

FTSE 100 Index Options Designated Market Maker Programme

The Designated Market Maker (“DMM”) Programme is open to all Members of the Exchange who conduct proprietary business in FTSE 100 Index Standard Options (“the Contracts”) and is limited to a maximum of 12 participants.

Participants in the Programme will become DMMs in the Contracts.

DMMs will be required to meet quoting obligations as determined by the Exchange, further details of which can be found on the DMM application form.

DMMs will receive benefits under the Programme in respect of Qualifying Business transacted on their Market Making account.

Qualifying Business is business executed on their Market Making account either via the Central Order Book or via ICE Block.

The Exchange will select DMMs on the basis of:

- (a) their ability to make competitive two way prices and their track record of doing so in previous Equity Derivative Schemes; and
- (b) the technological and human resources to be allocated to the market making activity.

Programme Incentives

At the end of each calendar month, the Exchange will determine each DMM’s total monthly qualifying volume in the Contracts and rebate Exchange and Clearing fees such that the net fees charged are as shown in the table below per volume band.

Lots Per Month	Exchange Fee	Clearing Fee	Total
Lots 0 – 50,000	£0.05	£0.13	£0.18
Lots 50,001 – 75,000	£0.05	£0.11	£0.16
Lots 75,001 – 100,000	£0.04	£0.10	£0.14
Lots 100,001 -	£0.03	£0.07	£0.10

In addition, a DMM will receive a further £0.03 discount to their net monthly fee if 85% or more of the DMM’s Qualifying Business is traded through the Central Order Book for the month concerned. Similarly, if more than 60% of a DMM’s business is transacted through ICE Block in any calendar month, an additional £0.06 will be added to the DMM’s net monthly fee for the month concerned.

FTSE 100 Index Options DMMs that are also on the DMM programme for UK Individual Equity Options, will receive an additional £0.01p discount off of their net monthly FTSE 100 Index Options fee.

For further details of all obligations, please refer to the DMM Application form.