

## **SUPPLEMENTAL TERMS FOR TRANSACTIONS ON THE LIFFE EXCHANGE**

1. **RULES OF LIFFE AND OUR CAPACITY** - All contracts in the terms of an Exchange Contract made on LIFFE shall be subject to the Rules of LIFFE as from time to time in force. As a member of LIFFE, we contract only as a principal in respect of contracts in the terms of an Exchange Contract. In the event of a conflict between the Rules of LIFFE and the terms of this Agreement the Rules of LIFFE shall prevail.
2. **MATCHING CONTRACTS** – In respect of every contract made between us subject to the Rules of LIFFE, we shall have made an equivalent contract (or contracts) on the market administered by LIFFE.
3. **ALLOCATION** – We do not undertake business for allocation and we will not accept the allocation of contracts made between you and another party, nor will we allocate a contract made between us to another party.
4. **DELIVERY AND EXERCISE ALLOCATION METHOD** – Where the Clearing House for LIFFE contracts or an intermediate broker thereto does not specify a particular contract when making a delivery or exercise, we will allocate such delivery or exercise randomly or in some other manner that seems most equitable to us.
5. **EXCLUSION OF LIABILITY** – LIFFE is obliged under the Financial Services and Markets Act 2000 to ensure that business conducted by means of its facilities is conducted in an orderly manner and so as to afford proper protection to investors.

We and LIFFE wish to draw your attention to the fact that, inter alia, business on the market may from time to time be suspended or restricted or the market may from time to time be closed for a temporary period or for such longer period as may be determined in accordance with LIFFE's Rules including, without limitation, as a result of a decision taken under LIFFE's Rules on the occurrence of one or more events which require such action to be taken in the interests of, inter alia, maintaining a fair and orderly market. Any such action may result in our being unable, and through us, you and your customers (if any) being unable, to enter into contracts in accordance with the Rules on the terms of the Exchange Contracts. Furthermore, we and you and your clients if any may from time to time be prevented from or hindered in entering into contracts in the terms of LIFFE Contracts, or errors in orders or in contracts in the terms of LIFFE Contracts may arise, as a result of a failure or malfunction of communications, or equipment, or market facilities, or central processing systems, or any other system supplied or operated by LIFFE or us or software supplied to you by us or to us by LIFFE or by LIFFE to you.

We and LIFFE further wish to draw the following exclusion of liability to your attention. Unless otherwise expressly provided in the LIFFE Rules or in any other agreement to which LIFFE is a party, we and LIFFE shall not be liable to you for loss (including any indirect or consequential loss including, without limitation, loss of profit), damage, injury, or delay, whether direct or indirect, arising from any of the circumstances or occurrences referred to in LIFFE Rule 1.4.2 (a copy of which is published on [euronext.liffe.com](http://euronext.liffe.com)'s website and will also be made available to you by us upon request) or from any act or omission of LIFFE's obligations under statute or from any breach of contract by or any negligence howsoever arising of LIFFE, its officers, employees, agents or representatives.

6. **LIFFE CONNECT™** - As a member of LIFFE, we are required to ensure that you are aware that LIFFE has a number of powers which, if exercised, may impact upon our ability to submit an order after submission to the LIFFE CONNECT™ Trading Host prior to execution. In addition to the powers already available to LIFFE (including those in relation to investor protection and proper markets), you should be aware that LIFFE may reject, cancel, and/or suspend your order for a number of reasons. Your attention is drawn to the fact that:
  - LIFFE has the power to suspend our (and thereby your) access following a single warning, and to terminate our (and thereby your) access under other conditions;
  - LIFFE will cancel all outstanding orders made by(or though) us on a default of us;

- Orders outside their security's price in force at the time may be rejected automatically by LIFFE's Trading Host;
  - All orders (including GTC orders) may be cancelled by LIFFE at the close of business on the Last Trading Day of the expiry month to which they relate; and
  - All orders may be cancelled automatically of the LIFFE Trading Host fails.
7. BLOCK TRADE FACILITY – You represent and warrant to us that you have read and fully understood the Block Trading description below:

#### LIFFE's BLOCK TRADING FACILITY

- a. The Block Trade Facility ("BTF") was introduced by LIFFE (i) to enable LIFFE members and their clients to transact business of a significant size on-Exchange without the price/execution uncertainties or delays which may occur from time to time with the execution of orders of this size, and (ii) to provide additional business opportunities for members.
- b. BTF will cover insofar as possible all of LIFFE's products and will be available during the normal trading hours of the Contracts concerned. However, in order to guard against any potential unwarranted volatility in contracts months approaching expiry/delivery, no Block Trades will be permitted for those months where two business days or less remain to expiry/delivery.
- c. The working assumption is for Block Trades to amount to somewhere between 10% and 20% of overall volumes for the more actively traded contracts. Since the minimum size of the volume thresholds may need to be revised from time to time, the LIFFE Board has determined that each threshold should be subject to dynamic monitoring, with a view to adjusting thresholds in the event of any undesirable balance emerging between Block Trade business and business executed through the primary mechanism for any given contract. However, it will not be permitted for separate orders to be aggregated in order to meet the minimum volume thresholds, nor may separate orders in respect of different contracts be combined to generate an inter-contract spread trade.
- d. LIFFE members must ensure that any Block Trade price quoted satisfies "fair market value" principles (e.g. that such price is fair and reasonable given the lot size of the Block Trade and the price and size of business being quoted on the relevant central order book or marketplace)
- e. Block Trades will not be permitted in a delivery/expiry month and/or exercise price of an applicable contract which has never traded.
- f. LIFFE and LCH will require justification of any trades negotiated at apparently abnormal levels and will reserve the right to refuse to register any such trades. LCH reserves the right to make an additional intra-day margin call in respect of any Block Trade submitted for registration.
- g. There are no restrictions upon members entering into Block Trades (provided that the member seeking to register the trade has the requisite trading right). However, only "Block Trade Clients" (i.e. those with sufficient knowledge, expertise and understanding of the implications of the BTF) will be able to participate.
- h. Before a non-member may participate, the member is required to satisfy himself that the client meets these criteria and to notify the client in writing, in advance, that he is to be treated as a "Block Trade Client".
- i. Following authorisation, the Block Trade will be published. Where relevant, details of the trade will also be broadcast by LIFFE. As a result, the price and size of the Block Trade will be made available to all users of the market at the same time.

On the basis of your representation and warranty and the information which we have about your expertise and knowledge, we hereby give you notice that we shall treat you as a "Block Trade Client" as defined above and that we may conduct Block Trades on your behalf using LIFFE's Block Trade Facility.

8. BCLEAR – You accept that upon agreeing the terms of any trades that are eligible for reporting to LIFFE's Bclear service and/or in causing that trade to be reported to the Exchange, you shall

be bound by Section 12 of the LIFFE rules with respect to such trades. Section 12 is published on Euronext.Liffe's web site and will also be made available to you by us on your request.

9. CHANGES TO AGREEMENT – Notwithstanding any previous agreement between us to the contrary, we now agree that a variation of these supplemental terms does not require your written agreement. Any modification that is necessitated by LIFFE, or a direct implementation of changes made by LIFFE over which we have no control, will come into effect immediately and without notice. Any modifications to these supplemental terms that are made by us that are not necessitated by LIFFE and not implementations of changes made by LIFFE will be notified to you at least 10 business days prior to their effective date.
10. ERROR CORRECTION – Where there has been an error in the execution of your order on LIFFE, any net improvement obtained as a result of correcting that error in accordance with LIFFE General Notice 1188 will be offered to you. Where such an improvement can be obtained in accordance with LIFFE General Notice 1188, we will seek to secure that improvement.
11. ARBITRATION – Any dispute arising from or relating to this agreement, in so far as it relates to contracts made between us subject to the Rules of LIFFE, and any dispute arising from or relating to any such contract as aforesaid and hereunder shall, unless resolved between us, be referred to arbitration under the arbitration rules of LIFFE, or to such other organisation as LIFFE may direct before either of us resort to the jurisdiction of the courts (other than to obtain an injunction or an order for security for a claim).
12. GOVERNING LAW - This agreement and all contracts made under this agreement shall be subject to and construed in accordance with English Law.
13. JURISDICTION - Subject to the Arbitration clause above, disputes arising from this agreement or from contracts made under this agreement shall be subject to the exclusive jurisdiction of the English courts to which both parties irrevocably submit, provided that this shall not prevent us bringing an action in the courts of any other jurisdiction.

By signing below, you confirm that you have read, understood, and accept these SUPPLEMENTAL TERMS FOR TRANSACTIONS ON THE LIFFE EXCHANGE.

Signature:

Date:

UserId (8 digit number):

Full Name:

On behalf of (if you are signing for a company):