

**CONTRACT RULES: ICE FUTURES ON FTSE® 100 INDEX
(EUROPEAN-STYLE EXERCISE)
FLEXIBLE OPTIONS CONTRACTS**

YYYYYY

**SECTION YYYYY - CONTRACT RULES: ICE FUTURES FTSE® 100 INDEX
(EUROPEAN-STYLE EXERCISE) FLEXIBLE OPTIONS CONTRACTS**

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(EUROPEAN-STYLE EXERCISE)
FLEXIBLE OPTIONS CONTRACTS**

Members should familiarise themselves with the trademark ownership and licensing information applicable to terms used in these Contract Rules and other relevant information such as licensors' disclaimers, which can be found at www.theice.com. Members should be mindful of such information and disclaimers when marketing to clients.

YYYYYY.1 INTERPRETATION

- (a) Save as otherwise specified herein, words and phrases defined in the Regulations shall have the same meanings in these Contract Rules and in the Administrative Procedures.
- (b) In these Contract Rules and the Administrative Procedures:
- “Administrative Procedures” means the administrative procedures at Rule ZZZZZ implemented by the Exchange for the purposes of these Contract Rules.
- “business day” means a day on which the Market and the Stock Exchange are open for business.
- “call option” means an option specified as such in the Contract.
- “Clearing House Notice of Exercise” means a notice from the Clearing House, in a form from time to time prescribed by the Clearing House, confirming to the Seller of an option that the Clearing House has exercised an option against the Seller.
- “Closing Index Value” means the value of the Index as calculated by FTSE at the close of trading at the Stock Exchange.
- “Contract” subject to Rule YYYYYY.2(c), means a contract made expressly or impliedly under these Contract Rules for the sale and purchase of one or more put options or one or more call options, and “registered Contract” means a contract registered by the Clearing House.
- “EDSP” means the Exchange Delivery Settlement Price and has the meaning attributed to it in Rule YYYYYY.9.
- “EDSP Intra-day Auction” means the Stock Exchange operated auction for securities in the Index from which the Expiry Value will be calculated.
- “Exercise Notice” means a notice from a Buyer to the Clearing House in a form prescribed by the Clearing House from time to time notifying the Clearing House that a Buyer of an option thereby exercises one or more options against the Clearing House.
- “exercise price” in respect of a Contract means the price agreed as such by the parties to the Contract (being a price permitted by the Exchange to be an exercise price in respect of which a Contract can be made).
- “expiry date” in respect of a Contract means, subject to Rule YYYYYY.11(a), the day agreed as such by the parties to the Contract (being a business day falling within a period from time to time prescribed by the Exchange), except that if at any time the day agreed upon is not a business day, the expiry date shall be the business day immediately preceding such day.
- “expiry month” in respect of Rule WWWW means a month specified as such by the Exchange for which a contract in the terms of such Contract Rule can be made.

“Expiry Value”	means, in respect of an expiry date on which an EDSP Intra-day Auction is operated, the value of the Index as calculated by FTSE with reference to the outcome of the EDSP Intra-day Auction.
“FTSE”	means FTSE International Limited, or, its agents or successors in publishing the relevant Index.
“Ground Rules”	means the Ground Rules for the FTSE UK Index Series, issued by FTSE from time to time.
“Index”	means the index of stock prices calculated by FTSE and known as “The FTSE 100 Index”.
“Last Trading Day”	in respect of Rule WWWWW shall have the meaning ascribed to it in such Contract Rule.
“London Stock Exchange”	means the London Stock Exchange plc, or, its agents or successors in operating a regulated market for securities to which these Contract Rules and the Administrative Procedures relate.
“market day”	means a day on which the Market, the Clearing House and banks in London are open for business.
“£”	denotes the lawful currency of the United Kingdom, known, at the date of the issue of these Contract Rules, as “Sterling”.
“Premium”	in respect of an option means the amount determined in accordance with Rule YYYYYY.4(a) to be payable by the Buyer to the Seller as the consideration for the purchase of the option.
“put option”	means an option specified as such in the Contract.
“Settlement Amount”	has the meaning given to it in Rule YYYYYY.12(a).
“Settlement Day”	in respect of an option exercised (or deemed to be exercised) on the expiry date means the first market day after the expiry date.
“Stock Exchange”	means the London Stock Exchange.
“weighting”	means the factor which, when multiplied by the price of a constituent stock expressed in Sterling, determines the contribution to the Index figure made by that constituent stock.
(c)	[Not used]
(d)	[Not used]

YYYYY.2 CONTRACT SPECIFICATION

- (a) These Contract Rules shall apply to all Contracts.
- (b) Each Contract shall be for one or more put options or one or more call options for the expiry date and at the exercise price agreed. An exercise price shall be expressed in Index points. An exercise price shall be agreed in Index points or shall be determined by agreeing a value expressed as a percentage of an Index figure and, forthwith on the making of the Contract, converting such value into Index points in accordance with procedures from time to time established by the Exchange.

- (c) A contract shall be made in the terms of Rule WWWW (and a contract shall not be made under these Contract Rules) if the expiry date of such contract is the Last Trading Day of an expiry month in respect of which a contract in the terms of Rule WWWW can be made and the exercise price of such contract is a price which, in respect of such expiry month, is authorised by the Exchange as an exercise price in respect of which a contract in the terms of Rule WWWW for such expiry month can be made.
- (d) [Not used]
- (e) [Not used]

YYYYY.3 PRICE

- (a) Except as specified in the Administrative Procedures in the case of cabinet transactions, bids and offers shall be quoted in Index points or as a percentage of an Index figure. A price shall be expressed in Index points. A price shall be agreed in Index points or shall be determined by agreeing a value expressed as a percentage of an Index figure and, forthwith on the making of the Contract, converting such value into Index points in accordance with procedures from time to time established by the Exchange. A price shall be a whole number multiple of the minimum price fluctuation as specified in the Administrative Procedures.
- (b) One Index point shall be 1.0 and shall have a value of £10.00 per option.

YYYYY.4 PREMIUM

- (a) The Premium payable in respect of an option shall be the product of the price of the option in Index points and the value of one Index point as specified in Rule YYYYY.3(b).
- (b) The Buyer of an option shall pay the Premium to the Clearing House on the day and by the time specified for this purpose in the Administrative Procedures and the Clearing House shall pay the Premium to the Seller of an option on the same day.

YYYYY.5 EXERCISE OF AN OPTION BY A BUYER AGAINST THE CLEARING HOUSE AND CONFIRMATION OF EXERCISE

- (a) A Buyer may exercise an option against the Clearing House only on the expiry date and shall do so by giving to the Clearing House an Exercise Notice in respect of such option by the time specified in the Administrative Procedures and in a manner from time to time prescribed by the Clearing House.
- (b) The Clearing House shall give to the Buyer a notice in a form from time to time prescribed by the Clearing House, on the day and by the time specified for that purpose in the Administrative Procedures, confirming which options specified in an Exercise Notice have been validly exercised by the Buyer in accordance with these Contract Rules.

YYYYY.6 EXERCISE BY THE CLEARING HOUSE AGAINST A SELLER AND CONFIRMATION OF EXERCISE

- (a) Subject to Rule YYYYY.6(b), in respect of each option which is exercised by a Buyer in accordance with Rule YYYYY.5(a), the Clearing House shall on the expiry date select a Seller of an option of the same type and at the same exercise price and for the same expiry date by such method of selection as may be specified in the Administrative Procedures and shall exercise that option in a form and manner from time to time prescribed by the Clearing House.

- (b) If the Clearing House is unable to exercise an option against a Seller in accordance with Rule YYYYYY.6(a) on the expiry date, the Clearing House shall do so as soon as possible thereafter and such option shall be deemed to have been exercised on the expiry date.
- (c) In respect of each option exercised by the Clearing House against a Seller under Rule YYYYYY.6(a) or Rule YYYYYY.6(b), the Clearing House shall give to the Seller a Clearing House Notice of Exercise by the time specified for that purpose in the Administrative Procedures on the market day following the expiry date and in a manner from time to time prescribed by the Clearing House.

YYYYYY.7 EXPIRY

- (a) An option in respect of an expiry date which has not been exercised in accordance with Rule YYYYYY.5 or Rule YYYYYY.6, as applicable, shall expire on the day and at the time specified for that purpose in the Administrative Procedures.

YYYYYY.8 EXPIRY DATE

- (a) On the expiry date:
 - (i) trading in Contracts for the relevant expiry date shall cease at such time as may be specified in the Administrative Procedures; and
 - (ii) the Exchange will determine the EDSP in accordance with Rule YYYYYY.9.

YYYYYY.9 EXCHANGE DELIVERY SETTLEMENT PRICE (“EDSP”)

- (a) Subject to Rule YYYYYY.9(d), the EDSP for Contracts for an expiry date on which an EDSP Intra-day Auction is operated shall, subject as provided in Rule YYYYYY.10, be the Expiry Value (but subject to any corrections in accordance with Rule YYYYYY.10) on the expiry date, rounded to the nearest 0.5 or, where such Expiry Value is an exact uneven multiple of 0.25, to the nearest higher 0.5.
- (b) Subject to Rule YYYYYY.9(d), the EDSP for Contracts for an expiry date on which no EDSP Intra-day Auction is operated shall, subject as provided in Rule YYYYYY.10, be the Closing Index Value (but subject to any corrections in accordance with Rule YYYYYY.10) on the expiry date, rounded to the nearest 0.5 or, where such Closing Index Value is an exact uneven multiple of 0.25, to the nearest higher 0.5.
- (c) The Exchange shall publish a provisional EDSP and the final EDSP at or by such times as may be specified in the Administrative Procedures. The final EDSP shall be final and binding for all purposes.
- (d) The Exchange may from time to time amend the method for and timing of the calculation of the EDSP in line with any changes made to Rule WWWW or for any other reason determined by the Exchange and any such changes shall have effect with regard to existing and/or new Contracts as the Exchange may determine.

YYYYYY.10 ERRORS IN INDEX

- (a) If, not later than the time on the expiry date specified for that purpose in the Administrative Procedures, any member of the Exchange notifies the Exchange of, or there otherwise comes to the attention of the Exchange, an alleged or apparent error in the Index due to any alleged or apparent error in the weighting of the price for any constituent stock of the Index first made since the publication of the closing Index figure on the last business day prior to the expiry date, then the Exchange shall promptly request the Index Provider to investigate such alleged or apparent error. If in the Index Provider's opinion an error has been made, the Index Provider shall correct any Expiry Value or Closing Index Value affected thereby, and the Exchange shall as soon as reasonably practicable

publish a correction to the Expiry Value or Closing Index Value, as relevant, and shall determine the EDSP using the Expiry Value or the Closing Index Value as so corrected. Save as allowed by Rule YYYYYY.10(b), no correction to the Expiry Value or Closing Index Value, as relevant, shall be made in respect of any error notified to the Exchange or coming to its attention after the time so specified in the Administrative Procedures.

- (b) If, not later than thirty minutes after the provisional EDSP for a particular expiry date is first published, any member of the Exchange notifies the Exchange of, or there otherwise comes to the attention of the Exchange, an alleged or apparent error in the Expiry Value or Closing Index Value, as relevant, due to any cause whatsoever other than an error in the weighting of the price for any constituent stock of the Index, then the Exchange shall promptly request the Index Provider to investigate such alleged or apparent error. If in the Index Provider's opinion an error has been made, the Index Provider shall correct the Expiry Value or Closing Index Value, as relevant, affected thereby which has been or will be used to determine the EDSP for that expiry date and the Exchange shall calculate or re-determine the EDSP in accordance therewith. No correction of the Expiry Value or Closing Index Value, as relevant, or the EDSP shall be made in respect of any error notified to the Exchange or coming to its attention after the expiry of such thirty minute period.
- (c) No correction to the Expiry Value or Closing Index Value, as relevant, or the EDSP shall be made other than as may be allowed for in Rules YYYYYY.10(a) and YYYYYY.10(b).
- (d) Neither the Exchange nor its officers, employees, agents or representatives shall have any liability whatsoever in respect of any decision as to whether or not to correct the Expiry Value or Closing Index Value, as relevant, or as to the amount of any correction, or as to whether or not to re-determine the EDSP.

YYYYYY.11 EMERGENCY PROVISIONS

- (a) If, at any time after the close of trading two business days prior to the day which would have been the expiry date in respect of a Contract, it becomes known to the Exchange that on the day which would have been the expiry date either or both of the Market and the Stock Exchange will not be open for business, then the business day next following such day shall become the expiry date in respect of that Contract and the Exchange shall publish a notice by notice posted on the Market to that effect.
- (b) If, after the commencement of trading on the expiry date, either or both of the Market and the Stock Exchange closes for business or FTSE for any reason does not calculate or does not publish or ceases to publish the Index, with the effect that trading in Contracts for that expiry date is, in the opinion of the Exchange, substantially prevented or hindered or that there is no Expiry Value from which to calculate the EDSP in accordance with Rule YYYYYY.9(a) or Rule YYYYYY.9(b), then either:
 - (i) cessation of trading in Contracts for the current expiry date shall be postponed until such later time on that day as the Exchange may in its absolute discretion specify by notice posted on the Market, in which case the EDSP shall be determined in accordance with Rule YYYYYY.9(a) or Rule YYYYYY.9(b) or such method determined by the Exchange. The provisional and final EDSPs shall be published at such times as the Exchange shall in its discretion determine, always allowing for the thirty minute period referred to in Rule YYYYYY.10(b); or
 - (ii) if, in the opinion of the Exchange, the course described in paragraph (i) of this Rule YYYYYY.11(b) would be impossible, impracticable or for any reason undesirable, it may by notice posted on the Market declare that day not to be the expiry date and the next following business day, or any later business day chosen by them in their absolute discretion, to be the expiry date in its place.

YYYYYY.12 SETTLEMENT AMOUNT AND PAYMENT

- (a) The Settlement Amount in respect of an option exercised under Rule YYYYYY.5 or Rule YYYYYY.6, as applicable, shall be:
 - (i) in the case of a call option, the amount by which the EDSP exceeds the exercise price; or
 - (ii) in the case of a put option, the amount by which the exercise price exceeds the EDSP
 multiplied in each case by £10.00.
- (b) The Settlement Amount shall be paid by the Seller to the Clearing House by the time on the Settlement Day specified for this purpose in the Administrative Procedures and the Clearing House shall pay the Settlement Amount to the Buyer on the same day.

YYYYYY.13 DEFAULT

- (a) A Buyer or a Seller other than the Clearing House shall be in default where:
 - (i) he fails to fulfill his obligations under a Contract by the time and in the manner prescribed in and in accordance with these Contract Rules, the Regulations and the Administrative Procedures; or
 - (ii) he fails to pay any sum due to the Clearing House in respect of a registered Contract by the time specified in these Contract Rules or in the Administrative Procedures or under the Regulations; or
 - (iii) in the reasonable opinion of the Clearing House he is in default.
- (b) Subject to the default rules of the Clearing House, in the event of default by a Buyer or a Seller in respect of a registered Contract, the Exchange shall, at the request of the Clearing House, forthwith fix a price for invoicing back and each option in issue shall be invoiced back at that price. Such price may at the Exchange's absolute discretion take account of any compensation the Exchange may consider should be paid by or to the Buyer or Seller as applicable.

YYYYYY.14 FORCE MAJEURE

- (a) Subject to any steps taken at any time by the Exchange under emergency powers in the Regulations:
 - (i) a Seller or a Buyer shall be liable to perform his obligations in respect of an option comprised in a Contract by the due time therefor, notwithstanding that he may be or is likely to be prevented from so doing by any event beyond his reasonable control including, without limitation, any act of God, strike, lockout, war, armed conflict, use of force by authority of the United Nations, fire, riot or civil commotion, combination of workmen, act of terrorism, breakdown of machinery, unavailability or restriction of computer or data processing facilities or energy supplies or bank transfer systems; and
 - (ii) in the event of a Buyer being prevented from exercising an option on its expiry date by the time specified in the Administrative Procedures by any event beyond his reasonable control including, without limitation, any of the events specified in Rule YYYYYY.14(a)(i):
 - (A) the Buyer may give written notice to the Exchange specifying the Contract or, if more than one, the Contracts in respect of which the Buyer was prevented from exercising an option, the steps taken by the Buyer to exercise the option and the events which

prevented him from so doing. Any such notice shall be given to the Exchange as soon as is practicable after the expiry of an option specified in the notice; and

- (B) if the Exchange is satisfied that the Buyer took all possible steps in the circumstances prevailing to exercise an option, the Exchange shall request the Clearing House to notify it of details of one or more Contracts between a Seller and the Clearing House which are on the same terms (except as to the parties or the option price) as, and have been matched by the Clearing House with, the Contract or Contracts specified in the Buyer's notice and shall fix a price for invoicing back. Each Contract the subject of the Buyer's notice and each Contract between the Clearing House and a Seller notified to the Exchange hereunder shall be invoiced back at such price. Such price may at the Exchange's absolute discretion take into account the Exchange's assessment of the intrinsic value of the options at the expiry thereof.

YYYYYY.15 [NOT USED]

YYYYYY.16 [NOT USED]

YYYYYY.17 [NOT USED]

YYYYYY.18 NON-REGISTERED CONTRACTS

- (a) In respect of a Contract which is not a registered Contract ("non-registered Contract") these Contract Rules shall be modified by the parties thereto so as to require and allow that a Contract to be registered by the Clearing House under the Clearing House Rules and the Regulations is capable of being so registered and to facilitate the performance of obligations or the exercise of rights under such registered Contract in accordance with these Contract Rules. Modifications may also be made to the terms of a non-registered Contract to permit performance of obligations or the exercise of rights under such non-registered Contract or any other non-registered Contract if, without such modifications, it may not be possible to perform such obligations or to exercise such rights by the applicable times specified in the Administrative Procedures. In particular, but without prejudice to the generality of the foregoing, all references in these Contract Rules 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.

YYYYYY.19 [NOT USED]

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