shall implement such procedures ("Trading Procedures") as they deem fit including, without limitation, the following:
- (i) procedures governing the conduct of trading on the Euronext Trading Platform; and
 - (ii) procedures in relation to any other aspect of business conducted on the market.
- Such procedures may be introduced or amended from time to time and are published by the Euronext Derivatives Markets in accordance with Rule 1501.
- 5106/2 The Trading Procedures have the same status with regard to enforceability as the Rules.
- 5107 **MEMBER RESPONSIBILITY**
- In respect of business conducted on Euronext Derivatives Markets or business related thereto, a Euronext Derivatives Member shall be responsible for the acts and conduct of all Responsible Persons registered in its name and all individuals trading through Individual Trading Mnemonics associated with such Responsible Persons as if the acts and conduct of each of those persons were the acts and conduct of the Euronext Derivatives Member. In particular, a Euronext Derivatives Member shall be held responsible for a violation of a relevant obligation committed by a Responsible Person registered by him under the Rules and all individuals trading through Individual Trading Mnemonics associated with such Responsible Persons and sanctions may be imposed under the Rules.

5.2. ACCESS TO EURONEXT TRADING PLATFORM

- 5201 Subject to a Euronext Derivatives Member entering into a Trading Platform Agreement and satisfying such conditions as may be required by the Relevant Euronext Market Undertaking from time to time and subject to the Rules and Trading Procedures from time to time in force, the Relevant Euronext Market Undertaking will provide access to the Euronext Trading Platform to a Euronext Derivatives Member who wishes to conduct business in respect of Derivatives made available by that Relevant Euronext Market Undertaking for trading on the Euronext Trading Platform.

- 5202 Pursuant to the arrangements referred to in Rule 5201, the Relevant Euronext Market Undertaking may:
- (i) suspend a Euronext Derivatives Member's access, or access via a particular ITM or ITMs, to the Euronext Trading Platform following a warning which may be made in writing or verbally (and subsequently confirmed in writing); or
 - (ii) terminate a Euronext Derivatives Member's access to the Euronext Trading Platform by notice in writing.

- 5203 For the avoidance of doubt, the Relevant Euronext Market Undertaking shall:
- (i) terminate a Euronext Derivatives Member's access to the Euronext Trading Platform; and
 - (ii) cancel all outstanding orders submitted by, or in the name of, that Euronext Derivatives Member,

if the trading privileges of a Euronext Derivatives Member are suspended or if the Euronext Derivatives Member is expelled from membership.

5.3. TRADING ON THE EURONEXT TRADING PLATFORM

5301 TRADING AND ORDER MATCHING

5301/1 Derivatives shall be traded on the Euronext Trading Platform through continuous matching of orders at opposite sides of the Central Order Book in accordance with the trade priority rules determined by the Relevant Euronext Market Undertaking from time to time and published in Book II of the Rules or in the Trading Procedures, as the case may be.

5301/2 Orders Minimum indications

Any order submitted to the Central Order Book shall at least indicate if applicable the following elements:

- (i) the Financial Instrument to which the order relates or the trading symbol assigned by the Euronext Market Undertakings to such Financial Instrument;
- (ii) whether the order is for a purchase or a sale;
- (iii) the order quantity;
- (iv) the price conditions;
- (v) whether the order is submitted:
 - (a) for the Euronext Derivatives Member's own account;
 - (b) for the account of a third party;
 - (c) pursuant to a Market Making Agreement or Market Making scheme or Liquidity Provision Programme;
- (vi) client identification short code;
- (vii) investment decision within Firm identification short code;
- (viii) Execution within Firm identification short code.

For each order Members have to provide Euronext, before the end of the trading day, with all the data requested in the

Annex of the Commission Delegated Regulation (EU) 2017/580.

5302 ORDER TYPES

5302/1 The order types which may be submitted to the Central Order Book consist of:

- (i) limit orders;
- (ii) market orders; and
- (iii) market on open orders.

The Trading Procedures from time to time in force shall specify the detailed requirements for each type of order in respect of each Derivative which is an Admitted Financial Instrument.

5303 ORDER EXECUTION

5303/1 Transactions may be executed on the Euronext Trading Platform only through Individual Trading Mnemonics associated with Responsible Persons.

5303/2 Every Transaction, whether executed on the Central Order Book or otherwise, shall be executed in accordance with Trading Procedures from time to time implemented by the Euronext Derivatives Markets. Transactions may take place only on Trading Days during the hours specified for that purpose under Rule 5102/2.

5303/3 All bids, offers and Transactions made through the Euronext Trading Platform workstation shall be binding on the Euronext Derivatives Member through whose Individual Trading Mnemonics such bids, offers or Transactions (as the case may be) are made.

5304 CONTRACTUAL RELATIONSHIPS

5304/1 Valid acceptance of a valid bid or offer shall make a Transaction between the members whose traders made the bid or offer and the acceptance.

5304/2 In the case of the Euronext Trading Platform, the matching of a valid bid with a valid offer by the Trading Host shall constitute the valid acceptance of a valid bid or offer for the purposes of this Rule 5304.

5.4. TERMINATION, SUSPENSION AND TRADE INVALIDATION/CANCELLATION

5401 TERMINATION OF A TRADING SESSION

5401/1 The Relevant Euronext Market Undertaking may terminate a trading session for one or more Derivatives in the interests of an orderly market. The procedures for termination and/or resumption of a trading session are detailed in the Trading Procedures.

5402 SUSPENSION OR LIMITATION OF TRADING

5402/1 Without prejudice to actions taken pursuant to Chapter 9, the Relevant Euronext Market Undertaking may suspend or limit the availability for trading of a Derivative or take any other measure it deems necessary in the interests of maintaining an orderly and proper market. Such suspension or limitation, and any resumption of availability for trading, or the imposition or revocation of any such other measure, shall be published by the Relevant Euronext Market Undertaking by the method deemed most effective in the circumstances and confirmed, where appropriate, by Notice.

5402/2 Pursuant to Rule 5402/1, the Relevant Euronext Market Undertaking may, in accordance with Union Law, determine to suspend an option series. Options series can be suspended if corresponding call and put series both have no open interest, except

- (a) in the case of a just in-the-money, or just out-of-the-money series, or
- (b) if there is another series at least as far in-the money (or out-of-the-money) with the same expiry date that does not satisfy the criterion for suspension; or
- (c) if there is another series with the same Exercise Price but with a later expiry date that does not satisfy the criterion for suspension.

5403 INVALIDATION AND CANCELLATION OF TRANSACTIONS

- 5403/1 A Transaction made or purported to be made may be declared invalid by the Relevant Euronext Market Undertaking in the circumstances set out in Book II of the Rules or in the Trading Procedures.
- 5403/2 A transaction made in error in designated Derivatives may be declared invalid by the Relevant Euronext Undertaking subject to the conditions set out in Book II of the Rules or in the Trading Procedures.

5404 DELISTING OF DERIVATIVES

- 5404/1 The Relevant Euronext Market Undertaking may, in accordance with Union Law, determine to delist a Derivative or remove a Class. A Derivative may be delisted or a Class removed for a variety of reasons including the following:
- (a) the delisting of one of the underlying instruments of the Contract if these underlying instruments have been admitted to listing on a Regulated Market or on an organised market established outside the European Economic Area;
 - (b) the removal of the underlying index;
 - (c) a lack of liquidity.

Such delisting, and any subsequent re-listing, shall be published by the Relevant Euronext Market Undertaking by the method deemed most effective in the circumstances and confirmed, where appropriate, by Notice.

- 5404/2 The Relevant Euronext Market Undertaking may, in accordance with Union Law, determine to delist an option series, and may consult Members prior to such determination. Option series can be delisted if corresponding call and put series both have no open interest, except:
- (a) in the case of a just in-the-money, or just out-of-the-money series, or
 - (b) if there is another series at least as far in-the money (or out-of-the-money) with the same expiry date that does not satisfy the criterion for deletion; or
 - (c) if there is another series with the same Exercise Price but with a later expiry date that does not satisfy the criterion for deletion.

5.5. PRE-NEGOTIATION AND PRE-ARRANGEMENT

- 5501/1 Euronext Derivatives Members are permitted to negotiate with other Persons prior to executing, or attempting to execute, a Cross Transaction or an Off Order Book

Transaction (“pre-negotiation”) where such pre-negotiation is expressly permitted by the Rules or the Trading Procedures and such pre-negotiation is conducted strictly in accordance with the requirements of such Rules or Trading Procedures.

5501/2 Any prior negotiation with other Persons other than that referred to in Rule 5501/1 shall give rise to a violation of the Rules. Any Transaction made or purported to be made, the execution of which was the subject of prior negotiation other than in accordance with Rule 5501/1 (“pre-arrangement”), may be declared invalid.

5.6 CROSS TRANSACTIONS AND OFF ORDER BOOK TRANSACTIONS

5601 CROSS TRANSACTIONS

5601/1 The execution of Cross Transactions shall be permitted, either through the Central Order Book or as Off Order Book Transactions, subject to conditions to be specified by the Relevant Euronext Market Undertaking in the Trading Procedures.

5601/2 Cross Transactions in respect of particular classes of Derivatives may be subject to additional conditions or restrictions which shall be specified by the Relevant Euronext Market Undertaking in the Trading Procedures.

5601/3 The conditions to be specified in the Trading Procedures pursuant to Rules 5601/1 and 5601/2 shall include, inter alia, conditions relating to price, minimum volume and publication.

5602 OFF ORDER BOOK TRANSACTIONS

5602/1 The Relevant Euronext Market Undertaking shall specify in the Trading Procedures the conditions under which Transactions may be executed outside the Central Order Book (“Off Order Book Transactions”). In particular, the Relevant Euronext Market Undertaking may permit the execution of Off Order Book Transactions falling within the following categories:

- (a) Technical Trades, i.e. Off Order Book Transactions which involve combinations of (i) Admitted Financial Instruments or (ii) Admitted Financial Instruments and related Financial Instruments or commodities;
- (b) Large-in-Scale Trades, i.e. Transactions whose size equals or exceeds the minimum volume specified by the Relevant Euronext Market Undertaking;
- [d] Other pre-negotiated Trades, including Guaranteed Cross Trades and Flex Contracts.

All Transactions executed pursuant to these facilities shall be deemed to be executed on the relevant Regulated Market and, with the exception of Flex Contracts, the resultant positions shall be fungible with positions resulting from Transactions executed on the Central Order Book. The Relevant Euronext Market Undertaking shall specify in the Trading Procedures the conditions under which fungibility for Flex Contracts will occur.

5602/2 The conditions to be specified in the Trading Procedures pursuant to Rule 5602/1 shall include, inter alia, conditions relating to price, minimum volume and publication.

5.7. REPORTING AND PUBLICATION

5701 REPORTING

- 5701/1 Scope
This rule governs only Transactions (i.e. trades made on a Euronext Derivatives market under these Rules) and is without prejudice to any trade reporting obligation to which a member is subject by his regulator or supervisor.
- 5701/2 On Order Book Transactions
Transactions carried out in the Central Order Book are automatically and immediately deemed to have been executed on, and reported to, the Euronext market operated by the Relevant Euronext Market Undertaking.
- 5701/3 Off Order Book Transactions
A Euronext Derivatives Member who has negotiated an Off Order Book Transaction shall report such Transaction to the Relevant Euronext Market Undertaking as soon as practicable in such manner as may be prescribed by that Euronext Market Undertaking. In any event, such report shall be submitted by the Member to the Relevant Euronext Market Undertaking within fifteen minutes of the time at which the Off Order Book Transaction was negotiated unless the Euronext Market Undertaking has specified in the Trading Procedures a longer reporting time.
Such Transactions shall be deemed to have been executed on the Euronext Derivatives Market operated by the Relevant Euronext Market Undertaking only when they have been received or validated, as the case may be, by that Euronext Market Undertaking.
- 5702 PUBLICATION
- 5702/1 The Relevant Euronext Market Undertaking shall immediately publish the volume and price associated with all bids and offers submitted to the Central Order Book and with all Transactions executed in the Central Order Book.
- 5702/2 In respect of Off Order Book Transactions, the Relevant Euronext Market Undertaking shall specify, inter alia, the publication arrangements in the Trading Procedures. In any event, publication shall be immediate except where the Relevant Euronext Market Undertaking has specified in the Trading Procedures that deferred publication is permitted.
- 5703 USE OF MARKET DATA BY EURONEXT DERIVATIVES MEMBERS
- 5703/1 The use of market data by Euronext Derivatives Members is governed by the Euronext market data distribution agreement with Euronext.

CHAPTER 6: ADMISSION TO LISTING AND CONTINUING OBLIGATIONS OF ISSUERS

6.1. SCOPE OF CHAPTER 6

- 6101 This Chapter 6 sets forth:
- (i) the requirements and procedures for the admission to listing and delisting of Securities,
 - (ii) the listing measures that can be taken to facilitate the fair, orderly and efficient operation of the markets; and
 - (iii) the continuing obligations of Issuers whose Securities are admitted to listing with their consent (including, without limitation, informing the Relevant Euronext Market Undertaking of corporate and securities events).
- 6102 For the purposes of this Chapter 6, admission to listing shall mean the admission to trading of Securities by the Relevant Euronext Market Undertaking on a Euronext Securities Market at the request of, or after having informed, the Issuer, and delisting shall be construed accordingly.
- 6103A The Relevant Euronext Market Undertaking shall be competent for all matters with respect to admission to listing and delisting of Securities, listing measures and the continuing obligations of Issuers as set forth in this Chapter 6, unless provided otherwise by National Regulations.
- 6103B Issuers must comply with the disclosure and reporting obligations pursuant to Union law to ensure transparency for investors and market integrity.
- 6104 References to amounts denominated in euros in this Chapter 6 and in any Notices or supplementary requirements imposed pursuant to this Chapter 6 shall be deemed to refer to equivalent amounts in other currencies.
- 6105 [reserved]
- 6106 Issuers must satisfy the obligations set forth in this Chapter 6 to enable the Relevant Euronext Market Undertaking to perform its functions and meet its responsibilities as the operator of a Regulated Market.
- 6107 The Relevant Euronext Market Undertaking shall, if there has been an actual or it has serious indications of a potential infringement by an Issuer of National Regulations in respect of any initial or on-going listing obligations pursuant to National Regulations, report the matter to the relevant Competent Authority as soon as practicable after becoming aware of such (potential) infringement.
- 6108 This Chapter 6 does not apply to the Euronext Securities Market operated by Euronext London.

6.2. APPLICATION PROCEDURE

- 6201 An application for admission to listing must be filed with the Relevant Euronext Market Undertaking by submitting a duly signed Application Form.

- 6202 The Relevant Euronext Market Undertaking and the Applicant shall jointly agree on a timetable in respect of the admission to listing.
- 6203 [reserved]
- 6204 Unless specifically provided otherwise, Issuers must appoint a Listing Agent for the first admission to listing of Securities and for any subsequent admission to listing of Securities requiring the approval of a prospectus. The Relevant Euronext Market Undertaking shall specify by Notice the requirements to appoint a Listing Agent and the tasks and the responsibilities of a Listing Agent. The requirement to appoint a Listing Agent is without prejudice to National Regulations regarding the appointment of financial intermediaries or other qualified entities in relation to a public offer or other offerings of Securities.
- 6205 An Application Form submitted for the admission to listing of Depository Receipts must also be signed by the Issuer of the Underlying Securities.
- 6206 The Relevant Euronext Market Undertaking may:
- (i) impose on an Applicant, on a specific case-by-case basis, such supplementary listing requirements in addition to those specified in Rules 6.6 and 6.7 as it reasonably considers appropriate and of which it shall duly inform the Applicant prior to its decision on the application;
 - (ii) require any additional documentation and information from an Applicant; or
 - (iii) conduct such inquiries or investigations as may reasonably be required in connection with its review of an application for admission to listing.

6.3. DECISION BY THE RELEVANT EURONEXT MARKET UNDERTAKING

- 6301 Unless agreed otherwise by the Applicant and the Relevant Euronext Market Undertaking, the Relevant Euronext Market Undertaking shall take a decision in respect of an application for admission to listing within a maximum period of thirty (30) days. The period shall begin as of the date the Relevant Euronext Market Undertaking has received a complete set of the documentation and the information required pursuant to Rule 6.5 and/or Rule 6206.
- 6302 The decision of the Relevant Euronext Market Undertaking to admit Securities to listing shall remain valid for a maximum period of ninety (90) days, except if the Relevant Euronext Market Undertaking becomes aware that any information provided in connection with the application for the admission to listing has changed during this period. Upon the written request of the Applicant, the Relevant Euronext Market Undertaking may extend this period once for a maximum of a further ninety (90) days.
- 6303 The Relevant Euronext Market Undertaking shall issue a first notice in relation to the date on which the admission to listing of Securities shall become effective, the Market of Reference, any conditions and other particulars in respect of the admission to listing of the relevant Securities. The Relevant Euronext Market Undertaking may issue a subsequent Notice in relation to the admission to listing confirming, among other things, that the conditions have been satisfied and the date on which the admission to listing shall become effective.
- 6304 In the case of a public offer of Securities, the listing shall become effective only after the completion of the subscription period, except in the case of tap issues of Securities when the closing date for subscription is not yet fixed.

6.4. GROUNDS FOR REFUSAL

- 6401 The Relevant Euronext Market Undertaking may refuse an application for admission to listing of a Security on any appropriate ground, including (without limitation) if:
- (i) the Applicant does not meet one or more of the requirements imposed by or pursuant to this Chapter 6 or any applicable National Regulations; or
 - (ii) it considers that the admission to listing of the Securities may be detrimental to the fair, orderly and efficient operation of the Euronext Securities Market or to the reputation of Euronext as a whole; or
 - (iii) a Security is already admitted to listing on another market and the Issuer has not complied or does not comply with the obligations resulting from such admission to listing; or
 - (iv) the Issuer, any of its board members (including supervisory board members) or its beneficial owners are on the EU Sanction List or on the list drawn up by the Office of Foreign Assets Control (OFAC).

6402 The Applicant shall be informed in writing of the decision to refuse an application for admission to listing and the reasons for this refusal.

6403 Subject to Rule 1.7, an Applicant may appeal against the decision of the Relevant Euronext Market Undertaking to refuse an application for admission to listing in accordance with National Regulations.

6.5. GENERAL DOCUMENTATION TO BE FURNISHED AT THE TIME OF THE APPLICATION

6501 At the time of the application, to the extent applicable, the following documentation must be provided to the Relevant Euronext Market Undertaking:

- (i) the Application Form duly signed by the Issuer;
- (ii) the documents specified in the Application Form, including but not limited to documentation evidencing to the satisfaction of the Relevant Euronext Market Undertaking that:
 - (a) the legal position and organisation of the Issuer are in accordance with applicable laws and regulations;
 - (b) the administration of corporate events and the payment of dividends (if applicable) are ensured; and
 - (c) adequate procedures are available for the clearing and settlement of Transactions in respect of the relevant Securities.
- (iii) a copy of the prospectus (or equivalent disclosure document) issued by the Issuer in connection with the application to listing and each draft version of such prospectus (or equivalent disclosure document);
- (iv) a copy of the minutes from the relevant corporate body or bodies containing resolutions authorising the application for admission to listing and issue of Securities (to the extent applicable);
- (v) a statement from the Issuer that it has filed or intends to file in the near future a similar application for listing of the relevant Securities with another Regulated or organised market;

- (vi) the active LEI pertaining to the Issuer.

The documentation referred to in this Rule 6501 is provided to the Relevant Euronext Market Undertaking under the sole responsibility of the Applicant and to allow the Relevant Euronext Market Undertaking to check if the Applicant satisfies the requirements set out in Rules 6.6 and 6.7. The Relevant Euronext Market Undertaking shall not be liable for false or incomplete information provided by the Applicant (or, once the Securities have been admitted to listing, the Issuer) in connection with the admission to listing of Securities.

- 6502 The Relevant Euronext Market Undertaking may further specify, in one or more Notices, which documentation is deemed to be satisfactory. Without prejudice to Rule 6503 and in addition to the documentation and information required pursuant to Rule 6501, the Relevant Euronext Market Undertaking may also specify by Notice other documentation that must be supplied in respect of particular categories of Securities.
- 6503 All documentation that is required to be submitted pursuant to this Chapter 6 shall be in English or in a language accepted by the Relevant Euronext Market Undertaking and if necessary translated by a certified translator. If the registered office of the Issuer is located outside the European Economic Area, the Relevant Euronext Market Undertaking may require that the Issuer's financial statements are restated in the GAAP applicable to the jurisdiction in which the Relevant Euronext Market Undertaking has its registered office and that this restatement is reviewed by an auditor acceptable to it.

6.6. GENERAL LISTING REQUIREMENTS FOR SECURITIES

- 6601 Upon admission to listing and for as long as the Securities are listed:
- (i) the legal form and structure of the Issuer must be in accordance with applicable laws and regulations;
 - (ii) the Issuer must comply with the requirements of any relevant Competent Authority; and
 - (iii) adequate procedures must be available for the clearing and settlement of Transactions in respect of such Securities.
- 6602 The Issuer shall ensure that Securities of the same class have identical rights in accordance with National Regulations, the Issuer's articles of association and other constitutional documents.
- 6603 Securities must be validly issued in accordance with applicable laws and regulations governing those Securities, the Issuer's articles of association and other constitutional documents.
- 6604 The Issuer shall ensure that the form of Securities complies with the requirements of applicable National Regulations.
- 6605 The Issuer shall ensure that Securities are freely transferable and negotiable.
- 6606 Securities entitling holders to acquire other Securities ("Underlying Securities") are eligible for admission to listing only if at the time of the application:
- (i) the Underlying Securities are admitted to listing on a Regulated Market or, outside the European Union, on another organised market subject to equivalent standards as determined by the Relevant Euronext Market Undertaking; or
 - (ii) there are adequate assurances that such Underlying Securities will be admitted on a Regulated Market or, outside the European Union, on another organised market

subject to equivalent standards as determined by the Relevant Euronext Market Undertaking by the time at which the right to acquire them can be exercised.

- 6607 The Issuer shall apply for admission to listing of all its Securities of the same class issued at the time of the application or proposed to be issued.
- 6608 [reserved]
- 6609 The Issuer may decide to distribute in whole or in part Securities through a centralisation process organized by the Relevant Euronext Market Undertaking. The Relevant Euronext Market Undertakings shall specify such procedure in the relevant Book II or in a Notice.
- 6610 The Relevant Euronext Market Undertaking may create specific segments in the Euronext Securities Market it operates, based on Market Capitalisation criteria or other criteria, and allocate Securities to those distinct segments. The allocation will be reviewed periodically. Securities included in the Recovery Box or the Penalty Bench are not included in these segments.

6.7. ADDITIONAL LISTING REQUIREMENTS PER CATEGORY OF SECURITIES

- 6701 In addition to the general listing requirements set forth in Rule 6.6, this Rule 6.7 contains additional listing requirements regarding the admission to listing of specific categories of Securities.
- 6702 SHARES, DEPOSITORY RECEIPTS FOR SHARES AND EQUITY SECURITIES.
- 6702/1 A first admission to listing of Shares, Depository Receipts for Shares or Equity Securities is subject to the following conditions being met:
- (i) at the time of admission to listing, a sufficient number of Securities must be distributed to the public. A sufficient number of Securities shall be deemed to have been distributed to the public if at least 25% of the subscribed capital represented by the class of Securities concerned are in the hands of the public or such lower percentage determined – in its absolute discretion – by the Relevant Euronext Market Undertaking in view of the large number of the Securities concerned and the extent of their distribution to the public. This percentage shall not be lower than 5 % of the subscribed capital represented by the class of Securities concerned and must represent a value of at least five (5) million euro calculated on the basis of the subscription price; and
 - (ii) at the time of admission to listing, the Issuer or, in the case of Depository Receipts, the issuer of the Underlying Securities must have published or filed audited annual financial statements or pro forma accounts, consolidated where applicable, for the preceding three financial years, drawn up in accordance with the accounting standards of the country where the Issuer has its registered office, IFRS or any other accounting standards allowed by National Regulations for the period covered by the financial information. If the fiscal year closed more than nine (9) months before the date of the admission to listing, the Issuer must have published or filed semi-annual accounts.
- 6702/2 Without prejudice to Rule 6206, the Relevant Euronext Market Undertaking may grant dispensation from the requirement set forth in Rule 6702/1 (ii) if this is in the interests of the Issuer or in the case of Depository Receipts, the issuer of the Underlying Securities or investors and if the Issuer has made sufficient information available enabling investors to make an informed assessment of the assets and liabilities, financial position, profit and losses, and prospects of the Issuer or, in the case of Depository Receipts, that of the issuer of the Underlying Securities and any guarantor (if applicable), and of the rights attaching to the Securities to be admitted to listing. In those cases, the Relevant Euronext Market

Undertaking may – in its absolute discretion – subject the admission to listing to additional requirements in respect of Market Capitalisation, shareholders' equity and/or lock-up requirements, or any other condition determined by the Relevant Euronext Market Undertaking.

In those cases, the Relevant Euronext Market Undertaking may subject the admission to listing to additional requirements in respect of Market Capitalisation, shareholders' equity and/or lock-up requirements, or any other condition at the time of the admission to listing.

6703 BONDS

6703/1 Each Issuer requesting an admission to listing of bonds shall on admission be issuing a minimum nominal amount of at least:

- (i) five million (5,000,000) euro in case of a public offer of bonds; or
- (ii) two hundred thousand (200,000) euro for all other types of admission of bonds (i.e. without any public offering).

The above minimum amounts do not apply in the case of tap issues where the amount of the issue is not fixed.

6703/2 The application for admission to listing must relate to all bonds ranking pari passu.

6703/3 Issuers qualifying as SMEs requesting an admission to listing of bonds via a public offer shall obtain, and disclose in the relevant offering documents, a rating (in relation to the Issuer or the relevant Securities to be offered) from a credit rating agency duly registered with or certified by ESMA, unless specifically agreed otherwise between the Relevant Euronext Market Undertaking and the Issuer.

For the purpose of this Rule, "SMEs" means:

- (i) in respect of companies whose Equity Securities (or equivalent securities) are admitted to listing and/or trading on a Euronext Securities Market or on any other Regulated Market (or on any other market having equivalent standards), companies that had an average market capitalisation of less than € 100 million on the basis of end-day quotes for the 30 Trading Day period prior to the date of submission of the application for listing of the relevant bonds to the Relevant Euronext Market Undertaking; and
- (ii) in respect of companies whose Equity Securities (or equivalent securities) are not admitted to listing and/or trading on a Euronext Securities Market or on any other Regulated Market (or on any other market having equivalent standards), companies, according to their last annual or consolidated accounts, that meet at least two of the following three criteria: an average number of employees during the financial year of less than 250, a total balance sheet not exceeding € 43 million and an annual net turnover not exceeding € 50 million.

Any Issuer not qualifying as an SME shall provide the Relevant Euronext Market Undertaking with satisfactory evidence that it does not qualify as an SME.

Without prejudice to the above, the Relevant Euronext Market Undertaking may notably further require that:

- (i) bonds to be admitted pursuant to an admission process not involving a public offer as above described are rated by a credit rating agency; and/or
- (ii) irrespective of the type of admission (i.e. with a public offering or not), a guarantee for the principal amount and interest is issued by a parent company or by a third party as agreed with the Relevant Euronext Market Undertaking.

The Euronext Market Undertakings may further specify the above admission criteria by way of a Notice.

- 6704 CLOSED-ENDED INVESTMENT FUNDS AND INVESTMENT COMPANIES
- 6704/1 A first admission to listing of Securities issued by a Closed-ended Investment Fund or by an Investment Company is subject to the following conditions being met:
- (i) at the time admission to listing, the Market Capitalisation of the Securities for which admission to listing is sought must be at least five (5) million euro;
 - (ii) at the time of admission to listing, a sufficient number of Securities must be distributed to the public. A sufficient number of such Securities shall be deemed to have been distributed to the public if at least 25% of the subscribed capital represented by the class of Securities concerned are in the hands of the public or such lower percentage determined – in its absolute discretion – by the Relevant Euronext Market Undertaking in view of the large number of the Securities concerned and the extent of their distribution to the public; and
 - (iii) at the time of the admission to listing or, if that admission coincides with an issue and the Securities to be issued have already been allotted at the time of admission, after the issue of the allotted Securities, the Market Capitalisation must be at least five (5) million euro.
- 6705 ETFs, ETNs, ETVs AND OPEN-ENDED INVESTMENT FUNDS OTHER THAN ETFs
- 6705/1 The conditions for the first admission to listing of ETFs, ETNs, ETVs and other Open-ended Investment Funds are set out in a Notice.
- 6706 STRUCTURED PRODUCTS
- 6706/1 Any Issuer seeking the admission to listing and/or trading of warrants must be:
- (i) a Credit Institution or an Investment Firm; or
 - (ii) an entity subject to a comparable supervision and control, whereby certification of such supervision and control and proof of the comparability must be provided by the Issuer; or
 - (iii) any other entity whose obligations, in relation to the warrants being issued, are unconditionally and irrevocably guaranteed by, or benefit from an arrangement which is equivalent in its effect to such a guarantee provided by, an entity which satisfies (i) or (ii) above.
- 6706/2 The Relevant Euronext Market Undertaking may require that in relation to the admission to listing of a Warrant a Liquidity Provision Agreement is entered into between a Liquidity Provider and the Relevant Euronext Market Undertaking and the signing of any other agreement as the Relevant Euronext Market Undertaking deems, in its absolute discretion, appropriate.
- 6706/3 The Relevant Euronext Market Undertaking may subject the admission to listing and/or trading of warrants to a minimum quantity per issue or to a minimum order size.
- 6706/4 For Structured Derivatives products indexed to (1) a commodity underlying, (2) a commodity index underlying (3) or any underlying with a commodity component, the Relevant Euronext Market Undertaking will subject the admission to listing and/or trading (and subsequent potential increase) to a maximum total quantity of 2.5 million securities per ISIN code.

6707 OTHER TRANSFERABLE SECURITIES

- 6707/1 The admission to listing of other transferable Securities shall be subject to such specific requirements as the Relevant Euronext Market Undertaking may specify in a Notice taking into account the nature of the Securities for which admission is sought and, to the extent possible, the general listing requirements specified in this Chapter 6 for comparable Securities.
- 6707/2 The Relevant Euronext Market Undertaking may determine that certain other transferable Securities do not qualify for admission to listing.

6.8. ADDITIONAL REQUIREMENTS FOR THE ADMISSION TO TRADING OF SECURITIES ON A “IF AND WHEN ISSUED/DELIVERED” BASIS

- 6801/1 At the request of the Issuer, the Relevant Euronext Market Undertaking may, by way of a derogation from the Rule 6603, admit to trading Securities that have not yet been effectively issued and/or delivered, as applicable, (and such admission to trading will be referred to as an admission on a “If and When Issued/Delivered” basis) for a maximum period of time not exceeding the standard settlement date calculated from the first date of such admission on a If-and-When-Issued/Delivered basis (unless agreed otherwise). In addition to the general listing requirements set forth in Rules 6.6 and 6.7, admission to trading of Securities on a “If and When Issued/Delivered” basis is subject to the following conditions being met:
- (i) the Issuer has provided to the Relevant Euronext Market Undertaking a description of the various elements that will be taken into account by the Issuer to determine whether or not to cancel the admission to listing;
 - (ii) the Issuer confirms to the Relevant Euronext Market Undertaking that adequate measures have been taken to ensure that sufficient information is available to the market, namely in the prospectus or equivalent document and, subsequently, to potential investors should official listing not take place;
 - (iii) the Issuer has taken adequate measures to ensure that sufficient information is made available to potential investors and other market participants regarding the consequences of a cancellation of the listing;
 - (iv) until the Securities are issued and/or delivered, any publication issued or published by the Issuer in relation to the offering contains a statement that the Securities offered will first be admitted and traded on a If and When Issued/Delivered basis and the scheduled period of such admission to trading on a If and When Issued/Delivered basis;
 - (v) a commitment from the Issuer that it will immediately inform the Relevant Euronext Market Undertaking of the completion of the issuance and/or delivery of the Securities;
 - (vi) a commitment from the Issuer that it will immediately inform the Relevant Euronext Market Undertaking if it is not in a position to issue and/or deliver the Securities by the date expressed in the prospectus or any equivalent document as the expected date for completion of the offering.
- 6801/2 If the Securities admitted on a If and When Issued/Delivered basis are not issued and/or delivered by the date expressed in the prospectus or equivalent disclosure document as the expected date of completion of the offering, the offer may be withdrawn by the Issuer and subsequently all Transactions made in such Securities shall be annulled. The Issuer

shall ensure that the prospectus (or any equivalent disclosure document) issued in connection with the admission to listing of the relevant Securities will contain a warning to this effect.

The Relevant Euronext Market Undertaking and/or Euronext shall not be responsible or liable for any loss incurred by any person as a result of the withdrawal of the offer by the Issuer and/or the subsequent annulment of the relevant Transactions. The Issuer shall ensure that the prospectus (or equivalent disclosure document) issued in connection with the admission to listing of the relevant Securities shall contain a statement to that effect.

6.9. LISTING MEASURES

6901 **GENERAL**

6901/1 The Relevant Euronext Market Undertaking may take all such measures in respect of Financial Instruments admitted to listing on an Euronext Securities Market as it deems necessary to facilitate the fair, orderly and efficient operation of its markets. The Relevant Euronext Market Undertaking will inform the relevant Issuer on any measure taken by it as soon as practicable possible.

6901/2 Subject to National Regulations, the Relevant Euronext Market Undertaking may, inter alia, take the following measures:

- (i) impose specific conditions upon the Issuer to ensure that the obligations imposed and the requirements set pursuant to this Chapter 6, in any Notices or the Application Form are being complied with; and/or
- (ii) allocate a Security to a special compartment; and/or
- (iii) list a Security with a special indicator; and/or
- (iv) issue a notice informing the market that an Issuer does not comply with its obligations set forth in the Rules; and/or
- (v) suspend the trading of a Security; and/or
- (vi) delist the relevant Securities in accordance with Rule 6905; and/or
- (vii) determine the Market of Reference.

6902 **MARKET CAPITALISATION COMPARTMENTS**

6902/1 [reserved]

6903 **SPECIFIC COMPARTMENTS - RECOVERY BOX AND PENALTY BENCH**

6903/1 The purpose of allocating Securities to the Recovery Box is to group together Securities of Issuers that are subject to insolvency proceedings.

The purpose of allocating Securities to the Penalty Bench is to group together Securities of Issuers that do not comply with the Rules.

In the context of allocation of Securities of Issuers to the Recovery Box or the Penalty Bench the Relevant Euronext Market Undertaking will regularly examine the situation of Issuers.

6903/2 The Relevant Euronext Market Undertaking may decide to include a Security to the Recovery Box if any of the insolvency proceedings specified in Council Regulation (EC No

1346/2000 of 29 May 2000, as amended from time to time (or analogous procedure as appropriate) has been declared applicable to the Issuer of such Security.

The allocation of the relevant Securities in the Recovery Box shall be terminated at the request of the Issuer or at the initiative of The Relevant Euronext Market Undertaking provided that an Issuer provides satisfactory evidence that that the insolvency proceedings no longer apply to the Issuer.

6903/3 The Relevant Euronext Market Undertaking may decide to include a Security to the Penalty Bench if the Issuer fails to comply with the Rules.

The allocation of the relevant Securities to the Penalty Bench shall be terminated at the request of the Issuer or at the initiative of The Relevant Euronext Market Undertaking provided that the Issuer has satisfied the requirements and conditions determined by the Relevant Euronext Market Undertaking – in its absolute discretion – for re-allocation of the relevant Securities to the normal compartment

6903/4 The Relevant Euronext Market Undertaking may further specify the criteria and the procedures for the allocation of Securities to a special compartment (including the Recovery Box or the Penalty Bench) in one or more Notices.

6904 ADDITIONAL LISTING MEASURES FOR SECURITIES ADMITTED ON A “IF AND WHEN ISSUED/DELIVERED” BASIS

6904/1 [reserved]

6905 DELISTING

6905/1 Subject to National Regulations, each Relevant Euronext Market Undertaking may delist Securities admitted to listing on its markets:

- (i) at the request of the relevant Issuer; or
- (ii) on its own initiative.

Each Relevant Euronext Market Undertakings may delist Securities listed on its markets at its own initiative on any appropriate grounds including (without limitation):

- a) manifest failure of the Issuer to comply with the obligations imposed and the requirements set pursuant to the Rules or the Application Form; or
- b) the legal entity that has issued the Securities shall cease to exist pursuant to a liquidation, merger, dissolution (or equivalent corporate event in any jurisdiction);
- c) the Issuer of the Securities has been declared bankrupt (or analogous procedure has been declared applicable in any jurisdiction); or
- d) without prejudice to Rule 4403/2, in the opinion of the Relevant Euronext Market Undertaking, facts or developments occur or have occurred with regard to a Security which prevent the continued listing of that Security or which cause the Relevant Euronext Market Undertaking to believe that a fair, orderly and efficient market for a Security cannot be maintained; or
- e) adequate clearing and/or settlement services for a type of Securities are no longer available; or
- f) the delisting of the Shares or other Securities into which they are convertible or for which they are exchangeable, as the case may be; or
- g) facts or developments occur or have occurred in respect of an Issuer which in the opinion of the Relevant Euronext Market Undertaking is detrimental to the reputation of Euronext as a whole;
- h) the Issuer or its beneficial owners are on the EU Sanction List or the list drawn up by the Office of Foreign Assets Control (OFAC).

6905/2 If the Relevant Euronext Market Undertaking decides to delist a Security pursuant to Rule 6905/1 (ii), the following procedure shall apply:

- (i) the Relevant Euronext Market Undertaking shall inform the Issuer of its intention to delist and give the Issuer the opportunity to respond before the relevant decision on the delisting is made;
- (ii) the Relevant Euronext Market Undertaking shall determine the date on which delisting of the Securities shall become effective;
- (iii) the Relevant Euronext Market Undertaking shall notify the Issuer in writing of the scheduled date of delisting;
- (iv) the Relevant Euronext Market Undertaking shall publish the date on which delisting of the Securities shall become effective as well as the conditions of delisting and any other relevant information concerning the delisting;

On the date on which the delisting of the Securities becomes effective the agreement between the relevant Issuer and the Relevant Euronext Market Undertaking (constituted by the Application Form) will be terminated without any further action being required.

6905/3 If a request for delisting of Securities is made by the Issuer pursuant to Rule 6905/1 (i), the following procedure shall apply:

- (i) the Issuer of the relevant Securities shall request the delisting in writing and state the relevant grounds for delisting.
- (ii) subject to the relevant conditions for the delisting of the Securities being satisfied, the Relevant Euronext Market Undertaking shall determine the date on which the delisting of the Securities shall become effective.
- (iii) the Relevant Euronext Market Undertaking shall publish the date on which delisting of the Securities shall become effective and other relevant information concerning the delisting of the Securities.

The Relevant Euronext Market Undertaking may specify by Notice the conditions that should be satisfied in relation to a delisting of Securities at the request of an Issuer.

6905/4 Notwithstanding the above, the Relevant Euronext Market Undertaking may decide not to delist Securities upon the Issuer's request if such delisting would adversely impact the fair, orderly and efficient functioning of the market.

6905/5 The Relevant Euronext Market Undertaking may subject any delisting of Securities to such additional requirements as it deems appropriate.

6905/6 Subject to Rule 1.7, an Issuer may appeal against the decision of the Relevant Euronext Market Undertaking to delist in accordance with National Regulations.

6906 Appeals

6906/1 [reserved]

6.10. CONTINUING OBLIGATIONS

61001 GENERAL

61001/1 Scope

Each Issuer must meet the obligations set forth in this Rule 6.10 as long as its Securities

are admitted to listing.

The Relevant Euronext Market Undertaking may further detail those obligations in one or more Notices. For the avoidance of doubt, none of the obligations set out in this Rule 61001 shall exempt the Issuers from complying with the disclosure or reporting obligations pursuant to National Regulations and Union law.

61001/2 Fees

The Issuer shall promptly pay any fees charged by the Relevant Euronext Market Undertaking in accordance with the conditions established by the Relevant Euronext Market Undertakings and communicated to the Issuers.

61002 LISTING OF NEWLY-ISSUED SECURITIES OF THE SAME CLASS

61002/1 When additional Securities of the same class as Securities already admitted to listing are issued, application for admission to listing of such additional Securities shall be made:

- (i) as soon as they are issued in the case of a public offering of Securities; and
- (ii) no later than ninety (90) days after their issue in cases other than a public offering.

61003 INVESTOR RELATIONS

61003/1 Equal treatment

An Issuer shall treat holders Securities of the same class issued by it equally in accordance with National Regulations.

61003/2 Information

An Issuer shall provide the market all necessary information to enable holders of its Securities to exercise their rights.

An Issuer shall communicate to the Relevant Euronext Market Undertaking all information which (i) may impact the fair, orderly and efficient functioning of the markets operated by the Relevant Euronext Market Undertakings or (ii) may modify the price of its Securities (ultimately) at the same time at which such information is made public.

The Relevant Euronext Market Undertaking may specify by Notice specific obligations regarding disclosure and reporting obligations.

61004 ADMINISTRATION OF CORPORATE AND SECURITIES EVENTS

61004/1 Each Issuer shall inform the Relevant Euronext Market Undertaking of corporate or securities events in respect of its Securities admitted to listing in order to facilitate the fair, orderly and efficient functioning of the market.

The relevant information shall be provided to the Relevant Euronext Market Undertaking at least two (2) Trading Days in advance of the earlier of (i) the public announcement of the timetable for any such corporate or securities event or (ii) the corporate or securities event having effect on the market or the position of the holders of the relevant Securities.

At the request of the Relevant Euronext Market Undertaking, the relevant Issuer shall provide to the Relevant Euronext Market Undertaking the underlying legal and corporate documents relating to the corporate and securities events.

The Relevant Euronext Market Undertaking may further specify by Notice the details,

documents and method of submission of the information and documents to be provided and submitted to it pursuant to this Rule 61004/1.

For the avoidance of doubt, any obligation for Issuers to provide documentation to the Relevant Euronext Market Undertaking as set forth in this Chapter 6 is for the sole purpose to allow the Relevant Euronext Market Undertaking to perform its functions and meet its responsibilities as the operator of a Regulated Market. In reviewing this documentation, the Relevant Euronext Market Undertaking solely performs controls on the technical information that allow the Relevant Euronext Market Undertaking to operate the market, without prejudice to Rule 6107. None of the obligations exempts the Issuer from providing the same documentation to the Competent Authority.

61004/2 The information referred to in Rule 61004/1 includes (without limitation):

- (i) amendments which affect the respective rights of different categories of Securities;
- (ii) any issue or subscription of Financial Instruments;
- (iii) any mandatory reorganization (e.g. stock split, reverse stock split, redemption in part or in whole of Securities);
- (iv) any voluntary reorganisation with or without option element (e.g. tender offer, rights offer, repurchase offer);
- (v) any securities distribution (e.g. stock dividend, bonus issue);
- (vi) any cash distribution (e.g. cash dividend);
- (vii) any announcement of coupons or cash dividend non payment;
- (viii) any prospectus (or equivalent disclosure document) relating to public offerings;
- (ix) any reports on the status of liquidation and more generally any decision regarding any situation of (temporary) suspension of payments, bankruptcy or insolvency situation (or analogous procedure has been granted or declared applicable in any jurisdiction;
- (x) a name change of the Issuer; and
- (xi) the admission to listing or trading on any Regulated Market or other organised market.

61004/3 If the admission to listing concerns Depositary Receipts, warrants or other Securities entitling holders to acquire other Securities, the information mentioned in Rule 61004/1 includes (without limitation and in addition to the information referred to in Rule 61004/1):

- (i) corporate or securities events of the issuer of the Underlying Securities; and
- (ii) any adjustment or modification that the Issuer makes to the exercise condition of the warrant as a result of any change in or to the Underlying Securities including details of the underlying event that required the adjustment or modification.

61004/4 If the admission to listing concerns Securities issued by a Closed-ended Investment Fund, the information mentioned in Rule 61004/1 that the management company of such Closed-ended Investment Fund shall provide to the Relevant Euronext Market Undertaking includes (without limitation and in addition to the information referred to in Rule 61004/1):

- (i) an announcement of any distribution;

- (ii) coupons being declared without value.

61004A **LEGAL ENTITY IDENTIFIER**

61004A/1 An Issuer shall take all necessary measures to have its LEI active for as long as its financial instruments are admitted to trading on a Euronext Securities Market.

61005 **COOPERATION WITH A EURONEXT MARKET UNDERTAKING**

61005/1 In dealing with Euronext, its directors, officers, employees, agents and representatives, Issuers shall act in an open and cooperative manner, be honest and truthful and not mislead or conceal any material matter.

61005/2 In particular, without limiting the generality of Rule 61005/1, an Issuer shall:

- (i) provide full and prompt responses to all requests for information by Euronext in respect of business conducted on Euronext Markets or business related thereto, and
- (ii) notify the Relevant Euronext Market Undertaking promptly of any matter which may reasonably be expected to be a matter of concern to the Euronext Market Undertaking in the context of its relationship with such Issuer, including (without limitation) any corporate action or other event that may cause such Issuer to cease to be in compliance with the Rules. This duty of disclosure shall arise as soon as the Issuer becomes aware, or has reasonable grounds for believing, that such a matter has arisen or will arise.

CHAPTER 7:
[Reserved]

CHAPTER 8: RULES OF CONDUCT

8.1. GENERAL

- 8101 **SCOPE OF CHAPTER 8**
- 8101/1 This Chapter 8 sets forth rules of conduct specific to the Euronext Markets which the Members must observe when trading on such Markets.
- 8102 **GENERAL DUTIES OF INTEGRITY, FAIR DEALING AND CARE**
- 8102/1 When trading on the Euronext Markets, a Member shall:
- (i) observe high standards of integrity, market conduct and fair dealing;
 - (ii) act with due skill, care and diligence; and
 - (iii) refrain from any act or course of conduct which is likely to harm the reputation of Euronext or any Euronext Market.
- 8102/2 A Member shall behave in a responsible manner when using a Euronext Trading Platform and associated facilities provided by a Euronext Market Undertaking and shall only use the Platform and these facilities when there is a legitimate need to do so.
- 8102/3 A Member acting on behalf of Clients shall ensure that, pursuant to National Regulations, each such Client has been informed of the risk characteristics of the Financial Instruments concerned.
- 8103 **COOPERATION WITH A EURONEXT MARKET UNDERTAKING**
- 8103/1 In dealing with Euronext, its directors, officers, employees, agents and representatives, Members shall act in an open and cooperative manner, be honest and truthful and not mislead or conceal any material matter.
- 8103/2 In particular, without limiting the generality of Rule 8103/1, a Member shall:
- (i) provide full and prompt responses to all requests for information by Euronext in respect of business conducted on Euronext Markets or business related thereto and provide access to all relevant books, records, audio logs and other forms of documentation, and
 - (ii) notify the Relevant Euronext Market Undertaking promptly of any matter which may reasonably be expected to be a matter of concern to the Euronext Market Undertaking in the context of its relationship with such Member, including (without limitation) any corporate action or other event that may cause such Member to cease to be in compliance with the Rules. This duty of disclosure shall arise as soon as the Member becomes aware, or has reasonable grounds for believing, that such a matter has arisen or will arise.
- 8104 **NO ABUSIVE OR MISLEADING CONDUCT**
- 8104/1 In conducting business for itself or on behalf of its Clients, a Member must not engage in or attempt to engage in Insider Dealing or Market Manipulation and, in particular, must not engage in, knowingly facilitate or fail to take reasonable steps to prevent:

- (i) any action or any course of conduct that has the effect, or may be expected to have the effect, of artificially and/or abnormally moving the price or value of any Admitted Financial Instrument or any instrument underlying an Admitted Financial Instrument or the level of any index of which an Admitted Financial Instrument is a component;
- (ii) entering artificial orders or otherwise entering into or causing any artificial Transaction;
- (iii) reporting a fictitious Transaction or any other false data to Euronext or causing such data to be input into any Euronext system;
- (iv) any action or any course of conduct that creates or may reasonably be expected to create any false or misleading impression as to the market in, or price or value of, any Admitted Financial Instrument or any other unfair trading conditions;
- (v) any other action or any other course of conduct that may damage the integrity and the transparency of any of the Euronext Markets; or
- (vi) agreeing or acting in concert with, or providing any assistance to, any Person (whether or not a Member) with a view to or in connection with any action or course of conduct referred to in paragraphs (i) to (v) inclusive of this Rule 8104 or otherwise causing or contributing to a breach of any applicable Rule by such other Person.

8104/2	For the avoidance of doubt, a Member is responsible for all business conducted in its name, whether or not such business has been executed on behalf of a Client and whether or not such business has been input through the Member via an Automated Order Routing System or via Sponsored Access by such Client.
8104/3	If a Member becomes aware of any action or course of conduct taken by a Client or by a Responsible Person or an individual trading through a Responsible Person which is or appears to be inconsistent with the requirements of this Rule 8104, it shall report it promptly to Euronext pursuant to Rule 8103. Each Member should ensure that it has adequate controls and procedures to identify activity by its Clients or by or through its Responsible Persons which might be inconsistent with the requirements of this Rule 8104.
8105	USE OF EURONEXT TRADING PLATFORMS
8105/1	When using a Euronext Trading Platform and associated facilities, a Member is prohibited from engaging in practices which may cause degradation of the service or give rise to a disorderly market. Such practices include, but are not limited to, submitting unwarranted or excessive electronic messages or requests to a Euronext Trading Platform.
8106	INTERNAL CONTROLS
8106/1	A Member shall set up and maintain an appropriate system of internal controls, which ensures that the Member continuously complies with all requirements imposed by or pursuant to the Rules.
8106/2	The system of internal controls shall contain internal procedures specific to the Member's capacity on the Euronext Markets. These procedures shall be documented and updated on a regular basis. Where a Member executes business on behalf of Clients it must have adequate controls and procedures to ensure that, as far as reasonably possible, such business complies with, inter alia, Rule 8104.

- 8106/3 A Member's internal controls shall include pre- and post-trade risk management controls which are appropriate to the nature, scale and complexity of the Member's business on the Relevant Euronext Market Undertaking. For the avoidance of doubt this means that, inter alia, a Member shall ensure that it has appropriate arrangements in place:
- (i) to vet orders prior to their submission to the Central Order Book, irrespective of whether such orders have been submitted manually or electronically (including via an Automated Order Routing System or via Sponsored Access); and
 - (ii) to monitor the positional and financial risks inherent in the business it conducts.
- 8106/4 In respect of arrangements put in place by a Member pursuant to Rule 8106/3, the Member must be able to demonstrate to Euronext that the following monitoring requirements have been incorporated in the Member's risk control systems:
- (i) position limits;
 - (ii) user definitions (i.e. the ability to define the individual user(s));
 - (iii) product definitions (i.e. the ability to restrict access to particular Admitted Financial Instruments or groups of Admitted Financial Instruments);
 - (iv) maximum order size per user; and
 - (v) either automatic order rejection when a limit is exceeded or the order being held subject to manual override by an appropriately authorised risk manager.
- 8106/5 Euronext may specify in Book II of the Rules or by Notice additional requirements in respect of pre-trade vetting and post-trade risk management for specific Euronext Markets and/or Admitted Financial Instruments.
- 8106/6 A Member shall have adequate arrangements to ensure that all staff involved in the conduct of business on the Euronext Markets are suitable, adequately trained and properly supervised.
- 8106/7 The Relevant Market Undertaking may make available to Members and Clearing Members facilities for pre- and post-trade risk management including arrangements which would allow a Clearing Member to suspend with immediate effect the access to the Euronext Trading Platform of a Member for which it clears or for a Member to suspend its own access. The conditions for the use of such facilities and arrangements shall be specified by Notice.

8.2. RESERVED

8.3. AUDIT TRAIL

8301 RECORDING OF ORDER DETAILS

- 8301/1 A Member shall ensure that each order received from a Client is recorded and time-stamped immediately by a process other than handwriting. The order record must be time-stamped again on execution and also at the time of any amendment or cancellation of the order by the Client.

- 8301/2 Order records may be maintained on order slips or by electronic means or by any other means specified by the Relevant Euronext Market Undertaking, providing that any such method of recording complies with the requirements of this Rule 8301.
- 8301/3 Order records must contain the orders data listed in the annex of the Delegated Regulation (EU) 2017/580and any additional information required by the Relevant Euronext Market Undertaking.
- 8301/4 All order records, of whatever kind, must be:
- (i) robust, secure and not prone to alteration;
 - (ii) made available:
 - (a) immediately on the day of the transaction; and
 - (b) within a reasonable period of time thereafter, where required by the Relevant Euronext Market Undertaking; and
 - (iii) presented in a manner which is easily decipherable by the Relevant Euronext Market Undertaking.
- 8301/5 Members who employ electronic means to maintain order records must have suitable contingency procedures in the event of systems failure, which may include back up systems or recourse to a paper-based audit trail, such that no loss of audit trail data can occur.
- 8302 RETENTION OF INFORMATION
- 8302/1 A Member shall maintain for a period of five years records of:
- (i) automatic screening parameters and modifications thereof as well as rejected orders, pursuant to Rule 8106/3;
 - (ii) orders, arranged chronologically, pursuant to Rule 8301/1; and
 - (iii) Transactions and, if applicable, the settlement thereof and the custody of Securities traded on the Euronext Markets.
- All records maintained pursuant to this Rule 8302 shall be available for inspection by Euronext.
- 8303 VOICE RECORDING
- (i) In respect of Euronext Securities Markets, the Relevant Euronext Market Undertaking requires recordings to be made by or on behalf of the Member of conversations regarding Transactions made, or intended to be made, on the market which are conducted on telecommunications equipment of any kind located in a Member's premises. Any such recordings made pursuant to such requirements shall be retained by the Member for a period of six months for possible inspection by Euronext.
 - (ii) In respect of Euronext Derivatives Markets, the Relevant Euronext Market Undertaking may specify in Book II of the Rules requirements in respect of recording by or on behalf of the Member of conversations regarding Transactions made, or intended to be made, on the market.

CHAPTER 9: MEASURES IN CASE OF VIOLATION OF THE RULES

9.1. SCOPE OF CHAPTER 9

9101 An alleged violation by a Member of an obligation of the Rules related to the operating of Euronext markets other than the Euronext Securities Market established in the United Kingdom (an Alleged Violation) shall be dealt with in accordance with the provisions of this Chapter.

9102 This Chapter is without prejudice to:

- (i) any action and/or measures that may be taken by Euronext based on any procedure laid down in another part of the Rules;
- (ii) the right to carry out on-site investigations on basis of Chapter 2;
- (iii) any provision of National Regulation concerning enforcement by the Competent Authorities.

9103 Immediate measures

In case a violation of the Rules by a Member constitutes a threat to the fair, orderly and efficient functioning of the Euronext Markets, or upon instruction of the Competent Authority, Euronext may take immediate measures to protect the market, including suspension of all or some of a Member's trading rights.

9.2. PROCEDURE

9201 EXAMINATION

9201/1 For the examination of an Alleged Violation Euronext may:

- (i) require the Member to provide any information, copies of records and documents that may be relevant for the examination of Alleged Violation;
- (ii) send a representative to a Member's offices at any time during normal business hours in the country in which such offices are located, who may require immediate access, to all such information, records and documents kept by a Member that may be relevant for the examination of the Alleged Violation; and/or
- (iii) require any Member to procure the attendance of any of its directors, officers, employees, agents and representatives at a specified time and place, at either the offices of the Relevant Euronext Market Undertaking or those of the Member, in order to answer questions or provide explanations that may be relevant for the examination of the Alleged Violation.

9202 CONFIDENTIALITY

Euronext shall use any information obtained pursuant to Rule 9201 exclusively for purposes and within the scope of this Chapter 9 and any related arbitration or court proceedings and shall not otherwise disclose such information except:

- (i) to the Competent Authorities or other public authorities having jurisdiction over the relevant matter;
- (ii) when otherwise required by applicable law and regulation; or
- (iii) pursuant to exchange-of-information arrangements with other exchanges or Clearing Organisations, provided that these arrangements are bound by an equivalent confidentiality undertaking.

9203 REPORT

9203/1 When there is an Alleged Violation Euronext shall make a written report.

9203/2 This report shall contain the findings of Euronext and a reference to the Rule allegedly breached by the relevant Member.

9203/3 Euronext shall send this report upon completion to the relevant Member.

9203/4 Euronext shall give the relevant Member an opportunity to present its response in writing within two weeks, unless otherwise specified, after receiving the report.

9203/5 Any comments made by the Member shall be attached to said report.

9204 EXPLORATORY MEETING

9204/1 Upon completion of the report and after receiving the written comments, if any, of the Member, Euronext shall, at either party's request, organize a meeting with the Member. This meeting will allow both parties to ask further questions and respond on an Alleged Violation.

9204/2 The meeting will be held at the premises of the Relevant Euronext Market Undertaking or, if both parties agree, in another place.

9204/3 In this meeting both parties may, at their own discretion, bring any representative, expert or other person. Each party shall ensure the confidentiality of the non-public information provided to such attendees and will be liable for breach of confidentiality by those present on their behalf, unless those attendees have a statutory obligation to disclose the information. Both parties shall have the possibility to deny the attendance of experts or other persons if they are able to prove that these persons are affected by conflicts of interest.

9204/4 The number of persons attending a meeting for each party shall not exceed eight, unless agreed upon otherwise between Euronext and the Member.

9204/5 Upon prior request of the Member, Euronext shall draft minutes of the said meeting to be signed by Euronext and the Member.

9.3. RECTIFICATION, SUSPENSION AND TERMINATION

9301/1 If a Rule has been violated, Euronext may:

- (i) require the Member to fulfill its obligations under the Rules or require rectification towards Euronext of the violation by a Member of an obligation under the Rules within a term specified;
- (ii) either:

- (a) require from the Member liquidated damages for the violation of the Rule, of a fixed amount between EUR 500 and EUR 250.000 according to a scale published in a Notice; or
 - (b) claim any kind of compensation for actual damage caused to Euronext's interest as a commercial operation and as a Regulated Market or to the integrity or safety of its markets, if the damage is proven to be patently higher than the fixed amount under a). The claim shall be limited to direct damage except in case of willful misconduct or gross negligence;
- (iii) suspend some of the Member's trading or membership rights for no more than six months;
 - (iv) suspend for no more than six months the Member's Euronext Membership;
 - (v) terminate access to certain facilities;
 - (vi) terminate the Member's Euronext Membership; and/or
 - (vii) publish all or part of the decision taken by Euronext under this Rule.

9301/2 The relevant Member shall be informed of the decision of the Relevant Euronext Market Undertaking by a letter sent by registered mail.

9301/3 The Relevant Euronext Market Undertaking shall promptly inform the other Euronext Market Undertakings, the Members, the Clearing Organisation and parties with whom Euronext has concluded a cross-membership agreement of:

- (i) a suspension or termination of the Membership of any Member;
- (ii) the period of such suspension; and
- (iii) the decision of the Member to contest the decision before the competent court or an arbitration institution.

9.4. REPORTING AND PUBLICATION

9401 REPORTING

9401 Euronext shall:

- (i) report on the monitoring of Rule Book compliance and violations of the Rules to the Competent Authority on the basis of arrangements between Euronext and the Competent Authority;
- (ii) immediately notify the Competent Authority of a decision to suspend or to terminate a Member's trading or membership rights under Chapter 9;
- (iii) prepare and publish a general report on the application of Chapter 9 from time to time but at least once a year. If necessary to protect the integrity or the safety of the markets such report may disclose the identities of the Members involved.

9402 **INFRINGEMENT OF NATIONAL REGULATIONS**

If Euronext finds in the course of an examination of an Alleged Violation or on any other occasion serious indications of a possible infringement of National Regulations, it shall report the matter to the relevant Competent Authority as soon as possible.

9.5. LIABILITY AFTER MEMBERSHIP TERMINATION OR RESIGNATION

9501 Termination or resignation of Euronext Membership is without prejudice to the right of Euronext to ask for evidence and to require financial compensation pursuant to Rule 9301/1 (ii) for damages caused by any violations of the Rules by a Member.



Euronext Amsterdam

23 November 2017

Book II General Rules for the Euronext Amsterdam Securities Market

CONTENTS

Article

Definitions	A – 1
General Provisions	A – 2
Local Membership Rules	A – 3
Local trading rules	A – 4
Local rules with respect to trading and admission to listing	A – 5

Appendices

Appendix I, Requirements relating to the contents of administration conditions

A - 1 DEFINITIONS

The capitalised terms used in these Rules are defined in Chapter 1, Book I, of the Rule Book, except where defined below.

Admission:

Admission to official listing on the Euronext Amsterdam Securities Market

Bonds Issued on Tap:

Mortgage bonds, bank bonds and similar debt instruments which the Issuer mainly issues on tap, i.e. every Trading Day

Cash Market Operations:

Euronext Amsterdam's cash market operations department

Depository receipt:

A certificate embodying an entitlement to specific rights attaching to a security, where the issuer of the depository receipts is not the issuer of the underlying security

Euronext Amsterdam Daily Official List:

The Euronext Amsterdam Daily Official List (*Officiële Prijscourant*) published by Euronext Amsterdam

General Clearing Member:

A Clearing Member authorised to clear Transactions which have been allocated to it or which it has executed for its own account or for the account of Clients or other Members

IAS/IFRS:

International Accounting Standards/International Financial Reporting Standards

Individual Clearing Member:

A Clearing Member authorised to clear Transactions which have been allocated to it or which it has executed for its own account or for the account of its Clients

Participation certificate:

A certificate of participation in a mutual investment fund

Placing:

The transfer to a third party, in return for payment, of one or more Bonds Issued on Tap by the Issuer or its Representative

Representative:

Insofar as the Issuer is not a Member itself, the Member whose name is reported by the Issuer to Euronext Amsterdam and which represents the Issuer at the Euronext Amsterdam Securities Market

Series:

Bonds Issued on Tap which - with the exception of the Placing price - have identical loan conditions and are placed on the basis of the same resolution to issue bonds

Statement of Authority:

A statement and authorisation issued by a Clearing Member, stating that the Member with which the Clearing Member has concluded a Clearing Agreement is authorised to act in the name of the Clearing Member as referred to in Rule A – 4.4

A - 2 GENERAL PROVISIONS

A – 2.1 Application

This Rulebook contains rules with which Members that exercise a capacity and/or are admitted to a Euronext Market operated by Euronext Amsterdam must comply.

These Rules apply to trading in Securities listed or traded on a Euronext Market operated by Euronext Amsterdam, and to the rights and obligations of the Members of these Euronext Markets, unless this Rulebook provide otherwise or the context indicates otherwise.

A – 2.2 Entry into force

This Rulebook has entered into force on 29 October 2001 and was most recently revised on 23 November 2017.

A - 3 LOCAL MEMBERSHIP RULES

A - 3101 Fees

A - 3101/1 Euronext Amsterdam may request that Members pay the fees they owe to Euronext Amsterdam by direct debit in accordance with the provisions of collection rules to be laid down for this purpose by Euronext Amsterdam.

A - 3101/2 If a currency is replaced by another or if a unit of account is converted into a currency or ceases to exist owing to a change in legislation or new legislation applicable to that currency or unit of account, all financial obligations on the part of Members which arise from Euronext Amsterdam's rules, regulations and guidelines and are expressed in the original currency or unit of account without any translation gains or losses, shall be settled in the replacement currency.

A - 3101/3 In the event that the law provides for a transitional period to allow for the replacement of a currency or the conversion of a unit of account into a currency, financial obligations arising from Euronext Amsterdam's rules, regulations and guidelines shall, contrary to the provisions of Rule A - 3101/2, be settled in the currency or unit of account as Euronext Amsterdam shall determine. In such cases, Euronext Amsterdam may decide that settlement must be made in the original currency or unit of account, or in the replacement currency, or in either currency, with due observance of such further conditions as it shall deem necessary.

A - 3101/4 Euronext Amsterdam's decision as referred to in Rule A - 3101/3 shall not affect the Members' right to make individual contractual agreements with their Clients in respect of the currency in which financial obligations shall be settled with those Clients during the relevant transitional period.

A - 4 LOCAL RULES GOVERNING TRADING

A – 4.1 Special measures affecting trading

A – 4101/1 In unusual market conditions not provided for in this Rulebook, Euronext Amsterdam may impose the reasonable measures deemed necessary to ensure a fair and orderly market.

A – 4101/2 Rule 4403/2 of Euronext Rule Book, Book I, offers the Relevant Euronext Market Undertaking the possibility of suspending trading in a security in order to prevent or stop disorderly market conditions, either on its own initiative and at its own discretion, or on the basis of a well-founded request from an Issuer concerned. Provided that:

- (i) requests from Issuers related to price sensitive information will be dealt with by the Autoriteit Financiële Markten (AFM);

- (ii) requests from Issuers related to the fair and orderly market and with a purely technical background (for example incorrect handling of a corporate action or inability to quote for structured products) will be dealt with by Euronext Amsterdam;
- (iii) for all other requests from Issuers related to the fair and orderly market, Euronext Amsterdam NV will not take its decision until it has consulted the Autoriteit Financiële Markten.

A - 4.2 Bonds Issued on Tap

- A - 4201/1 This Rule applies only to Bonds Issued on Tap. Bonds Issued on Tap that belong to the same Series shall only be admitted to official listing if:
- a. the general Admission requirements laid down by Euronext Amsterdam in the relevant rules have been complied with, unless otherwise provided in this Rule;
 - b. a nominal value of at least EUR 2,500,000 of the bonds for which Admission is sought has been placed;
 - c. the application relates to all the bonds of a particular Series issued at the time of the application;
 - d. the Issuer has given Euronext Amsterdam an undertaking to seek Admission, within 90 days of Placing, whenever bonds are placed in a Series of which the previously placed part has been admitted to listing.
- A - 4201/2 Each day, the Issuer is obliged repurchase any bonds offered on the Euronext Market operated by Euronext Amsterdam that belong to the Series issued by the Issuer up to the nominal value of the bonds in the Series which are sold by the Issuer on the exchange on that day.
- A - 4201/3 In the event of a repurchase as referred to in Rule A - 4201/2, the Issuer is entitled to deduct from the quoted price all or part of any payment made by it in respect of the issue.
- A - 4201/4 If the Issuer exercises its right as provided in Rule A - 4201/3, the selling Member is required to execute the Transaction at the price thus arrived at.
- A - 4201/5 The Issuer may make a payment to Members in respect of Bonds Issued on Tap. If it does so, that fact must be stated in the prospectus, as must the amount of any such payment.
- A - 4201/6 The amount of the payment may not be changed unless the issue price changes. The Issuer must report any such change in the accompanying advertisements.
- A - 4201/7 The provisions of this Rule shall not apply to issues made by the Kingdom of the Netherlands.

A – 4.3 Stabilisation activities

Only Members are authorised to act as stabilisers on the Euronext Amsterdam Securities Market.

A – 4.4 Clearing of Transactions

If and insofar as Transactions are executed via the trading system of a Euronext Market operated by Euronext Amsterdam that are to be cleared by a Clearing Member, the following provisions apply:

- 1a) In the case of a Member that has concluded a Clearing Agreement with a General Clearing Member and wishes to clear Transactions it executed via the Clearing House, before that Member is authorised to make offers to conclude agreements with the Clearing House in the name of the General Clearing Member in question, that General Clearing Member must submit to Euronext Amsterdam a Statement of Authority for the Member in question.

- 1b) If a Member exercises the capacity of Individual Clearing Member or General Clearing Member, the Member shall be entitled to make offers to conclude agreements in its own name, provided a Statement of Authority relating to this has been submitted to Euronext Amsterdam.
- 2) The Statement of Authority must comply with the requirements set by Euronext Amsterdam. It may be revoked at any time, on the understanding that this will only have effect with regard to Euronext Amsterdam and the Clearing House as from the time that they receive written notice of the revocation of the Statement of Authority and confirm this.
- 3) Members must check immediately the accuracy and completeness of the confirmation reports they receive for Transactions concluded by them.
- 4) As soon as possible following the close of trading, Euronext Amsterdam will send to the Clearing House a list of all the Securities Transactions concluded on that day on a Euronext Market operated by Euronext Amsterdam so that these Transactions can be cleared with due observance of the applicable rules, all on the basis of an agreement concluded between Euronext Amsterdam and the Clearing House and maintained between them.

A – 5 LOCAL RULES WITH RESPECT TO TRADING, ADMISSION TO LISTING AND REVERSE LISTINGS

A – 5.1 Admission: applicable provisions

The provisions contained in Chapter A – 4 of this Rule Book and Chapter 6 of the Euronext Rule Book, Book I apply to Securities in respect to admission to listing as far as is not otherwise imposed by the provisions of this Rule Book. In the case of conflict between the provisions of Chapter A – 4 of this Rule Book and the provisions of Chapter 6 of Euronext Rule Book, Book I, the provisions of Chapter A – 4 of this Rule Book shall prevail.

A – 5.2 Special provisions relating to Depositary receipts

Where an application for admission of Securities relates to Depositary receipts, the administration conditions must comply with the requirements contained in Appendix I. If the administration conditions have most recently been approved before 2 September 2016, the administration conditions have to comply with the requirements relating to the contents of administration conditions as set out in the Appendix per the first moment of amendment of the administration conditions after that date.

A – 5.3 Policy regarding requests to delist on one's own initiative

The delisting policy of Euronext Amsterdam with respect to shares or depositary receipts is instead of that which is referred to in Rule 6905/1 under (i), Euronext Rule Book, Book I, laid down in a Notice.

A – 5.4 Policy regarding reverse listings

Euronext Amsterdam may impose requirements (and publish such requirements by Notice) in respect of reverse listings.

A – 5.5 General

In cases where A – 4 of this Rule Book or Chapter 6, Euronext Rulebook, Book I does not cover, Euronext Amsterdam shall decide.

APPENDIX I

REQUIREMENTS RELATING TO THE CONTENTS OF ADMINISTRATION CONDITIONS

1. The administration conditions must provide that the original securities shall be taken into administration
2. The administration conditions must set out the obligations undertaken by the company of which securities are taken into administration with regard to such administration and the issued Depositary receipts.
3. The administration conditions must provide that all expenses shall be borne by the company of which securities are taken into administration, with the exception of printing (in case of physical securities) or allocation (in case of non-physical securities) and conversion costs.
4. The administration conditions must lay down the method of custody of registered securities taken into administration.

Custody shall be performed in the name of the trust office by one or more banks and/or securities depositaries to be appointed in consultation with Euronext Amsterdam.

5. If permitted by the administration conditions and all securities taken into administration are registered securities, such securities may be given into custody outside the Netherlands.
6. The administration conditions must state the name and address of the custodian or provide that these shall be announced by advertisement and on the website of the company of which securities have been taken into administration.

The administration conditions must further provide that, save in very exceptional circumstances, at the discretion of Euronext Amsterdam, any change in the name or address of the custodian shall be notified to the holders of Depositary receipts by advertisement and on the website of the company of which securities have been taken into administration at least eight business days in advance, specifying the new name and/or address of the custodian and the reasons for the relocation.

7. The administration conditions must provide that the trust office shall have power to deposit the securities taken into administration temporarily elsewhere, and/or in a manner other than the usual manner as described in the conditions, or to place them into custody elsewhere.
8. The administration conditions must further provide:
 - that relocation (in case of physical securities) or transfer (in case of non-physical securities) of the securities taken into administration shall require the prior approval of the managing board of the trust office.
 - that a copy of such approval must be submitted to the transferee of the securities taken into administration.
9. In case of physical securities, the administration conditions must provide that proper insurance must be taken out in the case of transportation of the Securities taken into administration.
10. The administration conditions must contain provisions to the effect:
 - that the trust office shall be entitled to exercise the voting right attaching to the securities taken into administration in such a manner as it shall deem appropriate in the interests of the holders of Depositary receipts. The preceding paragraph shall not apply, however, if the objects set out in a trust office's Articles of Association restrict the administration of the

- underlying securities to shares issued by just one institution identified by name, taking article 2:118a DCC into consideration;
11. that, in the event of a proposal to modify the rights attaching to the securities taken into administration, the trust office undertakes to inform the holders of Depositary receipts by advertisement and on the website of the company of which securities have been taken into administration, if possible no later than fourteen business days in advance, whether it intends to exercise the voting right or not, without having to indicate in which direction it will vote;
12. The administration conditions must provide that they shall be amendable, subject to a proper announcement being made, provided that any such amendment is required or advisable at the discretion of the managing board of the trust office and without prejudice to the other provisions of Appendix I with respect to amendments to the administration conditions. Such amendment shall not entitle holders of Depositary receipts to a conversion free of charge.
13. The administration conditions must provide that any other amendment of the administration conditions whereby rights or collateral of holders of Depositary receipts are reduced or obligations are imposed upon them, shall not take effect until 3 months have elapsed after the date of the amendment of the administration conditions. During this period holders of Depositary receipts must be enabled to convert their Depositary receipts free of charge.
14. The administration conditions must provide that dividend, interest and distributions on Depositary receipts, of whatsoever nature, shall be made payable without charge, and that notice thereof shall be given by advertisement and on the website of the company of which securities have been taken into administration.
- If there is a choice between a distribution in cash and one in other values, the trust office shall announce this in advance by advertisement and on the website of the company of which securities have been taken into administration and thereby as far as possible enable holders of Depositary receipts to indicate their wishes as to the choice to be made by the trust office. This possibility shall exist until the fourth business day prior to the day on which the trust office must have made its choice. If the wishes of Depositary receipts holders have not come to the knowledge of the trust office four business days prior to the date on which the trust office must have made its choice, the trust office shall choose as it deems fit in the interests of the holders of Depositary receipts.
15. If the administration conditions contain a provision to the effect that holders of Depositary receipts who fail to claim amounts collected on their behalf forfeit their rights to such distributions after a specific period, such period shall not be shorter than twenty years, as regards both principal and dividend and interest.
- The administration conditions must provide that if the trust office should be wound up or should wish to terminate the administration of the original securities, this shall be notified by advertisement and on the website of the company of which securities have been taken into administration.,.

In addition, the period for surrender and exchange of the securities into administration must be indicated. This period shall be not less than two years from the day of the announcement. During this period the administration conditions shall remain in force. The conversion shall in this case be effected free of charge. It must further be provided that on expiry of such period the trust office shall be entitled, after consultation with Euronext Amsterdam and after due announcement, either to deposit the securities taken into administration with a third party, for the account and risk of the holders of the Depositary receipts still outstanding at such time, or to sell the same and to hold the proceeds thereof at the disposal of the holders of Depositary receipts then outstanding.

For a period of two months after an announcement as referred to in the first paragraph above, the printing of Depositary receipts shall continue to be allowed, provided the trust office is informed of the number of original securities to be presented for the printing of Depositary receipts no later than on the fourth business day following the day of publication, and provided that it is shown

satisfactorily that these original securities had already been acquired prior to or on the day of the announcement referred to in the first paragraph above.

16. The administration conditions must provide that all announcements which this institution is required to make pursuant to the administration conditions or otherwise, shall be made available for public inspection in the Netherlands and free of charge to holders of Depositary receipts as soon as possible after publication.
17. In case of physical securities, the administration conditions must provide:
 - that duplicates or new receipts shall be issued to replace Depositary receipts which have been rejected by Euronext Amsterdam, of which all component parts are available and from which all details can be ascertained;
 - If Euronext Amsterdam deems it advisable, duplicates or new receipts shall be made available in Amsterdam to replace Depositary receipts which do not or no longer satisfy the requirements concerning the physical production of securities set out in this Rule Book.
18. The administration conditions must provide that bonus shares distributed to the trust office, writing up of shares, stock dividends and the like shall as far as possible be made available to the holders of Depositary receipts in the form of Depositary receipts or by writing up on Depositary receipts.
19. The administration conditions must provide that amendments thereof shall not come into force until the approval of Euronext Amsterdam has been obtained.
20. The administration conditions must provide that a transfer of the administration to another trust office in the circumstances referred to in 23 and 27 shall require the approval of the company of which securities have been taken into administration, of the trust office and of the holders of Depositary receipts, and that if any of the parties withholds its approval to the transfer, the readiest party may request a decision from Euronext Amsterdam, which shall be binding upon all the parties.
21. Where the administration conditions relate to the issue of non-convertible Depositary receipts, the provisions referred to in items 12 and 15 above shall not apply.
22. Where the holder of Depositary Receipts does not exercise his voting rights pursuant to article 2:118a Dutch Civil Code, the trust office shall, where the administration conditions relate to the issue of non-convertible Depositary receipts, in the administration conditions undertake at all times to vote against an amendment of the Articles of Association of the company of which shares have been taken into administration against the issue of non-convertible Depositary receipts, insofar as such amendment would contemplate a restriction of the number of votes which can be cast by one and the same shareholder.
23. Where the administration conditions relate to the issue of non-convertible Depositary receipts the trust office shall in the administration conditions undertake to provide Euronext Amsterdam with all particulars necessary for the assessment of its independence of the company of which securities have been taken into administration.

In that case the administration conditions must provide that if during the existence of the administration a situation develops in which Euronext Amsterdam no longer deems the trust office to be independent of the company of which securities have been taken into administration, and its independence is not restored within such time as determined by Euronext Amsterdam, or if the trust office has not within such time as determined by Euronext Amsterdam provided such particulars as Euronext Amsterdam deems necessary for the assessment of its independence, the trust office shall be obliged to transfer the administration to another (independent) trust office, all expenses incurred in connection therewith being borne by the transferring trust office.
24. Where the administration conditions relate to the issue of non-convertible Depositary receipts, they must provide that discontinuation of the administration shall require the consent of the company of

which securities have been taken into administration, of the trust office and of the meeting of holders of Depositary receipts.

In such a case it must further be provided that amendments of the administration conditions with the object of discontinuing the non-convertibility of the Depositary receipts shall require the consent of the company of which securities have been taken into administration and of either the trust office or the meeting of holders of Depositary receipts.

Any other amendments of the administration conditions shall require the consent of the company of which securities have been taken into administration, of the trust office and of the meeting of Depositary receipts holders, with the exception of the amendments as referred to in item 11 above.

25. Where the administration conditions relate to the issue of non-convertible Depositary receipts they must prescribe the voting procedure at meetings of holders of Depositary receipts.

It must further be provided that whenever the consent of the holders of Depositary receipts is required pursuant to the administration conditions, such consent must be evidenced by a resolution passed at a meeting of Depositary receipt holders at which at least three-fourths (or two-thirds) of the (nominal) amount of Depositary receipts outstanding is represented and with a majority of at least three-fourths (or two-thirds) of the votes cast; that if at such meeting the said amount of Depositary receipts is not represented, a second meeting shall be convened and held, at which resolutions may be passed with a majority of at least three-fourths (or two-thirds) of the votes cast, irrespective of the amount of Depositary receipts represented, which resolutions shall be binding upon all holders of Depositary receipts.

26. Where the administration conditions relate to the issue of non-convertible Depositary receipts they must provide that one or more holders of Depositary receipts who jointly represent at least 3/100 of the nominal amount of the Depositary receipts outstanding, shall be entitled to request the trust office in writing and with an exact specification of the subjects to be discussed to convene a meeting of holders of Depositary receipts, and that if the trust office has not proceeded to do so within one month, the readiest holder shall be entitled to convene the meeting, with due observance of periods and formalities prescribed by the administration conditions for the convening of a meeting of holders of Depositary receipts.

27. Where the administration conditions relate to non-convertible Depositary receipts they must provide that, if the Articles of Association of the trust office no longer satisfy the requirements of Euronext Amsterdam, the trust office shall be obliged to either amend the Articles of Association of the trust office such that they satisfy the requirements of Euronext Amsterdam or transfer the administration to another trust office whose Articles of Association do meet such requirements, and that all expenses incurred in connection therewith shall be borne by the transferring trust office.



Euronext Derivatives Markets: Trading Procedures

Issue Date: 21 February 2017
Effective: 21 February 2017

TABLE OF CONTENTS

PART ONE Harmonised Provisions

Section 1 GENERAL

- 1.1 Introduction
- 1.2 Definitions
- 1.3 Compliance with the Rules and conduct
- 1.4 The Responsible Person

Section 2 THE OPERATION OF UTP

- 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
- 2.5 Evening trading session

Section 3 ON ORDER BOOK TRANSACTIONS

- 3.1 [Deleted]
- 3.2 Entering orders and making acceptances
- 3.3 Making of trades
- 3.4 Cross Transactions
- 3.5 Trade cancellations
- 3.6 Strategy trades
- 3.7 Delta neutral strategy trades
- 3.8 Stock Contingent Trades
- 3.9 Index Futures Exchange for Physical Facility

Section 4 OFF ORDER BOOK TRANSACTIONS

- 4.1 Transactions negotiated outside the Central Order Book
- 4.2 Basis Trading
- 4.3 Asset Allocations
- 4.4 Against Actuals
- 4.5 Large-in-Scale Trades
- 4.6 Guaranteed Cross Trades
- 4.7 Flex Contracts

PART TWO Non-Harmonised and Market-Specific Provisions

Section 1 Trading Procedures in relation to the Amsterdam and Brussels Markets

- AB.1 Application of Section 1
- AB.2 Account type identifier and Order execution
- AB.3 Trade matching Primary Market Makers and/or Competitive Market Makers

Annexe One	Trading Arrangements
Annexe Two	Recognised Strategies
Annexe Three	[Deleted]
Annexe Four	European Market Services 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 negotiated and executed pursuant to Trading Procedure 4.4;
“approved basis trade instrument”	a security, a basket of securities, a non-Euronext 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”	<p>a Transaction consisting for one party (“A”) of:</p> <ul style="list-style-type: none"> (a) the purchase of an appropriate number of contracts in the terms of an asset allocation Exchange Contract (A’s first futures/options element); <p>simultaneously combined with</p> <ul style="list-style-type: none"> (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; <p>and, at the same time, for another party (“B”) of:</p> <ul style="list-style-type: none"> (c) the sale of an appropriate number of contracts in the terms of an asset allocation Exchange Contract (B’s first futures/options element); <p>simultaneously combined with</p> <ul style="list-style-type: none"> (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 UTP 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”	<p>(i) a Transaction consisting for one party (“A”) of:</p> <p>(a) the spot sale of an approved basis trade instrument (A’s cash element);</p> <p style="margin-left: 40px;">simultaneously combined with</p> <p>(b) the purchase of an appropriate number of contracts in the terms of a basis trade Exchange Contract (A’s futures element);</p> <p style="margin-left: 40px;">and, at the same time, for another party (“B”) of:</p> <p>(c) the spot purchase of an approved basis trade instrument (B’s cash element);</p> <p style="margin-left: 40px;">simultaneously combined with</p> <p>(d) the sale of an appropriate number of contracts in the terms of a basis trade Exchange Contract (B’s futures element);</p> <p>(ii) where the Transaction is an Exchange for Swap, the Basis Trade Facility may be used to enable the parties to an OTC swap or option transaction to exchange their respective OTC positions with the appropriate number of futures contracts in the terms of a basis trade Exchange Contract; and</p>

	(iii) where the Transaction is an Exchange of Options for Options, the Basis Trade Facility may be used to enable the parties to an OTC option transaction to exchange their respective OTC positions with the appropriate number of options contracts in the terms of a basis trade Exchange Contract.
“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>
“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;
“Euronext Derivatives Market”	any market, including any Regulated Market, for Derivatives operated by any Euronext Market Undertaking referred to as The Amsterdam, Brussels, Lisbon and Paris Markets;
“Euronext 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;

“fair value”	in relation to any Large-in-Scale Trade price or Flex Contract price quoted by a Member to another Member or to a Client or in respect of a Large-in-Scale Trade or Flex Contract (as the case may be) 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 Large-in-Scale Trade price or a Flex Contract 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);
“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;
“ISDA”	the International Swaps and Derivatives Association;
“Large-in-Scale Facility”	The facility established by the Relevant Euronext Market Undertaking pursuant to the Rules in relation to the trading of Large-in-Scale Trades in accordance with these Trading Procedures.
“Large-in-Scale Package”	shall mean a facility which allows a Member to submit a Large-in-Scale Trade involving one or more legs and/or more than one counterparty via one single entry identifier, namely the package ID;

“Large-in-Scale Trade Contracts”	those Exchange Contracts designated by the Relevant Euronext Market Undertaking as contracts that may be traded as a Large-in-Scale Trade pursuant to these Trading Procedures;
“Large-in-Scale Trade Executing Member”	the Member, or where the Large-in-Scale Trade has been negotiated between two Members, the Member(s) submitting Large-in-Scale Trade details to the Relevant Euronext Market Undertaking;
“Market Close”	the time specified by the Relevant Euronext Market Undertaking for the cessation of trading in contracts on UTP on that Trading Day;
“Market Open”	the time specified by the Relevant Euronext Market Undertaking for the commencement of trading in contracts on UTP 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 UTP;
“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 Large-in-Scale Trade Contract or Flex Contract (as the case may be);
“orders”	bids or offers, as the case may be;
“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;
“Trade Registration”	The Clearing System or the Trade Registration System, as the case may be; and
“Universal Trading Platform” or “UTP”	the Euronext Trading Platform for Derivatives consisting of “UTP for Futures and Options” and “UTP for Equity Options” and associated infrastructure as the context permits.

1.3 Compliance with the Rules and conduct

- 1.3.1 A Member must, in respect of business conducted on, or submitted through, UTP:
- (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; and
 - (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.
- 1.3.2 A Member is responsible for the use of any Automated Price Injection Model in respect of business conducted on, or submitted through, UTP. In particular, notwithstanding the Relevant Euronext Market Undertaking's own obligations (as described in Rule 1.5A), any adverse effect on the fair, orderly and efficient operation of the market arising from the use of such a Model shall be the responsibility of the Member and sanctions may be imposed under the Rules.
- 1.3.3 Members and Responsible Persons must ensure that, when negotiating and executing a Client order 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.

1.4 The Responsible Person

- 1.4.1 A Responsible Person must be assigned one, or at least one, ITM and a valid password for each, by the Relevant Euronext Market Undertaking.
- 1.4.2 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).
- 1.4.3 For the avoidance of doubt, this Trading Procedure 1.4 shall apply to all business conducted on a Euronext Derivatives Market, whether executed on the Central Order Book (pursuant to section 3 of these Trading Procedures) or Off-Order Book (pursuant to section 4).

SECTION 2 – THE OPERATION OF UTP

2.1 Price limits

- 2.1.1 Throughout each UTP trading session and during the Pre-Open period, price limits for Futures Contracts will be calculated from the Price Limit Reference Price (“PLRP”): the limit bid being the allowed spread greater than the PLRP and the limit offer being the allowed spread lower than the PLRP.
- 2.1.2 The PLRP is calculated using one of the following two methods:
- (a) Central Order Book price method;
 - (b) theoretical fair value method;
 - (c) theoretical Exchange For Physical fair value method.
- 2.1.3 In respect of the Central Order Book price method, the PLRP is:
- (a) for the most actively traded (“blue”) contract month only:
 - (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.
- 2.1.4A In respect of the theoretical fair value method, the PLRP 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.
- 2.1.4B In respect of the theoretical EFP fair value method, which shall apply to orders submitted to the Index Futures EFP Facility only, the PLRP for each contract month shall be calculated by the Relevant Euronext Market Undertaking as the difference between the previous day’s settlement price for the relevant futures contract and a corresponding index basket, based on the previous day’s closing prices of the individual stocks, adjusted for any corporate actions. A spread value range is then employed by the Trading Host as the price limit for the EFP contract month concerned.
- 2.1.5 [Deleted].

- 2.1.6 For Options Contracts, the Relevant Euronext Market Undertaking will calculate a theoretical fair value price (the PLRP) for each series. The theoretical fair value price will generate a spread value range which is then employed by the Trading Host as the price limit for the option series concerned. The spread range is calculated either by reference to the fair value price or the applicable option delta value.
- 2.1.7 Subject to Trading Procedure 2.1.9, attempts to trade or, during the Pre-Open period where applicable, 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.
- 2.1.10 Price limit value ranges and the PLRP calculation method (Futures Contract) and spread value range reference method (Options Contracts) are published on the Euronext website.

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 UTP 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 Organisation. In the

event that the Clearing Organisation 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 UTP 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 UTP is calculated during the course of the UTP session for that contract, the Relevant Euronext Market Undertaking will additionally post the UTP closing price for each contract month at Market Close.

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. These settlement prices will be displayed on UTP; 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 Organisation. In the

event that the Clearing Organisation 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 UTP 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 UTP 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 UTP 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 UTP 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 UTP 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.
- 2.4.7 In the event of a general failure in UTP (e.g. central breakdown, breakdown in a significant number of communication lines which, in the opinion of the Relevant Euronext Market Undertaking, poses a potential threat to the orderly operation of the market), the Relevant Euronext Market Undertaking may determine alternative trading arrangements as appropriate. Notification of alternative trading arrangements will be made by way of Notice or such other means of communication as the Relevant Euronext Market Undertaking sees fit.

2.5 Evening trading session

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

SECTION 3 – ON ORDER BOOK TRANSACTIONS

3.1 [Deleted]

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 UTP:

- (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 When submitting an order to UTP, a Member must also submit an identifier denoting whether the order is for a House, Client or Liquidity Provider account.

3.3 Making of trades

3.3.1 The following order prioritisation criteria will determine trade priority. Members should refer to Annex 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 UTP 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.

3.3.6 Uncrossing

3.3.6.1 Subject to Trading Procedure 3.3.6.2 and pursuant to 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 for the relevant underlying has been received.

3.3.6.2 Notwithstanding the requirements provisions of Trading Procedure 3.3.6.1, the Relevant Euronext Market Undertaking may, in its absolute discretion, run the uncrossing algorithm and open trading in Contracts in the event that no underlying trade price is received.

3.3.7 Corporate Actions

3.3.7.1 Any adjustment of Options Contracts and/or Futures Contracts will be determined in accordance with the Corporate Actions Policy of the Relevant Euronext Market Undertaking unless the Relevant Euronext Market Undertaking, in its absolute discretion, determines otherwise. The Corporate Actions Policy and any adjustment to the Contract will be published by Notice from time to time and shall have such effect with regard to existing and/or new Option Contracts and/or Futures Contracts as the Relevant Euronext Market Undertaking may determine.

3.3.7.2 The Relevant Euronext Market Undertaking may cancel orders in the Central Order Book of a contract where that contract's characteristics have been altered following one or more corporate actions affecting the underlying security. Any such cancellation of outstanding orders (and any requirements to re-submit orders) will be published by the Relevant Euronext Market Undertaking by way of Notice or such other means of communication as the Relevant Euronext Market Undertaking sees fit.

- 3.4 Cross Transactions**
- 3.4.1 [Deleted]
- 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 Matching business may be entered to the Trading Host using one of the following three methods:
- (a) by submission to the Central Order Book; or
 - (b) by submission in a dedicated order book for designated contracts set out in Annexe One; or
 - (c) by submission as a Guaranteed Cross Trade in designated contracts set out in Annexe One.
- 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.
- 3.4.4A Except where the Relevant Euronext Market Undertaking provides alternative facilities to execute pre-negotiated business as a single Transaction, all pre-negotiated business must be executed as a cross.

In particular, the Request for Cross facility (as described in Trading Procedure 3.4.5A) must be used for Commodity Option Contracts and is also available for those Contracts set out in Annexe One. All crosses not executed through the Request for Cross facility must be executed in accordance with Trading Procedure 3.4.5.
- 3.4.5 For all Contracts other than those executed through the use of the Request for Cross facility, 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 and ten seconds in the case of 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.
- 3.4.5A Request for Cross Facility

A Request for Cross ("RFC") must first be entered for the relevant series or strategy in all cases, whether or not a bid and/or offer exists in the Central Order Book for such series or strategy.

An RFC initiating Member may not enter either side nor a part of the matching business into the order book prior to the submission of an RFC.

An RFC shall be rejected upon entry if its intended matching price is outside the best bid and offer available in the Central Order Book at its entry time.

The RFC has the simultaneous effect of entering in an irrevocable way the buy and the sell orders in the matching system and of sending an alert message to the rest of the market.

The market only receives notice of an RFC in the relevant series or strategy and of its associated duration. The market does not receive notice of the orders' size or intended execution price level.

Neither an RFC initiating Member, when acting via an ITM involved in pre-negotiation of the RFC, nor its clients having placed orders for the cross may submit any further orders during the RFC period nor give orders for some other Member to input into the matching system.

During the RFC period,

- (i) Members other than the RFC initiating Member, and
- (ii) the RFC-initiating Member, but not through the ITM involved in pre-negotiation of the RFC and not in respect of its clients who have placed orders for the cross,

may (subject to minimum size) respond and enter limit orders, which will not be published.

Once the RFC period has elapsed, the buy and sell orders of the RFC initiating Member shall interact with such other orders as follows:

- in a preliminary step, all response orders are matched amongst themselves according to an uncrossing process matching in price/time priority;

- then, all remaining response orders that improve the RFC intended execution price shall be executed against the RFC business according to the same uncrossing process;

- following that, (and the consequential impact on the balance of the RFC's associated buy and sell orders), the resulting RFC balance is confronted with response orders that match the RFC execution price as follows:

(i) the RFC balance shall be executed against such other orders, ranked according to their time priority, up to a maximum sharing level;

(ii) the rest of the RFC balance shall be executed as a cross by the RFC initiating Member.

Orders entered via the RFC may be subject to additional size requirements. RFC parameters in terms of duration, minimum order size and sharing are set in Annex One.”

- 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 Procedures 3.4.5. and 3.4.5A.
- 3.4.7 [Deleted]
- 3.4.8 The requirements in respect of Guaranteed Cross Trades are set out in Trading Procedure 4.6.
- 3.4.9 A Member and his Responsible Persons may deliberately seek to execute a trade involving two wholly or partially matching orders providing the requirements in these Trading Procedures are met.

3.5 Trade cancellations

Trade cancellations may be carried out under specific conditions published by Notice.

3.6 Strategy trades

- 3.6.1 Members may execute strategies comprising combinations of Exchange Contracts. A list of strategies available for trading on UTP is specified by the Relevant Euronext Market Undertaking by Notice from time to time and is contained in Annex Two to these Trading Procedures.
- 3.6.2 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.
- 3.6.3 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.
- 3.6.4 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.
- 3.6.5 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.
- 3.6.6 A member may not execute a strategy order otherwise than in the relevant strategy market unless the member can demonstrate that doing so would be disadvantageous to the client.

- 3.7 Delta neutral strategy trades**
- 3.7.1 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 UTP is specified by the Relevant Euronext Market Undertaking by Notice from time to time and is contained in Annex Two to these Trading Procedures.
- 3.7.2 In order to execute delta neutral strategy trades on UTP, a Member must have appropriate trading rights for the trading of both the options and futures legs.
- 3.7.3 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.
- 3.7.4 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.
- 3.7.5 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.
- 3.8 Stock Contingent Trades**
- 3.8.1 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 Euronext UTP 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.
- 3.8.2 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.

3.8.3 A list of stock contingent trades available for trading on Euronext UTP (“on order book transactions”) is contained in Annexe One to these Trading Procedures and may be varied from time to time by the Relevant Euronext Market Undertaking.

3.8.4 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 Trading Procedure 3.8.2, 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.

3.8.5 In the case of conversions and reversals, the volume of stock transacted must be consistent with the net delta for that position.

3.8.6 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.

3.8.7 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.

- 3.8.8 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.
- 3.9 Index Futures Exchange for Physical Facility**
- 3.9.1 For certain Index Futures contracts designated by the Relevant Euronext Market Undertaking and specified in Annex One to these Trading Procedures, basis trades can take place on a dedicated index futures “Exchange for Physical (EFP)” Central Order Book, resulting in the simultaneous execution of the index futures and the relevant underlying stock on the corresponding markets operated by Euronext.
- 3.9.2 In order to execute trades on the EFP Facility on UTP, a Member must have appropriate trading rights for the execution of the index futures contract and the relevant stocks. Otherwise, the Member must have in place arrangements for the execution of the stocks via a Member holding a relevant trading right.
- 3.9.3 The use of the EFP Facility is subject to specific requirements in relation to minimum price movement and method of quotation differing from those normally applicable to the index futures contract, as specified in the contract specifications published on the Euronext website.
- 3.9.4 Following the execution of an EFP, the relevant prices and volumes shall be automatically allocated by the UTP system to the individual futures and stock components of the EFP, calculated using an Exchange-maintained algorithm. In the event the stock price algorithm generates an individual price failing to account for a recent corporate action on that stock:
- (i) the Relevant Euronext Market Undertaking may invalidate the trade as per section 3.5.; or
 - (ii) Members having executed the EFP may request the invalidation of the original execution in accordance with section 3.5, with a view to resubmitting the EFP orders for execution with an adjusted individual stock price.
- Any invalidation of an EFP determined by the Relevant Euronext Market Undertaking or conducted at a Members' request will automatically entail the cancellation of both the index futures transaction and individual stock component transactions.
- 3.9.5 The following information with respect to the futures leg of a trade executed on the EFP Facility will be broadcast on UTP:
- (a) Futures Contract(s) and delivery month(s);
 - (b) futures price(s); and
 - (c) volume of futures traded.

Such details shall also be distributed to Quote Vendors.

In addition, details of the stock component leg of a trade executed on the EFP facility will be published pursuant to the rules of the corresponding Euronext Securities Markets.

SECTION 4 – OFF ORDER BOOK TRANSACTIONS

4.1 Transactions negotiated outside the Central Order Book

- 4.1.1 This Section 4 describes various trading facilities and associated requirements for executing Off Order Book Transactions. However, not all trading facilities apply to each Derivative which is an Admitted Financial Instrument. Members must refer to Annex One to these Trading Procedures which details which functionality and/or which requirements apply to each such Derivative.
- 4.1.2 For the purposes of this Section 4, an Off Order Book Transaction is a Transaction which is:
- (i) negotiated outside the Central Order Book but subject to the Rules and these Trading Procedures; and
 - (ii) reported to the Relevant Euronext Market Undertaking pursuant to the Rules and these Trading Procedures.
- 4.1.3 An Off Order Book Transaction is deemed to have been executed when the details are authorised by the Relevant Euronext Market Undertaking.
- 4.1.4 For Contracts other than Flex Contracts, where an Admitted Financial Instrument can either be traded through the Central Order Book or executed as an Off Order Book Transaction, a position arising from an Off Order Book Transaction is fungible with positions arising from Transactions entered via the Central Order Book. Once an Off Order Book Transaction has been accepted for clearing, the resulting position is settled and recorded in the same way as a position created in the Central Order Book. For Flex Contracts, Trading Procedure 4.7.2 applies.
- 4.1.5 For the avoidance of doubt, actions taken by the Relevant Euronext Market Undertaking pursuant to Rule 5402/1 shall apply to Off Order Book trading as well as to the Central Order Book. In particular, where a financial instrument underlying a Derivative admitted to trading on a Euronext Market Undertaking has been suspended at the request of the relevant competent authority or the issuer (as the case may be), Off Order Book Transactions in respect of such Derivative shall not be negotiated during the period of such suspension.
- 4.1.6 Trading Procedures 4.2 to 4.4 inclusive deal with Technical Trades (i.e. basis trades, asset allocations against actuals); Trading Procedure 4.5 deals with Large-in-Scale Trades and Trading Procedures 4.6 and 4.7 deal respectively with Guaranteed Cross Trades and Flex Contracts.

TECHNICAL TRADES

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 or, in the case of an Exchange for Swap or Exchange of Options for Options, the appropriate number of related Futures or Options 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 or options 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 negotiated only during the trading hours of the Futures or Options 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.

4.2.5

The basis trade executing Member is responsible for assigning the price of the futures or options leg(s) of a basis trade. For the futures or options leg(s) to be authorised, the price(s) assigned must be in accordance with the following :

in respect of equity index Contracts and Single Stock Futures, at or within the Contract high/low traded price of that Trading Day, at or within the Contract best bid and offer at the time the basis trade is negotiated, or at or within the high/low price calculated by the Exchange maintained algorithm (factoring in the cost of carry).

In exceptional circumstances, the Exchange may, at its absolute discretion, authorise a basis trade where the price of the futures or options leg(s) is outside of the parameters set out above. Prior to authorising such basis trade, the Exchange will require additional information from the basis trade executing Member, in relation to the organisation of the basis trade.

4.2.5A

(a) Where the basis trade is an EFS in accordance with Trading Procedure 4.2.6(e), 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.

(b) Where the basis trade is an EOO in accordance with Trading Procedure 4.2.6(f), for the options leg(s) to be authorised the

price(s) assigned must be within the implied volatility range established to date in respect of the expiry month in the relevant Exchange Contract.

4.2.6 The following approaches to the construction of hedge ratios for basis trades are considered acceptable:

- (a) Equity securities against Single Stock Futures Contracts: A method based on the relative value of the equity security and the nominal underlying value of the Single Stock Futures Contracts;
- (b) 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;
- (c) 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;
- (d) European or American style OTC or non-Euronext exchange traded equity options against Single Stock Futures Contracts: A method based on the relative deltas of the OTC or exchange traded option and Single Stock Futures Contracts in order to achieve a delta neutral position;
- (e) OTC swaps or options conforming to ISDA standards in relation to milling wheat, rapeseed, corn, malting barley and skimmed milk powder, or in relation to a direct product of such commodity, against the relevant Commodity Futures Contract, 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 or options position relative to the quantity of the commodity underlying the Futures Contract.
- (f) OTC options conforming to ISDA standards in relation to milling wheat, rapeseed, corn, and malting barley, or in relation to a direct product of such commodity, against the relevant Commodity Options Contract, herein defined as an Exchange of Options for Options (“EOO”): A method which is based on the quantity of the commodity or a direct product of such commodity underlying the OTC option position relative to the quantity of the commodity underlying the Options 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.

4.2.6A Members shall not submit or cause to be submitted to Euronext for authorisation any basis trade Exchange Contract unless there is a corresponding execution of an approved basis trade instrument. The

number of basis trade Exchange Contracts must be appropriate to the quantity of the approved basis trade instrument. Members shall satisfy themselves in advance of any such submission of basis trade Exchange Contracts to Euronext for authorisation, that the approved basis trade instrument has been executed in appropriate quantity.

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 – 4.2.10D 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 negotiated the Member, or where the basis trade has been negotiated between two Members, the Member who will be the seller of the futures or options leg of the basis trade, must execute the futures or options leg of the basis trade as a cross transaction, as specified in Trading Procedures 4.2.8 – 4.2.10D, or must procure that the futures or options leg of the basis trade is so executed by another appropriately authorised Member.

4.2.8 Where a basis trade involves equity index futures contracts against a basket of equity securities, or Single Stock Futures Contracts against equity securities, the following details must be submitted via UTP 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 4.2.8, 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 that leg such that the information in (f) - (h) above can be provided promptly to the Relevant Euronext Market Undertaking.

4.2.9 Where a basis trade involves Single Stock Futures Contracts, or equity index futures contracts against an OTC option/options strategy, the following details must be submitted via UTP 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 4.2.9, 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) - (k) above can be provided promptly to the Relevant Euronext Market Undertaking.

4.2.10 Where a basis trade involves Single Stock Futures Contracts against a non-Euronext exchange traded option/options strategy, the following details must be submitted via UTP 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 4.2.10, 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 is an EFS involving a Commodity Futures Contract against an OTC swap or option, the following details must be submitted via UTP 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, a copy of the relevant ISDA agreement (the "ISDA Agreement") or the relevant confirmation which forms part of the ISDA Agreement.

The following information should be contained in the documentary evidence:

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

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 above in (a) to (e) can be provided promptly to the Relevant Euronext Market Undertaking.

4.2.12 Where a basis trade is an EOO involving a Commodity Options Contract against an OTC option, the following details must be submitted via UTP by the basis trade executing Member:

- (a) Options Contract in which the EOO is being transacted;
- (b) Options Contract expiry month;
- (c) agreed strike price and premium; and

- (d) number of lots of each Option 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, a copy of the relevant ISDA Agreement or the relevant confirmation which forms part of the ISDA Agreement.

The following information should be contained in the documentary evidence:

- (a) the price formulae of the OTC option;
- (b) the termination date;
- (c) the start date;
- (d) the quantity of the position relating to the underlying commodity or the direct product of such commodity; and
- (e) the referenced options expiry month.

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 that leg such that the information above in (a) to (e) can be provided promptly to the Relevant Euronext Market Undertaking.

- 4.2.13 The basis trade details must be submitted on UTP 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 negotiated. Members must not delay submission of a basis trade. . 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 or options leg of the basis trade. The executing Member will then receive confirmation of the details of the trade.
- 4.2.14 Details of the executed futures or options leg(s) of a basis trade will be submitted to Trade Registration by the Trading Host.
- 4.2.15 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.
- 4.2.16 With the exception of a basis trade which is an EFS or an EOO in accordance with Trading Procedure 4.2.6(e) or 4.2.6(f) respectively, the

following information with respect to the futures leg of a basis trade will be broadcast on UTP immediately upon authorisation:

- (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 a special trade type indicator.

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.

4.2.17 Where the basis trade is an EFS or an EOO in accordance with Trading Procedure 4.2.6(e) or 4.2.6(f) respectively, the following information with respect to the futures or options leg of an EFS or EOO respectively will be broadcast on UTP immediately upon authorisation:

- Futures Contract(s) and delivery month(s) or Options Contract(s) and expiry month(s); and
- volume of futures or options traded.

In addition, these details will be distributed to Quote Vendors, marked with a special trade type indicator .

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

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

4.2.19 Upon request by the Relevant Euronext Market Undertaking the basis trade executing Member must produce satisfactory evidence that the basis trades have been negotiated 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 Euronext provides an Asset Allocation Facility which allows Members to negotiate 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 negotiated 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 UTP 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 UTP 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 nominal value for nominal value (currency converted if applicable) for contracts of the same duration or asset class or where no duration bias applies.
- 4.3.7 After an asset allocation has been negotiated, the asset allocation executing Member (or where the asset allocation has been negotiated between two Members, the Member agreed by mutual consent), must submit the asset allocation details via UTP, 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.
- 4.3.8A 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 Euronext 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 negotiated. 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.

4.3.10 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.

4.3.11 The following information with respect to the individual legs of the asset allocation will be published on UTP immediately upon authorisation:

- (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 a trade type indicator.

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

4.3.12 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.

4.3.13 Upon request by the Relevant Euronext Market Undertaking the asset allocation executing Member must produce satisfactory evidence that the asset allocation has been negotiated 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 Euronext provides an Against Actuals ("AA") Facility which allows Members to negotiate 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 Annex One to these Trading Procedures.

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 negotiated 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 negotiated the Member or, where the AA has been negotiated 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 UTP, 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 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 negotiated.

4.4.7 The following details must be submitted via UTP 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. . 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 Details of the executed AA will be submitted to Trade Registration by the Trading Host.

4.4.10 The following information with respect to the futures leg of an AA will be broadcast on UTP immediately upon authorisation:

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

In addition, these details will be distributed to Quote Vendors, marked with a special trade type indicator.

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.

4.4.11 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.

- 4.4.12 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.
- 4.4.13 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.
- 4.4.14 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.

LARGE-IN-SCALE TRADES

4.5 Large-in-Scale Trades

Introduction

- 4.5.1 The Large-in-Scale Trade Facility allows Members to negotiate and execute Transactions involving Large-in-Scale Trades in accordance with these Trading Procedures.
- 4.5.2 Large-in-Scale 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 to these Trading Procedures.
- 4.5.3 The Large-in-Scale Trade Facility allows Members to enter into Large-in-Scale Trades in any Exchange-recognised strategy (as set out in Annexe Two), including inter-contract spreads, through a single Transaction.
- 4.5.4 The Large-in-Scale Package is available to Members who wish to enter into Large-in-Scale Trades with one or more counterparties and/or in strategies involving combinations of Large-in Scale Trade Contracts (including, but not limited to, Exchange-recognised strategies). However, each leg of any order executed via a Large-in-Scale Package must relate to a single counterparty and meet the applicable minimum volume threshold condition and the Large-in-Scale Package is limited to the following combinations:

- (a) futures contracts with the same underlying;
- (b) option classes with the same underlying;
- (c) delta-neutral strategies, where trades may be in both an option and the related futures contract.

Large-in-Scale Trading Hours/Availability of the Facility

- 4.5.5 A Large-in-Scale Trade may be negotiated 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 Large-in-Scale 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 For those Exchange Contracts designated pursuant to Trading Procedure 4.5.2 as Large-in-Scale Trade Contracts, Annex One to these Trading Procedures shall specify the minimum volume thresholds applying to Large-in-Scale Trades.
- 4.5.8 In respect of strategies, minimum volume thresholds apply to each leg, except in the case of strategies covered by Trading Procedure 4.5.11. Where a strategy involves the trading of two or more different Exchange Contracts, the smaller of the minimum volume thresholds of the contracts comprising the Large-in-Scale 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. Members must not aggregate separate orders in order to meet the minimum volume thresholds.
- 4.5.9 In respect of futures contracts designated as Large-in-Scale 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 Large-in-Scale Trade Contracts, Members must not aggregate separate orders in order to meet the minimum volume threshold on both sides of a Large-in-Scale Trade. However, where a Member receives a Large-in-Scale 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 Large-in-Scale Trade.

4.5.11 In respect of delta neutral strategies, minimum volume thresholds apply to each options leg but not to the related futures leg. In respect of volatility strategies, it is permitted to execute such strategies even if one leg is less than the minimum volume threshold provided that each other leg meets the threshold.

Fair Value

4.5.12 Members should ensure when negotiating Large-in-Scale Trades that their Clients and their potential counterparty(ies) are made aware that the price being quoted is a Large-in-Scale Trade price.

4.5.12A The Large-in-Scale Trade Executing Member is responsible for assigning the price of the Large-in-Scale Trade. For the Large-in-Scale Trade to be authorised by the relevant Euronext Market Undertaking, the price assigned must represent a fair value for that trade, as determined by the Relevant Euronext Market Undertaking.

Large-in-Scale Trade Execution

4.5.13 Once a Large-in-Scale Trade has been negotiated, the Large-in-Scale Trade Executing Member(s) must submit the Large-in-Scale Trade details to the Relevant Euronext Market Undertaking, as specified in Trading Procedures 4.5.15 to 4.5.17. Where a Member is unable to execute the Large-in-Scale Trade himself, he must ensure that he has arrangements in place with another appropriately authorised Member to submit and execute Large-in-Scale Trades before he negotiates any such Large-in-Scale Trade.

Submission by Large-in-Scale Executing Members shall occur in one of two ways:

- (a) either one Member is authorised by his counterparties to enter all legs and/or sides of the Trade and see to it that other Members involved are properly allocated their respective side of the Trade; or
- (b) each Member involved enters the relevant details for his respective leg(s) and/or side(s) with a view to having such trade details matched within the Trading Host.

4.5.14 [Deleted]

4.5.15 In respect of each Large-in-Scale 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 Large-in-Scale Trade Executing Member:

- (i) time of order receipt;
- (ii) an indication of "buy" or "sell";

- (iii) Contract(s) in which the Large-in-Scale Trade is being transacted;
- (iv) strategy (as applicable)
- (v) delivery/expiry month(s);
- (vi) exercise price(s) (as applicable);
- (vii) price of each leg of the trade;
- (viii) number of lots of each leg of the trade
- (ix) an indication of “open” or “close” (customer account) where applicable;
- (x) the Package ID where applicable; and
- (xi) name of the individual authorised to submit Large-in-Scale Trades on behalf of the Member.

All information required to be retained by the Large-in-Scale Trade Executing Member, pursuant to this Trading Procedure, must be retained by the Member for five years.

- 4.5.16 The individual submitting the Large-in-Scale 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 negotiate or enter into Large-in-Scale Trades on his behalf. Members must also ensure that only staff they have authorised submit details of Large-in-Scale Trades to the Relevant Euronext Market Undertaking.
- 4.5.17 Once the Large-in-Scale Trade has been negotiated, the Large-in-Scale Trade Executing Member must submit details, contained in Trading Procedure 4.5.15 (ii) to (x) inclusive, of the Large-in-Scale Trade to the Relevant Euronext Market Undertaking as soon as practicable. In any event, the details of the Large-in-Scale Trade must be submitted by the Large-in-Scale Trade Executing Member:
- (a) within fifteen minutes in the case of a Large-in-Scale Trade which does not involve the use of a Large-in-Scale Package
or
 - (b) within one hour in the case of a Large-in-Scale Trade involving the use of a Large-in-Scale Package.
- 4.5.18 Members must not delay submission of a Large-in-Scale Trade.
- 4.5.19 The time limit for the submission of a Large-in-Scale Trade commences as soon as verbal agreement on all the terms of the Large-in-Scale Trade is reached between the parties to the Large-in-Scale Trade.
- 4.5.20 For the purposes of Trading Procedure 4.5.17, a transaction in another

instrument shall include any such transaction executed in the OTC market or on-exchange, including a Transaction in another Exchange Contract or Security executed on a Euronext Derivatives Market or a Euronext Securities Market.

- 4.5.21 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).
- 4.5.22 The Relevant Euronext Market Undertaking will check the validity of the Large-in-Scale Trade details submitted by the Large-in-Scale Trade Executing Member and assess whether the price represents fair value for that trade, taking into account, inter alia, the liquidity of the contract concerned. If the Relevant Euronext Market Undertaking (following consultation, where necessary, with the Clearing Organisation) is satisfied that all such details are valid, it will authorise execution of the Large-in-Scale Trade. The Large-in-Scale Trade volume will be shown as executed to the Large-in-Scale Executing Member via the ITM through which the Large-in-Scale Trade was submitted.
- 4.5.23 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.
- 4.5.24 Upon request by the Relevant Euronext Market Undertaking the Large-in-Scale Trade Executing Member must produce satisfactory evidence that the Large-in-Scale Trade(s) has been negotiated in accordance with the Rules and these Trading Procedures

Publication of Large-in-Scale Trades

- 4.5.25 Except in the cases specified in_Trading Procedure 4.5.26, once the trade has been authorised, the following information with respect to the Large-in-Scale Trade will be published immediately by the Relevant Euronext Market Undertaking with a relevant trade type indicator:
- (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 Large-in-Scale Trade will also be broadcast on UTP.

- 4.5.26 For those Exchange Contracts designated for such purposes in Annex One to these Trading Procedures, Members may opt for deferred publication of a Large-in-Scale Trade. The period of deferral shall be:

- (i) For trades at or above the minimum volume threshold, at the end of that Trading Day; and
- (ii) *For trades twice the minimum volume threshold or above, either (a) at the end of that Trading Day or (b) the end of the Trading Day three Trading Days after acceptance of the trade by the Relevant Euronext Market Undertaking, as determined by the Member.*

[NB: Paragraph (ii) of this Trading Procedure is not yet in force; Members shall be informed by Notice when it becomes effective.]

The Member submitting the Large-in-Scale Trade for execution must ensure prior to submission that his counterparty to the trade (or all counterparties, as the case may be) agrees with the proposed period of deferral of publication.

For the avoidance of doubt, election of publication deferral is without effect on the timetables for trade detail submission to the Relevant Euronext Market Undertaking, as provided for by Trading Procedure 4.5.17, which have to be strictly observed irrespective of the contemplated publication mode.

- 4.5.27 For each Exchange Contract, the cumulative volume of Large-in-Scale Trades executed during the Trading Day will also be published at the end of that Trading Day, including those individual trades whose publication is deferred to a subsequent Trading Day pursuant to Trading Procedure 4.5.25 (ii).

OTHER PRE-NEGOTIATED TRADES

4.6 Guaranteed Cross Trades

- 4.6.1 Where a matched trade (negotiated in accordance with Trading Procedures 3.4.2 to 3.4.6 inclusive) is to be submitted as a Guaranteed Cross Trade, the price of the trade must be:
- (a) within the prevailing best bid and offer price in the Central Order Book; or
 - (b) 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
 - (c) 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
 - (d) in any event, at a price which represents a fair value for the trade.

- 4.6.2 The Relevant Euronext Market Undertaking shall immediately publish (with a relevant trade type indicator) the volume and price associated with each Guaranteed Cross Transaction submitted to it.

4.7 Flex Contracts

- 4.7.1 The Relevant Euronext Market Undertaking may make Flex Contracts available for trading. Such Flex Contracts may only be executed as Off-Order Book Transactions pursuant to this section 4.7 of the Trading Procedures. Annexe One to these Trading Procedures specifies the minimum number of lots required to be executed in any such trade.
- 4.7.2 A Flex Contract can only be executed as such if at least one of the parameters which a Member is permitted to vary (excluding for the avoidance of doubt the tick size alone) has been varied, making the Flex Contract distinct from a standardised Contract with the same characteristics.
- 4.7.3 For the avoidance of doubt, a position arising following the execution of a Flex Contract shall become fungible with Contracts executed on the Central Order Book if the Relevant Euronext Market Undertaking subsequently introduces a standardised Contract with the same characteristics.
- 4.7.4 Members should ensure, when negotiating or executing Flex Transactions, that the price of any such Transaction being quoted represents a fair value for that trade. On each occasion of quoting a Flex Transaction 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 Flex Transaction price.

4.7.5 The following information must be submitted to the Relevant Euronext Market Undertaking by the Member:

- (a) the Flex Contract concerned;
- (b) Expiry Date or Delivery Date (as applicable);
- (c) Price and/or Exercise Price (as applicable);
- (d) class – call or put (where applicable);
- (e) number of lots;
- (f) exercise style; and
- (g) whether cash settled or physically delivered.

4.7.6 The Member must submit to the Relevant Euronext Market Undertaking the details of the Flex Contract as soon as practicable. In any event, details of the Flex Contract must be submitted by the Member within fifteen minutes of the time at which the Flex Contract was negotiated.

4.7.7 The Relevant Euronext Market Undertaking will check the validity of the details of the Flex Contract submitted by the Member. If the Relevant Euronext Market Undertaking is satisfied that all such details are valid and that the Flex Contract has been entered into at a fair value (to be determined by the Relevant Euronext Market Undertaking in its absolute discretion), it will authorise the Flex Contract and notify the Member accordingly.

4.7.8 Subject to Trading Procedure 4.7.9, once the Flex Contract has been authorised, the information specified in Trading Procedure 4.7.5 will be published immediately, with a relevant trade type indicator:

4.7.9 Members may opt for deferred publication of a Flex Contract for trades at or above the minimum volume thresholds specified in Annex One to these Trading Procedures. The period of deferral shall be until the end of that Trading Day.

The Member submitting the Flex Contract for execution must ensure prior to submission that his counterparty to the trade agrees with the proposed period of deferral of publication.

For the avoidance of doubt, election of publication deferral is without effect on the timetables for trade detail submission to the Relevant Euronext Market Undertaking, as provided for by Trading Procedure 4.7.6, which have to be strictly observed irrespective of the contemplated publication mode.

- 4.7.10 For each Exchange Contract, the cumulative volume of Flex Contracts executed during the Trading Day will also be published at the end of that Trading Day, including those individual trades whose publication was deferred pursuant to Trading Procedures 4.7.9.
- 4.7.11 Members must not seek to negotiate a Flex Contract in order to circumvent any conditions concerning the execution of standardised Contracts, including minimum volume threshold conditions applying to the execution of Large-in-Scale Trades. Such action would be considered a violation of Rule 8104/1(v) and may lead to action against the member pursuant to Chapter 9 of the Rules.

PART TWO – NON-HARMONISED AND MARKET-SPECIFIC PROVISIONS

SECTION 1 – TRADING PROCEDURES IN RELATION TO THE AMSTERDAM AND BRUSSELS MARKETS

For convenience, each provision in this Section 1 in relation to the Euronext Derivatives Market organised by Euronext Amsterdam and Brussels is prefixed with the letters “AB”.

General

AB.1 Application of Section 1

AB.1.1 Provisions of this Section 1 of PART TWO apply (in addition to those contained in PART ONE) only to Derivatives admitted on the markets organised by Euronext Brussels or by Euronext Amsterdam.

Trading on UTP

AB.2 Account type identifier and Order execution

AB.2.1 When submitting order details to UTP, a Member must submit all material details (including the identifier required by Trading Procedure 3.2.11 and, if applicable, marking the order as a public order, and if so, whether the order is an opening or closing order and specifying the account of the Client).

AB.3 Trade matching Primary Market Makers and/or Competitive Market Makers

AB.3.1 Pursuant to Trading Procedure 3.3.1, PART ONE, in the case of two or more bids or offers of the same price, the Relevant Euronext Market Undertaking 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 will in certain circumstances have priority up to a certain percentage of the trade to be determined at the discretion of the Relevant Euronext Market Undertaking.

DATE: 6 DECEMBER 2017
MARKET: EURONEXT DERIVATIVES MARKETS
PROJECT: MiFID II

EURONEXT LARGE IN SCALE PRE-TRADE AND POST-TRADE THRESHOLDS UNDER MiFID II

Executive Summary

Euronext announces the minimum volume thresholds regarding pre-trade and post-trade transparency that will be applied to our wholesale facilities as of the implementation of MiFID II on 3 January 2018.

In preparation for the implementation of MiFID II, Euronext hereby announces the large in scale (LIS) thresholds regarding pre-trade and post-trade transparency that will be applied to our wholesale facilities as from 3 January 2018.

The LIS *pre*-trade threshold per contract defines the minimum volume threshold that is applied to the Euronext wholesale facilities.

For large in scale trades that are reported via AtomX, Members may opt to defer the publication of the trade. Deferred publication is permitted for trades that are at or above the minimum LIS *post*-trade threshold. The period of deferral is until the end of the Trading Day.

In general, the currently applicable minimum volume thresholds for the Large-in-Scale Facility will remain in place¹. For the contracts shown in Appendix 1, a higher LIS *pre*-trade threshold will be applied as from 3 January 2018.

The complete list of LIS thresholds per contract can be found on the Euronext website:

<https://derivatives.euronext.com/wholesale-trading-offer>

The LIS thresholds communicated by ESMA are expressed in notional value (EUR). These thresholds are converted into a number of lots as follows:

- Options: ESMA threshold value / (option lot size x highest-listed strike price)
- Stock and Index Futures: ESMA threshold value / (futures lot size x settlement price first expiry month or underlying value closing price)
- Stock Dividend Futures: ESMA threshold value / (futures lot size x settlement price first expiry month)

¹ The current minimum volume thresholds are shown on the Euronext website <https://derivatives.euronext.com/wholesale-trading-offer> in the document "Euronext Wholesale Facilities"

This Info-Flash is for information purposes only and is not a recommendation to engage in investment activities. Whilst all reasonable care has been taken to ensure the accuracy of the content, Euronext does not guarantee its accuracy or completeness. Euronext will not be held liable for any loss or damages of any nature ensuing from using, trusting or acting on information provided. No information set out or referred to in this publication shall form the basis of any contract except as provided otherwise. Some information may be subject to regulatory approval. The Euronext Markets comprise the markets operated by Euronext Amsterdam, Euronext Brussels, Euronext Lisbon, Euronext London and Euronext Paris, referred to respectively as the Amsterdam, Brussels, Lisbon, London and Paris markets, as relevant. Euronext refers to Euronext N.V. and its affiliates. Information regarding trademarks and intellectual property rights of Euronext is located at www.euronext.com/terms-use. © 2017, Euronext N.V. - All rights reserved.

INFO-FLASH

Subject to final regulatory approval, the LIS thresholds are applied to our wholesale facilities as follows:

- **Large-in-Scale Facility:** the minimum LIS volume threshold applies to each leg of the trade
- **Delta Neutral trades:** involves the simultaneous execution of options and an appropriate number of offsetting futures or shares/ETFs in order to create a zero net delta. The minimum LIS volume threshold applies to each options leg but not the related other leg
- **Basis trades:** involves a combination of a basis trade instrument (a correlated security, a basket of securities, a traded contract listed on another trading venue or an OTC instrument) and an appropriate number of offsetting futures in order to trade the difference in prices of the two related instruments. A minimum LIS volume threshold applies to one leg but not the related other leg.

For further information in relation to this Info-Flash, contact your relationship manager at ccc@euronext.com or contact:

Euronext Market Services: www.euronext.com/services-support

Tel. (calling from): France +33 1 8514 8585; The Netherlands +31 20 721 9585; UK +44 20 7660 8585;
Belgium +32 2 620 0585; Portugal +351 2 1060 8585

INFO-FLASH

Appendix 1: Contracts for which a higher LIS pre-trade threshold will be applied

Product group	Underlying name	Contract Code	Euronext LIS pre-trade threshold
Stock Dividend Futures	LLOYDS BANKING GROUP	LY8	90
	BARCLAYS	YS8	80
	MEDIASET	MA8	70
	A2A	QT8	60
	BPER BANCA	PV8	50
	GLENCORE	GX8	50
	STANDARD CHARTERED	SX8	50
	BOLLORE GROUP	HA8	50
	MORRISON (WM) SUPERMARKETS	WM8	40
	OLD MUTUAL	OL8	40
	BANKIA	QU8	30
	ERICSSON B	ER8	30
	KPN, KONINKLIJKE	KP8	30
	UBI BANCA	UF8	30
	TECHNIPFMC	TE8	30
	BAE SYSTEMS	BX8	20
	BANCO SANTANDER	BS8	20
	BANCO SANTANDER	B8O	20
	BANKINTER	BI8	20
	BT GROUP	BT8	20
	CAIXABANK	CB8	20
	CENTRICA	CC8	20
	DEUTSCHE BANK	DB8	20
	DISTRIBUIDORA INTERNACIONAL DE ALIMENTACION	DI8	20
	E.ON	EO8	20
	ENEL	QC8	20
	INTESA SANPAOLO	IO8	20
	ITALGAS	WG8	20
	LEGAL & GENERAL GROUP	LL8	20
	MAPFRE	MP8	20
	NOKIA	NO8	20
	ROLLS-ROYCE HOLDINGS	RR8	20
	SBM OFFSHORE	SB8	20
	SNAM	WS8	20
	STMICROELECTRONICS	ST8	20
	TELIA COMPANY	TJ8	20
	TERNA	TX8	20
	THYSSENKRUPP	TH8	20
	UNIPOLSAI	UQ8	20
	VODAFONE GROUP	VO8	20
	THE NAVIGATOR COMPANY	PO8	20

INFO-FLASH

Appendix 1 (continued)

Product group	Underlying name	Contract Code	Euronext LIS pre-trade threshold
Stock Options American style	ING GROEP	ING	750
	PHILIPS, KONINKLIJKE	PHI	500
	ROYAL DUTCH SHELL A	RD	500
	NOKIA	CG1	500
	AXA	CS1	500
Stock Options European style	NOKIA	CG3	5,000
	AXA	CS9	5,000
	ING GROEP	IN9	750
	PHILIPS, KONINKLIJKE	PH9	500
	ROYAL DUTCH SHELL A	RD9	500
Stock Futures	BANCO SANTANDER	BS6	2,750
	ENGIE	GA6	1,250
	MAPFRE	MP6	1,250
	SEADRILL	DR6	1,250
	ING GROEP	IN6	500
	UNILEVER	UN6	500
	ORANGE	FT6	500
	TOTAL	TO6	500
	TELECOM ITALIA	TI6	500
	DEUTSCHE BANK	DB6	500
	BANCO BILBAO VIZCAYA ARGENTA	BA6	500
	TELEFONICA	TA6	500
Index option	AEX-INDEX MINI OPTION	MOA	3,000
Index future	AEX-INDEX MINI FUTURE	MFA	2,000
	CAC 40 MINI FUTURE	MFC	5,500

LCH SA Clearing Rule Book

TITLE I - GENERAL PROVISIONS & LEGAL FRAMEWORK	5
CHAPTER 1 - DEFINITIONS	6
CHAPTER 2 - GENERAL PROVISIONS	18
Section 1.2.1 General	18
Section 1.2.2 Interpretation and references	18
Section 1.2.3 Clearing Rules modifications	18
Section 1.2.4 Publication and effectiveness	19
Section 1.2.5 Fees	19
Section 1.2.6 Currency	19
Section 1.2.7 Time reference	19
CHAPTER 3- LEGAL FRAMEWORK	20
Section 1.3.1 Status and activity of LCH SA	20
A. Status	20
A.1. A Clearing House	20
A.2. A Security Settlement System	20
B. Scope of activity	20
Section 1.3.2 General Clearing principles	22
A. General	22
A.1. Novation and irrevocability	22
A.2. Scope of LCH SA's obligations	22
A.3. General Clearing Process	23
B. Provisions related to financial products traded on markets operated by Euronext Brussels	24
Section 1.3.3 Liability and Force majeure	24
A. Liability of Clearing Members	24
B. Liability of LCH SA	24
C. Force majeure	25
Section 1.3.4 Confidentiality	26
Section 1.3.5 Applicable law	26
Section 1.3.6 Disputes	26
CHAPTER 4 – LCH SA DEFAULT	27
CHAPTER 5 – WINDING DOWN	30
TITLE II – MEMBERSHIP	31
CHAPTER 1- GENERAL PROVISIONS	32
Section 2.1.1 Participants	32
A. Clearing Members	32
B. Allied Clearing Houses	33
Section 2.1.2 Application Procedure	33
CHAPTER 2 - LEGAL OBLIGATIONS	36
Section 2.2.1 Regulatory framework	36
Section 2.2.2 Corporate organisation	37
A. Location of offices	37
B. Authorised Clearing Operators	37
Section 2.2.3 Third party contractual obligations	38
A. Relationship with Settlement Agents and Payment Agents	38
A.1. Common provisions	38
A.2. Provisions related to Payment Agents	38
A.3. Provisions related to Settlement Agents	38
B. Relationship with Client « del credere » Agents	39
C. « del credere » Agents	39

C.1	Authority to cancel settlement instructions	39
Section 2.2.4	Record Keeping	40
Section 2.2.5	Test Processing	40
CHAPTER 3 - CAPITAL REQUIREMENTS		41
Section 2.3.1	Common General Provisions	41
Section 2.3.2	Provisions related to Securities and Derivatives product Groups	41
Section 2.3.3	Provisions related to Trading & Matching Platforms and MTS Italy	42
CHAPTER 4- INFORMATION OBLIGATIONS AND AUDIT		43
Section 2.4.1	Information	43
A.	Information on Request	43
B.	Mandatory Information	43
Section 2.4.2	Audit and Inspection	44
CHAPTER 5- SUSPENSION AND TERMINATION OF MEMBERSHIP		46
Section 2.5.1	Common and General Provisions	46
Section 2.5.2	Suspension	46
Section 2.5.3	Termination	46
TITLE III – CLEARING OPERATIONS		48
CHAPTER 1- REGISTRATION		49
Section 3.1.1	Registration of Transactions	49
A.	Registration of Transactions registered in the Cash & Derivatives Clearing System	49
B.	Registration of Transactions registered in the Fixed Income Clearing System	49
Section 3.1.2	Registration of Open Positions in the Cash & Derivatives Clearing System	50
CHAPTER 2 - ACCOUNT STRUCTURE		51
Section 3.2.1	Trade Legs Registration	51
A.	Trade Legs Registration in the Cash & Derivatives Clearing System	51
A.1.	Position Accounts	51
A.2.	Market Maker's Position	51
B.	Trade Legs Registration in the Fixed Income Clearing System	53
Section 3.2.2	Risk management	53
A.	For Transactions registered in the Cash & Derivatives Clearing System	53
A.1.	Margin Accounts	53
A.2.	Market Makers Margin Accounts	54
B.	For Transactions registered in the Fixed Income Clearing System	54
C.	Collateral Accounts	54
Section 3.2.3	Settlement	55
A.	For Transactions registered in the Cash & Derivatives Clearing System	55
B.	For Transactions registered in the Fixed Income Clearing System	54
Section 3.2.4	Client Account Structure of Indirect Clients	55
CHAPTER 3 - OPERATIONAL MANAGEMENT		56
Section 3.3.1	General Provisions for Transactions registered in the Cash & Derivatives Clearing System	56
A.	Give-up	56
B.	Transaction Cancellation	56
C.	Correction	56
D.	Transfer of Open Positions	56
E.	Exercise and Assignment (for Derivatives)	56
Section 3.3.2	Functionalities available in the Fixed Income Clearing System	57
CHAPTER 4 - SETTLEMENT AND DELIVERY		58

Section 3.4.1 Settlement and Delivery of Transactions registered on the Cash & Derivatives Clearing System	58
A. Common Provisions	58
A.1. General	58
A.2. Provisions related to Derivatives (excluding commodities)	58
A.3. Provisions related to commodities	58
Section 3.4.2 Settlement and delivery of Transactions registered in the Fixed Income Clearing System.	59
Section 3.4.3 Settlement failure	60
A. Net fails	60
B. Management of settlement failure for future contracts on commodities	60
CHAPTER 5 - REGISTRATION IN A TRADE REPOSITORY	61
TITLE IV – RISK MANAGEMENT	62
CHAPTER 1 - GENERAL PROVISIONS	63
CHAPTER 2 - MARGIN REQUIREMENTS	64
CHAPTER 3 - DEFAULT FUND	66
Section 4.3.1 Contribution to the Default Funds	66
Section 4.3.2 Calls on the Default	66
Section 4.3.3 Refilling of the Default Funds and service continuity	67
A Refill Contributions to the Default Funds	67
B Service Continuity	67
C Service Closure	67
D Effect on Termination of Clearing Members' Membership	68
CHAPTER 4 - COLLATERAL	69
A Principles	69
B Specificities	69
B.1. Trading & Matching Platforms	69
CHAPTER 5 - EVENT OF DEFAULT	70
Section 4.5.1 Notification of an Event of Default	70
Section 4.5.2 Measures in case of an Event of Default	70
Section 4.5.3 Provisions applicable on Euronext Paris	74
Section 4.5.4 Events of Default of an Allied Clearing House and consequences on Clearing Members	74
TITLE V – TRIPARTY REPO CLEARING SERVICES	76
CHAPTER 1 - GENERAL PROVISIONS AND LEGAL FRAMEWORK	77
CHAPTER 2 - CLEARING OPERATIONS	78
Section 5.2.1 Registration	78
Section 5.2.2 Account Structure	78
Section 5.2.3 Settlement and Delivery	78
Section 5.2.4 Corporate Events	79
CHAPTER 3 - RISK MANAGEMENT	80
Section 5.3.1 Margin Requirements	80
Section 5.3.2 Event of Default	80

TITLE I - GENERAL PROVISIONS & LEGAL FRAMEWORK

CHAPTER 1 - DEFINITIONS

For the purposes of this Clearing Rule Book, the following capitalised terms shall, unless specifically provided otherwise, have the respective meanings set out below:

Account Structure: The House Account Structure(s) and the Client Account Structure(s) registered in the Clearing System in the name of a Clearing Member.

Admission Agreement: The written agreement entered into between LCH SA and a Clearing Member pursuant to Chapters 1 and 2 of Title II of the Clearing Rule Book.

Admission Fee: The fee that is due once, upon its admission, by the Clearing Member to LCH SA, as communicated by LCH SA.

Allied Clearing House: A Participant, admitted as such by LCH SA under the conditions set forth in Chapters 1 and 2 of Title II and authorised to clear Transactions as described in Article 1.3.1.3.

Ancillary System Interface: The technical device allowing an ancillary system to TARGET2 to use a range of special, predefined services for the submission and settlement and ancillary systems payment instructions.

Applicant: A legal person that wishes to be admitted as a Clearing Member.

Assignment: The process, following an Exercise, by which a Clearing Member that holds a selling Open Position in an option contract is designated to fulfil its commitments resulting from the option contract.

Associated Trading Member: Any Person that:

- (i) trades Fixed Income Securities or Baskets directly on Trading & Matching Platforms and/or MTS Italy; and
- (ii) has entered into a Clearing Agreement with a General Clearing Member for the purpose of clearing such Fixed Income Securities or Baskets on the Clearing System.

Authorised Clearing Operator: Any individual authorised by the Clearing Member who represents the Clearing Member vis-à-vis LCH SA in respect of Transactions including organisation and control over the Systems and Operation and related clearing functions in respect of Financial Instruments.

Bank Recovery and Resolution Directive: Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms.

Basket: A basket of securities eligible for Triparty Repo Transactions, as specified in a Notice.

Börse Berlin: Börse Berlin AG, a Market Undertaking founded as an exchange and incorporated under the laws of Germany by the Authorization of the Berlin Senate as State Supervisory Authority of 31 July 2000, with trading name “Börse Berlin Equiduct Trading”, and to whom LCH SA provides Clearing Services for the Transactions in Securities

Bourse de Luxembourg/BdL: Société de la Bourse de Luxembourg SA, a Market Undertaking incorporated under the law of Luxembourg on April 5th, 1928 to whom LCH SA provides Clearing Services for the Transactions in Securities listed in a Notice.

Business Combination: A single separate legal entity combining one or more Persons that are jointly and severally liable, and form part of, and are generally considered to belong to, the same corporate group of businesses, including, but not limited to, European Economic Interest Groups.

Capital: Shareholders' equity determined by LCH SA on the basis of the Capital Adequacy Directive, comprised of core capital (tier 1) and supplementary capital (tier 2), and, as from 1 January 2014, core capital (Tier 1) and additional core capital (Tier 1) and Tier 2 capital as defined by the CRR and the amount of which is determined by LCH SA.

Capital Adequacy Directive: Directive 2006/49/EC of the European Parliament and of the Council of June 14, 2006 on the capital adequacy of investment firms and credit institutions.

Cash and Derivatives Clearing System: The Clearing System managed by LCH SA to clear Transactions in Securities and/or Derivatives Product Group

Cash Borrower or Collateral Giver: In the framework of a Triparty Repo, a Clearing Member that borrows cash against collateralising Basket eligible Securities.

Cash Lender or Collateral Taker: In the framework of a Triparty Repo, a Clearing Member that lends cash against collateralising Basket eligible Securities.

Central Bank Guarantee: First demand guarantee issued by a central bank in favour of LCH SA eligible as Collateral in accordance with the terms of an Instruction.

Clearing Agreement: (i) The agreement entered into between a Clearing Member and a Trading Member for the purpose of clearing eligible Transactions; and (ii) from the date of the entry into force of the Chapter 1 of the Instruction II.2-3 pursuant to a Notice issued following related amendments of the AMF General Regulations (*Règlement Général de l'AMF*), the agreement entered into between a Clearing Member and a Client for the purpose of clearing eligible Transactions.

Clearing Day: Any day indicated in a Notice published by LCH SA at least annually.

Clearing Fee: Such fee as is communicated by LCH SA from time to time.

Clearing Member: A Participant, either a General Clearing Member or an Individual Clearing Member admitted as such by LCH SA, under the conditions set forth in Chapters 1 and 2 of Title II.

Clearing Rules: The rules set forth in the Clearing Rule Book, including all Instructions and Notices thereto, as may be amended from time to time.

Clearing Rule Book: This document as may be amended from time to time.

Clearing Services: Services provided by LCH SA pursuant to Article 1.3.1.5 in relation to Product Groups.

Clearing System: The relevant IT system managed by LCH SA and giving a technical access to clearing activities.

Client:

(i) For Transactions in Securities and Derivatives Product Groups, a Non Trading Member or a Trading Member; and

(ii) For Transactions in Fixed Income Securities Product Groups, an Associated Trading Member.

Client Account(s): A Client Collateral Account, a Client Margin Account and/or a Client Position Account.

Client Account Structure: The following complete set of Client Accounts, which may take the form of Individual Segregated Accounts or Omnibus Segregated Accounts and which are opened for administrative, risk management and Collateral purposes in the name of a Clearing Member for the account of the relevant Client(s) or, as applicable, Indirect Client(s) of such Clearing Member:

(i) In the Cash and Derivatives Clearing System

- one or several Client Position Account(s);
- one or several Client Margin Account(s);
- one or several Client Collateral Account(s).

(ii) In the Fixed Income Clearing System:

- one or several Client Position Account(s); and

- one or several Client Collateral Account(s).

Client Collateral Account: An account opened by LCH Clearnet SA at the request and in the name of a Clearing Member in the books of LCH SA to record Collateral provided by such Clearing Member in respect of the relevant Client Open Positions of such Clearing Member.

Client Margin Account: (i) For the Cash and Derivatives Clearing System: an account opened by LCH SA at the request and in the name of a Clearing Member for risk management purposes, in which the relevant Client Open Positions of such Clearing Member (including relevant Net Fails if applicable) are registered in order to calculate the Margin requirements of such Clearing Member in respect of the relevant Client(s) or, as applicable, Indirect Client(s) of such Clearing Member; and (ii) for the Fixed Income Clearing System: each Position Account which is used for risk management purposes in accordance with Article 3.2.2.8.

Client Open Position: The net sum of the relevant Client Trade Legs determined in accordance with the Clearing Rules.

Client Position Account: An account opened by LCH SA at the request and in the name, of a Clearing Member in order to register all the relevant Client Trade Legs or, as applicable, Client Open Positions of such Clearing Member.

Client Trade Leg: Either a payment obligation or a delivery obligation in respect of Financial Instruments owed by or to LCH SA resulting from a Transaction registered by LCH SA, in the name of a Clearing Member, executed for the benefit of a Client or, as applicable, an Indirect Client of such Clearing Member.

Collateral: Any Security, cash, or Central Bank Guarantee, as specified in an Instruction, pledged, granted or transferred outright to LCH SA, in order to secure the performance of the Clearing Member's obligations. Any surplus of Security, cash or central bank guarantee registered in a Collateral Account is deemed to be Collateral.

Collateral Account(s): A House Collateral Account and/or a Client Collateral Account.

Commodities Dealer: Trading Member on a Derivative market which is authorised to trade commodities.

Competent Authority: Any authority recognised by its home member state as such under the terms of the Capital Adequacy Directive, and as from 1 January 2014 the CRR or of Emir.

Contractual Event of Default: The Clearing Member failing at any time to comply duly with any of its obligations under the Clearing Rules or being likely to become unable to meet any of its obligations under the Clearing Rules or in the case of an Allied Clearing House such Allied Clearing House failing to pay, when due, any Margin or any cash settlement Amount in case of service closure. According to article 68(3) of the Bank Recovery and Resolution Directive , a Clearing Member shall not be deemed to be in Contractual Event of Default on the sole ground that it is subject to a resolution procedure, within the meaning of such Bank Recovery and Resolution Directive.

Correction: The modification of an original Posting within the Account Structure of the same Clearing Member or a modification of an original Posting within the Account Structure of another Clearing Member. This functionality is available to Clearing Members on Derivatives markets.

Counter-guarantee Agreement: An agreement concluded between the Central Bank of Belgium or the Central Bank of the Netherlands and the Clearing Member or a third party, duly authorised by the central bank, whereby, the Clearing Member or the third party provides the central bank with enough collateral security for the latter to issue a guarantee in favour of LCH SA under the terms of the relevant Guarantee Agreement for the fulfilment of the Clearing Member's obligations towards LCH SA regarding Margin and the Default Fund, in accordance with article 46(1) of Emir.

Credit Institution: Any credit institution as defined in Directive 2006/48/EC of the European Parliament and of the Council of June 14th, 2006 relating to the taking up and pursuit of the business of credit institutions, and as from 1 January 2014 by the CRR.

CSD of Reference: Central securities depositary in which Securities are settled.

CRR : Regulation (UE) 575/2013 of the European Parliament and of the Council of 26 juin 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (UE) 648/2012.

Debt Securities Intra-day Margin: In the framework of Transactions in debt securities cleared on the Fixed Income, Clearing System, the required margin amount calculated by LCH SA, to cover risk on an intra-day basis and resulting from the revaluation of Clearing Members' Open Positions and Collateral as specified in an Instruction.

Default Fund: The collective system of collateralisation of commitments as set out in Chapter 3 of Title IV.

Defaulting Clearing Member: A Clearing Member that is subject to an Event of Default, and in respect of whom LCH SA has issued a notice of default, in accordance with Article 4.5.1.1.

Delivery Account(s): An account opened by LCH SA pursuant to Section 3.2.3 exclusively for settlement purposes. In relation to the Fixed Income Clearing System, Delivery Account means each Position Account used for settlement purposes only in accordance with Article 3.2.3.5.

Derivative: Any financial contract of one of the following categories:

- (i) options and futures contracts in respect of Securities or commodities, including equivalent cash-settled instruments,
- (ii) any other financial contract, the value of which is determined by reference to prices of Securities or commodities, interest rates or yields, foreign exchange rates or other indices or measures which, subject to relevant National Regulations, a Market Undertaking may determine to be eligible for trading on a Derivatives Market.

Credit default swaps are explicitly excluded from this definition. The clearing of such financial products by LCH SA is governed by a dedicated set of rules.

Derivatives Market: Any Regulated Market, for Derivatives

EMIR: Regulation (EU) No. 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories and all delegated regulatory and implementing technical standards adopted pursuant to Regulation (EU) No. 648/2012 and published in the Official Journal of the European Union from time to time.

Euroclear Collateral Management System (CMS): In the framework of a Triparty Repo, a tool named "Autoselect" operated by Euroclear France that automatically allocates, values and manages collateralising securities and sends delivery and settlement instructions to the CSD of Reference.

Euroclear Inter-operability Agreement : The standard service agreement (named "interoperability repurchase service agreement") to be entered into between the Triparty Repo Clearing Member and Euroclear France or Euroclear Bank.

Euronext Amsterdam: Euronext Amsterdam N.V., a Market Undertaking ("naamloze vennootschap") organised under the laws of the Netherlands, operating a Securities exchange and Derivatives exchange ("houder van een effectenbeurs") authorised pursuant to Article 22 of the Dutch Securities Markets Supervision Act of 1995 ("Wet toezicht effectenverkeer 1995").

Euronext Brussels: Euronext Brussels S.A./N.V., a corporation ("société anonyme"/"naamloze vennootschap") organised under the laws of Belgium and recognised as Market Undertaking in accordance with Article 16 of the Belgian Law of August 2, 2002 governing the supervision of the financial sector and the financial services ("Loi relative à la surveillance du secteur financier et aux services financiers / Wet betreffende het toezicht op de financiële sector en de financiële diensten").

Euronext Lisbon: Euronext Lisbon – Sociedade Gestora de Mercados Regulamentados, S.A ("sociedade anónima"), a Market Undertaking organised under the laws of Portugal, authorised pursuant to Article 19 of the Portuguese Decree-Law n°357-C/2007, of 31st October, as amended by the Decree-Law n.^o 52/2010 of 26 May ("Regime jurídico das sociedades gestoras de mercado regulamentado, das sociedades gestoras de sistemas de negociação multilateral, das sociedades gestoras de câmara de compensação ou que actuem como contraparte central das sociedades gestoras de sistema de liquidação e das sociedades gestoras de sistema centralizado de valores mobiliários").

Euronext London Limited: a company incorporated in England and Wales (registered under number 8631662), having its registered office at Juxon House, 100 St Paul's Churchyard, London EC4M 8BU, England, which has been recognised as an investment exchange pursuant to section 290 of the Financial Services and Markets Act 2000.

Euronext Paris: Euronext Paris S.A., a corporation ("société anonyme") organised under the laws of France, authorised as a Market Undertaking ("Entreprise de Marché") within the meaning of Article L. 421-1 of the French Monetary and Financial Code (Code Monétaire et Financier).

Event of Default: A Contractual Event of Default or an Insolvency Event of Default.

Exercise: The process by which a Clearing Member that holds a buying Open Position exercises its right resulting from the option contract.

Financial Group: Two companies belong to the same Financial Group where one exercises a "control" over the other. Such control exists when one such company:

- directly or indirectly holds a fraction of the share capital which confers it the majority of voting rights in the other company's shareholders' meetings;
- holds the majority of the voting rights in the other company, pursuant to an agreement with the other company's other shareholders and partners;
- in practice takes the decisions of the other company in its shareholders' meetings, by virtue of the voting rights which it holds.

The parent company is presumed to exercise control over the other when it directly or indirectly holds more than 40 % of the voting rights and no other shareholder holds more.

Financial Instrument: Any Security or Derivative.

Fixed Income Securities: Securities traded on Trading & Matching Platforms, and on MTS Italy.

Fixed Income Clearing System: The Clearing System managed by LCH Clearnet.SA to clear Transactions in Fixed Income Securities and Triparty Repos concluded on Trading & Matching Platforms, and MTS Italy.

Forward Repo: A Repo registered in the Clearing System but in respect of which the Initial Transaction intended Settlement Date has not occurred yet.

General Clearing Member: (i) For Securities and Derivative Products Groups, as set-out in an Instruction, a Clearing Member authorised to clear Transactions which have been dealt for its own account, or have been concluded for the account of its Non Trading Members and/or Trading Members; and (ii) for Fixed Income Securities and Basket Product Group, as set-out in an Instruction, a General Clearing Member is a Clearing Member authorised to clear the Transactions which have been dealt for its own account or for the account of its Associated Trading Members.

Give-Up: An intra day process by which a Trade Leg or a part of it is transferred:

- by a Clearing Member ("the allocator") to another one ("the allocatee") after the explicit agreement of the allocatee, or;
- by a Clearing Member within its Account Structure from a Position Account to another, the two relevant Position Accounts must belong to two different Trading Members (the Clearing Member possibly being a Trading Member itself).

This can be done upon the request of a Trading Member whose Transactions are cleared by a General Clearing Member.

Gross Omnibus Segregated Account Structure (or **GOSA Structure**): an Omnibus Segregated Account including several Margin Accounts and one Collateral Account.

Guarantee Agreement: An agreement between a central bank and LCH SA under which the central bank guarantees towards LCH SA the fulfilment of the Clearing Member's obligations towards LCH SA under the Clearing Rules as regards the Margins and the Default Fund.

Home State: The State in which a Person has its registered office, if any or, its head office or, in the case of an individual, the State in which such individual has its principal place of business.

House Account(s): A House Collateral Account, a House Margin Account and/or a House Position Account.

House Account Structure: The following set of House Accounts opened in the name of a Clearing Member for administrative, risk management and Collateral purposes in the name of a Clearing Member for its own account:

(i) In the Cash and Derivatives Clearing System

- one or several House Position Account(s); and
- one or several House Margin Account(s); and
- one or several House Collateral Account(s);

(ii) In the Fixed Income Clearing System:

- one or several House Position Account(s); and
- one or several House Collateral Account(s).

House Collateral Account: An account opened by LCH SA in the name of a Clearing Member in the books of LCH SA to record (i) any Collateral provided by such Clearing Member in respect of the House Open Positions of such Clearing Member, and (ii) any contribution to the Default Fund of such Clearing Member.

House Margin Account: (i) For the Cash and Derivatives Clearing System, an account opened by LCH SA in the name of a Clearing Member in the Clearing System for risk management purposes, in which the House Open Positions of such Clearing Member (including relevant Net Fails if applicable) are registered, in order to calculate the relevant Margin requirements of such Clearing Member for its own account; and (ii) for the Fixed Income Clearing System: each Position Account which is used for risk management purposes in accordance with Article 3.2.2.8.

House Open Position: The net sum of the House Trade Legs determined in accordance with the Clearing Rules.

House Position Account: An account opened by LCH SA in the name, of a Clearing Member in order to register all House Trade Legs or, as applicable, House Open Positions of such Clearing Member.

House Trade Leg: Either a payment obligation or a delivery obligation in respect of Financial Instruments owed by or to LCH SA resulting from a Transaction registered by LCH SA in the name of a Clearing Member, executed for the latter's own account.

ICSD : international central securities depository.

Indirect Client: A client of a Client

Individual Clearing Member: (i) For Securitie and Derivative Product Groups or for Baskets, as set-out in an Instruction, a Clearing Member authorised to clear Transactions dealt for its own account, or allocated to it or which have been concluded for the account of its Non Trading Members; (ii) for Fixed

Income Securities Product Group, as set-out in an Instruction, a Clearing Member authorised to clear Transactions dealt for its own account exclusively.

Individual Segregated Account (ISA): A Client Account which is subject to "individual client segregation" within the meaning of EMIR, and which has been designated as such by a Clearing Member in relation to any of its Known Clients.

Individual Segregated Account Structure (or ISA Structure): A Client Account Structure exclusively composed of Individual Segregated Accounts.

Initial Leg: In the framework of a Repo, the Initial Leg is a Trade Leg incorporating:

- for the seller of debt securities, an obligation to deliver securities to LCH SA
- for the buyer of securities, an obligation to pay the transaction amount to LCH SA.

Initial Margin: The amount calculated by LCH SA, as specified in an Instruction, to cover the liquidation risk and resulting from a Clearing Member's Open Positions in Financial Instruments as a result of Transactions registered with LCH SA in the name of such Clearing Member.

For option contracts, the Initial Margin amount includes the variation of the Option Premium.

Initial Transaction: The Initial Transaction is composed of two Initial Legs.

Insolvency Event of Default: (i) The Clearing Member or Allied Clearing House being subject to an Insolvency Proceeding, or (ii) on the basis of publicly available information, the Clearing Member being likely to become subject to an Insolvency Proceeding. Pursuant to article 68(1) of the Bank Recovery and Resolution Directive, a Clearing Member shall not be deemed to be subject to an Insolvency Event of Default on the sole ground that it is subject to a resolution procedure, within the meaning of such Bank Recovery and Resolution Directive.

Insolvency Proceeding: With respect to the head office or any of the branches of the Clearing Member:

- (i) a declaration of a governmental or judicial moratorium or any equivalent procedure;
- (ii) a cessation of business, commencement of a voluntary winding-up procedure or any other equivalent procedure;
- (iii) a commencement of a prevention procedure including (A) commencement of a scheme of arrangement ("conciliation"), (B) appointment of an administrator by the regulators or the courts, or any equivalent procedure; or
- (iv) measures for the treatment of business difficulties under French law, or any equivalent procedure governed by foreign law, including (A) commencement of a safeguard procedure, (B) appointment of an administrator by the regulators or the courts, (C) commencement of a reorganisation procedure, (D) commencement of a court-ordered winding-up procedure or any equivalent procedure to those referred to in (A) to (D).

A resolution procedure, within the meaning of the Bank Recovery and Resolution Directive, does not qualify as an Insolvency Proceeding.

Instruction: Any document issued as such by LCH SA, as amended from time to time, whereby the provisions of this Clearing Rule Book are interpreted or implemented and which is binding upon Clearing Members generally or upon any category of Clearing Members in particular.

Intra-day Margins: The amount calculated by LCH SA, as specified in an Instruction, to cover risk and resulting from the revaluation in real time of prices and Clearing Member Positions.

Investment Firm: Any investment firm as defined in MIFID.

Known Client: means a Client of a Clearing Member, identified by the latter at Client Margin Account level, whose full identity has been notified in writing by the Clearing Member to LCH SA, together with:

- a copy of the registration certificate or certificate of incorporation or other equivalent document in the case of a legal entity or proof of identity in the case of a natural person;
- contact details of the authorised representatives of the Client (names of individuals, phone numbers, email addresses, postal address);
- any non public document which LCH SA may request to carry on anti money laundering checks in accordance with applicable laws, regulations and procedures.”

LCH SA: The commercial name of "Banque Centrale de Compensation", a clearing house as defined by Article 440-1 of the French Monetary and Financial Code (Code Monétaire et Financier) complying with Title IV of Book V of the General Rules of the Autorité des Marchés Financiers. LCH SA is incorporated in France and may have branches in other countries in which it operates.

LCH Insolvency Proceeding: For the purpose of Title I Chapter 4, where a safeguard procedure (*procédure de sauvegarde*), accelerated financial safeguard proceeding (*procédure de sauvegarde financière accélérée*), judicial reorganisation procedure (*procédure de redressement judiciaire*) or winding-up procedure (*procédure de liquidation judiciaire*) is formally opened by a French court against LCH SA in accordance with French applicable law.

Letter of Credit: A letter of credit issued by a Credit Institution in the form of the model issued by LCH SA and sent to Clearing Members upon request..

Mandatory Client Clearing Provisions: Provisions, as set out in an Instruction, which must be included in any Clearing Agreement.

Margin: Any margin, including Initial Margin, Variation Margin, Intraday Margins, Cash Interest and Loan Fee Margin calculated daily by LCH SA and any additional margin for each Clearing Member on the basis of this Clearing Rule Book.

Margin Account(s): A House Margin Account and/or a Client Margin Account.

Market Maker: A liquidity provider or a market maker, as defined in the appropriate Trading Rules, who has undertaken, and been authorised by the Market Undertaking, to enhance the market liquidity of a particular Financial Instrument in accordance with those rules.

Market Member: A Person (other than a Trading Member) that: (i) has been admitted to the membership in a market (other than those operated by a Market Undertaking) and (ii) that has signed an agreement with a Person that has been admitted to LCH SA membership for the clearing of the Transactions traded on markets operated by the relevant market and pursuant to the relevant market rules and (iii) that is defined as such in the appropriate legal documentation issued by LCH SA.

Market Undertaking: Any market undertaking duly authorised by its National Regulations or its Competent Authority, to operate Regulated Markets and/or MTFs, for which LCH SA provides Clearing Services.

Member State: Any of the Member States of the European Economic Area.

MiFID: Directive 2004/39/EC of the European Parliament and of the Council of April 21st, 2004 on markets in financial instruments, as amended.

MiFID2/MiFIR: Directive 2014/65/EU of May 15, 2014 on markets in financial instruments ("MiFID2") and Regulation (EU) no. 600/2014 of May 15, 2014 on markets in financial instruments ("MiFIR"), and any delegated act or any regulatory technical standards or implementing standards made or to be made thereunder, as implemented under the relevant Member States of the European Union and as amended or replaced from time to time;

Minimum Deposit: In the framework of a Triparty Repo, a Collateral deposit initially required by LCH SA from Clearing Members, as set out in an Instruction.

MTS Italy: MTS S.p.A, a Market Undertaking organised under the laws of Italy and responsible for the management of the Regulated wholesale Market for Italian and foreign government Securities, as per Article 66 of Italian legislative decree No. 58 dated 28th February 1998.

Multilateral Trading Facility (MTF): A multilateral trading facility which brings together multiple third-parties buying and selling interests in financial instruments – in the system and in accordance with non-discretionary rules – in a way that results in a contract, in accordance with Article 4 of MiFID.

National Regulations: Any and all laws and regulations applicable in the jurisdiction of the Market Undertaking

National Treasury Agency: A governmental entity which is tasked with carrying out Government's debt management and handling treasury management.

Net Fail ("Suspens" " Niet Vereffende Open Positie"): Any net Open Position in respect of which a cash payment or delivery of Securities has failed to take place during the last settlement windows of the designated Settlement Date, as defined by the Securities settlement system and/or a central securities depository.

Net Position Exposure: In the framework of a Triparty Repo, a net position corresponding to an obligation for a Cash Borrower and/or Cash Lender to pay cash and/or to deliver collateralising securities. This Net Position Exposure is calculated by LCH SA per Clearing Member, per Basket, and per settlement window, as set out in Article 5.2.2.1

Net Omnibus Segregated Account Structure (or NOSA Structure): an Omnibus Segregated Account including one Margin Account and one Collateral Account.

Non Trading Member: Any Person that:

- (i) has no direct access to trading and uses the services of a third party (i.e. Clearing Member or a Trading Member) to negotiates Transactions in Derivatives or Securities Product Groups ; and
- (ii) has entered into a Clearing Agreement with a Clearing Member for the purpose of clearing such Transactions.

Notice: Any document issued as such by LCH SA, as amended from time to time, informing Clearing Members generally, or a particular category of Clearing Members, of specific matters of relevance with respect to the proper functioning of the clearing of Transactions and which is binding upon such Clearing Members. Unless stated otherwise in the Clearing Rule Book, Notices may only cover issues of technical and operational nature, implementing the main principles laid down in the Clearing Rule Book or in an Instruction.

Omnibus Segregated Account: A Client Account which is subject to "omnibus client segregation" within the meaning of EMIR.

Omnibus Segregated Account Structure: A Client Account Structure which is composed of one or more Omnibus Segregated Account(s).

Open Position: A Client Open Position or a House Open Position, as the case may be.

Option Premium: Amount per option contract paid by the buying Clearing Member to LCH SA for the right to buy or sell the underlying Financial Instrument.

Participant: A legal person admitted, either as a Clearing Member or as an Allied Clearing House, by LCH SA in the framework of the Settlement Finality Directive and of the relevant articles of the French Monetary and Financial Code.

Payment Agent: A third party which holds a cash account with a central bank and/or a Credit Institution designated by LCH SA in an Instruction, and which a Clearing Member can use to fulfil some or all of its payment or Margin obligations towards LCH SA.

Person: Any individual, legal entity, corporation, partnership, association, fiduciary or entity as the context admits or requires.

Position: Obligations of a Clearing Member vis-à-vis its Client resulting from a Transaction, either to deliver Financial Instruments or pay.

Position Account(s): A House Position Account and/or a Client Position Account.

Posting: The process whereby a Clearing Member registers a Trade Leg, or part of it, on a Position Account within its Account Structure according to the parameterisation in the Clearing System or the clearing information entered in the trading system. A Posting can be modified until the end of the Clearing Day on which the Transaction has been registered.

Power of Attorney: Authority given by a Person to another to allow the latter to act in the name of the former.

Product Group: All products of a particular category of Financial Instruments, as specified in an Instruction, and in particular: Securities, Fixed Income Securities, Derivatives, and Baskets

Regulated Market: Any organised market for Financial Instruments specified as such in the list published by the European Commission in accordance with Article 4 of MiFID.

Repo: A repurchase transaction in respect of debt Securities cleared in the Fixed Income, Clearing System and whereby the seller agrees to repurchase the securities at an agreed price and at a stated time. A Repo is set up by an Initial Transaction and closed by a Return Transaction.

Return Transaction:

In the framework of a Repo, a transaction in respect of registered in the Clearing System whereby:

- the buyer of Securities of the Initial Transaction returns debt securities; and
- the seller of Securities of the Initial Transaction returns a cash amount including, if appropriate, interest.

Same-day Repo: A Repo for which the Initial Transaction trade date corresponds to the Initial Transaction intended Settlement Date.

Security: Any financial instrument of one of the following categories:

- (i) shares or other equity securities,
- (ii) certificates,
- (iii) depositary receipts in respect of shares;
- (iv) bonds or other debt securities,
- (v) warrants or similar financial instruments entitling the holder to acquire any of the aforesaid securities or any basket of such securities or to receive a cash amount determined by reference to a future price or value of such security or basket,
- (vi) units in collective investment undertakings or participation units in other investment vehicles, and
- (vii) any other instruments which, subject to relevant National Regulations, the Market Undertakings may decide to be eligible for trading on a market for Securities which they operate.

Settlement Address: The identification of an account or sub-account in a securities settlement system and/or a central securities depository opened in the name of the Settlement Agent or of the Clearing Member or the identification of an account in a central bank/Credit Institution opened in the name of the Clearing Member or of the Payment Agent, as the case may be.

Settlement Agent: A third party which is admitted as a participant of a securities settlement system and/or a central securities depository designated by LCH SA in an Instruction and so holds a Securities

account, which a Clearing Member can use to fulfil some or all of its Securities delivery obligations or Margin obligations towards LCH SA.

Settlement Date: The date on which delivery against payment takes place, which is:

- (i) for Transactions cleared on the Cash and Derivatives Clearing System, in principle the second Clearing Day following the Transaction day, unless otherwise set out in an Instruction
- (ii) for Transactions cleared on the Fixed Income Clearing System, the applicable date as agreed at the time of the Transaction as set out in an Instruction.

Settlement Finality Directive: Directive 98/26/EC of the European Parliament and of the Council of May 19, 1998, on settlement finality in payment and securities settlement systems.

Settlement Price: A benchmark price, used daily for the calculation of Variation Margin and for the valuation of Open Positions. In case the relevant Financial Instrument is traded on markets operated by several Market Undertakings, as a principle, the relevant price will be the one of the relevant Regulated Market, as defined in a Notice and the method of calculation of the Settlement Price is set out in the relevant Trading Rules.

For Trading & Matching Platforms specificities, the method of calculation of the Settlement Price is set out in a Notice.

Systems and Operations: All parts and components of the technical system of the Clearing Member, including hardware and software that is operated and maintained by or on behalf of a Clearing Member to clear Transactions together with the procedures that are in place to operate such system, including risk management provisions.

TARGET2 Account: An account held by a TARGET2 participant in TARGET2 payment module with a Eurosystem Central Bank which is necessary for such TARGET2 participant to: (a) submit payment orders or receive payments via TARGET2; and (b) settle such payments with such Eurosystem Central Bank.

TARGET Settlement Day: means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open for the settlement of payments in Euro.

Termination Amount: For the purpose of Title I Chapter 4, the single, net positive or negative amount, denominated in Euro and determined pursuant to and in accordance with Article 1.4.1.9.

Termination Date: For the purpose of Title I Chapter 4, the date determined in accordance with the provisions of Article 1.4.1.2 or Article 1.4.1.3, as applicable, , , upon which the Trade Legs or Open Positions in a Clearing Member's Account Structure, will be terminated and liquidated in accordance with Article 1.4.1.1 to 1.4.1.13.

Trade Leg(s): A House Trade Leg and/or a Client Trade Leg.

Trade Repository: A trade repository duly registered in accordance with EMIR, as appointed by LCH SA in a Notice, or if such trade repository is unavailable, the European Securities and Markets Authority.

Trading Day: Any day on which the relevant markets are open for trading.

Trading Member: Any Person which:

- (i) negotiates Transactions in Derivatives and/or Securities Product Groups directly on a Regulated Market and/or MTF in one or both capacity of broker/dealer; and
- (ii) has entered into a Clearing Agreement with a General Clearing Member for the purpose of clearing such Transactions.

Trading Rules: The rules set forth by the relevant Market Undertaking.

Trading & Matching Platform: Any platform, designated as such by a Notice, providing a service for the execution or matching of Transactions which are concluded neither on a Regulated Market nor on a MTF and which may be cleared by LCH SA.

Transaction(s): Any purchase, sale or exchange of Financial Instruments, carried out on a market operated by a Market Undertaking including a repurchase agreement or a Securities loan or a buy and sell back, and the terms "buyer" and "seller" used in this Clearing Rule Book shall be construed accordingly.

Transfer of Open Positions: The process available for Clearing Members on Derivatives Markets by which a Clearing Member transfers:

- either the Open Positions registered in one of its Position Accounts, to another Position Account within its own Account Structure,
- or the Open Positions registered in one or several Position Accounts to the Account Structure of another Clearing Member.

Triparty Repo: Repo Transaction secured by collateralising securities belonging to pre-defined Baskets, and governed by the provisions of Title V. The eligibility criteria for clearing of Triparty Repos are set out in a Notice.

Triparty Repo Interest Margin: In the framework of a Triparty Repo, this Margin is calculated and called daily from the novation date by LCH SA to cover the cash interest until the maturity date of the Triparty Repo, including forward positions.

Variation Margin: The amount calculated by LCH SA, as specified in an Instruction, to cover the negotiation risk and which is based on the daily revaluation of the Settlement Price of Clearing Member's Open Positions on futures contracts.

CHAPTER 2 - GENERAL PROVISIONS

Section 1.2.1 General

Article 1.2.1.1

This Clearing Rule Book sets out the principles and general conditions governing the organisation and operation of the clearing activities of LCH SA.

Article 1.2.1.2

General or specific decisions, which are provided by the Clearing Rule Book, to fall within the authority of LCH SA shall be adopted in accordance with the conditions established by the board of directors of LCH SA.

Article 1.2.1.3

Any general or specific decisions which LCH SA is required or permitted to take pursuant to the provisions of the Clearing Rules shall be taken in accordance with general principles of good faith and fair dealing, in a commercially reasonable manner, in accordance with high standards of integrity, and at an appropriate level of seniority.

Section 1.2.2 Interpretation and References

Article 1.2.2.1

References to any law, regulation or European directive or regulation shall be construed as those in force from time to time.

Article 1.2.2.2

Chapter or Section headings in this Clearing Rule Book or in the Instructions are for ease of reference only; they are not part of the content of the relevant Chapter or Section and may not in any way affect the interpretation thereof.

Article 1.2.2.3

Capitalised terms used in this Clearing Rule Book shall be construed to be of such number as the context admits or requires.

Article 1.2.2.4

Capitalised terms used in this Clearing Rule Book and not defined in Instructions or in other communications of LCH SA shall have the meaning as set forth in this Clearing Rule Book.

Article 1.2.2.5

The specific provisions dedicated to a market apply in addition to, and not in lieu of, the general provisions.

Article 1.2.2.6

In case of any inconsistency between the specific provisions dedicated to a market and general provisions, the specific provisions will prevail.

Article 1.2.2.7

The Clearing Rule Book shall be implemented and interpreted through Instructions and by Notices, issued by LCH SA and published in accordance with Section 1.2.4. Instructions and Notices shall not be used to amend the principles and general conditions set out in the Clearing Rule Book.

Section 1.2.3 Clearing Rules Modifications

Article 1.2.3.1

The Clearing Rule Book may be modified from time to time by decision adopted by LCH SA. Clearing Members will be informed with reasonable prior notice of each change in writing or by such other means as may be specified by LCH SA.

Prior to implementing any material changes, LCH SA shall consult with all affected Clearing Members, following the consultation process set-out in an Instruction.

Article 1.2.3.2

If any modification of the Clearing Rules, other than a modification required by European Union or national law, materially adversely affects the rights or obligations of the Clearing Members generally or of any category of Clearing Members, then any Clearing Member so affected may terminate its membership by notification in writing given to LCH SA within 10 Clearing Days from the date of publication of the relevant modification.

Section 1.2.4 Publication and Effectiveness

Article 1.2.4.1

LCH SA shall ensure publication of the Clearing Rule Book, Instructions, Notices and other decisions of general application to its Clearing Members or to the relevant category of Clearing Members through dissemination via posting on its website, or individual notification as appropriate.

Article 1.2.4.2

Except cases of emergency, such provisions shall become effective and binding on all Clearing Members upon the Clearing Day following the day of publication or at a later date as specified in such publication.

Section 1.2.5 Fees

Article 1.2.5.1

Clearing Members shall pay to LCH SA Admission Fees, Clearing Fees and any other fees pursuant to the fee grid available on LCH SA web site and as modified from time to time.

Section 1.2.6 Currency

Article 1.2.6.1

If a specific currency is replaced by another currency, such as the euro for example, in pursuance of the amendment of existing legislation or the coming into effect of new legislation, the clearing of all the financial obligations of Clearing Members arising under this Clearing Rule Book and which are denominated in the currency that is replaced shall take place in the substitute currency as from the effective date of such replacement.

Article 1.2.6.2

If substitution of a specific currency involves a period of transition, clearing by Clearing Members during this period of transition will take place in the currency as specified by LCH SA by Notice.

Article 1.2.6.3

If necessary, LCH SA shall establish the conversion rate of the substitute currency and the currency due to be replaced as well as the applicable rounding rules, subject to the applicable laws and regulations.

Article 1.2.6.4

LCH SA shall determine in a Notice the currency of the Financial Instruments which are cleared in another currency than Euro.

Section 1.2.7 Time Reference

Article 1.2.7.1

Where reference is made in the Clearing Rules to a time or deadline, it shall be understood to mean the Central European Time (CET).

CHAPTER 3- LEGAL FRAMEWORK

Section 1.3.1 Status and Activity of LCH SA

A. Status

A.1. Clearing House

Article 1.3.1.1

LCH SA is a clearing house within the meaning of Article L.440-1 of the French Monetary and Financial Code and acts as a central counterparty, between the Clearing Member of the buyer or the borrower and the Clearing Member of the seller or of the lender in the conditions described in the Clearing Rules. In this framework, LCH SA acts in accordance with applicable banking and financial regulations.

LCH SA is under the supervision of the Competent Authorities within the scope of their respective remit as granted by their national law.

LCH SA provides its services in accordance with recommendations from the ESCB (European System of Central Banks) and ESMA (the European Securities and Markets Authority) for central counterparties in the European Union and follows the best practices in Clearing Services.

Article 1.3.1.2

When a participant of an Allied Clearing House, or one of its clients, enters into a Transaction with a Clearing Member of LCH SA, or with one of its Clients:

- LCH SA acts as a central counterparty between its Clearing Member, pursuant to Chapter 3 of Title I on the one hand, and its Allied Clearing House, on the other hand, under the conditions defined by the Clearing Rules. The Open Positions of the Allied Clearing House in the books of LCH SA correspond to the Transactions carried out by its own participants, and;
- The Allied Clearing House acts as a central counterparty between its own participants and LCH SA, under the conditions defined by the Allied Clearing House's rules.

A.2. Securities Settlement System

Article 1.3.1.4

LCH SA has been notified to the European Commission as a system pursuant to the Settlement Finality Directive. Thus, as described in a Notice, any person with a legitimate interest can obtain information on LCH SA and its rules from its participants, upon request.

B. Scope of Activity

Article 1.3.1.5

In accordance with this Clearing Rule Book, and for Transactions eligible to novation pursuant to Article 1.3.1.6 below, LCH SA registers Transactions, calculates Open Positions of its Clearing Members, and the associated risk, calls Margin to cover this risk, guarantees the proper settlement of positions as central counterparty, manages the default procedures, transmits settlement instructions to the settlement provider and performs all other functions specified by the Clearing Rules.

Article 1.3.1.6

Transactions executed on any Regulated Market or MTF, or executed or matched on any Trading & Matching Platform, may give rise to novation by LCH SA provided that the Financial Instruments-in question comply with the following criteria:

- LCH SA has entered into an agreement, for the provision of Clearing Services in respect of the relevant Financial Instruments, with the Market Undertaking operating the Regulated Market, or the MTF or the operator of the Trading and Matching Platform on which the Financial Instruments are negotiated;

- The Financial Instruments are admitted for clearing under the terms of the relevant risk policy of LCH SA;
- Unless otherwise agreed by LCH SA, accommodating such Financial Instruments in the Clearing System does not involve additional substantial development costs;
- When the Financial Instruments are Securities or their underlying is a Security, such Securities are admitted for settlement by at least one of the CSDs or ICSDs with which LCH SA has entered into an agreement;
- Corporate events are capable of being managed by LCH SA.

In addition to the above listed criteria the Regulated Market, the MTF or the Trading and Matching Platform may allow their members to opt for LCH SA novation or to exclude their Transactions from the Clearing Services.

The eligible novation criteria listed above also apply to rights attached to a Financial Instrument and deriving from corporate events in respect of such Financial Instruments.

Article 1.3.1.7

Where so specified in a Notice, LCH SA can also clear off-exchange Transactions that are not executed on a Trading & Matching Platform.

Article 1.3.1.8

Any Transaction that does not comply with all the criteria mentioned in Article 1.3.1.6 is excluded from novation by LCH SA and therefore excluded from the scope of the Clearing Services globally described under Article 1.3.1.5 of the Clearing Rule Book.

A Notice details the Financial Instruments or Transactions concerned per trading venue. Any such decision will come into effect at least one Clearing Day after communication thereof by LCH SA to the relevant Market Undertaking or operator and Clearing Members via a Notice .

Article 1.3.1.9

Without prejudice to Article 1.3.1.8 above, LCH SA may accept to register Transactions in Securities which do not comply with the criteria listed in Article 1.3.1.6 as long as they are admitted for settlement by at least one of the CSDs or ICSDs with which LCH SA has entered into an agreement. In such case, such Transactions do not give rise to novation and LCH SA may either send the relevant information for settlement to the relevant CSD or ICSD or make available to Clearing Members the relevant information in respect of such settlement.

Article 1.3.1.10

Notwithstanding Article 1.3.1.8, as a consequence of irrevocability, in the event that the risk policy is amended, any Transaction novated pursuant to Article 1.3.2.1 prior to the entry into force of the amended risk policy will remain within the scope of the Clearing Services provided by LCH SA until its expiry date.

Section 1.3.2 General Clearing Principles

A. General

A.1. Novation and Irrevocability

Article 1.3.2.1

All Transactions complying with the criteria mentioned in Article 1.3.1.6 that are submitted to LCH SA, within the clearing hours as set out in a Notice are registered in the name of the Clearing Member. Upon registration, novation occurs. As a result of novation, LCH SA becomes counterparty to the Clearing Member and becomes therefore subject to the rights and subject to the obligations arising from the Transaction registered in the name of such Clearing Member.

Article 1.3.2.2

Any Transaction received by LCH SA from a Clearing Member, pursuant to Article 1.3.2.1 is deemed irrevocable in the sense of Article L 330 1 § III of the Financial and Monetary Code as soon as it is registered in the Clearing System in accordance with Article 3.1.1.1 and within the clearing hours as set-out in a Notice, without prejudice to the exception foreseen in Article 3.3.1.3.

Article 1.3.2.3

Submission by Clearing Members of Transactions complying with the criteria mentioned in Article 1.3.1.6 signifies the acceptance by such Clearing Members of the novation.

Article 1.3.2.4

Novation takes place on a gross basis with respect to the original Transactions.

A.2. Scope of LCH SA's Obligations

Article 1.3.2.5

In accordance with Article 3 of the Settlement Finality Directive, upon registration in the Clearing System, Trade Legs and netting shall be legally enforceable and shall be binding on third parties.

Upon registration and as a consequence of Article 3.1.1.1, LCH SA undertakes to fulfil its obligations to deliver or to pay each Clearing Member on the basis of Open Positions or Net Position Exposures, as applicable, registered in its name, per Financial Instrument or per Basket.

The fulfilment of such obligations is conditional upon the timely performance by such Clearing Member of its own obligations.

Article 1.3.2.6

Upon novation, the obligations that LCH SA undertakes to perform as counterparty to the relevant Clearing Members with respect to Transactions and as detailed in the relevant provisions of the Clearing Rules, cover:

- For Transactions in Securities: the payment of cash and the delivery of the Securities.
- For Transactions in option contracts:
 - payment of Option Premium pursuant to Transactions and of cash amounts resulting from exercise and assignment,
 - payment of cash and delivery pursuant to the settlement of positions in the underlying Financial Instruments or assets resulting from exercise and assignments.
- For Transactions in futures contracts (excluding commodities): payment of Variation Margin and, in the case of deliverable financial futures, delivery of Financial Instruments versus payment.
- For Transactions in commodities futures contracts :
 - payment of Variation Margin;
 - payment of the amount due to the selling Clearing Member; and
 - delivery of commodities to the buying Clearing Member.
- For Repos: For both Initial Transactions and Return Transactions, payment of cash and delivery of the debt Securities. For Return Transactions payment of cash includes applicable interest.
- For Triparty Repos:
 - to the Cash Lender, payment of the total interest amount corresponding (a) to the cash amount traded pursuant to the terms of the initially traded contract, irrespective of the cash amount effectively settled in the case of a securities allocation fail, and (b) to the cash amount effectively settled in the case of a cash settlement fail;

- to the Cash Borrower, receipt of a cash amount equivalent to the collateralising securities effectively settled;
- to the Cash Borrower and Lender, return of the amount of cash or collateralising securities effectively paid or settled.

The circumstances in which LCH SA performs its delivery obligation, including delivery at a later time than the time originally specified, are set out in the applicable Instructions.

Article 1.3.2.7

For Open Positions settled through payment of a price difference, the LCH SA obligations as described in Article 1.3.2.6 apply to such difference.

Article 1.3.2.8

For commodities future contracts, the performance of the obligations described in Article 1.3.2.6 will take the form of a cash compensation to be calculated and applied in accordance with an Instruction.

If the Clearing Members opt for the alternative delivery procedure, as described in Article 3.4.1.11, LCH SA is discharged from performing its obligations as described in Article 1.3.2.6.

Article 1.3.2.9

If LCH SA is unable to deliver a given Financial Instrument, as a result of the market conditions, LCH SA will notify the relevant Clearing Member accordingly. In such case, LCH SA will pay a cash amount in lieu of delivery of the Financial Instrument or the assets involved. The amount will be calculated on the basis of the market price of the Financial Instrument according to a formula and a method of calculation to be specified in an Instruction.

For the avoidance of doubt, this article shall not apply to Triparty Repos.

Article 1.3.2.10

Unless otherwise stated in the Clearing Rule book, the netting of Clearing Members' obligations with those of LCH SA is not permitted.

A.3. General Clearing Process

Article 1.3.2.11

Unless otherwise specified in the Clearing Rule Book, at the end of the Clearing Day or at such other time as may be published in a Notice, LCH SA aggregates Transactions with respect to payment of cash or delivery of Securities, into Open Positions.

Article 1.3.2.12

Unless otherwise specified in the Clearing Rule Book, LCH SA sends the requisite delivery and payment instructions once calculated in accordance with Article 1.3.2.11 and per Financial Instrument, to the relevant central Securities depository or Securities settlement system.

The rules of the relevant central Securities depository or Securities settlement system apply with respect to transmission of such delivery and payment instructions to the central Securities depository or Securities settlement system.

In the event of settlement failure, the unsettled position is managed in accordance with the provisions on Net Fails in Chapter 4 of Title III of this Clearing Rule Book

A Notice will give details of the timeframe in which such delivery and payment instructions are sent to each central Securities depository or Securities settlement system. LCH SA is discharged of its obligations towards Clearing Members once payment and settlement have occurred.

The payment of funds and delivery of Securities are linked so as to occur on a simultaneous basis.

B. Provisions Related to Financial Products Traded on Markets Operated by Euronext Brussels

Article 1.3.2.13

The Belgian Common Civil Law Provisions are applicable for determining the moment of the transfer of ownership of Financial Instruments bought, sold or exchanged pursuant to as Transaction.

C. Provisions Related to Transactions on Derivatives

Article 1.3.2.14

For the purpose of compliance with MiFID2/MiFIR, details on the information needed by LCH SA from Market Undertakings in order to clear Transactions on Derivatives, and the format in which that information shall be provided, are described in a Notice.

Section 1.3.3 Liability and Force Majeure

A. Liability of Clearing Members

Article 1.3.3.1

A Clearing Member shall be liable for any damages suffered by LCH SA as a direct consequence of the Clearing Member's default resulting in LCH SA having to satisfy its obligation under Article 1.3.2.6 and as provided for in the Clearing Rules, without any notice of default by LCH SA being required.

Such damages may include without limitation any one or more of the following: interest, exchange rate differences, purchase price.

Article 1.3.3.2

A Clearing Member will not be held liable for any detrimental consequences of abnormal or fraudulent use of the Clearing System or for any detrimental consequences of acts or omissions of third parties.

Article 1.3.3.3

The Clearing Member shall take all reasonable care in the selection and monitoring of any Person that is to act on its behalf.

B. Liability of LCH SA

Article 1.3.3.4

LCH SA ensures the delivery of Securities or the payment of cash, in accordance with the Clearing Rule Book following the registration of Transactions provided in Article 1.3.2.2 and the clearing of obligations deriving thereto as provided in Article 1.3.2.6, save in the event of a force majeure or third party action.

Article 1.3.3.5

The buying Clearing Member can make no claim for compensation in respect of late delivery of Securities other than as provided for in the Clearing Rules or where such late delivery results from a failure on the part of LCH SA itself.

The buying Clearing Member's Open Positions are no longer admitted for clearing once it has taken delivery of the relevant Securities from either LCH SA or the selling Clearing Member.

Article 1.3.3.6

For obligations other than the obligation to deliver Securities or pay cash amounts as referred to in Article 1.3.3.4 above, LCH SA is only accountable for obligations of means ("*obligation de moyens*").

In particular, LCH SA may under no circumstances be held liable for the above mentioned damages, unless such damages are direct result of gross negligence or a deliberate act or omission on the part of LCH SA.

Article 1.3.3.7

LCH SA may under no circumstances be held liable for direct or consequential loss suffered by any Clearing Member including without limitation loss of business, profits or revenues believed by the Clearing Member to be the consequence of a total or partial failure by LCH SA to perform its obligations in accordance with the Clearing Rules or the Admission Agreement.

Article 1.3.3.8

If a Clearing Member does not comply with its obligations, as provided for in the Clearing Rule Book or in the Admission Agreement or in case of suspension of payments, scheme of arrangement, safeguard, or receivership of the Clearing Member, or any other equivalent amicable or legal procedure commenced pursuant to the law of jurisdictions other than France, LCH SA may cease to perform all its obligations with respect to the Clearing Member in question, notwithstanding implementation of the measures provided in Chapter 5 of Title IV of the Clearing Rule Book. In particular, following an Event of Default, LCH SA will act promptly in the manner LCH SA deems most appropriate to contain its exposure and mitigate consequences for market participants.

In such events, LCH SA may not be held liable for any detrimental consequence save in the case of gross negligence or deliberate act or omission. In particular, following an Event of Default, implementation of measures provided in Chapter 5 of Title IV cannot result in any liability for LCH SA (a) in respect of the failing Clearing Member, including in connection with (i) process and conditions for liquidating Trade legs or Open Positions or (ii) the selling or liquidation of Margins or any other Collateral and (b) in respect of the Defaulting Clearing Member and non-defaulting Clearing Members regarding the triggering of any call on the Default Fund.

Article 1.3.3.9

Furthermore, LCH SA may not be held liable for any breach by a Clearing Member of its obligations, to segregate client and house assets, notably in securities settlement systems or central securities depositories in accordance with applicable law and regulations. LCH SA only sends delivery and payment instructions to the account indicated by the Clearing Member irrespective of such account beneficiary.

Article 1.3.3.10

LCH SA may not be held liable for any detrimental consequences of abnormal or fraudulent use of the Clearing System or for any detrimental consequences of acts or omissions of third parties.

Article 1.3.3.11

LCH SA shall take reasonable care in the selection and monitoring of any third party which may act on its behalf.

C. Force Majeure

Article 1.3.3.12

Force majeure is to be construed in accordance with French law, meaning extraordinary events independent of the Parties' will, which cannot be foreseen or avoided even with due diligence, being beyond their control and preventing them from fulfilling their obligations pursuant to the Clearing Rules or the Admission Agreement.

Such events include inter alia, disasters, such as hurricane, earthquake, international conflicts, stroke of lightning and war.

If circumstances as referred to in the previous paragraph arise or are, likely to arise, LCH SA or Clearing Members, as the case may be, will take such measures as may be reasonably expected of them in order to limit as much as possible the detrimental consequences for the other party resulting from such circumstances.

Section 1.3.4 Confidentiality

Article 1.3.4.1

LCH SA may in accordance with applicable statutory provisions provide any information it may have to Competent Authorities.

Where a Clearing Member is also a member of a Regulated Market, MTF, or clearing house with whom LCH SA has entered into an agreement to clear Transactions, or to grant mutual access, such as an Allied Clearing House, LCH SA may likewise, and under the same conditions, pass any such information to such Regulated Market, MTF or Allied Clearing House.

Article 1.3.4.2

Upon request, LCH SA may provide Competent Authorities or National Treasury Agencies with information related to Net Fails in respect of Clearing Members. Any such disclosure to the National Treasury Agencies may only take place if the National Treasury Agencies are able to justify that a valid authorisation has been given by the relevant Clearing Members to LCH SA.

Article 1.3.4.3

Without prejudice to any monitoring and auditing powers granted by law to other bodies, LCH SA has an obligation in accordance with applicable statutory or regulatory provisions, to prevent or limit any fraudulent, illicit or irregular acts.

Article 1.3.4.4

Notwithstanding any other provision to the contrary, LCH SA shall be authorised to supply any information whatsoever concerning a Clearing Member or its Clients or a Trading Member and its or their trading activity to LCH Group Limited, LCH Ltd, LCH LLC or any other sub-contracting entity belonging to the same Financial Group.

Section 1.3.5 Applicable Law

Article 1.3.5.1

The Clearing Rules shall be governed by and construed in accordance with the laws of France unless explicitly stated otherwise.

Section 1.3.6 Disputes

Article 1.3.6.1

Any dispute between LCH SA and a Clearing Member that may arise under the Clearing Rules shall be finally settled through the French courts or arbitration centre referred to in the Admission Agreement, subject to the complaints resolution procedure as set out in an Instruction.

Article 1.3.6.2

A Clearing Member shall, in accordance with Article 1.3.3.4 *et seq.*, notify LCH SA of any claim within twelve (12) months from the Clearing Day on which the Clearing Member becomes aware, or should have become aware of the occurrence of any event that may result in loss or damages.

CHAPTER 4 – LCH SA DEFAULT

Article 1.4.1.1

An LCH SA default shall occur if at any time:

- (i) except where such failure to pay is permitted or where LCH SA is acting in accordance with Title IV Chapter 5, LCH SA fails to make a payment due by LCH SA to a Clearing Member (other than to a Defaulting Clearing Member) under any novated Transaction, and such failure has not been cured within 30 days from the date when the obligation to pay falls due; or
- (ii) LCH SA becomes subject to LCH Insolvency Proceedings duly notified by the French prudential control authority (*Autorité de contrôle prudentiel*) pursuant to article R.613-18 of the Financial and Monetary Code.

Article 1.4.1.2

In the event of an LCH SA default occurring pursuant to Article 1.4.1.1 (i) the relevant Clearing Member may notify LCH SA in writing specifying a Termination Date, which shall be the TARGET Settlement Day following the occurrence of such an LCH Clearnet SA default, for the termination and liquidation of all Trade Legs and/or Open Positions, as relevant, registered in its Account Structure.

Article 1.4.1.3

In the event of an LCH SA default pursuant to Article 1.4.1.1 (ii), LCH SA will make available a notice on its Website specifying the Termination Date, which shall be the TARGET Settlement Day following the occurrence of such an LCH Clearnet SA default. Upon the occurrence of a Termination Date, a Clearing Member other than a Defaulting Clearing Member may exercise the right given to it under Article 1.4.1.4.*et seq.*

Where LCH SA fails to make available such notice on its Website:

- (i) by 19:00 on the Clearing Day following the Clearing Day on which LCH SA becomes subject to LCH Insolvency Proceedings pursuant to Article 1.4.1.1 (ii); or
- (ii) where LCH SA becomes subject to an LCH Insolvency Proceeding pursuant to Article 1.4.1.1 (ii) after 19:00 on a Clearing Day or on a day which is not a Clearing Day, by 19:00 on the second Clearing Day following that day,

then each individual Clearing Member shall be entitled, by notice in writing to LCH SA, to designate a Termination Date.

Article 1.4.1.4

As from the Termination Date, neither LCH SA nor any Clearing Member (other than a Defaulting Clearing Member) having exercised its rights pursuant to Articles 1.4.1.2 or 1.4.1.3 shall be obliged to make any further payment or delivery under any Trade Leg or Open Position, as the case may be, between them which would, but for this Title I Chapter 4, have fallen due for performance on or after the Termination Date.

Such obligations shall be satisfied by settlement (whether by payment, set-off or otherwise) of the Termination Amount.

Article 1.4.1.5

Following an LCH SA default pursuant to the conditions of Article 1.4.1.1, the Clearing Member other than a Defaulting Clearing Member, having exercised its rights pursuant to Article 1.4.1.2 or 1.4.1.3, determines on the Termination Date or as soon as possible after such date (discounting if appropriate):

- (i) its total loss or total gain, as the case may be, in respect of each Trade Leg or Open Position, as relevant, (in each case expressed in Euro); and
- (ii) the value of all other amounts which it owes to LCH SA and which LCH SA owes to it, in each case whether future, liquidated or unliquidated, actual or contingent.

Pursuant to Article 1.4.1.9 below, such calculation shall be undertaken separately in respect of the Trade Legs, or Open Positions as applicable, and all other amounts owed in relation to Trade Legs, or Open

Positions registered in (i) the House Account Structure or (ii) an Individual Segregated Account Structure or (iii) an Omnibus Segregated Account Structure of the Clearing Member.

Article 1.4.1.6

For the purposes of Article 1.4.1.5 (i), the Clearing Member calculates (in a commercially reasonable manner) its total loss or its total gain, as the case may be, in respect of each Trade Leg or Open Position, as relevant, as a result of the termination of each payment or delivery which would otherwise have been required to be made under the relevant Trade Leg or Open Position, as relevant and including, if appropriate, any loss of bargain, any cost of funding, and/or without duplication, any loss or, as the case may be, gain as a result of the termination, liquidation, obtaining, performing or re-establishing of any hedge or related trading position.

Article 1.4.1.7

For the purpose of the calculation to be made pursuant to Article 1.4.1.5 (ii), the Clearing Member will determine the value of all Collateral that, as of the Termination Date, LCH SA is due to return to it in accordance with the Clearing Rules without applying any haircuts to such valuation. In making such determination, the Clearing Member will not separately value and will not take into account, as an amount due to it, any Collateral:

- (i) in respect of which the value has been accounted for in determining of any profit or loss on any Trade Leg or Open Position, as-applicable;
- (ii) which the Clearing Member has transferred to LCH SA other than on a full title transfer basis and which the Clearing Member will receive back in accordance with the Clearing Rules; or
- (iii) which, if the Clearing Member is a Defaulting Clearing Member, has been deposited by a Defaulting Clearing Member to meet (a) its Margin requirement (other than Variation Margin) calculated in respect of its House Margin Account(s) or as a contribution to the Default Fund(s) and which LCH SA has applied or will be required to apply in order to reduce its loss in accordance with Article 4.5.2.7 or (b) its Margin requirement (other than Variation Margin) calculated in respect of its Client Margin Account(s) which will be transferred to a new Clearing Member as provided in an Instruction, or, in case of liquidation, returned to the Client or Indirect Client, when applicable, as provided in an Instruction.

Article 1.4.1.8

Pursuant to the determination made under Article 1.4.1.5:

- (i) each gain by the Clearing Member and each amount which LCH SA owes to it, shall be treated as a positive amount; and
- (ii) each loss suffered by the Clearing Member and amounts which it owes to LCH SA shall be treated as a negative amount.

Article 1.4.1.9

The Clearing Member shall :

- (i) aggregate all positive and negative amounts-related to House Trade Legs or House Open Positions to produce one net termination amount (the "**House Termination Amount**"), and
- (ii) aggregate: (a) all positive and negative amounts related to Client Trade Legs or Client Open Position registered in an Individual Segregated Account Structure to produce one net termination amount for such Individual Segregated Account Structure; and (b) all positive and negative amounts related to Client Trade Legs or Client Open Positions registered in an Omnibus Segregated Account Structure to produce one net termination amount for such Omnibus Segregated Account Structure (each a "**Client Termination Amount**").

To the extent a Clearing Member is also a member of the CDSClear service(s) provided by LCH SA, such Clearing Member shall aggregate the House Termination Amount and the house termination amount calculated in respect of a house account structure held in connection with such CDSClear service(s) where LCH SA is subject to a default in accordance with the Clearing Rules and the rules applicable to CDSClear, in order to produce one net termination amount owed in relation to the Clearing Service and such CDSClear service(s) provided by LCH SA (the "**Global House Termination Amount**").

The Clearing Member shall notify LCH SA of the House Termination Amount and the Client Termination Amount(s), by which party each such amount is payable, and showing in reasonable detail how they have been calculated, immediately after the calculation thereof. The Global House Termination Amount shall be notified in accordance with the clearing rules governing the service(s) provided by LCH SA in respect of CDSClear.

If any of the House Termination Amount or Global House Termination Amount if applicable, or the Client Termination Amount(s) calculated pursuant to this Chapter 4 is a positive amount, LCH SA shall pay it to the Clearing Member and, if any of the House Termination Amount or Global House Termination Amount if applicable, or the Client Termination Amount(s) is a negative amount, the Clearing Member shall pay it to LCH SA, in accordance with Article 1.4.1.10 below.

Article 1.4.1.10

The House Termination Amount (to the extent not aggregated into the Global House Termination Amount) or Client Termination Amount(s) in respect of each Clearing Member shall be paid by either LCH SA or the Clearing Member, as the case may be, in Euro by 17:00 on the Clearing Day following notification pursuant to Article 1.4.1.9 above (converted as required by Applicable Law into any other currency, any costs of such conversion to be borne by, and (if applicable) deducted from any payment to, LCH SA). Neither LCH SA nor a Clearing Member, as the case may be, shall be permitted to effect payment netting between the House Termination Amount or Global House Termination Amount if applicable, on the one hand and the Client Termination Amounts on the other hand.

The Global House Termination Amount shall be paid in accordance with the clearing rules governing the service(s) provided by LCH SA in respect of CDSClear.

Article 1.4.1.11

For the purposes of any calculation required to be made under this Chapter 4, the Clearing Member may convert amounts denominated in any other currency into Euro at such rate prevailing at the time of the calculation as it shall reasonably select.

Article 1.4.1.12

The Clearing Member's rights under this Chapter 4 shall be in addition to, and not in limitation or exclusion of, any other rights which the Clearing Member may have.

Article 1.4.1.13

This Chapter 4 shall be without prejudice to the rights that LCH SA may have pursuant to the Clearing Rules against any Clearing Member prior to the occurrence of the LCH SA default.

CHAPTER 5 – WINDING DOWN

Article 1.5.1.1

LCH SA shall be entitled to cease all its activities with immediate effect, following the occurrence of:

- a closing down of all of its Clearing Services, following one or several Event(s) of Default,
- a decision by the Autorité de Contrôle et de Résolution or a court decision which forces LCH to cease its activities (in this latter case, LCH SA may apply close out all its clearing services pursuant to the service closure process applicable to each service and as describe in an Instruction).

TITLE II – MEMBERSHIP

Article 2.0.0.1

Clearing Members shall at all time comply with the requirements set out in this Chapter and any additional conditions and limitations imposed upon admission and with any provision of the Clearing Rules.

Article 2.0.0.2

The provisions of this Title which are applicable to the Clearing Members' clearing Transactions carried out either on a Regulated Market or on a MTF may be extended by LCH SA to the Clearing Members' clearing Transactions in Financial Instruments executed on a market which has neither the status of a Regulated Market, nor an MTF, if all Financial Instruments that may be traded on such market are traded elsewhere on a Regulated Market.

CHAPTER 1- GENERAL PROVISIONS

Section 2.1.1 Participants

Article 2.1.1.1

As a securities settlement system within the meaning of the Settlement Finality Directive, LCH SA has only direct participants which are its Clearing Members and its Allied Clearing Houses. It does not have indirect participants.

A. Clearing Members

Article 2.1.1.2

The following entities are eligible to become a Clearing Member, pursuant to Article L 440-2 of the French Monetary and Financial Code:

1. Credit Institutions, which have their head office in a European Community (EC) Member State or in another State party to the agreement on the European economic area (EEA).
2. Investment firms, having their head office in a European Community (EC) Member State or in another State party to the agreement on the European economic area (EEA).
3. Legal persons whose members or shareholders have unlimited joint and several liability for their debts and obligations, provided that such members or shareholders are institutions or firms mentioned under 1 and/or 2 above,
4. Legal persons having their head office in metropolitan France or in French overseas departments and whose principal or sole object is the clearing of Financial Instruments,
5. In the circumstances set out in the general regulations of the Autorité des Marchés Financiers (AMF), Credit Institutions and investment firms which do not have their head office neither in a European Community Member State, nor in a State party to the Agreement on the European economic area, and legal persons whose principal or sole object is the clearing of Financial Instruments, that are not established in metropolitan France or in French overseas departments, under prior approval of the Autorité des Marchés Financiers. An agreement between the Autorité des Marchés Financiers and (an) other Competent Authority(ies) may provide for an exemption from prior authorisation for a category of entities.

Article 2.1.1.3

A Clearing Member is a legal person admitted as such by LCH SA and authorised, subject to the Clearing Rules, to submit Transactions for registration, pursuant to an Admission Agreement between LCH SA and itself.

Article 2.1.1.4

A Clearing Member can operate as:

- (i) an Individual Clearing Member; or
- (ii) a General Clearing Member.

A. Allied Clearing Houses

Article 2.1.1.5

An Allied Clearing House is a legal person, incorporated in a Member State, which is a Credit Institution or an investment firm or whose principal or sole object is the clearing of Financial Instruments, which is recognised and supervised/overseen as a central counterparty clearing house by its Competent Authorities and which has signed an agreement with LCH SA for this purpose. An Allied Clearing House is a Participant, authorised by LCH SA to submit Transactions for registration under the conditions set-out below.

The admission of an Allied Clearing House is subject to the prior approval of Autorité des Marchés Financiers.

Article 2.1.1.6

Vis-à-vis LCH SA, an Allied Clearing House is subject, at all times, to the same rights and obligations as a General Clearing Member on the same market.

In the conditions set out in Article 2.1.1.7, on a case-by-case basis, this Clearing Rule Book or an Instruction can depart from such principle and set out specific provisions applicable to an Allied Clearing House with respect to the following subjects:

- (i) Information with the exception of financial reporting;
- (ii) On-site inspections/audit obligations;
- (iii) Authorised Clearing Operators' obligations;
- (iv) Default Fund contribution obligations as well as Collateral to fulfil them;
- (v) Consequences of Events of Default of Clearing Members for Allied Clearing Houses;
- (vi) Definition and management of Events of Default of an Allied Clearing House and their impact on Clearing Members;
- (vii) Buy-in and sell-out procedures;
- (viii) Payment of fees ; and
- (ix) Debt Securities Intra-day Margin.

Article 2.1.1.7

LCH SA can only apply specific conditions to an Allied Clearing House after having assessed that, and subject to verifying on a continuous basis that:

- (i) Adequate resources and risk management measures, and international recommendations and standards applicable to a central counterparty, are implemented, if need be, so that LCH SA's operational, credit or liquidity risks are not increased compared to the risks stemming from the participation of a General Clearing Member having the same Open Positions;
- (ii) LCH SA maintains adequate and sufficiently liquid financial resources to ensure a timely discharge of its obligations vis-à-vis its Participants;
- (iii) The Allied Clearing House's financial resources are adequate and sufficiently liquid to ensure a timely discharge of its obligations vis-à-vis LCH SA.

Section 2.1.2 Application Procedure

Article 2.1.2.1

Subject to the completion of the procedure published on LCH SA's website, the Applicant shall complete LCH SA's application file which is available on LCH SA's website and shall provide all documents listed in the application file as well as other documentation or information required by LCH SA.

In the event that incomplete or unsatisfactory information is contained in the application file, additional information and/or documents may be requested by LCH SA from the Applicant.

The application file specifies, *inter alia*, the Product Group, as set-out in an Instruction, and the membership category (ICM or GCM) the Applicant is applying for.

Whilst the application is pending, the Applicant must notify LCH SA in writing of any changes relating to:

- (i) the items to be included in the admission application form application file;
- (ii) information contained in the application file ; and
- (iii) any facts and circumstances concerning the Applicant which may be relevant in the context of its ability to perform its obligations under the Clearing Rules.

Article 2.1.2.2

LCH SA shall examine the information in the application file within two months from the date of receipt of the complete application file, including any additional information required by LCH SA.

LCH SA shall notify the Applicant of its admission decision by registered letter with an acknowledgment of receipt.

Article 2.1.2.3

In approving an application, LCH SA may impose additional conditions and/or limitations on the exercise of certain rights under the Clearing Rules provided that such conditions and/or limitations are imposed without discrimination and only to the extent that its objective is to control the risk for the clearing house.

Membership approval is granted for a Product Group and a membership category (ICM or GCM).

Article 2.1.2.4

LCH SA may refuse an admission to membership, if it considers that such admission may adversely affect the operation of the clearing and settlement system, or where the Applicant does not comply with its obligations resulting from its admission to another clearing house or central securities depository or where the Applicant does not satisfy a minimum internal credit score which is determined by LCH SA as set out in Article 2.3.1.1 below.

LCH SA shall provide justification for its decision not to admit an Applicant to membership within one month following receipt of a request for justification from the relevant Applicant.

Article 2.1.2.5

If an Applicant has been approved as a Clearing Member, it shall before commencing operations (i) provide LCH SA with any outstanding documents and/or information as notified in the approval letter (ii) and comply with the specific requirements, as set-out in this Title II and in an Instruction.

Article 2.1.2.6

Upon approval and execution of the Admission Agreement the Clearing Member shall at all times comply with the provisions of the Clearing Rules.

In particular, the Clearing Member shall,inter alia :

- (i) pay any fees due;
- (ii) contribute to the Default Fund as set-out in Chapter 3 of Title IV;
- (iii) bear the risk of any instructions which are incorrect or provided late to LCH SA;
- (iv) comply with the continuing obligations described hereunder;
- (v) be liable for the accuracy of all information provided to LCH SA, especially information relating to the Clearing member's Account Structure as described in Chapter 2 of Title III of the Clearing Rule Book.

Article 2.1.2.7

The Applicant shall confirm its acceptance of the Clearing Rules by returning the Admission Agreement executed by a duly authorised signatory.

The Admission Agreement is concluded on the basis of the identity of the relevant Clearing Member and cannot therefore be assigned or transferred without LCH SA's prior written approval.

Clearing Members shall not transfer or pledge their rights vis-à-vis LCH SA to third parties unless expressly provided otherwise in the Clearing Rules.

Article 2.1.2.8

A Clearing Member must commence operations within six months after LCH SA notifies its admission, unless LCH SA accepts an extension to such time limit. Failing this, the admission decision shall be

automatically revoked and any new admission will require compliance with the provisions of this Section Chapters 1 and 2 of Title II.

The six months time limit does not apply where a Clearing Member, which is already active on one or several markets, applies to extend its activities to (an) other market(s) or Product Group(s).

Article 2.1.2.9

LCH SA may organise training sessions, on request of Clearing Members, dedicated to individuals that are under the Clearing Member's authority or acting on behalf of the Clearing Member who perform, or wish to perform, clearing functions on all Financial Instruments, as accepted by LCH SA pursuant to article 1.3.1.6. Such training sessions may be organised as from the notification of membership admission decision and at any time provided that Clearing Member's membership remains valid.

CHAPTER 2 - LEGAL OBLIGATIONS

Section 2.2.1 Regulatory Framework

Article 2.2.1.1

Any Applicant wishing to be admitted as a Clearing Member by LCH SA should satisfy the following conditions:

- a) be validly incorporated;
- b) undertake to accept the Clearing Rules by executing the Admission Agreement;
- c) be supervised by its Competent Authorities, or other comparable supervision in its home jurisdiction;
- d) undertake to execute the agreement governing technical access to LCH SA's Clearing System;
- e) meet the financial requirements as determined by LCH SA from time to time and as specified in Chapter 3 of this Title and in addition meet any further requirements with respect to liquidity and/or solvency as may be set-out by LCH SA;
- f) meet the quality requirements as specified in an Instruction;
- g) satisfy LCH SA that it has sufficient expertise in relation to clearing activities, that its technical systems and related organisational structure are operationally reliable and that its risk management policy is adequate;;
- h) ensure that the persons who represent the Applicant fulfills the requirements of expertise and capability as determined by LCH SA pursuant to Articles 2.2.2.5 to 2.2.2.7 and ensure that the persons competent to take decisions will be accessible to LCH SA during working hours of every Clearing Day;
- i) submit details accounts for the purposes of cash payments and delivery of Financial Instruments, as well as evidence that a Power of Attorney has been issued in favour of LCH SA to allow the debiting or crediting of such accounts for the settlement of Open Positions registered by LCH SA;
- j) irrevocably authorise such persons as may be specified by LCH SA pursuant to the conditions set out in Article 2.4.2.2 to inspect its facilities, interview its staff, audit its Systems and Operations, check the proposed procedures (as recorded in writing) and inspect its books, papers and other data, for the purpose of determining whether the Clearing Rules are being properly complied with;
- k) have at its disposal the technical environment to be connected to the relevant Clearing System managed by LCH SA depending on the market concerned;
- l) satisfy such other requirements as may be imposed by LCH SA generally or with respect to a category of Clearing Members.

Article 2.2.1.2

Applicants that are not established under the laws of the countries where market operators are established, or any other country that may be specified by LCH SA, are obliged to provide LCH SA, as soon as possible, with all relevant information on rules and regulations that are in force in their Home State, which deal with clearing activities, and especially those rules and regulations that concern the registration of Transactions and the resolution of delivery fails between Clearing Members and their Clients.

Section 2.2.2 Corporate Organisation

A. Location of Offices

Article 2.2.2.1

A Clearing Member may locate the necessary human and technical resources required to carry on its clearing and back office activities wherever it chooses, provided that it can satisfy LCH SA that such activities are carried out in a country in which on-site inspections by, or on behalf of LCH SA, are practicable and permitted by applicable laws and regulations. In any case, the head office and the registered office of the Clearing Member must be located in the same State as provided in Directive 95/26/EC which applies to all financial undertakings.

Article 2.2.2.2

A Clearing Member may subcontract all or part of its clearing activities to another Clearing Member or to a company in the same group with the prior authorisation of LCH SA, provided that such arrangements shall not relieve the subcontracting Clearing Member of any of its obligations under these Clearing Rules. The request for authorisation must give all appropriate details as to the organisation, structure and procedures of the subcontractor and as to the means of control and supervision available to the subcontracting Clearing Member.

Article 2.2.2.3

LCH SA may require from a subcontractor the same information as may be required from a Clearing Member pursuant to the Clearing Rules. To that effect, LCH SA may require in advance a written undertaking by the subcontractor, which will include a provision authorising LCH SA and any Person acting on its behalf to perform inspections at the premises in which the clearing activities actually take place.

Article 2.2.2.4

A Clearing Member that relies on an outside contractor to operate its information systems hereby undertakes to inform LCH SA of the control mechanisms pertaining to the hardware and software used or made available by the contractor. Such communications do not constitute approval by LCH SA; nor do they relieve the Clearing Member of any of its obligations under these Clearing Rules. The Clearing Member alone is answerable to LCH SA for the proper execution of its operations.

B. Authorised Clearing Operators

Article 2.2.2.5

Individuals that are under the Clearing Member's authority or acting on behalf of the Clearing Member who perform, or who wish to perform, clearing functions on Financial Instruments traded on Regulated Markets (with the exception of MTS ITALY) or MTFs shall have the Authorised Clearing Operator status provided by the relevant Clearing Member, under the terms and subject to the conditions specified in an Instruction.

Article 2.2.2.6

Before granting the authorisation, the Clearing Member may assess the applicant's professional knowledge and ability, if necessary by means of an examination.

Article 2.2.2.7

A Clearing Member cannot disclaim responsibility for the acts or omissions of any person acting on its behalf on the basis that such person was not duly authorised.

Section 2.2.3 Third Contractual Obligations

A. Relationship with Settlement Agents and Payment Agents

A.1. Common Provisions

Article 2.2.3.1

A Clearing Member that wishes to use a Settlement Agent and/or a Payment Agent must guarantee that the agreement(s) by which the Settlement Agent and/or the Payment Agent agrees to deliver Securities or to pay cash amounts, as the case may be, to LCH SA on behalf of the Clearing Member complies with the LCH SA-requirements.

The provisions which are required to be included in such agreement(s) are outlined in a declaration of compliance, the template of which is provided by LCH SA upon request of the Clearing Member. Such declaration of compliance must be duly completed and signed by the Clearing Member (and, if applicable, the relevant Settlement Agent and/or Payment Agent) and returned to LCH SA.

Any amendment made to the agreement entered into between the Clearing Member and a Settlement Agent or a Payment Agent shall be in accordance with the principles set-out in the declaration of compliance.

Notwithstanding the above, such an agreement(s) shall not relieve the Clearing Member from its obligations under the Clearing Rules.

Article 2.2.3.2

With respect to execution of the obligations-set-out in Articles 2.2.3.3 and 2.2.3.5, LCH SA must be provided with the relevant Powers of Attorney enabling it to debit directly the account(s) of the Clearing Member or the Settlement Agent as referred to in Article 2.2.3.6, or of the Payment Agent as referred to in Article 2.2.3.4, to meet the Clearing Member's payment or delivery obligations vis-à-vis LCH SA.

A.2. Provisions Related to Payment Agents

Article 2.2.3.3

Clearing Members must ensure that they are able to:

- (i) comply with cash payments obligations;
- (ii) and, if relevant, provide Collateral in cash.

To that end, each Clearing Member shall have entered into appropriate arrangements with the relevant central banks and/or commercial banks as the case may be, as described in an Instruction.

Article 2.2.3.4

When the obligations set-out in Articles 2.2.3.3 regarding the obligations to comply with cash payments are performed indirectly through a Payment Agent, the Clearing Member shall have entered into an appropriate agreement with the Payment Agent.

A.3. Provisions Related to Settlement Agents

Article 2.2.3.5

Clearing Members must ensure that they are able to:

- (i) perform the settlement of all their Transactions irrespective of the currency in which they are settled, as described in an Instruction;
- (ii) and, if relevant, provide Securities as Collateral.

To that end, each Clearing Member shall have entered into appropriate arrangements with the relevant CSD of Reference or securities settlement system, as described in an Instruction.

Article 2.2.3.6

When the obligations set-out in Articles 2.2.3.5 regarding the settlement and the provision of Securities as Collateral are performed indirectly through a Settlement Agent, the Clearing Member shall sign an agreement with the Settlement Agent.

Article 2.2.3.7

A Clearing Member may use the services of one or several Settlement Agent(s) per Securities settlement system or per central Securities depositary and of one or several Payment Agent(s) per central bank or Credit Institution.

Article 2.2.3.8

The Clearing Member shall require the Settlement Agent to open in its books (an) account(s) to be used for the settlement of the Clearing Members' Transactions, in the applicable Securities settlement system or central Securities depositary, in compliance with applicable segregation regulations.

B. Relationship with Clients**Article 2.2.3.9**

A Clearing Member that wishes to clear Transactions for one or more Client(s) must have entered into a Clearing Agreement containing the Mandatory Client Clearing Provisions with each of such Client(s).

LCH SA shall not be liable for any damages arising from any Clearing Agreement, whether sustained by the Clearing Member or by a third party. The Clearing Member shall comply with the Clearing Agreement.

Any amendment made to the Clearing Agreement shall be in accordance with the principles set out in an Instruction.

The Clearing Member must ensure that it complies in all relevant jurisdictions with all applicable legislations and regulations requiring client assessment and/or sanctions screening, and upon request from LCH SA, will be required to evidence the same.

C. « del credere » Agents**Article 2.2.3.10**

Clearing Members act as *del credere* agents for the Clients-whose accounts they administer when the Transactions are executed on any French Regulated Market. They guarantee to their Clients that all such Transactions will be settled.

Article 2.2.3.11

Clearing Members guarantee their Clients the fulfillment of all obligations arising from their Transactions on Euronext Lisbon Derivatives Market.both for their own account and/or on behalf of third parties.

C.1 Authority to-cancel settlement instructions**Article 2.2.3.12**

Each Clearing Member active in Transactions carried out on Trading & Matching Platforms and MTS Italy or wishing to become active in such Transactions grants LCH SA the irrevocable authority (but not the obligation) to cancel settlement instructions concerning Transactions and associated Trade Legs and Open Positions of such Clearing Member carried out on Trading & Matching Platforms and MTS Italy which have not yet settled and to instruct any CSD of Reference or International CSD and securities settlement system, directly or indirectly, to cancel any such pending instructions and to stop issuing any new instructions, following an Event of Default of an Allied Clearing House or service closure initiated by LCH SA or an Allied Clearing House. LCH SA may request each such Clearing Member to confirm such irrevocable authority in writing at any time.

LCH SA shall have no liability to any Clearing Member for any actions taken by LCH SA in connection with the above mentioned authority.

Section 2.2.4 Record Keeping

Article 2.2.4.1

Clearing Members must keep accurate and complete accounting records of all Transactions they have entered into for the account of the (Associated) Trading Member or the Clients. Such accounting records should, where applicable, disclose at least the following particulars:

- (i) the (Associated) Trading Member on the relevant market with which a Clearing Agreement has been entered into;
- (ii) in respect of each (Associated) Trading Member on the relevant market with which a Clearing Agreement has been entered into, all rights and obligations arising from the Transactions entered into by a General Clearing Member for the account of the (Associated) Trading Member concerned; and
- (iii) any further requirements as may be specified by LCH SA.

Article 2.2.4.2

The Clearing Member is required to keep all data relating to its clearing activity with LCH SA, pursuant to the Clearing Rules, for at least five years and must make the data available to LCH SA upon request throughout that period.

Section 2.2.5 Test Processing

Article 2.2.5.1

Clearing Members must comply with LCH SA's request for technical and operational tests. Such tests may be required either prior to the implementation of a project or prior to the execution of specific and individual operations.

CHAPTER 3 - CAPITAL REQUIREMENTS

Section 2.3.1 Common General Provisions

Article 2.3.1.1

The Clearing Member must satisfy the credit risk assessment minimum requirements. LCH SA assesses the credit risk of the Clearing Member in accordance with its internal credit score based on a range of quantitative and qualitative data. These include financial analysis, external market data as well as consideration of any implicit or explicit support available to the Clearing Member. The analysis is performed on a predetermined methodology applicable to any Clearing Member.

Article 2.3.1.2

Any Letters of Credit that have been issued by a Clearing Member in favour of LCH SA to cover the obligations of another Clearing Member, pursuant to Articles 2.3.2.3 and 2.3.2.5, shall reduce the issuer's Capital pro tanto.

Article 2.3.1.3

In the case of Business Combinations, the minimum Capital shall be determined by aggregating the Capital of each Person in such combination which is jointly and severally liable, and subtracting any cross-shareholdings between such Persons. The total Capital must at all times be at least equivalent to the minimum amounts set forth in these Clearing Rules.

Article 2.3.1.4

A Clearing Member whose Capital at any point falls below the required amount is obliged to immediately ensure it is brought back up to the minimum requirement, without prejudice to the powers of LCH SA specified in Chapter 5 of this Title.

Article 2.3.1.5

LCH SA shall, on a daily basis, compare the market risk associated with each Clearing Member's level of business with their level of Capital as reported to LCH SA in order to ascertain whether, in LCH SA's opinion, such Clearing Member is sufficiently capitalised to support the level of risk associated with such Clearing Member. In determining whether a Clearing Member is sufficiently capitalised, LCH SA may also consider:

- (i) the Clearing Member's aggregate exposure to other clearing houses and other entities; and/or
- (ii) the total amount of Collateral deposited with, transferred to or otherwise delivered to LCH SA by the Clearing Member.

In the event that LCH SA considers that a Clearing Member is not sufficiently capitalised to support the level of risk associated with its Open Position, LCH SA may take any measures it considers necessary to contain its exposure, including, inter alia, a request for additional margin, reduction in exposures, and/or increase in net capital.

Section 2.3.2 Provisions Related to Securities and Derivatives Product Groups

Article 2.3.2.1

LCH SA may apply the provisions of this Section to the Clearing Members' clearing Transactions in Financial Instruments executed on a market which has neither the status of Regulated Market nor MTF, if all Financial Instruments that may be traded on such market are traded elsewhere on a Regulated Market.

Article 2.3.2.2

An Individual Clearing Member must at all times maintain Capital of at least EUR 10 million.

If the Clearing Member is not able to fulfil this requirement, a Letter of Credit may be accepted subject to the conditions set forth below to cover the shortfall.

Article 2.3.2.3

An Individual Clearing Member with Capital between EUR 5 and EUR 10 million must provide a Letter of Credit in favour of LCH SA to cover the shortfall.

In such case, the identity of the issuer must be satisfactory to LCH SA.

Article 2.3.2.4

A General Clearing Member must at all times maintain Capital of at least EUR 25 million. The required Capital depends on the number of Trading Members/Market Members cleared by the General Clearing Member, and is determined as follows:

- EUR 30 million from the tenth Trading Member/ Market Members cleared;
- EUR 33.75 million from the fifteenth Trading Member/ Market Members cleared;
- EUR 37.5 million from the twentieth Trading Member/ Market Members cleared and above.

If the Clearing Member is not able to fulfil such requirement, a Letter of Credit may be accepted subject to the conditions set forth below, to cover the shortfall.

Article 2.3.2.5

A General Clearing Member with Capital below the amounts stipulated in Article 2.3.2.3, but in excess of EUR 15 million, must provide a Letter of Credit in favour of LCH SA to cover the shortfall.

In such case, the identity of the issuer must be satisfactory to LCH SA.

Article 2.3.2.6

If LCH SA considers a Regulated Market as insufficiently liquid, it may by a Notice apply the provisions of Section 2.3.3 to the clearing of Transactions executed on that market.

Section 2.3.3 Provisions Related to Trading & Matching Platforms and MTS Italy

Article 2.3.3.1

An Individual Clearing Member wishing to clear Transactions traded or matched via a Trading & Matching Platform and/or via MTS Italy must, unless otherwise permitted by the provisions of this Section, at all times maintain a capital of at least EUR 100 million.

If the Clearing Member is not able to fulfil the financial requirement, a Letter of Credit may be accepted up to a maximum of 50% of the minimum requirement subject to the condition set forth below to cover the shortfall.

Article 2.3.3.2

A General Clearing Member wishing to clear Transactions traded or matched via a Trading & Matching Platform and/or via MTS Italy must at all times maintain Capital of at least EUR 400 million.

If the Clearing Member is not able to fulfil such financial requirement, a Letter of Credit may be accepted up to a maximum of 50% of the minimum requirement subject to the condition set forth below to cover the shortfall.

Article 2.3.3.3

LCH SA may, but is not obliged to, adjust any of the requirements specified in Articles 2.3.3.1 and 2.3.3.3 to take into account a Clearing Member's consolidated financial situation, the quality of its shareholders, members or associates, and its legal structure.

Article 2.3.3.4

If a Letter of Credit has to be issued by a Clearing Member pursuant to Articles 2.3.3.1 and 2.3.3.2, the identity of the issuer must be satisfactory to LCH SA.

Any Letters of Credit that have been issued by a Clearing Member in favour of LCH SA to cover the obligations of another Clearing Member, pursuant to Articles 2.3.3.1 and 2.3.3.2, shall reduce the issuer's Capital pro -tanto.

CHAPTER 4- INFORMATION OBLIGATIONS AND AUDIT

Section 2.4.1 Information

Article 2.4.1.1

The obligation of Clearing Members to provide information also covers information about their Clients (including physical persons), concerning the identity, trading activities and Positions of Clients. LCH SA shall have the right to furnish this information to the same persons as mentioned in Article 1.3.4.1 and on the same terms. LCH SA may give further details as to the application of these provisions in an Instruction.

A. Information upon Request

Article 2.4.1.2

The Clearing Member shall respond , within a reasonable period of time, to all requests for information from LCH SA concerning its clearing activities, exposure to general and financial risks in the context of its clearing activities, or any requests made under the terms and conditions set out in an Instruction.

B. Mandatory Information

Article 2.4.1.3

Clearing Members must send the following information to LCH SA:

(i) Annually:

- audited financial statements – balance sheet, profit and loss accounts, and notes to the annual financial statements;
- audited consolidated financial statements – balance sheet, profit and loss accounts, and notes to the financial statements;
- in addition, LCH.Clearnet SA may at its discretion require the provision of financial accounts and reports for any company belonging to the same Financial Group as the Clearing Member.

(ii) At the intervals required by the Competent Authority or by the regulations of the Home State or at other less frequent intervals accepted by LCH SA:

- interim balance sheet;
- profit and loss account;
- documents concerning prudential supervision of market risks, prepared on a consolidated or unconsolidated basis; and
- statements concerning core capital (tier 1) and supplementary capital (tier 2) as defined by the said authority or regulations.

Article 2.4.1.4

The Clearing Member must ensure that it complies with the standards and principles of applicable laws, rules and regulations in relation to the prevention and detection of money-laundering, combating the financing of terrorism, and international sanctions in all relevant jurisdictions and upon request from LCH SA, will be required to evidence the same.

Article 2.4.1.5

A Clearing Member must notify LCH SA in advance in writing of every change in the data supplied in its application for admission and of any facts and circumstances concerning the Clearing Member which may significantly affect the exercise of its duties or the orderly conduct of its activities as a Clearing Member. Such developments include in particular without limitation:

- (i) developments which could, or are likely to, result in the Clearing Member no longer being able to comply with its obligations under the Clearing Rules ;

- (ii) any significant change in its financial situation, in particular where shareholders' equity or Letters of Credit have declined by more than 10% compared with the amounts previously reported or if shareholders' equity and Letters of Credit fall below the amount specified in Chapter 3 of Title II of these Rules;
- (iii) any other change which has, or could have, a significant impact on its financial position, reliability or operations ;
- (iv) any change in its legal status or structure, including change of address, office or object under its Articles of Association ;
- (v) changes in the power of control (shareholders) over its business with respect to the appointment and dismissal of its personnel, changes in the composition of its management or executive bodies, in its accounting system or organisation, in the holders of a qualified participating interest in its business, in the participating interests it holds or the joint ventures or alliances it has entered into ; and/or
- (vi) any event occurring between the reporting dates set out in Article 2.4.1.3 that would significantly reduce the Clearing Members' Capital.

The obligation to notify becomes effective at the time the Clearing Member anticipates or becomes aware of the events, or, if earlier, at the time at which the Clearing Member ought reasonably to have anticipated or become so aware.

Article 2.4.1.6

Clearing Members shall send LCH SA a copy of all injunctions, formal notifications or sanctions imposed on them by any Competent Authority in respect of any event that could be relevant for LCH SA.

Article 2.4.1.7

Clearing Members must inform LCH SA of any instances of default they detect among their Clients and/or Indirect Clients.

Section 2.4.2 Audit and Inspection

Article 2.4.2.1

The Clearing Member authorises LCH SA to request all relevant information regarding its payment-delivery commitments in the payment and settlement systems used by LCH SA, either directly or through another organisation.

Article 2.4.2.2

The Clearing Member agrees to submit its clearing activity to inspections by LCH SA, whether on the latter's initiative or at the request of a national Competent Authority, and to respond to all requests by LCH SA for information on a regular or exceptional basis.

It will only decline to provide the required information where it is prevented from doing so by a mandatory provision of law or national regulation.

Article 2.4.2.3

The Clearing Member authorises LCH SA, or any person or entity that has been duly designated, to carry-out an audit of its Systems and Operations. Further, it undertakes to provide all information needed to complete such an audit. LCH SA reserves the right, upon completion of the audit, to require any changes that may prove necessary. The Clearing Member hereby agrees to implement such modifications as soon as possible.

Article 2.4.2.4

For the purpose of this Clearing Rule Book, LCH SA may delegate its investigation powers to any appropriate and professional body which it considers fit.

Where there is any such delegation, LCH SA will ensure the confidentiality of any information provided by the Clearing Member.

The Clearing Member shall have the possibility to deny the attendance of certain LCH SA representatives, experts or other persons, if the Clearing Member is able to prove that they are affected by conflicts of interest.

Article 2.4.2.5

The Clearing Member shall be available during clearing hours.

CHAPTER 5- SUSPENSION AND TERMINATION OF MEMBERSHIP

Section 2.5.1 Common and General Provisions

Article 2.5.1.1

Without prejudice to the possible applicability of the provisions set out in Chapter 5 of Title IV, if LCH SA is of the opinion that some events could, or are likely to, result in a situation in which a Clearing Member is no longer able to satisfy one or more of the requirements set in Chapters 2 and 3 of Title II or endangers the proper functioning of the Clearing System, or can no longer comply with its obligations under these Clearing Rules, LCH SA may:

- (i) suspend its membership;
- (ii) terminate its membership as stated in the Admission Agreement;
- (iii) refuse to register Transactions; and/or
- (iv) subject registration of Transactions to specific conditions, or impose additional conditions which LCH SA deems appropriate in the circumstances and notifies in writing to the Clearing Member.

Article 2.5.1.2

Before exercising any such power, however, LCH SA may, enter into consultations with the Clearing Member, which may result in LCH SA specifying the latest date and time limit within which the Clearing Member must have remedied the situation.

Article 2.5.1.3

In the event a Clearing Member breaches or no longer complies with any of the requirements set out in this Title II, LCH SA shall consult with the relevant Competent Authority to determine whether such breach shall be publicly disclosed in accordance with EMIR, in which case the suspension or revocation of such membership shall be promptly notified to: (i) the Clearing Members by means of publication in a Notice ; and (ii) to the relevant Market Undertaking(s).

Section 2.5.2 Suspension

Article 2.5.2.1

In any event and at any time, LCH SA may decide to temporarily suspend a Clearing Member's activities subject to the conditions set out in the Admission Agreement. The Clearing Member shall inform its Clients accordingly.

Such Clearing Member is informed in writing of the reasons for suspension.

Article 2.5.2.2

When a Clearing Member's membership is suspended, LCH SA shall suspend the registration of any new Transactions in the Clearing Member's name. However, LCH SA may decide, in view of the particular circumstances to only suspend the registration of a new Transaction increasing the Clearing Member's Open Position. The Clearing Member will continue to be required to provide Collateral and settle Open Positions as they fall due.

Section 2.5.3 Termination

Article 2.5.3.1

A Clearing Member shall have the right at all times to terminate its membership as a Clearing Member, as specified in the Admission Agreement.

Article 2.5.3.2

In any event and at any time, LCH SA may decide to terminate a Clearing Member's membership subject to the conditions set out in the Admission Agreement. The Clearing Member shall inform its Clients accordingly.

Such Clearing Member is informed in writing of the reasons for termination.

The termination is subject to a period of notice set out in the Admission Agreement.

Article 2.5.3.3

When a Clearing Member's membership is terminated, LCH SA shall discontinue registration of any new Transactions in the Clearing Member's name and transfer to another Clearing Member or liquidate the Clearing Member's Open Position(s).

TITLE III – CLEARING OPERATIONS

CHAPTER 1- REGISTRATION

Section 3.1.1 Registration of Transactions

Article 3.1.1.1

From the matching of the Transaction, LCH SA guarantees that the Transaction is automatically and immediately registered in the Clearing System in accordance with Article 1.3.2.1.

LCH SA will not be held liable if a Transaction is not registered or is improperly registered in the Clearing System because of a third party's fault or Force Majeure.

Article 3.1.1.2

LCH SA shall keep accounting records of the Trade Legs of all Clearing Members concerning the Financial Instruments they are due to receive and deliver and of the related rights and obligations, by means of an account which LCH SA opens in its books in the name of each Clearing Member.

A. Registration of Transactions Registered in the Cash & Derivatives Clearing System

Article 3.1.1.3

The Cash & Derivatives Clearing System, monitors Transactions on real time basis, and is a single system for processing Transactions carried out on markets operated by a Market Undertaking, in respect of both Securities and Derivatives Product Groups.

Article 3.1.1.4

Each Clearing Day, LCH SA registers in real time Transactions carried out in Securities & Derivatives Product Groups in accordance with Article 1.3.2.1.

LCH SA informs each Clearing Member of the Trade Legs registered in its name.

Article 3.1.1.5

LCH SA also registers in real time Transactions resulting from the exercise or assignment of options on Securities.

B. Registration of Transactions Registered in the Fixed Income Clearing System

Article 3.1.1.6

The Fixed Income Clearing System is a real-time system for the monitoring of Transactions in respect of debt securities (including sell & purchase transactions as well as Repos) carried out on Trading & Matching Platforms or MTS Italy.

Article 3.1.1.7

Each Clearing Day, , LCH SA registers in real time Transactions in accordance with Article 1.3.2.1, within the clearing hours, as set-out in a Notice.

Article 3.1.1.8

LCH SA may prescribe the criteria which Transactions executed on or reported by Trading & Matching Platforms or MTS Italy must meet in order for them to be registered in real time.

Article 3.1.1.9

Upon real-time registration by LCH SA, Transactions governed by a national or international master agreement become immediately subject to the Clearing Rules, which override the provisions of such master agreement.

Section 3.1.2 Registration of Open Positions in the Cash & Derivatives Clearing System

Article 3.1.2.1

On the basis of the registered Transactions, LCH SA calculates an Open Position per Clearing Member per Delivery Account, per Financial Instrument and per Settlement Date.

Article 3.1.2.2

LCH SA may perform adjustments, on Open Positions reflecting corporate events or flows at the record date in compliance with market practices and/or the information of the relevant Market Undertaking or the relevant CSD of Reference or the Securities settlement system and in the currencies listed in a Notice.

CHAPTER 2 - ACCOUNT STRUCTURE

Article 3.2.0.1

LCH SA opens in the Clearing System an Account Structure in the name of each Clearing Member.

The said Account Structure is created by LCH SA in accordance with the Clearing Member's instructions pursuant to this Chapter 2 and provided it does not adversely affect, or is not likely to adversely affect, the proper functioning of the Clearing System.

Article 3.2.0.2

The Clearing Member may request the opening of several Individual Segregated Account Structure(s) and Omnibus Segregated Account Structure(s) for the account of its Clients or Indirect Clients provided that the opening of such Client Account Structure(s) does not adversely affect, or is not likely to adversely affect, the proper functioning of the Clearing System.

Section 3.2.1 Trade Legs Registration

A. Trade Legs Registration in the Cash & Derivatives Clearing System

A.1. Position Accounts

Article 3.2.1.1

Registration of Trade Legs in the Clearing Member's books shall be identical to the Posting performed in its Position Accounts in the Clearing System, as described in an Instruction.

Article 3.2.1.2

For each Clearing Member, LCH SA opens at least:

- (i) one House Position Account in the House Account Structure of such Clearing Member; and
- (ii) one Client Position Account in each Client Account Structure of such Clearing Member, where relevant.

Without prejudice to the above principles, the Clearing Member can request to open as many additional Position Accounts as needed. Such additional Position Account(s) is (are) opened at the Clearing Member's sole discretion.

The Clearing Member registers each Trade Leg in the relevant Position Account, such registration being the sole responsibility of the Clearing Member.

Therefore, all the Trade Legs registered in the Position Accounts of a Clearing Member are deemed to have been posted in the correct Position Accounts.

A.2. Market Maker's Position Accounts

Article 3.2.1.4

In addition to the Position Accounts mentioned in Article 3.2.1.1, LCH SA will open one or more Market Maker Position Accounts for Clearing Members that act as Market Makers.

Such Position Accounts are exclusively opened upon request of such-Clearing Members to register the Trade Legs related to:

- (i) its own trading activity as Market Maker; and/or
- (ii) for its Trading Members which carry out an activity as Market Maker in accordance with a Market Maker agreement entered into with the relevant Market Undertaking.

Checking the existence of such Market Maker agreement is the sole responsibility of the Clearing Member.

Such Market Maker's Position Accounts are managed on a net basis.

Article 3.2.1.5

The Market Maker's Position Account registers exclusively all Transactions executed by (i) the Clearing Member in its capacity as a Market Maker or, as applicable, (ii) by a Trading Member in its capacity as Market Maker.

B. Trade Legs Registration in the Fixed Income Clearing System

Article 3.2.1.6

For each General Clearing Member, LCH SA opens at least:

- (i) one House Position Account in the House Account Structure of such General Clearing Member; and
- (ii) one Client Position Account in each Client Account Structure of such General Clearing Member.

Without prejudice to the above principles, the General Clearing Member can request to open as many additional Position Accounts as needed. Such additional Position Account(s) is (are) opened at the Clearing Member's sole discretion.

Article 3.2.1.7

For each Individual Clearing Member, LCH SA opens at least one House Position Account in the House Account Structure of such Individual Clearing Member.

Without prejudice to the above principle, the Individual Clearing Member can request to open as many additional House Position Accounts as needed. Such additional House Position Account(s) is (are) opened at the Clearing Member's sole discretion.

Article 3.2.1.8

LCH SA informs each Clearing Member both on real-time basis and, on a daily consolidated basis, of the Trade Legs registered in its name.

Article 3.2.1.9

Corporate events on Transactions in respect of debt Securities shall be managed as set out in an Instruction.

Section 3.2.2 Risk management

A. For Transactions Registered in the Cash & Derivatives Clearing System

A.1. Margin Accounts

Article 3.2.2.1

Within each Margin Account of each Clearing Member, for the purpose of risk calculation, as described in Title IV "Risk Management", LCH SA nets, per Financial Instrument, the Trade Legs registered in the Position Account(s) which are attached to such Margin Account.

Article 3.2.2.2

For each Product Group in which the Clearing Member is active, LCH SA shall open at least:

- (i) one House Margin Account in the House Account Structure of such Clearing Member; and
- (ii) one Client Margin Account in each Client Account Structure of such Clearing Member.

Without prejudice to the above principles, the Clearing Member can request to open as many additional Margin Accounts as needed. Such additional Margin Account(s) is (are) opened at the Clearing Member's sole discretion.

Article 3.2.2.3

A Client Margin Account may be linked to one or more Client Position Account(s) depending on the level of segregation requested by the relevant Client(s).

A.2. Market Makers Margin Accounts**Article 3.2.2.4**

Upon request of a Clearing Member, in addition to the Margin Accounts mentioned in Article 3.2.2.1, LCH SA will open, one or more:

- (i) House Margin Accounts for the registration of its House Open Positions resulting from Transactions negotiated by such Clearing Member in its capacity as Market Maker;
- (ii) Client Margin Accounts for the registration of Client Open Positions resulting from Transactions negotiated by their Trading Members which have entered into a Market Maker agreement with the relevant Market Undertaking. Checking the existence of such Market Maker agreement is the sole responsibility of the Clearing Member.

Article 3.2.2.5

The Market Maker's Margin Account registers exclusively all Transactions executed for the Clearing Member's own account in its capacity as Market Maker or, as applicable, for the account of a Trading Member in its capacity as a Market Maker.

B. For Transactions Registered in the Fixed Income Clearing System**B.1. Margin Accounts****Article 3.2.2.6.**

Pursuant to the risk calculation described in Title IV, LCH SA carries-out daily or several times a day, a Margin calculation on the basis of Open Positions corresponding to the Trade Legs registered in the Clearing Member's Position Accounts.

For the purpose of risk calculation, the off-setting is performed by origin (Client Account or House Account) and by Financial Instrument.

B.2. Collateral Accounts**Article 3.2.2.7**

For each Clearing Member, LCH SA shall open at least:

- (i) one House Collateral Account in the House Account Structure of such Clearing Member; and
- (ii) one Client Collateral Account in each Client Account Structure of such Clearing Member.

Without prejudice to the above principles, the Clearing Member can request to open as many Collateral Accounts as it needs. Such additional Collateral Account(s) is (are) opened at the Clearing Member's sole discretion.

Article 3.2.2.8

A Client Collateral Account may be linked to one or more Client Margin Account(s) depending on the level of segregation requested by the relevant Clearing Member.

Section 3.2.3 Settlement

A. For Transactions Registered in the Cash & Derivatives Clearing System

Article 3.2.3.1

For each Clearing Member, LCH SA opens at least one Delivery Account.

Without prejudice to the above principles, the Clearing Member can request LCH SA to open as many Delivery Accounts as it needs. Such additional Delivery Account(s) is (are) opened at the Clearing Member's sole discretion.

Article 3.2.3.2

At the Clearing Member's request and at its sole responsibility, Open Positions contained in one or several Position Account(s) are registered in one or several Delivery Account(s), according to criteria set out in an Instruction.

Article 3.2.3.3

Each Delivery Account is linked to one Settlement Address for the delivery of Securities and to one Settlement Address per currency, for payment of cash.

Article 3.2.3.4

The organisation of the Delivery Accounts reflects the Clearing Member's use of the Settlement Agent(s)/Payment Agent(s) facility. For delivery versus payment purposes, a Clearing Member can use the services of one or several Payment Agent(s) per central bank and per Credit Institution, accepted by LCH SA, and/or one or several Settlement Agent(s) per securities settlement system and/or per central securities depository.

The Clearing Member notifies to LCH SA, the complete settlement address details so that LCH SA can parameterise the roll up from the relevant Position Accounts of such Clearing Member to its Delivery Accounts according to the conditions set out in an Instruction.

B. For Transactions Registered in the Fixed Income Clearing System

Article 3.2.3.5

On the basis of Trade Legs registered in the Position Accounts, LCH SA calculates Open Positions by ISIN code and by intended Settlement Date at the end of the Clearing Day before the intended Settlement Date.

Article 3.2.3.6

As an exception to the above Article, LCH SA does not calculate Open Positions for settlement purpose on the basis of Trade Legs resulting from:

- (i) Same-day Repos Initial Transactions; and
- (ii) Transactions in Fixed Income Securities received on D after the cut off time set-out in a Notice and whose intended Settlement Date occurs on D+1 ("late trades" as set-out in a Notice).

Such Trade Legs are settled on a gross basis.

Section 3.2.4 Client Account Structure of Indirect Clients

Article 3.2.4.1

A Clearing Member shall open, in respect of its Indirect Clients, one or several dedicated Client Account Structures which will be composed of Client Accounts pursuant to Sections 3.2.1 to 3.2.3.

Article 3.2.4.2

For the Fixed Income Clearing System, a Clearing Member may request the opening of a Client Account Structure for Indirect Client(s) provided that:

- (i) the relevant Client has opted for an Individual Segregated Account Structure; and

- (ii) the Indirect Client can trade Fixed Income Securities directly on Trading & Matching Platforms and/or MTS Italy.

Article 3.2.4.3

For the Cash and Derivatives Clearing System, a Clearing Member may request the opening of the following Client Account Structure(s) for Indirect Client(s) exclusively:

(a) one or several Gross Omnibus Segregated Account Structures, where Indirect Client(s) relate to a single Known Client only;

(b) one or several Net Omnibus Segregated Account Structures, where Indirect Client(s) relate(s) to different Clients.

The opening of the above Client Account Structures for Indirect Client(s) by LCH SA shall be made upon the request, and under the sole responsibility, of the Clearing Member.

CHAPTER 3 - OPERATIONAL MANAGEMENT

Section 3.3.1 General Provisions for Transactions Registered in the Cash & Derivatives Clearing System

A. Give-up

Article 3.3.1.1

Give-Up is performed by use of the specific functions available to Clearing Members in the Clearing System.

Terms and conditions for Give-Up are set out in an Instruction.

Article 3.3.1.2

A Give-Up function may involve a sending Clearing Member ("the allocator") and a receiving Clearing Member ("the allocatee").

In such case, the receiving Clearing Member must accept, by a take-up, the Give-Up. It must confirm the recording of the Transaction in its books by the appropriate Posting.

B. Transaction Cancellation

Article 3.3.1.3

The cancellation of a Transaction is possible only upon the request of the relevant Market Undertaking, as specified in its Trading Rules.

Such request results in LCH SA cancelling the two corresponding Trade Legs. Therefore, the obligation of delivery and the corresponding obligation of payment are revoked, and parties are put back in the situation as if the relevant Clearing Members obligations had never existed.

The conditions under which such cancellation may occur are set out in an Instruction.

C. Correction

Article 3.3.1.4

Terms and conditions for Corrections are set out in an Instruction

D. Transfer of Open Positions

Article 3.3.1.5

The Transfer of Open Positions shall have no consequences on the segregation principles set out in Title III Chapter 2.

Transfers of Open Positions may be carried out till the expiry of the relevant Open Positions.

The Transfer of an Open Position is performed by LCH SA upon the explicit request of the Clearing Members pursuant to the conditions set out in an Instruction.

E. Exercise and Assignment (for Derivatives)

Article 3.3.1.6

An Instruction specifies how Assignment takes place for each option contract upon Exercise.

When exercised, an option on underlying Financial Instruments is either converted on the Exercise date into a Transaction in such underlying Financial Instruments at the exercise price or cash settled.

The trades thus generated are registered and settled under the terms and conditions set out in an Instruction.

Section 3.3.2 Functionalities Available in the Fixed Income Clearing System

Article 3.3.2.1

A reverse Transaction, having the same intended Settlement Date as the initial Transaction may, following to the netting process, limit or cancel the effects of the initial Transaction provided that such reverse Transaction is registered in the Clearing System at the latest on the Clearing Day before the intended Settlement Date of the initial Transaction and within the clearing hours, as set-out in a Notice. Such process is initiated by the related Clearing Member(s).

CHAPTER 4 - SETTLEMENT AND DELIVERY

Section 3.4.1 Settlement and Delivery of Transactions Registered on the Cash & Derivatives Clearing System

A. Common Provisions

A.1. General

Article 3.4.1.1

For Transactions registered in the Cash & Derivatives Clearing System carried out on markets operated by a Market Undertaking, giving rise to delivery of Financial Instruments, payment and delivery of Financial Instruments, are made, except as otherwise stipulated in an Instruction, through a system called "settlement connect", which is managed by LCH SA.

Article 3.4.1.2

Without prejudice to Article 1.3.2.5, which defines legal enforceability of netting, the Clearing Day before the Settlement Date, after having processed the corporate events, LCH SA operationally nets all the Open Positions having the same Settlement Date which are registered in one Delivery Account and sends the settlement instructions to the corresponding Settlement Addresses. Delivery and payment instructions may give rise to partial payments and deliveries.

Article 3.4.1.3

Following the operational netting of Open Positions within the Delivery Account, LCH SA will apply Net Fails'management process set out in an Instruction.

Article 3.4.1.4

Following a continuous net settlement process, if an Open Position is not settled, an adjustment will take place upon the terms specified in an Instruction.

Article 3.4.1.5

A Clearing Member can choose to have Securities delivered/debited either at the relevant central securities depository or at a securities settlement system, pursuant to the conditions set out in an Instruction.

A.2. Provisions Relating to Derivatives (excluding commodities)

Article 3.4.1.6

When clearing Derivatives, the underlying of which are Securities, a Clearing Member, which is not itself a Trading Member or a Clearing Member on the corresponding Securities markets must designate one Trading Member or Clearing Member active on the market where the underlying is traded and having the appropriate settlement solutions to perform all its Exercises or Assignments of option contracts.

Article 3.4.1.7

The delivery of the underlying Financial Instruments of Derivatives is performed on outstanding Open Positions at the maturity date and under the conditions set out in an Instruction. The delivery gives rise either to the exchange of underlying asset against cash payment, or to a cash settlement. Upon expiry of a Derivative, either the delivery of the underlying Securities, or a cash settlement occur pursuant to the conditions set out in an Instruction.

A.3. Provisions Related to Commodities

Article 3.4.1.8

Clearing Members must, on a daily basis, net their Open Positions registered in their Position Account. In case of failure to perform such obligation, LCH SA will charge a penalty fee for late netting as set out in the fee grid published on the LCH SA web-site.

Article 3.4.1.9

At expiry, any Open Position gives rise to the payment or delivery of a lot of goods, pursuant to an Instruction, within the limits of Article 1.3.2.9.

Article 3.4.1.10

For the delivery of commodities, a buying Clearing Member and a selling Clearing Member are placed in contact with each other.

The delivery requirements for commodities' contracts take account of customary practices in the relevant physical market, as specified in a Notice.

Article 3.4.1.11

Clearing Members can opt between the two following delivery procedures:

- LCH SA delivery procedure (also known as "MATIF guarantee") whereby LCH SA's obligations, as set out in Article 1.3.2.6 and 1.3.2.9 of the Clearing Rule Book, apply ;
- An alternative delivery procedure, consisting in an amicable agreement between the selling Clearing Member and the buying Clearing Member on the delivery terms. In such case, LCH SA's obligations, as set out in Article 1.3.2.6 of the Rule Book, will not apply.

Unless otherwise stated by the Clearing Members on the third Clearing Day following the contract expiry, according to a process defined in an Instruction, the LCH SA delivery procedure applies.

Article 3.4.1.12

The delivery requirements for commodities contracts are detailed in an Instruction.

Section 3.4.2 Settlement and Delivery of Transactions Registered in the Fixed Income Clearing System.

Article 3.4.2.1

For Transactions carried out on Trading & Matching Platforms or MTS Italy, payment and delivery thereof are made pursuant to an Instruction.

Article 3.4.2.2

As far as Transactions executed on and reported on Trading & Matching Platforms or on MTS Italy are concerned, and without prejudice to provisions regarding calculation of Margin, LCH SA sends on the Clearing Day before the intended Settlement Date of the relevant Transaction, settlement instructions, on the basis of Open Positions as described in Article 3.2.3.5 or Trade Legs as described in Article 3.2.3.6, registered in each Delivery Account to the relevant central Securities depository or Securities settlement system.

Article 3.4.2.3

For Transactions in debt Securities listed in a Notice, settlement instructions are divided in regular parcels equal to a pre-defined amount (i.e. shape size), in order to reduce the size of each instruction pursuant to the conditions specified in a Notice. The residual balance will constitute an additional instruction.

Notwithstanding the above, if instructions remain unsettled and are lower than the regular parcels referred to above, LCH SA may request the buying Clearing Member to accept the partial delivery of Securities under the conditions set out in an Instruction. If the latter refuses to do so, LCH SA may charge the buyer for the cost of capital or cash employed as a result of its refusal to do so.

Article 3.4.2.4

Each Delivery Account is linked to one Settlement Address.

The organisation of the Delivery Accounts reflects the Clearing Member's use of the Settlement Agent(s)/Payment Agent(s) facility. A Clearing Member can use the services of one or several Payment Agent(s) per central bank and per Credit Institution, accepted by LCH SA, and/or one or several Settlement Agent(s) per Securities settlement system and/or per central Securities depository.

Section 3.4.3 Settlement Failure

A. Net Fails

Article 3.4.3.1

Net Fails may at any time be subject to repurchase or resale at the initiative of LCH SA. Such repurchase or resale is to be made in accordance with buy in or sell out procedures specified in an Instruction, at the risk and expense of the defaulting Clearing Member.

Article 3.4.3.2

Net Fails are subject to an indemnity for late delivery or payment, charged to the defaulting Clearing Member by LCH SA pursuant to the fee grid.

Article 3.4.3.3

In case of Net Fails corresponding to Transactions registered in the Cash and Derivatives Clearing System, LCH SA continues to call Variation Margin for the failed Open Positions. No additional Initial Margin is required for such Open Positions.

In case of Net Fails corresponding to Transactions registered in the Fixed Income Clearing System, LCH SA will call dedicated Margin (negotiation risks on Net-Fails) as stated in an Instruction.

B. Management of Settlement Failure for Futures Contracts on Commodities

Article 3.4.3.4

Settlement failures in respect of commodities futures contracts are subject to an indemnity for late delivery or late payment, charged to the defaulting Clearing Member by LCH SA, pursuant to an Instruction.

Article 3.4.3.5

In case of payment or delivery failure corresponding to Transactions in futures contracts in respect of commodities, LCH SA continues to call Variation Margin for the failed Open Positions, until receipt of the notice of performance dully fulfilled and signed by the buying Clearing Member and the selling Clearing Member. No additional Initial Margin is required for these Open Positions.

Article 3.4.3.6

The delivery failure procedure is defined in an Instruction.

CHAPTER 5 - REGISTRATION IN A TRADE REPOSITORY

Article 3.5.1

LCH SA shall report for itself, and on behalf of Clearing Members, the details of each Trade Leg resulting from Transactions in Derivatives Markets and any modification or termination of such Trade Leg to a Trade Repository no later than the working day following the conclusion, modification or termination of such Trade Leg, in accordance with the requirements of EMIR.

For the avoidance of doubt, LCH SA does not report to the Trade Repository any Transaction entered into between a Clearing Member and/or any of its Clients.

The reporting service to a Trade Repository will be implemented by LCH SA at a date to be specified in a Notice.

TITLE IV – RISK MANAGEMENT

CHAPTER 1 - GENERAL PROVISIONS

Article 4.1.0.1

The risk calculations described in this Title are based on the Open Positions registered in the Clearing Members' Margin Accounts as described in Section 3.2.2.

Article 4.1.0.2

At LCH SA's request, Clearing Members shall communicate to LCH SA all information concerning the identity, the Positions, and the solvency of their Clients.

They will only decline to provide the required information where they are prevented from doing so by a mandatory provision of law or national regulation.

Article 4.1.0.3

LCH SA can request information daily from the Clearing Member in order to continuously monitor the risk management as performed by the Clearing Member.

Article 4.1.0.4

LCH SA requires Clearing Members to open Position Accounts, in order to record separately the Positions of the Clearing Member's Clients under the conditions set out in an Instruction.

Article 4.1.0.5

LCH SA may define Open Position limits and limits on risk exposure applicable to Clearing Members. Such limits are set out in an Instruction.

Article 4.1.0.6

When these limits are reached, LCH SA can increase the Margin requirements in respect of a Clearing Member's Open Positions after having informed the operators of the relevant market or Trading & Matching Platforms.

Article 4.1.0.7

In addition, LCH SA may order a Clearing Member to reduce its Open Positions within a stipulated time limit. If the size of the Open Positions is not reduced within the time limit, LCH SA can automatically liquidate the Open Positions that exceed the authorised limits. Moreover, LCH SA can also establish a market position limit and may require that, from a specified date onwards, only closing orders will be accepted.

CHAPTER 2 - MARGIN REQUIREMENTS

Article 4.2.0.1

Variation Margin and Initial Margin are debited or credited by LCH SA on a daily basis.

Article 4.2.0.2

Intra-day Margin is called and debited in case of exceptional circumstances pursuant to the terms and conditions described in an Instruction and in a Notice.

Article 4.2.0.3

In addition to Margin LCH SA shall, in its sole discretion, at all times and at any time during the day, be entitled to impose upon a Clearing Member additional margin requirements as it reasonably deems useful or necessary.

This can be done either on an individual basis or based on the nature of the Financial Instruments to which the relevant Open Positions relate. Any decision made on the basis of these provisions will be duly notified to the Clearing Members.

Article 4.2.0.4

Unless otherwise indicated by LCH SA, the Clearing Member(s) in question shall be obliged to ensure that the amount of Collateral corresponding to the additional margin requirement is transferred or, as the case may be, guaranteed, at the latest within one hour of it having been informed thereof.

Article 4.2.0.5

LCH SA shall publish in an Instruction:

- (i) the method used to calculate Margin requirements;
- (ii) the type of Securities, assets or bank guarantees to be accepted as Collateral to meet Margin calls by LCH SA and by Clearing Members; or
- (iii) Margin requirements.

LCH SA shall publish in a Notice:

- (i) parameters used to calculate Initial Margin;
- (ii) any discount ("haircut") to be applied to the market value of Collateral, depending on its nature and maturity;
- (iii) price fluctuation limits; and
- (iv) Intra-day Margin detailed terms and conditions and notably thresholds and frequency.

Article 4.2.0.6

Clearing Members shall call initial margin and variation margin from their Clients having Positions in Securities or Derivatives traded on Market Undertakings in an amount based on the same parameters and methodology as the LCH SA Initial Margin and Variation Margin requirements.

LCH SA may authorise the use of other methods and parameters after having checked that they are adequate and that they offer the same level of security in relation to the risks it assumes. To this end, the Clearing Member must submit the details of the method it proposes to LCH SA for prior approval. Submitted methods will be assessed by LCH SA on a case by case basis.

As far as Intra-day Margin is concerned, the Clearing Members have no obligation to call for Intra-day Margins from their Clients having Positions in Derivatives traded on Market Undertakings in an amount based on the same parameters and methodology as the LCH SA Intra-day Margin.

Article 4.2.0.7

Clearing Members clearing Securities shall ensure that their Clients provide them with such collateral as the Clearing member considers from time to time necessary for the proper completion of the Client's Positions.

Article 4.2.0.8

No Margin will have to be charged if the settlement obligation of the Client is covered by the cash equivalent in case of purchase, or the Securities equivalent in case of a sale. The amount in cash or the number of Securities is blocked by the Clearing Member from the execution up until the Transaction is settled.

Article 4.2.0.9

Once the Settlement Price has been communicated, the Variation Margin and Initial Margin amounts become immediately payable without further notice. An Instruction specifies the maximum time limit for payment of the Variation Margin and Initial Margin amount.

Article 4.2.0.10

LCH SA shall calculate and call Margin on Transactions executed on Trading & Matching Platforms, as specified in an Instruction.

CHAPTER 3 - DEFAULT FUND

Article 4.3.0.1

Three separate Default Funds are established by LCH SA pursuant to this Clearing Rule Book:

- (i) one for Clearing Members complying with the financial requirements set-out in Section 2.3.2 and authorised to clear Transactions in Securities and/or Derivatives Product Groups (excluding MTS Italy); (the "**cash and derivatives Default Fund**");
- (ii) one for Clearing Members complying with the financial requirements set-out in Section 2.3.3 and authorised to clear Transactions executed on, or reported by, Trading & Matching Platforms and the MTS Italy Regulated Market; (the "**fixed income Default Fund**" ; and
- (iii) one for Clearing Members complying with the financial requirements set-out in Section 2.3.3 and authorised to clear Triparty Repos; called the "**Triparty Repo Default Fund**".

The purposes of the Default Fund are the same in each case.

However, each of the cash and derivatives Default Fund, fixed income Default Fund and Triparty Repo Default Fund may only be used to cover losses resulting from an Event of Default relating to a Clearing Member's cash and derivatives business, and fixed income business or Triparty Repo business respectively.

Section 4.3.1 Contribution to the Default Funds

Article 4.3.1.1

A Clearing Member is obliged to contribute to the relevant Default Fund(s) mentioned in Article 4.3.0.1 according to the terms and conditions set-out in an Instruction. Such contribution will depend on the Product Group(s) that it is authorised to clear and it will be delivered by:

- (i) transferring Collateral outright to LCH SA; or
- (ii) by transferring, directly or indirectly, to a central bank, assets accepted as Collateral by such central bank under the conditions defined by the central bank for the issuance by it of a guarantee in favour of LCH SA.

In the second case, the Clearing Member must ensure the performance of the central bank's obligations by entering into arrangements acceptable to LCH SA for the issuance of such guarantees.

Thus, the Clearing Member must fulfil its obligation to provide eligible Collateral to the central bank within the time stipulated in the relevant Counter-guarantee Agreement so that the central bank can issue its guarantee to LCH SA within the time and under the conditions specified in a Notice.

Article 4.3.1.2

The amount to be contributed by a Clearing Member to the relevant Default Fund shall be determined taking into account the risk associated with the Open Positions of such Clearing Member in respect of the relevant Product Group(s).

Article 4.3.1.3

Once a month, LCH SA shall determine the size of each Default Fund and the level of each individual Clearing Member's contribution. The method of calculation of such contribution together with the level of any applicable minimum contribution is specified in an Instruction. Upon being authorised to clear a new Product Group, and before starting their activities in relation thereto, Clearing Members shall be required to pay the minimum contribution to the relevant Default Fund, where applicable.

Section 4.3.2 Calls on the Default Funds

Article 4.3.2.1

Calls may be made on the relevant Default Fund following an Event of Default, in accordance with the provisions of Article 4.5.2.7 (for the avoidance of doubt, following an Event of Default, LCH SA is allowed

to draw partial amounts from the relevant Default Fund as many times as needed to cover the estimated losses incurred as a result of, following, or in connection with, an Event of Default).

Article 4.3.2.2

Following a call, funds received from a central bank pursuant to any guarantees issued in favour of LCH SA as provided in Article 4.3.1.1 shall provide a valid discharge of the amount owed by the respective Clearing Members.

Article 4.3.2.3

If LCH SA calls upon one of the Default Funds, it shall use the sums provided to perform its obligations under Section 1.3.2 and to cover the repayment of any related loans, expenses, damages, interest charges and/or other expenditure.

Article 4.3.2.4

Should there be any surplus after such performance, or profits earned from the performance of its obligations, then such amounts shall be repaid by LCH SA to the contributors in proportion to their respective contributions either directly, or where applicable, via the central bank.

Section 4.3.3 Refilling of the Default Funds and Service Continuity

A. Refill Contributions to the Default Funds

Article 4.3.3.1

If an Event of Default in relation to a Clearing Member is declared under the Clearing Rules and a call has been made on the fixed income Default Fund, the cash and derivatives Default Fund or the Triparty Repo Default Fund, as relevant, and LCH SA determines that a certain percentage thereof (to be set out in an Instruction) has been used, LCH SA may, by notice in writing, require each non-Defaulting Clearing Member contributing to the relevant Default Fund to deposit and maintain with LCH SA an additional contribution amount (each a “**Refill Contribution**”) in accordance with the provisions set out in an Instruction (for the avoidance of doubt, Refill Contributions will be considered unfunded as long as LCH SA has not issued such a notice).

B. Service Continuity

Article 4.3.3. 2

In relation to losses attributable to the fixed income, the cash and derivatives or the Triparty Repo activity of a Defaulting Clearing Member, where, after an Event of Default, LCH SA determines that the losses resulting from such Event of Default will exceed the amounts to be applied to it under Article 4.5.2.7 (1) to (5) (a), LCH SA may implement the relevant loss distribution process (the “**Fixed Income Loss Distribution Process**”, and the “**Cash and Derivatives Loss Distribution Process**”, and the “**Triparty Repo Loss Distribution Process**” respectively) to be set-out in an Instruction (the “**Fixed Income Service Continuity and Service Closure Instruction**”, the “**Cash and Derivatives Service Continuity and Service Closure Instruction**”, and the “**Triparty Repo Service Continuity and Service Closure Instruction**” respectively), pursuant to which the non-Defaulting Clearing Members will be required to contribute individually to such losses in an amount which may not exceed 100% of each non-Defaulting Clearing Member’s contribution to the relevant Default Fund immediately prior to the occurrence of such Event of Default (the “**Service Continuity Contribution**”). The Service Continuity Contribution shall be in addition to the contributions and Refill Contributions of each non-Defaulting Clearing Member to the relevant Default Fund.

C. Service Closure

Article 4.3.3.3

Where, following the conclusion of the Fixed Income Loss Distribution Process, the Cash and Derivatives Loss Distribution Process, or the Triparty Repo Loss Distribution Process, LCH SA determines that it would not in future have sufficient resources to meet its contractual obligations towards non-defaulting Clearing Members in connection with the Fixed Income Clearing Service, the Cash and Derivatives Clearing Service, or the Triparty Repo Clearing Service respectively, LCH SA shall first invite

non-defaulting Clearing Members to make voluntary payments and, if such voluntary payments are not sufficient, may then implement the relevant service closure process set out in the relevant Instruction.

D. Effect on Termination of Clearing Members' Membership

Article 4.3.3.4

As long as there remains a default management process (as contemplated by Article 4.5.2.6) outstanding in relation to any Event of Default and until the expiry of the Cash and Derivatives Default Period of the Fixed Income Default Period, or of the Triparty Repo Default Period, as set-out in the above mentioned relevant Instruction, no resignation or termination of a Clearing Member's LCH SA membership will become effective and all non-Defaulting Clearing Members (including resigning Clearing Members and Clearing Members whose Clearing Member status is to be terminated for whatever reason) shall remain liable for all the obligations contained in Articles 4.3.3.1 and 4.3.3.2 above and in the relevant Instructions, in relation to any Event of Default which has occurred in relation to the relevant Product Group before the expiry of such Fixed Income Default Period, Cash and Derivatives Default Period, or Triparty Repo Default Period, as applicable.

Section 4.3.4 Other Provisions

Article 4.3.4.1

Payment of any amount referred to in this Chapter shall not discharge the Defaulting Clearing Member from its obligation to perform properly its obligations and pay compensation for any damage caused by its Event of Default.

Article 4.3.4.2

LCH SA will promptly report to the Clearing Members on, and account for, any withdrawals made from the Default Funds.

Upon the effective day of termination of the membership, and subject to the relevant Clearing Member having fully discharged all its obligations vis-à-vis LCH SA pursuant to the Clearing Rules or the Admission Agreement, LCH SA shall repay to such ex-Clearing Member any of its contributions which have not been used.

CHAPTER 4 - COLLATERAL

Article 4.4.0.1

When the amount of Collateral deposited by a Clearing Member to cover its Margin and Default Fund contribution obligations is more than needed to cover such obligations, LCH SA will deem the surplus of assets governed by the same legal provisions as Collateral.

A. Principles

Article 4.4.0.2

A Clearing Member shall provide sufficient Collateral to LCH SA as necessary for the performance of the obligations of the Clearing Member. The amount of Collateral is determined by LCH SA.

Article 4.4.0.3

Any Collateral required to be provided by a Clearing Member must be provided not later than the time set by LCH SA in an Instruction.

Where the Clearing Member is to provide Collateral in the form of the issuance of a guarantee by a central bank, it must fulfil its obligation to provide eligible collateral to the central bank by the time stipulated in the relevant guarantee agreement so that the central bank can issue its guarantee to LCH SA by not later than the time set by LCH SA in an Instruction.

Article 4.4.0.4

Where Collateral is due to LCH SA, LCH SA reserves the right to exclude certain types of collateral on the grounds, *inter alia*, of illiquidity or insufficient outstandings, and may accept other assets on the terms specified by LCH SA in a Notice.

Article 4.4.0.5

Collateral posted with LCH SA in a Client Collateral Account to cover Client Open Positions registered in one or several Client Margin Account(s) linked to the said Client Collateral Account shall not be used to cover:

- (i) the House Open Positions; or
- (ii) any Client Open Positions registered in other Client Account Structures of such Clearing Member.

Article 4.4.0.6

The registration of Collateral in the Clearing Members' books must be established in such a way as to make possible at any moment the distinction between, on the one hand, the assets deposited as a guarantee and the movements related to its House Open Positions and, on the other hand, the assets deposited as a guarantee and the movements related to the Client Open Positions registered in each of its Client Margin Accounts.

The Clearing Member must indicate to LCH SA to which Collateral Account the Collateral must be allocated, within the conditions specified in a Notice.

B. Specificities

B.1. Trading & Matching Platforms

Article 4.4.0.7

For Transactions on Trading & Matching Platforms, LCH SA may take Collateral in advance, as provided in a Notice, for "value-today Transactions" or for any other Transactions as may be specified in the Notice.

CHAPTER 5 - EVENT OF DEFAULT

Section 4.5.1 Notification of an Event of Default

Article 4.5.1.1

The occurrence of an Event of Default shall be notified by any means by LCH SA to the Defaulting Clearing Member.

Article 4.5.1.2

If an event or circumstance which would otherwise constitute or give rise to a Contractual Event of Default also constitutes an Insolvency Event of Default, it will be treated as an Insolvency Event of Default.

Section 4.5.2 Measures in case of an Event of Default

Article 4.5.2.1

Upon the occurrence of an Event of Default, LCH SA may, in co-ordination with the relevant Competent Authority as the case may be, take any measure it deems necessary in order to contain its exposure and to mitigate overall market effects, whether or not these measures are set out in the Clearing Rules.

Article 4.5.2.2

Upon the occurrence of an Event of Default, LCH SA may discretionary take any of the following measures or any other measures that it deems necessary or useful taking into account the need to act promptly in the manner LCH SA thinks best to contain its exposure and to mitigate resulting effects over market participants:

- (i) to request the relevant Market Undertaking to suspend any trading activity of the Defaulting Clearing Member ;
- (ii) to terminate or suspend the Admission Agreement entered into between LCH SA and the Defaulting Clearing Member ;
- (iii) to obtain any advice or assistance from the Defaulting Clearing Member and/or any third party, as LCH SA may deem necessary for any matter arising out of or in connection with an Event of Default and at the expense of the Defaulting Clearing Member;
- (iv) to impose further Margins requirements and corresponding Collateral deposits to secure the performance by the Defaulting Clearing Member of its obligations under the Clearing Rules;
- (v) to sell off the Collateral posted by the Defaulting Clearing Member or to call on the Central Bank Guarantee, if applicable, to ensure the performance by the Defaulting Clearing Member of its obligations under the Clearing Rules ;
- (vi) to act in lieu of the Defaulting Clearing Member for performing its payment and/or delivery obligations;
- (vii) to impose upon the Defaulting Clearing Member a penalty for late delivery or payment, in the circumstances and at a rate set out in an Instruction ; and/or
- (viii) to claim from the Defaulting Clearing Member damages and costs incurred in relation to the occurrence of an Event of Default or the processing of the Event of Default.

For the avoidance of doubt, termination or suspension of the Admission Agreement entered into between LCH SA and the Defaulting Clearing Member shall not release the Defaulting Clearing Member from any of its obligations under the Clearing Rules.

Article 4.5.2.3

The Defaulting Clearing Member shall respond to any requests as LCH SA may deem necessary for any matter arising out of, or in connection with, an Event of Default, and shall cooperate with LCH SA in order to process the Event of Default.

Article 4.5.2.4

If the Clearing Member appears to LCH SA to be unable, or to be likely to become unable, to meet its obligations in respect of one or more Transactions or otherwise under the Clearing Rules, LCH SA may, within its reasonable judgement, declare such event as a Contractual Event of Default.

LCH SA may take the view that a Contractual Event of Default has happened in light of the occurrence of, *inter alia*, any of the following events:

- (i) Failure to pay or deliver any or all balances, Financial Instruments, or assets owed to LCH SA in respect of Open Positions registered in the name of the Defaulting Clearing Member with LCH SA, within the stipulated deadlines ;
- (i) Failure to pay Initial Margin, Variation Margin, Intra-day Margin or any additional Margin amounts as indicated in Article 4.2.0.4, imposed by LCH SA or failure to make a required contribution to the Default Fund, within the stipulated time limits ;
- (iii) Non successful settling of Net Fails via a buy in or a sell-out procedure.

Upon the occurrence of a Contractual Event of Default, and without prejudice to the provisions of Article 4.5.2.2, LCH SA and the Defaulting Clearing Member shall cooperate to try to reach a mutually satisfactory agreement in order to resolve the Contractual Event of Default.

If such an agreement is not reached or the Contractual Event of Default has not been resolved before the date and time limit set by LCH SA, LCH SA may, in its sole discretion, if it estimates that such measures are necessary as regard to the need to act promptly, LCH SA may, in accordance with French law and the provisions of an Instruction :

- (i) transfer to another Clearing Member the Client Open Positions registered in the name of the Defaulting Clearing Member, and/or
- (ii) liquidate the Open Positions registered in the name of the Defaulting Clearing Member.

Article 4.5.2.5

Upon the occurrence of an Insolvency Event of Default, and without prejudice to the provisions of Article 4.5.2.2, LCH SA may in accordance with French law and the provisions of an Instruction:

- (i) transfer to another Clearing Member the Client Open Positions registered in the name of the Defaulting Clearing Member ; and/or
- (ii) liquidate the Open Positions registered in the name of the Defaulting Clearing Member.

Upon the occurrence of an Insolvency Event of Default, the rights and obligations of the Defaulting Clearing Member arising from or in connection with its participation to the clearing system operated by LCH SA shall be governed exclusively by French law, and the law of the State where insolvency proceedings are initiated against the Defaulting Clearing Member will not interfere in this respect.

Article 4.5.2.6

The default management process applicable to Transactions executed on, or reported by, Trading & Matching Platforms and the MTS Italy Regulated Market shall be set out in a default management process Instruction and the default management process applicable to Transactions in Securities and/or Derivatives Product Groups shall be set out in a transfer and liquidation Instruction.

Transfer and liquidation of Open Positions, as the case may be, shall be performed under conditions set out in an Instruction, taking into account on the one hand the need to act promptly in the manner LCH SA thinks best to contain its exposure and to mitigate overall market effects and on the other hand, the Account Structure of the Defaulting Clearing Member.

Clearing Members are required to provide their Clients, at the beginning of their relationship, with information regarding (i) their Account Structure and (ii) the consequences of such Account Structure in case of an Event of Default as described in an Instruction.

Article 4.5.2.7

In order to perform its obligations pursuant to the Clearing Rules, LCH SA will make use of the resources available to it in the following order:

- (i) (a) any Collateral deposited by the Defaulting Clearing Member to meet its Margin requirements, including any additional Margin requirement, in respect of the Clearing Service

concerned;

(b) any Collateral, transferred or granted by the Defaulting Clearing Member to LCH SA as margin cover in connection with (an)other clearing service(s) provided by LCH SA (to the extent such Collateral is not applied in the context of such other clearing service(s) in accordance with the rules applicable to such other clearing service(s));

provided in each case that in no circumstances will collateral transferred by the Defaulting Clearing Member in respect of obligations arising in a Client Account Structure be applied by LCH SA pursuant to this stage (i) in respect of any loss attributable to any other Account Structure of the Defaulting Clearing Member;

- (ii) if applicable any other Collateral or any surplus assets deposited by the Defaulting Clearing Member or Letter of Credit issued by, or with regard to, the Defaulting Clearing Member in favour of LCH SA. Such surplus assets will be allocated to cover the losses on (a) Transactions on Fixed Income Securities, (b) Transactions relating to Securities and/or Derivatives Product Groups (excluding MTS Italy), and (c) Triparty Repo Transactions, on a pro rata basis, based on the excess losses (losses not covered by (i)(a) and (i)(b) incurred respectively in these Clearing Services, provided in each case that in no circumstances will collateral or surplus assets transferred by the Defaulting Clearing Member, or Letters of Credit issued by or with regard to the Defaulting Clearing Member, in respect of obligations arising in a Client Account Structure be applied by LCH SA pursuant to this stage (ii) in respect of any loss attributable to any other Account Structure of the Defaulting Clearing Member;
- (iii) the individual contribution to the relevant Default Fund of the Defaulting Clearing Member (where applicable, any excess will be used to cover losses resulting from other clearing services, prorata to the amount of the losses resulting respectively from such other clearing services), and, if applicable any Collateral transferred or granted by the Defaulting Clearing Member to LCH SA as a contribution to the Default Fund relating to (an)other clearing service(s) (including for the avoidance of doubt the CDS clearing service) (to the extent such Collateral is not applied in the context of such other clearing service(s) in accordance with the rules applicable to such other clearing service(s));
- (iv) payment from LCH SA's dedicated own resources in accordance with article 45.4 of EMIR and article 35 of Commission Delegated Regulation (EU) N° 152/2013 with regard to regulatory technical standards on requirements for central counterparties, as determined from time to time in a Notice, of an amount up to the amount of such dedicated own resources allocated to the relevant default fund (including each of the Default Funds and any other default fund set- up by LCH in relation any other clearing activity) in proportion to the size of such default fund (the "**Capped Amount**"). In the case of an Event of Default occurring after a previous Event of Default but before LCH SA has reinstated such dedicated own resources in accordance with article 35 of Commission Delegated Regulation (EU) N° 152/2013, an amount up to the residual amount of such dedicated own resources in the relevant Default Fund,
- (v)
 - (a) the available contributions to the relevant Default Fund made by the other Clearing Members-as per Article 4.3.1.1 including any replenishment contributions deposited as per Article 4.3.3.1 and any Refill Contributions deposited as per Article 4.3.3.1, prorata to such other Clearing Member's share in the contributions of non-Defaulting Clearing Members to the relevant Default Fund immediately prior to the Event of Default;
 - (b) the Service Continuity Contributions made by non-defaulting Clearing Members in respect of the Clearing Service concerned pursuant to Article 4.3.3.2 ;
 - (c) any voluntary payments made by non-Defaulting Clearing Members in respect of the Clearing Service concerned; and
 - (d) the Service Closure Payments to be made in respect of the Clearing Service concerned pursuant to Article 4.3.3.3 and to the Instruction mentioned therein (as defined by such Instruction);

If some Collateral deposited by other Clearing Members to contribute to the relevant Default Fund is

used, or if a payment is made pursuant to item 4 above, the amount of this Collateral or payment will represent a claim of LCH SA against the Defaulting Clearing Member.

Article 4.5.2.8

Following the liquidation of Client Open Positions at Margin Account level and of Client Collateral at Collateral Account level, as a result of the Event of Default of a Clearing Member, LCH SA shall deduct from the proceeds resulting from the liquidation of such Client Collateral any losses realised following such liquidation, and shall determine a final net balance in relation to each Client or Client Account Structure, as applicable.

Such Client final net balance shall be deemed positive where LCH SA owes monies to the Defaulting Clearing Member and negative where the Defaulting Clearing Member owes monies to LCH SA.

Any positive Client net balance calculated by LCH SA in accordance with the above provisions shall be remitted to the Client if such Client is a KnownClient, is the sole holder of the relevant Position Account(s), and if such Position Account(s) is/are the sole Position Account(s) linked to the relevant Margin Account and in all other cases, to the Defaulting Clearing Member for the account of such Client(s). Any negative Client net balance calculated by LCH SA in accordance with the above provisions shall be considered a debt of the Defaulting Clearing Member towards LCH SA and shall be discharged using the resources available pursuant to Article 4.5.2.7, in the order mentioned therein.

Following (i) completion of the default management process and (ii) the extinction of any exposures relating to the Defaulting Clearing Member, and taking into account:

- (a) any monies that may be owed by the Defaulting Clearing Member to LCH SA pursuant to the Clearing Rules and the Admission Agreement (including for the avoidance of doubt, any losses, costs and expenses of whatsoever nature incurred by LCH SA in connection with the Event of Default and any Client negative net balance determined pursuant to the provisions above) and
- (b) any monies that may be owed by LCH SA to the Defaulting Clearing Member pursuant to said Clearing Rules and Admission Agreement (with the exception of any Client positive net balance owed by LCH SA to the Defaulting Clearing Member pursuant to the provisions above)

LCH SA shall determine a Defaulting Clearing Member final net balance, which shall be deemed positive where LCH SA owes monies to the Defaulting Clearing Member and negative where the Defaulting Clearing Member owes monies to LCH SA.

If positive, such Defaulting Clearing Member final net balance shall be remitted to the Defaulting Clearing Member and, if negative, shall be claimed by LCH SA from the Defaulting Clearing Member (subject to the application of any time bar requiring the filing of a provisional claim in the case of an Insolvency Event of Default). Any amounts finally recovered by LCH SA following such claim will be refunded to the non defaulting Clearing Members prorata to their respective contribution to the losses incurred in connection with the default management process, and if there is any surplus following such refund, will be applied towards the reimbursement or discharge of any monies paid or costs incurred by LCH SA in connection with the Event of Default.

Article 4.5.2.9

In case of an Event of Default, LCH SA is not bound by the buy-in procedure timeframe as set out in an Instruction.

Article 4.5.2.10

When the Defaulting Clearing Member is a seller in a Forward Repo transaction, the non-Defaulting Clearing Member does not receive the Securities, does not pay the related cash amount and only receives the payment of the interests amount related to the Forward Repo for which the intended Settlement Date of the Return Transaction does not exceed four (4) Clearing Days after the declaration of the default. However, LCH SA can extend this timeframe as it deems necessary until the liquidation process is settled.

Article 4.5.2.11

Measures taken by LCH SA upon the occurrence of an Event of Default shall be notified by LCH SA to the Defaulting Clearing Member and to any appropriate third parties as LCH SA may deem necessary.

Section 4.5.3 Provisions Applicable on Euronext Paris

Article 4.5.3.1

A Client-acting on Derivative Markets fails when it does not pay Initial Margin, debit Variation Margin, or premiums within the stipulated deadlines.

In such case, the Clearing Member automatically liquidates all or part of the failing Client's Positions.

Article 4.5.3.2

In the event that a Client fails on deliverable Financial Instruments at settlement, the Clearing Member which manages the Client's Positions ensures execution under the guarantee of final settlement under the conditions specified in an Instruction.

The Clearing Member shall retain the failing Client's collateral. All expenses incurred by the Clearing Member to process the failed Transaction are charged against the failing Client's collateral. The remaining balance of the Initial Margin is refunded after the Clearing Member has discharged its obligations.

Section 4.5.4 Events of Default of an Allied Clearing House and Consequences on Clearing Members

Article 4.5.4.0

For the purpose of this Section, Allied Clearing House shall mean Cassa di Compensazione e Garanzia.

Article 4.5.4.1

Upon the occurrence of an Event of Default of the Allied Clearing House (an "**Allied Clearing House Event of Default**"), LCH SA will promptly notify the Clearing Members active in fixed income Transactions in Italian government securities ("**Italian Fixed Income Transactions**") and will, with immediate effect, stop accepting from the Allied Clearing House and from any Clearing Member, directly or indirectly, and will no longer novate, any new Italian Fixed Income Transactions for clearing or registration in its Fixed Income Clearing System, and may, in co-ordination with the relevant Competent Authority as the case may be, take any measure it deems necessary concerning the interoperability link with the Allied Clearing House in order to contain its exposure and to mitigate overall market effects (including selling any Securities purchased from Clearing Members and which cannot be delivered to the Allied Clearing House due to the Event of Default), whether or not these measures are set out in the Clearing Rules.

Article 4.5.4.2

LCH SA may, in particular, in its sole discretion, take any of the following measures or any other measures that it deems necessary or useful taking into account the need to act promptly in the manner LCH SA thinks best to contain its exposure and to mitigate resulting effects over market participants:

- (i) obtain any advice or assistance from any third party, as LCH SA may deem necessary for any matter arising out of or in connection with the Allied Clearing House Event of Default,
- (ii) sell any Securities delivered by Clearing Members to LCH SA in connection with Italian Fixed Income Transactions and associated Trade Legs and Open Positions involving the Allied Clearing House and which have not been delivered to the Allied Clearing House due to the Allied Clearing House Event of Default,
- (iii) cancel, to the extent possible, any settlement instructions in relation to Italian Fixed Income Transactions and associated Trade Legs and Open Positions which have not yet settled and instruct any CSD of Reference or International CSD and securities settlement system, directly or indirectly to cancel such pending instructions and to stop issuing any new instructions in relation thereto.

Article 4.5.4.3

All outstanding Trade Legs and Open Positions of the Allied Clearing House and Clearing Members resulting from Italian Fixed Income Transactions already executed or registered shall be closed out as of the date of notification of an Allied Clearing House Event of Default. Neither LCH SA nor any non-defaulting Clearing Member shall be obliged to make any further payments or deliveries under any Trade Leg or Open Position between them which would, but for this Article 4.5.4.3, have fallen due for performance on or after notification of the Allied Clearing House Event of Default, and any obligations to make further payments or deliveries which would otherwise have fallen due with respect to such Trade Legs or Open Positions, shall be satisfied by settlement (whether by payment, set-off or otherwise) of the Clearing Member Positive Amount, or the Clearing Member Negative Amount, as the case may be, as set out in Articles 4.5.4.4 and 4.5.4.5 below.

Article 4.5.4.4

On the basis of the close out values established for each outstanding Trade Leg and Open Position mentioned in Article 4.5.4.3 above by LCH SA acting in a commercially reasonable manner, an account shall be taken at the date of notification of the Allied Clearing House Event of Default of what is due in respect of each Clearing Member active in Italian Fixed Income Transactions, from that Clearing Member to LCH SA and from LCH SA to that Clearing Member in respect of such Trade Legs and Open Positions, and the sums due from the Clearing Member to LCH SA shall be set off against the sums due from LCH SA to the Clearing Member in respect such Trade Legs and Open Positions (excluding any Initial Margin or additional Margin provided by each Clearing Member) (the result shall be referred to as a "**Clearing Member Positive Amount**" if the sums due by the Clearing Member to LCH SA are higher than the sums due by LCH SA to the Clearing Member and a "**Clearing Member Negative Amount**" if the sums due by LCH SA to the Clearing Member are higher than the sums due by the Clearing Member to LCH SA). Any Clearing Member Positive Amount shall be paid immediately to LCH SA by the relevant Clearing Members.

Article 4.5.4.5

LCH SA will determine the amount resulting from (A) the sum of (i) the available Initial Margin and additional Margin provided by the Allied Clearing House and (ii) all Clearing Member Positive Amounts, less (B) the sum of (i) any losses arising from the sale by LCH SA of any Securities delivered by Clearing Members to LCH SA in connection with Italian Fixed Income Transactions involving the Allied Clearing House and which have not been delivered to the Allied Clearing House due to the Allied Clearing House Event of Default and (ii) any Margin due by the Allied Clearing House which remains unpaid on its due date, and (iii) any reasonable costs resulting from the management by LCH SA of the Allied Clearing House Event of Default (the result will be the "**Allied Clearing House Default Balance Amount**"), and

- (i) if the Allied Clearing House Default Balance Amount is positive and is sufficient to cover payment by LCH SA of the Clearing Member Negative Amounts in full, such payment will be made by LCH SA in full,
- (ii) if the Allied Clearing House Default Balance Amount is positive but is not sufficient to cover payment by LCH SA of the Clearing Member Negative Amounts in full, such payment will be made by LCH SA partially only, prorata to the proportion which, for each Clearing Member, (i) the Allied Clearing House Default Balance Amount multiplied by the relevant Clearing Member Negative Amount bears to (ii) the sum of all Clearing Member Negative Amounts,
- (iii) if the Allied Clearing House Default Balance Amount is negative, no payment of Clearing Member Negative Amount will be made by LCH SA, and the remaining loss will be allocated between all fixed income Clearing Members, prorata to their respective participation in the fixed income - Default Fund prior to the occurrence of the Allied Clearing House Event of Default, and such amount will be payable immediately by the fixed income Clearing Members to LCH SA.

Article 4.5.4.6

For the avoidance of doubt, the management by LCH SA of the Allied Clearing House Event of Default as set out above shall not impact the continuing operation of the Fixed Income Clearing System otherwise than in relation to Italian Fixed Income Transactions.

TITLE V – TRIPARTY REPO CLEARING SERVICES

The provisions below set out the specific rules applying to the Clearing Services provided by LCH SA in relation to Triparty Repos through the Triparty Repo Clearing System. As a consequence, in the case of any discrepancy between those specific provisions and any other provision in the Clearing Rule Book, the former will prevail regarding Triparty Repo Transactions. For the avoidance of doubt, provisions of this Clearing Rule Book applying specifically to the Securities and Derivatives Product Group shall not apply to the Baskets Product Group.

CHAPTER 1 – GENERAL PROVISIONS AND LEGAL FRAMEWORK

Article 5.1.1.1

In addition to the obligations set out in Title II, Chapter 2, Section 2.2.3, Clearing Members wishing to clear Triparty Repo Transactions are required to comply with the following obligations:

Article 5.1.1.2

Each Clearing Member must:

- (i) Identify Euroclear Bank or the relevant ESES CSD as the triparty agent for its Triparty Repos;
- (ii) Comply with the LCH SA Minimum Deposit requirement and the Triparty Repo Default Fund contribution requirement prior to submitting a Triparty Repo Transaction for clearing, as set out in an Instruction;
- (iii) Have previously entered into appropriate arrangements with respect to the Euroclear Collateral Management System and the relevant Euroclear Interoperability Agreements and comply with them at all times.
- (iv) Have entered into appropriate arrangements with Euroclear Bank to set up a credit line in order to secure Triparty Repo linked payments in the Euroclear Bank securities settlement system and to allow self collateralisation;
- (v) Have obtained an authorisation to enter into auto-collateralisation operations with the Banque de France in order to secure Triparty Repo linked payments in Euroclear France securities settlement system ;
- (vi) Have granted LCH SA a power of attorney entitling LCH SA to generate collateral management instructions in Euroclear Collateral Management System (CMS) on behalf of the Clearing Member ;
- (vii) Have expressly authorised in writing Euroclear Bank and/or Euroclear France to inform LCH SA of any withdrawal, transfer or assignment by itself in any way whatsoever (as security or otherwise) outside the Euroclear Collateral Management System of any Securities which have been allocated as collateral to a Triparty Repo.

CHAPTER 2 – CLEARING OPERATIONS

Section 5.2.1 Registration

Article 5.2.1.1

Upon registration by LCH SA, Triparty Repo Transactions governed by a national or international master agreement become immediately subject to the Clearing Rules, which override the provisions of such master agreement.

Article 5.2.1.2

On the basis of the registered Transactions, LCH SA calculates an Open Position per Clearing Member per Delivery Account, per Basket and per Settlement Date.

Section 5.2.2 Account Structure

Article 5.2.2.1.

The Triparty Repo Transactions registered by LCH SA are aggregated into one Net Position Exposure per Clearing Member and per Basket, in accordance with the appropriate settlement window (same Clearing Day settlement or following Clearing Day settlement).

The Net Position Exposure for same Clearing Day settlement is calculated as follows:

Triparty Repo Transactions already initiated and not yet returned + Triparty Repo Transactions with initiation date S (where S is the current Clearing Day).

The Net Position Exposure for following Clearing Day settlement is calculated as follows:

Triparty Repo Transactions already initiated and not yet returned + Triparty Repo Transactions with initiation date S+1 (where S is the current Clearing Day) – Triparty Repo Transactions with return date S+1.

Section 5.2.3 Settlement and Delivery

Article 5.2.3.1

Contrary to the general clearing rules stated in Article 1.3.1.5, LCH does not transmit settlement instructions regarding Triparty Repos to the CSD of Reference.

LCH SA sends the Net Position Exposure of each Clearing Member when modified, twice a day, to Euroclear Collateral Management System for automatic allocation of collateralising securities.

Article 5.2.3.2

Euroclear Collateral Management System is responsible for sending the appropriate settlement Instructions to the CSD of Reference, pursuant to its rules.

Under no circumstances may LCH SA be held liable for any direct or consequential loss suffered by a Clearing Member and due to Euroclear Collateral Management System allocation and settlement procedures.

Article 5.2.3.3

The provisions of Section 3.4.3 do not apply to Triparty Repos.

In the event that CMS cannot allocate sufficient eligible Securities to settle a Triparty Repo Transaction in whole (an “allocation fail”), such Triparty Repo Transaction shall be settled partially only prorata to the amount of eligible Securities available in the Collateral Giver’s account. The Collateral Taker’s account shall be debited by a cash amount corresponding to the reduced securities amount, but the Collateral

Giver shall pay interest to the Collateral Giver on the full amount of the Triparty Repo Transaction as initially traded, as if the Triparty Repo Transaction had been settled in full.

Article 5.2.3.4

In any of the following events:

- (i) the Net Position Exposure of a Clearing Member is such that Securities allocated as collateral to Triparty Repo Transactions need to be returned to the Cash Borrower ;
- (ii) the value of Securities allocated as collateral to Triparty Repo Transactions has increased such that some of these Securities need to be returned to the Cash Borrower ;
- (iii) a Cash Borrower wishes to substitute Securities allocated as collateral to Triparty Repo Transactions ;
- (iv) Euroclear Collateral Management System needs to proceed with a substitution of Securities allocated as collateral to Triparty Repo Transactions pursuant to the Clearing Rules (eligibility criteria for Triparty Repos); or
- (v) Securities allocated as collateral to Triparty Repo Transactions need to be returned to the Cash Borrower at the maturity of a Triparty Repo Transaction ;

if on the second Clearing Day following the day on which the Securities concerned must be returned or substituted, such return or substitution has not taken place due to the fact that the Securities to be so returned or substituted are no longer available in the Euroclear Collateral Management System environment, LCH SA will apply cash settlement in order to debit the Cash Lender's account and credit the Cash Borrower's account by an amount calculated on such second Clearing Day :

pursuant to a formula to be set out in a Notice.

Section 5.2.4 Corporate Events

Article 5.2.4.1

Corporate events occurring on the collateralising securities follow Euroclear Collateral Management System's rules and are managed by the CMS accordingly.

Article 5.2.4.2

In the specific case of an Event of Default, corporate events are managed as set out in an Instruction.

CHAPTER 3 – RISK MANAGEMENT

Section 5.3.1 Margin Requirements

Article 5.3.1.1

Article 4.2.0.8 shall not apply to Triparty Repos.

Article 5.3.1.2

LCH SA shall calculate and call Triparty Repo Interest Margin on Transactions executed on Trading & Matching Platforms, and on the Net Position Exposure and collateralising Securities portfolio for other Margin obligations, as specified in an Instruction.

Section 5.3.2 Event of Default

Article 5.3.2.1

Where eligible Securities have been allocated as collateral to Triparty Repo Transactions, the withdrawal, transfer or assignment by a Clearing Member in any way whatsoever (as security or otherwise) of such Securities outside the Euroclear Collateral Management System may, at LCH SA's sole discretion, constitute a Contractual Event of Default in accordance with article 4.5.2.4.