

EXCHANGE CONTRACT NO. 66F

UNIVERSAL STOCK FUTURES CONTRACT

(BASED ON COMPANY SHARES, DEPOSITARY RECEIPTS  
AND EXCHANGE TRADED FUND SHARES)

Cash Settled and Physical Delivery Contracts

CONTRACT TERMS

(Issue Date: ~~23 May~~ 10 June 2013)<sup>‡</sup>

ADMINISTRATIVE PROCEDURES

(Issue Date: ~~4 December 2007~~ 10 June 2013)

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<sup>‡</sup> ~~Please refer to London Notice No. 3721, issued on 23 May 2013.~~

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# THE LONDON INTERNATIONAL FINANCIAL FUTURES AND OPTIONS EXCHANGE

## Terms of Exchange Contract No. 66F

### 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 all procedures from time to time implemented by the Board pursuant to the Rules for the purposes of this Exchange Contract.

“business day” means a day on which the market and the Relevant Stock Exchange are open for business.

“CHF” denotes the lawful currency of Switzerland known, at the date of issue of these terms, as the “Swiss Franc”.

“company” means a body corporate whose share capital includes shares (as defined below).

“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, and “registered Contract” means a Contract registered by the Clearing ~~House~~Organisation.

“Conversion Date” means the date on which pursuant to Economic and Monetary Union in the European Union the conversion rate for a currency of a participating Member State against the euro is “irrevocably fixed”.

“Corporate Action” has the meaning attributed to it in term 14.01.

~~“CREST” means the computerised settlement system operated by CRESTCo Euroclear UK & Ireland Limited.~~

~~“CREST Member” means a member of CREST with a CREST member account in his name.~~ “Cum Entitlement” means, in respect of a share, with the right, before a date determined and published from time to time by the Relevant Stock Exchange, to any Relevant Entitlement relating thereto.

“CZK” denotes the lawful currency of the Czech Republic known, at the date of issue of these terms, as the “Czech Koruna”.

“delivery month” in respect of Exchange Contract No. 56 or Exchange Contract No. 58 means a month specified as such by the Board for which a contract in the terms of Exchange Contract No. 56 or Exchange Contract No. 58 (as the case may be) can be made.

“Delivery Versus Payment” means, in the case of securities transferred through the Relevant Settlement System, a real time system-generated payment instruction which is binding on:

- (a) the Clearing House Organisation’s settlement bank in favour of the Transferor’s settlement bank in the case of a transfer of securities from the Transferor to the Clearing House Organisation; and
- (b) the Transferee’s settlement bank in favour of the Clearing House Organisation’s settlement bank in the case of the transfer of securities from the Clearing House Organisation to the Transferee.

“Depository Receipts” which, as the context requires, includes Depository Shares, means certificates or instruments representing certain shares.

“DKK” denotes the lawful currency of the Kingdom of Denmark known, at the date of issue of these terms, as the “Danish Kroner”.

“USD” and “\$” denote the lawful currency of the United States of America known, at the date of issue of these terms, as the “dollar”.

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

“€” denotes the single currency of the European Union introduced in a Member State as the lawful currency of that Member State pursuant to its participation in Economic and Monetary Union in the European Union known, at the date of issue of these terms, as the “euro”.

“ETF shares” means shares in an Exchange Traded Fund.

~~“Euroclear” means the computerised settlement system operated by Euroclear Bank SA/NV.~~

~~“Euroclear Member” means a member of Euroclear with a Euroclear settlement account in his name.~~

“Exchange Contract No. 56” means the Exchange’s Universal Stock Futures Contract (Cash Settlement), as amended from time to time.

“Exchange Contract No. 58” means the Exchange’s Universal Stock Futures Contract (Physical Delivery), as amended from time to time.

“Ex Entitlement” means, in respect of a share, without the right, on or after a date determined and published from time to time by the Relevant Stock Exchange, to any Relevant Entitlement relating thereto.

“fund” means an Exchange Traded Fund which is an open-ended fund.

“HUF” denotes the lawful currency of Republic of Hungary known, at the date of issue of these terms, as the “Hungarian Forint”.

“Last Trading Day” has the meaning attributed to it in term 4.

“List of Contract Details” means the list published by the Exchange from time to time in accordance with term 2.08.

“lot” means, in respect of securities specified in the List of Contract Details, the number of securities specified in that list.

“market day” means a day on which the market, the Clearing ~~House~~Organisation and banks in London are open for business.

“Member State” means a member of the European Community.

“NKK” denotes the lawful currency of the Kingdom of Norway known, at the date of issue of these terms, as the “Norwegian Krone”.

“Operator of the Relevant Settlement System” means the operator of the Relevant Settlement System and details in the List of Contract Details. CRESTCo Euroclear UK & Ireland Limited or Euroclear Bank SA/NV, as the context may require.

“£” and “pence” denotes the lawful currency of the United Kingdom known, at the date of issue of these terms, as “Sterling”.

“PLN” denotes the lawful currency of Republic of Poland known, at the date of issue of these terms, as the “Polish Zloty”.

“proprietary or equitable interest” means any proprietary or equitable interest or right whatsoever including, without limitation, any such interest or right arising under or by virtue of any disposition made or purporting to be made by way of security or by way of loan and any other lien, pledge, encumbrance or equity of any kind.

“Reference Day” has the meaning attributed to it in term 2.08.

~~“Regulations” means the General Regulations, Default Rules and Procedures from time to time in force of the Clearing House.~~

“Relevant Currency” has the meaning attributed to it in term 2.08.

“Relevant Entitlement” means any one or more of a cash dividend, scrip dividend, bonus issue, scrip issue, rights issue, or any other right or entitlement, attaching or accruing to, or otherwise affecting, from time to time, a share or ownership of a share.

“Relevant Delivery Procedures” means one or more documents issued by the Clearing ~~House~~Organisation from time to time relating to the settlement of securities under a Contract through the Relevant Settlement System.

“Relevant Reference Price” has the meaning attributed to it in term 2.08.

“Relevant Settlement System” means the Settlement System as detailed in the List of Contract Details. ~~CREST or Euroclear as the context may require, or such other settlement system as specified from time to time by the Exchange by means of one or more Notices in respect of securities, through which such securities are to be transferred.~~

“Relevant Settlement System Account” means an appropriate:

~~(a) — in the case of CREST, a member account (as defined in the CREST Rules) maintained by the Relevant Settlement System~~CREST for the transfer of securities;  
and

~~(b) — in the case of Euroclear, a settlement account (as defined in the Euroclear Rules) maintained by Euroclear for the transfer of securities.~~

“Relevant Settlement System business day” means a day when the Relevant Settlement System is operational for business.

“Relevant Settlement System Rules” means those parts of the rules, reference manual, procedures, practices and any other document from time to time in force of the Relevant Settlement System which apply to the settlement of transactions by participants in the Relevant Settlement System.

“Relevant Stock Exchange” has the meaning attributed to it in term 2.08

“securities” means shares, Depositary Receipts or ETF shares as the case may be.

“SEK” denotes the lawful currency of the Kingdom of Sweden known, at the date of issue of these terms, as the “Swedish Krona”.

“Seller’s Delivery Notice” means the notice to be given by the Seller to the Clearing ~~House~~Organisation under term 6.

“Settlement Agent” means:

~~(a) — in respect of the transfer of securities under a Contract through the Relevant Settlement System, a member of the Relevant Settlement System.~~CREST, a CREST Member; and

~~(b) — in respect of the transfer of securities under a Contract through Euroclear, a Euroclear Member.~~

“settlement amount” means, in respect of a physical delivery Contract, the product of the EDSP and the number of securities comprised in the lot the subject of such Contract or, as the case may be, the product of the EDSP and the number of securities delivered at any time under the Contract.

“Settlement Day” means, in respect of a Contract for a particular security, the market day specified as such in the List of Contract Details.

“shares” means securities forming part of the share capital of a company which are available for trading on the Relevant Stock Exchange.

“Stock Exchange Rules” means the rules, regulations, procedures and practices from time to time in force of the Relevant Stock Exchange.

“Transferee” means a person appointed under term 8.01(a)(i) to take a transfer of securities in respect of a Contract.

“Transferor” means a person appointed under term 7.01(a)(i) to transfer securities in respect of a Contract.

“Underlying Currency” has the meaning attributed to it in term 2.08.

1.03 In these terms references to “lawful currency” shall be construed to include units of value of the euro which may be used validly to discharge payment obligations pursuant to the law of a Member State which has introduced the euro pursuant to its participation in Economic and Monetary Union in the European Union and notwithstanding that such units of value of the euro may not at all material times following the Conversion Date constitute legal tender in such Member State.

1.04 Reference to a “term” refers to a term hereof and reference to a “Rule” refers to a rule of the Exchange’s Rules. Save where the context otherwise requires references herein to the singular include the plural, and vice versa.

## 2. Contract Specification

2.01 These terms shall apply to all Contracts.

2.02 Each Contract shall be for one or more lots.

2.03 A contract may not be made in these terms if, at such time, such contract is capable of being a contract in the terms of Exchange Contract No. 56 or Exchange Contract No. 58.

| 2.04 A Contract based on securities shall be replaced ~~by novation~~ by a contract based on the same securities, in the terms of Exchange Contract No. 56, between the same parties, if:

(a) at any time after the making of such Contract, the Last Trading Day of such Contract is the Last Trading Day of a delivery month in respect of which a



contract in the terms of Exchange Contract No. 56 based on such securities can be made; and

(b) the Contract is a cash-settled contract.

| 2.05 A Contract based on securities shall be replaced ~~by novation~~ by a contract based on the same securities, in the terms of Exchange Contract No. 58, between the same parties, if:

(a) at any time after the making of such Contract, the Last Trading Day of such Contract is the Last Trading Day of a delivery month in respect of which a contract in the terms of Exchange Contract No. 58 based on such securities can be made; and

(b) the Contract is a physical delivery contract.

| 2.06 The ~~novation~~replacement to which terms 2.04 and 2.05 refers shall take place at the time when Exchange Contract No. 56 or Exchange Contract No. 58 (as the case may be) for such delivery month based on such securities is first available for trading on the market.

2.07 If Exchange Contract No. 56 or Exchange Contract No. 58 (as the case may be) is amended from time to time, a contract in the terms of Exchange Contract No. 56 or Exchange Contract No. 58 which replaces a Contract pursuant to term 2.04 or term 2.05 shall be subject to the terms of Exchange Contract No. 56 or Exchange Contract No. 58 (as the case may be) as amended from time to time.

2.08 A Contract may be entered into in respect of securities which have been designated for this purpose by the Board. The Exchange shall publish from time to time a list of such securities and companies (the "List of Contract Details") by means of a Notice. That list shall include, for each security:

(a) a stock exchange on which such securities are available for trading (the "Relevant Stock Exchange");

(b) the currency in which such securities trade on the Relevant Stock Exchange (the "Underlying Currency");

(c) the currency in which Contracts in respect of such securities shall trade (the "Relevant Currency");

(d) the minimum price fluctuation;

(e) the minimum EDSP Price Increment;

(f) the number of securities comprising a lot;

(g) the time at which trading shall cease on the Last Trading Day;

- (h) the day on which the EDSP shall be calculated in respect of Contracts (the “Reference Day”);
- (i) subject to terms 5.04 and 5.05, the price by reference to which the EDSP shall be calculated on the Reference Day in respect of Contracts (the “Relevant Reference Price”);
- (j) where applicable, the source of the conversion rate to be applied to the Relevant Reference Price pursuant to term 5.03; ~~and~~
- (k) the Settlement Day for Contracts; and

(l) the Relevant Settlement System.

2.09 The Board may from time to time vary, substitute or remove any of, or add to, the details contained in the List of Contract Details. Any such variation, substitution or removal of, or addition to, such details shall have such effect with regard to existing and/or new Contracts as the Board may determine and shall be the subject of a Notice.

### 3. Price

3.01 Contracts in respect of a security shall trade in the Relevant Currency specified in the List of Contract Details. Bids and offers shall be quoted in the Relevant Currency and prices shall be a whole number multiple of the minimum price fluctuation, as specified in the List of Contract Details.

### 4. Last Trading Day and Reference Day

4.01 (a) On the Last Trading Day of a Contract, trading in such Contract shall cease at such time as may be specified in the List of Contract Details.

(b) On the Reference Day, the Exchange will calculate the EDSP in accordance with term 5.

4.02 Subject to terms 4.04, 4.05, 4.06, 15.02 and 17.05, the Last Trading Day in respect of a Contract shall be the day agreed as such by the parties to the Contract (being anticipated to be a business day falling within a period from time to time prescribed by the Exchange, and being a day which has not been declared by the Exchange in a Notice as a day which may not be a Last Trading Day in respect of a Contract).

4.03 Subject to terms 4.04, 4.05, 4.06, 15.02 and 17.05, the Reference Day in respect of a Contract shall be the day specified as such in the List of Contract Details.

4.04 If the day specified as the Last Trading Day is not a business day then the business day immediately preceding that day shall become the Last Trading Day for such Contracts.

- 4.05 If, at any time after the close of trading two business days prior to the day which would have been the Last Trading Day, it becomes known to the Exchange that on the day which would have been the Last Trading Day either or both of the market and the Relevant Stock Exchange will not be open for business, then the business day next following such day shall become the Last Trading Day in respect of such Contract and the Exchange shall publish a Notice to that effect.
- 4.06 Where the Relevant Reference Price is determined on a day other than the Last Trading Day:
- (a) if the Relevant Stock Exchange is not open for business on the day specified as the Reference Day in the List of Contract Details then the business day immediately preceding that day shall become the Reference Day for such Contracts, and the Board shall make such consequential adjustment to the date of the Last Trading Day as it considers necessary; and
  - (b) if, at any time after the close of trading two business days prior to the day which would have been the Reference Day in respect of a Contract, it becomes known to the Exchange that on the day which would have been the Reference Day either or both of the market and the Relevant Stock Exchange will not be open for business, then the business day next following such day shall become the Reference Day in respect of such Contract,
- and the Exchange shall publish a Notice to that effect.
5. Exchange Delivery Settlement Price ("EDSP")
- 5.01 Subject to terms 5.04 and 5.05, the EDSP shall be calculated by reference to the Relevant Reference Price.
- 5.02 The EDSP for Contracts which cease trading on a particular day shall be calculated by exchange officials as the Relevant Reference Price, adjusted where applicable in accordance with term 5.03, rounded to the nearest minimum EDSP Price Increment as specified by the Board in the List of Contract Details or, where the Relevant Reference Price is an exact uneven multiple of one half of the minimum EDSP Price Increment, to the nearest higher minimum EDSP Price Increment.
- 5.03 Where the Underlying Currency is different from the Relevant Currency, the Relevant Reference Price shall be converted to the Relevant Currency by application of the conversion rate referred to in the List of Contract Details prior to rounding being carried out in accordance with term 5.02.
- 5.04 If no Relevant Reference Price is available on the Reference Day, exchange officials shall fix the EDSP for the Contracts concerned at a price determined by them, in their absolute discretion, as being consistent with cash market values of the securities the subject of such Contracts.

5.05 The Board may at its discretion resolve, prior to the commencement of the calendar month in which the Last Trading Day falls, that the EDSP shall be determined by means other than that specified in term 5.01, subject always to the proviso that the EDSP shall be calculated by reference to cash market values of the securities the subject of such Contract.

5.06 The Exchange shall publish the EDSP at such time as may be specified for that purpose in the Administrative Procedures. The EDSP shall be final and binding for all purposes.

6. Payment (Cash Settled Contracts)

6.01 In respect of each lot comprised in a Contract the following payments shall be made by the time specified therefor in the Administrative Procedures:

(a) where the EDSP exceeds the Contract price, payment by the Seller to the Clearing HouseOrganisation and payment by the Clearing HouseOrganisation to the Buyer; and

(b) where the Contract price exceeds the EDSP, payment by the Buyer to the Clearing HouseOrganisation and payment by the Clearing HouseOrganisation to the Seller,

of an amount calculated by multiplying the difference between the EDSP and the Contract price by the number of securities comprised in such lot.

7. Settlement Agent (Physical Delivery Contracts)

7.01 Only a Settlement Agent with a settlement account at the Relevant Settlement System (a "Relevant Settlement System Account") may be used for the purposes of making or taking delivery of securities under a Contract by transfer of securities through such Relevant Settlement System and making or receiving payment of the settlement amount under a Contract in accordance with these terms, unless these terms otherwise require or permit.

8. Clearing HouseOrganisation Delivery Notice (Physical Delivery Contracts)

8.01 On the market day immediately following the Reference Day and by the time specified for that purpose in the Administrative Procedures, the Clearing HouseOrganisation shall give a Delivery Notice:

(a) to the Buyer specifying the Contracts to which he is party with the Clearing HouseOrganisation, and details of the Contracts which shall be submitted in accordance with the Relevant Delivery Procedures by or on behalf of the Buyer and by the Clearing HouseOrganisation to the Operator of the Relevant Settlement System, in respect of Contracts which are due to be settled by the transfer of securities through the Relevant Settlement System; and

- (b) to the Seller specifying the Contracts to which he is party with the Clearing HouseOrganisation, and details of the Contracts which shall be submitted in accordance with the Relevant Delivery Procedures by or on behalf of the Seller and by the Clearing HouseOrganisation to the Operator of the Relevant Settlement System, in respect of Contracts which are due to be settled by the transfer of securities through the Relevant Settlement System.

9. Buyer's Delivery Details (Physical Delivery Contracts)

- 9.01 (a) Where the Relevant Delivery Procedures so require, a clearing member shall give to the Clearing HouseOrganisation, in accordance with such Relevant Delivery Procedures, details of:

- (i) the names of persons conforming with the Relevant Delivery Procedures and paragraph (b) of this term (who may include the clearing member himself) who are appointed by the clearing member to take a transfer of securities from the Clearing HouseOrganisation in accordance with these terms in respect of Contracts which may be entered into by such member as Buyer;
- (ii) the names of the Settlement Agents (who may include the Transferee himself) who will be used by each such person to take a transfer of such securities and to make payment of the settlement amount for such securities and details of their Relevant Settlement System Accounts; and
- (iii) any other details required by the Clearing HouseOrganisation pursuant to the Relevant Delivery Procedures from time to time,

together with the acknowledgement described in term 9.03, if required by that term, and each Transferee so appointed (other than the clearing member himself) and each Settlement Agent so appointed (whether or not the Transferee) shall act as agent for the clearing member in taking a transfer of such securities or making payment of the settlement amount for such securities, notwithstanding that the transfer of such securities shall be made through the Relevant Settlement System Account of the Settlement Agent.

- (b) The ExchangeClearing Organisation may from time to time restrict the persons or categories of persons which may be appointed as Settlement Agents or as Transferees or the types of Relevant Settlement System Accounts to be used for taking a transfer of securities and shall publish the details of such restrictions by means of a Notice.

- (c) The details given to the Clearing HouseOrganisation in accordance with paragraph (a) of this term may be amended from time to time in accordance with the Relevant Delivery Procedures.

9.02 Although the Buyer may under term 9.01 appoint a person other than himself as Transferee, the Buyer shall himself remain responsible in respect of a Contract for the acceptance of a transfer of securities and the payment of the settlement amount for such securities and for the performance of all other obligations expressed to be imposed upon the Transferee in these terms and in the Administrative Procedures in respect of such Contract. However, performance by the Transferee of those obligations expressed to be imposed upon him (including the obligations to accept transfer of securities and to pay the settlement amount) in accordance with these terms and the Administrative Procedures shall constitute due performance of the Buyer's obligations under such Contract.

9.03 Except where the Buyer is also the Transferee, the Buyer shall by the day specified in and in accordance with the Relevant Delivery Procedures deliver to the Clearing [HouseOrganisation](#) an irrevocable acknowledgement, in a form from time to time prescribed by the Clearing [HouseOrganisation](#), addressed to the Clearing [HouseOrganisation](#) by each Transferee, acknowledging amongst other things that the Transferee has no claims whatsoever against the Clearing [HouseOrganisation](#) in respect of any delay on its part in transferring, or any failure on its part to transfer, the securities to be transferred in respect of any Contract from time to time entered into by the Buyer with the Clearing [HouseOrganisation](#) and in respect of which he is appointed Transferee, or in respect of any other matter whatsoever concerning those securities.

#### 10. Seller's Delivery Details (Physical Delivery Contracts)

10.01 (a) Where the Relevant Delivery Procedures so require, a clearing member shall give to the Clearing [HouseOrganisation](#), in accordance with such Relevant Delivery Procedures, details of:

(i) the names of persons conforming with the Relevant Delivery Procedures and paragraph (b) of this term (who may include the clearing member himself) who are appointed by the clearing member to transfer securities to the Clearing [HouseOrganisation](#) in accordance with these terms in respect of Contracts which may be entered into by such clearing member as Seller;

(ii) the names of the Settlement Agents (who may include the Transferor himself) who will be used by each such person to transfer such securities and to receive payment of the settlement amount for such securities and details of their Relevant Settlement System Accounts; and

(iii) any other details required by the Clearing [HouseOrganisation](#) pursuant to the Relevant Delivery Procedures from time to time,

together with the acknowledgement described in term 10.03, if required by that term, and each Transferor so appointed (other than the clearing member himself) and each Settlement Agent so appointed (whether or not the Transferor) shall act as agent for the clearing member in transferring

such securities or receiving payment of the settlement amount for such securities, notwithstanding that settlement of such securities shall be made through the Relevant Settlement System Account of the Settlement Agent.

(b) The ExchangeClearing Organisation may from time to time restrict the persons or categories of persons which may be appointed as Settlement Agents or as Transferors or the types of Relevant Settlement System Accounts to be used for making a transfer of securities and shall publish the details of such restrictions by means of a Notice.

(c) The details given to the Clearing HouseOrganisation in accordance with paragraph (a) of this term may be amended from time to time in accordance with the Relevant Delivery Procedures.

10.02 Although the Seller may under term 10.01 appoint a person other than himself as Transferor, the Seller shall himself remain responsible in respect of a Contract for delivery of the securities and the performance of all other obligations under such Contract expressed to be imposed upon the Transferor in these terms and in the Administrative Procedures. However, performance by the Transferor of those obligations expressed to be imposed upon him (including the obligation to transfer securities) in accordance with these terms and in the Administrative Procedures shall constitute due performance of the Seller's obligations under such Contract.

10.03 Except where the Seller is also the Transferor, the Seller shall by the day specified in and in accordance with the Relevant Delivery Procedures deliver to the Clearing HouseOrganisation an irrevocable acknowledgement, in a form from time to time prescribed by the Clearing HouseOrganisation, addressed to the Clearing HouseOrganisation by each Transferor, acknowledging amongst other things that the obligations of the Clearing HouseOrganisation with regard to all sums payable by it in respect of securities to be delivered by the Transferor in respect of any Contract from time to time entered into by the Seller with the Clearing HouseOrganisation and in respect of which he is appointed Transferor are owed to the Seller alone, and that the Transferor has no rights whatsoever against the Clearing HouseOrganisation.

## 11. Submission of Details to the Relevant Settlement System (Physical Delivery Contracts)

11.01 In respect of Contracts to be settled by the transfer of securities through the Relevant Settlement System, on the Relevant Settlement System business day following the Last Trading Day, and by the time specified for that purpose in the Administrative Procedures, the details of Contracts notified to the Buyer and to the Seller pursuant to terms 8.01(a) and 8.01(b) respectively and such other details as may be required by the Relevant Delivery Procedures shall have been submitted, as required by such terms, to the Relevant Settlement System, so as to enable the Relevant Settlement System:

- (a) in the case of the Buyer, to match the details of the Contracts submitted to it by or on behalf of the Buyer with the details of the Contracts submitted to it by the Clearing ~~House~~Organisation; and
- (b) in the case of the Seller, to match the details of the Contracts submitted to it by or on behalf of the Seller with the details of the Contracts submitted to it by the Clearing ~~House~~Organisation,

in order that settlement of Contracts is effected through the Relevant Settlement System on the Settlement Day.

- 11.02 In respect of Contracts to be settled by the transfer of securities through ~~through the Relevant Settlement SystemEuroclear~~, in accordance with the ~~RegulationsRules of the Clearing Organisation~~, both Buyer and Seller must match in ~~through the Relevant Settlement SystemEuroclear~~ the exact settlement amount as alleged by the Clearing ~~House~~Organisation.

## 12. Delivery (Physical Delivery Contracts)

- 12.01 In respect of each lot comprised in a Contract, the Seller is obliged to make delivery of the number of securities comprised in such lot and the Buyer is obliged to take delivery thereof and to make payment of the settlement amount in accordance with this term 12 and the Administrative Procedures, subject to these terms and the Administrative Procedures which shall apply thereto.
- 12.02 All securities to be transferred in respect of a Contract shall be transferred free of any proprietary or equitable interest of any person.
- 12.03 In respect of Contracts to be settled by the transfer of securities through the Relevant Settlement System, a transfer of securities in respect of a Contract shall be made through the Relevant Settlement System in accordance with the Relevant Settlement System Rules, these terms and the Administrative Procedures, or as otherwise required or permitted by these terms and payment for such securities shall be made in accordance with these terms, the Administrative Procedures and the Relevant Settlement System Rules, and the provisions of this term 12 shall be subject to the Relevant Settlement System Rules where applicable.
- 12.04 Subject to term 12.06, on the Settlement Day at or by the time specified in respect of the Relevant Settlement System and in accordance with the Administrative Procedures:
  - (a) the Transferor shall, in respect of Contracts to be settled by the transfer of securities through the Relevant Settlement System, have transferred securities through the Relevant Settlement System from the Relevant Settlement System Account notified to the Clearing ~~House~~Organisation in accordance with term 10.01(a) to the Relevant Settlement Systems Account of the Clearing ~~House~~Organisation and payment of the settlement amount for such securities transferred through the Relevant Settlement System shall have been satisfied by Delivery Versus Payment; and



- (b) the Clearing House Organisation shall, in respect of Contracts to be settled by the transfer of securities through the Relevant Settlement System, have transferred the securities through the Relevant Settlement System from its Relevant Settlement System Account to the Relevant Settlement System Account notified to the Clearing House Organisation in accordance with term 9.01(a) for the account of the Transferee and payment of the settlement amount for such securities transferred through the Relevant Settlement System shall have been satisfied by Delivery Versus Payment.

12.05 In respect of Contracts to be settled by transfer of securities through the Relevant Settlement System:

- (a) whether or not the Seller appoints a Transferor other than himself, and notwithstanding that such a Transferor is the Seller's agent, Delivery Versus Payment arising upon the transfer of securities to the Relevant Settlement System Account of the Clearing House Organisation pursuant to term 12.04(a) shall discharge the Clearing House Organisation's liability to pay the settlement amount for such securities to the Seller;
- (b) Delivery Versus Payment arising upon the transfer of securities pursuant to term 12.04(b) to the Relevant Settlement System Account notified to the Clearing House Organisation in accordance with term 9.01(a) for the account of the Transferee shall discharge the Buyer's liability to pay the settlement amount for such securities to the Clearing House Organisation;
- (c) the transfer of securities by the Clearing House Organisation to or to the order of the Transferee shall discharge the Clearing House Organisation's liability to transfer such securities to the Buyer, whether or not the Transferee is the Buyer's agent; and
- (d) the transfer of securities by the Transferor to the Clearing House Organisation shall discharge the Seller's liability to transfer such securities to the Clearing House Organisation.

12.06 (a) Subject to term 17, if any transfer of securities required by term 12.04 cannot be or has not been fully accomplished on the Settlement Day at or by the time specified in respect of the Relevant Settlement System in the Administrative Procedures, due to any event occurring which is outside the control of the Transferor or of the Transferee or of the Clearing House Organisation, as the case may be, which, without prejudice to the generality of the foregoing, may include:

- (i) a failure by a seller of securities to the Transferor to make transfer of such securities by the due time so as to enable the Transferor to fulfil his obligations to transfer the securities to the Clearing House Organisation in accordance with term 12.04(a);

- (ii) a failure by the Transferor to transfer securities to the Clearing House Organisation in accordance with term 12.04(a) so as to enable the Clearing House Organisation to fulfil its obligations to transfer securities to a Transferee in accordance with term 12.04(b);
- (iii) an error, failure, closure or suspension of the Relevant Settlement System or of other systems operated by or on behalf of the Relevant Settlement System;
- (iv) a failure or termination of the Transferor's or the Transferee's or the Clearing House Organisation's access to its Settlement Agent;
- (v) a failure of the Transferor's or Transferee's Settlement Agents or the Clearing House Organisation's access to the Relevant Settlement System for any reason, including, without limitation, as a result of any fault or failure of any computer or communication system;
- (vi) any action taken by the Relevant Settlement System, whether pursuant to the Rules of the Relevant Settlement System or otherwise; or
- (vii) any failure of, or any action or failure to take action by, a settlement bank, appointed by the Transferor, the Clearing House Organisation or the Transferee from time to time in connection with the settlement of securities through the Relevant Settlement System, which prevents the transfer of securities to the Transferor or to the Clearing House Organisation or to the Transferee, as the case may be,

then, without prejudice to paragraphs (d)(i) and (d)(ii) of this term, such transfer or transfers shall be made as soon as possible through the Relevant Settlement System and in accordance with the Relevant Delivery Procedures in order fully to perform a Contract or, if an event occurs which prevents a transfer of securities through the Relevant Settlement System, in accordance with any instructions which may be given by the Clearing House Organisation, which may require delivery by a means other than through the Relevant Settlement System. In the case of any disagreement between the Clearing House Organisation and the Transferor or between the Clearing House Organisation and the Transferee as to whether any particular transfer can be or has been accomplished the determination of the Clearing House Organisation shall be final.

- (b) Any instructions given by the Clearing House Organisation under paragraph (a) above shall be binding and failure by the Seller or the Buyer to comply or ensure compliance with such instructions shall constitute a default under term 18.01 by such Seller or, as the case may be, such Buyer.

(c) Where the Clearing House Organisation is unable to transfer securities in respect of a Contract to the Transferee in accordance with term 12.04 as a result of any event (other than an event referred to in term 17, which, for the avoidance of doubt, shall be dealt with under term 17) occurring which is outside the control of the Clearing House Organisation, the rights of the Buyer shall consist solely of the right to have transfer of the securities made to the Transferee as soon as possible through the Relevant Settlement System and in accordance with the Relevant Delivery Procedures or otherwise as required by these terms and as soon as possible after the Clearing House Organisation has received a transfer of such securities from the Transferor or acquired them from another person.

(d) (i) If any transfer of securities to the Clearing House Organisation in respect of a Contract required to be made by the Transferor under term 12.04(a) or under paragraph (a) of this term is not made by the relevant time specified in the Relevant Delivery Procedures as a consequence of the occurrence of an event referred to in paragraph (a)(i) of this term; or

(ii) if an event referred to in paragraph (a)(vii) of this term occurs which prevents a transfer of securities to the Transferor or a transfer of securities by the Clearing House Organisation to the Transferee; or

(iii) notwithstanding the occurrence (if any) of an event referred to in paragraph (a) of this term or in term 17 at any time, if the Clearing House Organisation, in consultation with the Exchange, determines that the Seller (or the Buyer) has not used its best endeavours to transfer (or to take transfer of) securities or to procure the Transferor to transfer (or to procure the Transferee to take a transfer of) securities, as the case may be, on the Settlement Day or in accordance with paragraph (a) of this term; or

(iv) if any transfer of securities to the Clearing House Organisation in respect of a Contract required to be made under paragraph (a) of this term (other than as a consequence of an event referred to in paragraph (a)(i) or (a)(vii) of this term) is not made as soon as possible after the Settlement Day,

then the Clearing House Organisation shall be entitled to treat the Seller or the Buyer as in default and, without prejudice to its rights under term 16 and to its powers under the Regulations Rules of the Clearing Organisation, the Clearing House Organisation shall be entitled, at its absolute discretion, to take steps to acquire securities in accordance with the Relevant Delivery Procedures in order to fulfil its obligations under a Contract in whole or in part to make delivery of securities to a Buyer or to dispose of securities (where possible) delivered to it by the Seller and the Seller or the Buyer (as the case may be) in default shall indemnify the Clearing House Organisation

in respect of any losses, costs, taxes or expenses suffered or incurred by it in taking any such steps or in exercising any such rights or powers (including any losses determined in accordance with term 19.03). The Seller or the Buyer (as the case may be) who is in default shall comply with any directions given by the Clearing [HouseOrganisation](#).

12.07 (a) If as a result of any event contemplated by term 12.06(a) there is a delay in the transfer of securities in respect of a Contract and the benefit of a Relevant Entitlement to which the Transferee would have been entitled if transfer to him had taken place in accordance with term 12.04(b) (and he had retained beneficial title to the securities), is received by the Clearing [HouseOrganisation](#) (or by the Transferor, if transfer is not made to the Clearing [HouseOrganisation](#) by the Transferor in accordance with term 12.04(a)) then:

(i) if the Clearing [HouseOrganisation](#) has received the benefit of such Relevant Entitlement, or receives the benefit of such Relevant Entitlement under sub-paragraph (ii) of this term, the Clearing [HouseOrganisation](#) shall pass on the benefit of such Relevant Entitlement which it receives to the Buyer and shall deliver to the Buyer such documents (if any) as it receives in connection therewith; and

(ii) if the Transferor has received the benefit of such Relevant Entitlement, the Seller shall pass on or procure that the Transferor passes on the benefit of such Relevant Entitlement which it receives to the Clearing [HouseOrganisation](#) and shall deliver to the Clearing [HouseOrganisation](#) such documents (if any) as it receives in connection therewith.

(b) Any act required by paragraph (a) of this term shall be done at such time and in such manner as the Clearing [HouseOrganisation](#) may specify.

12.08 If any event contemplated by term 12.06(a) occurs, the Seller or the Buyer, as applicable, shall provide to the Clearing [HouseOrganisation](#) documentary evidence satisfactory to the Clearing [HouseOrganisation](#) that he has complied with his obligations under a Contract to which he is party by the time and in the manner prescribed.

12.09 (a) The Clearing [HouseOrganisation](#) shall give notice to the Exchange of any instructions given by it under term 12.06(a) forthwith upon giving such instructions and of any event contemplated by term 12.06(a) which may prevent or has prevented a transfer of securities in respect of a Contract upon becoming aware of any such event.

(b) If any event contemplated by term 12.06(a) occurs, the provisions of term 10 shall apply and the provisions of term 20 shall not apply unless, after consultation with the Clearing [HouseOrganisation](#), the Board determines that such circumstances have continued or are likely to continue for such

duration that the provisions of term 12.06 shall no longer apply and that the provisions of term 20 shall apply. The Board's determination shall be final and binding.

- 12.10 Any provision of this term 12 or of any other of these terms or of the Administrative Procedures relating to procedures for settlement may be varied, or substituted by different procedures for settlement, by the Board from time to time. Any such variation or substitution shall have such effect with regard to existing and/or new Contracts as the Board may determine.

13. Entitlement (Physical Delivery Contracts)

- 13.01 If securities the subject of a Contract are Cum Entitlement on the Last Trading Day, the Buyer shall be entitled to receive, or to exercise, or to direct the exercise of, the Relevant Entitlement in respect of such securities which are to be delivered to him under the Contract.

14. Corporate Actions

- 14.01 In this term 14, "Corporate Action" shall mean:

- (a) a cash and/or scrip dividend, a bonus or scrip issue, a rights issue, a share split, subdivision or consolidation, a demerger or any other event affecting or giving rise to a right or entitlement attaching or accruing to the securities; or
- (b) a takeover, merger or any arrangement, transaction or series of transactions which will or may result in the acquisition by any person or persons or any associated person or persons of a substantial proportion of the shares of a company; or
- (c) a change to the Underlying Currency of the security; or
- (d) any other event which, in the opinion of the Board, necessitates an amendment to be made to the terms of a Contract in respect of the securities.

- 14.02 Where any Corporate Action occurs with respect to the securities, or which affects securities which are the subject of a Contract, the Board, in its absolute discretion, may, but shall not be obliged to, determine:

- (a) to make adjustments to the size of the lot and/or to the price of such lot; or
- (b) to vary, substitute or remove any of, or add to, these terms to make provision for the effect of such Corporate Action. Any such variation, substitution, removal or addition may, without limitation, be made to make provision for one or more entitlements pertaining to the securities, or to alter the subject matter of the lot to reflect such Corporate Action.

14.03 Subject to term 25.01, any adjustment, variation, substitution or removal of or addition to these terms determined upon under term 14.02 will be determined in accordance with the policy of the Board from time to time in relation to Corporate Actions unless the Board, in its absolute discretion, determines otherwise. The Board's policy relating to Corporate Actions will be published from time to time by means of one or more Notices. Any adjustment, variation, substitution, removal of or addition to these terms made under this term 14 shall be published in one or more Notices and shall have such effect with regard to existing and/or new Contracts as the Board may determine.

15. Stock Suspension (Cash Settled Contracts)

15.01 If dealings in securities the subject of a Contract are suspended or prohibited by the Relevant Stock Exchange or are otherwise not permitted to be made under Stock Exchange Rules ("suspension of dealings"), any such Contract shall be performed in accordance with this term 15 and otherwise in accordance with these terms and the Administrative Procedures.

15.02 If there has been a suspension of dealings in securities the subject of a Contract and there is no Relevant Reference Price available in respect of a Contract which ceases trading on a particular Last Trading Day, the Board, in its absolute discretion, shall determine whether:

- (a) a business day other than the one which would have been the Last Trading Day shall become the Last Trading Day; and
- (b) a business day other than the one which would have been the Reference Day shall become the Reference Day,

for such Contract.

16. Default in Performance (Cash Settled Contracts)

16.01 A Buyer or a Seller shall be in default in performance where:

- (a) he fails to fulfil his obligations under a Contract by the time and in the manner prescribed and in accordance with these terms, the Rules and the Administrative Procedures and the ~~Regulations~~Rules of the Clearing Organisation; or
- (b) he fails to pay any sum due to the Clearing ~~House~~Organisation in respect of a registered Contract by the time specified in these terms or in the Administrative Procedures or under the ~~Regulations~~Rules of the Clearing Organisation; or
- (c) in the reasonable opinion of the Clearing ~~House~~Organisation he is in default.

16.02 Subject to the default rules of the Clearing House Organisation, in the event of default by a Buyer or a Seller in respect of a registered Contract, the Board shall, at the request of the Clearing House Organisation, forthwith fix a price for invoicing back and each lot in issue shall be invoiced back at that price. Such price may at the Board's absolute discretion take account of any compensation the Board may consider should be paid by either party to the other.

17. Stock Suspension (Physical Delivery Contracts)

17.01 In this term 17, "suspended securities" shall mean securities which are the subject of a suspension of dealings or securities which have been suspended from settlement through the Relevant Settlement System.

17.02 If dealings in securities the subject of a Contract are suspended or prohibited by the Relevant Stock Exchange or are otherwise not permitted to be made under Stock Exchange Rules ("suspension of dealings") or securities the subject of a Contract are otherwise suspended securities, any such Contract shall be performed in accordance with this term 17 and otherwise in accordance with these terms and the Administrative Procedures.

17.03 Subject to term 17.04, securities which are the subject of suspension of dealings which are required to be delivered in respect of a Contract shall be delivered through the Relevant Settlement System on the Settlement Day in accordance with these terms.

17.04 (a) If settlement of suspended securities the subject of a Contract cannot be made on or after the Settlement Day for such Contract through the Relevant Settlement System, such securities shall be delivered in accordance with any instructions which may be given by the Clearing House Organisation, which shall be final and binding, save that where the Board determines that such Contract shall be invoiced back, such Contract shall be invoiced back at a price fixed by the Board in consultation with the Clearing House Organisation. It shall not, subject to term 12.06(d)(iii), be an event of default under these terms if settlement of suspended securities is not effected on the Settlement Day, but failure by the Seller or the Buyer to comply or ensure compliance with any instructions given by the Clearing House Organisation under this term shall constitute a default under term 18.01 by such Seller or, as the case may be, such Buyer.

(b) The Board's determination under paragraph (a) of this term shall be final and binding and shall be published by means of a Notice.

17.05 If there has been a suspension of dealings in securities the subject of a Contract and there is no Relevant Reference Price available on the Reference Day, the Board, in its absolute discretion, shall determine whether a business day other than the one which would have been the Reference Day shall become the Reference Day for such Contract. The Board shall make such consequential adjustments to the date of the Last Trading Day as it considers necessary.

18. Delivery Default (Physical Delivery Contracts)

18.01 The Buyer or the Seller, as the case may be, shall be in default where:

- (a) subject to term 12, he fails to fulfil his obligations under a Contract by the time and in the manner prescribed and in accordance with these terms, the Rules and the Administrative Procedures;
- (b) he fails to pay any sum due to the Clearing HouseOrganisation in respect of a registered Contract by the time specified in these terms and the Administrative Procedures;
- (c) the “bad delivery” rules or any other rules set forth in the Relevant Settlement System Rules are invoked with respect to the transfer of securities to the Clearing HouseOrganisation by the Transferor appointed by the Seller to make such transfer or in respect of the transfer of securities by the Clearing HouseOrganisation to the Transferee appointed by the Buyer to accept such transfer which may lead or leads to the reversal of one or more transfers of securities; or
- (d) in the reasonable opinion of the Clearing HouseOrganisation he is otherwise in default under a Contract.

For the avoidance of doubt, the Seller shall be held to be in default if the “bad delivery” or such other rules referred to in paragraph (c) of this term are invoked with respect to the transfer of securities by the Transferor to the Clearing HouseOrganisation or the transfer of securities by the Clearing HouseOrganisation to the Transferee and notwithstanding that the Seller may not be responsible for any circumstance which leads to such “bad delivery” or such other rules being invoked.

18.02 Obvious clerical errors in any notice to be given hereunder and which can be readily rectified shall not be treated as constituting a default.

18.03 Notwithstanding a default under term 18.01, the Clearing HouseOrganisation may in its absolute discretion determine not to exercise or to delay in exercising any of its rights under term 16, and no failure by the Clearing HouseOrganisation to exercise nor any delay on its part in exercising any of such rights shall operate as a waiver of the Clearing HouseOrganisation’s rights upon that or upon any subsequent occasion, nor shall any single or partial exercise of such rights prevent any further exercise thereof or of any other right.

19. Effect of Delivery Default (Physical Delivery Contracts)

19.01 The provisions of terms 19.02 to 19.05 inclusive shall be subject to the Default Rules from time to time in force of the Clearing HouseOrganisation.

19.02 If there appears to the Clearing HouseOrganisation to be a default by the Buyer or the Seller, as the case may be, under term 18.01 in respect of any lot comprised in a



registered Contract the Clearing House Organisation may take such steps as it deems appropriate to facilitate a mutually acceptable resolution of the default:

- (a) where the Buyer appears to be in default, between such Buyer and the Clearing House Organisation; or
- (b) where the Seller appears to be in default, between such Seller and the Clearing House Organisation.

19.03 (a) In addition to any steps taken under term 19.02 the Clearing House Organisation may, if it appears to it that a clearing member as Seller or a clearing member as Buyer is in default under term 18.01, in its sole discretion take any steps whatsoever which may appear desirable to the Clearing House Organisation for the protection of the Clearing House Organisation or of a Seller or Buyer not in default including, without prejudice to the generality of the foregoing, the steps referred to in paragraph (b) or (c) below. Any action taken by the Clearing House Organisation pursuant to this term 19 or term 12.06 shall be without prejudice to any rights, obligations or claims of a Buyer, a Seller, or the Clearing House Organisation and any costs, claims, losses, taxes or expenses of whatsoever nature suffered or incurred by the Clearing House Organisation in connection with taking such action or such default (or, without limitation, following the “bad delivery” or such other rules referred to in paragraph (c) of term 18.01 being invoked) shall be paid by the Buyer or the Seller in default.

(b) Where a Buyer appears to be in default under term 18.01 the Clearing House Organisation may take steps pursuant to paragraph (a) of this term to sell any or all of the securities delivered to it by a Transferor at such time and place and in such manner and on such terms as may to the Clearing House Organisation seem fit. Where the price at which such securities are sold (“the Sale Price”) is less than the amount due but unpaid by the Buyer to the Clearing House Organisation in respect of such securities (“the Unpaid Amount”), the difference between the Sale Price and the Unpaid Amount shall forthwith on demand be paid by the Buyer in default to the Clearing House Organisation. Where the Unpaid Amount is less than the Sale Price the difference between the Unpaid Amount and the Sale Price shall (if any remain after the deduction so far as possible of such sums as are payable by the Buyer to the Clearing House Organisation hereunder or otherwise) be retained by the Clearing House Organisation to the order of the Board. The Buyer in default shall forthwith on demand pay to the Clearing House Organisation any sums payable by the Buyer pursuant to paragraph (a) of this term.

(c) Where a Seller appears to be in default under term 18.01, or is treated as being in default under term 12.06, or, without prejudice to the foregoing, paragraph (c) of term 18.01 applies and a step taken by the Clearing House Organisation pursuant to paragraph (a) of this term or term 12.06 is to acquire securities at such time and place and in such manner and on

such terms as the Clearing House Organisation thinks fit from a person other than the Seller in order to meet in whole or in part its obligations to a Buyer to make delivery of securities in respect of a Contract:

- (i) if the total cost incurred by the Clearing House Organisation in acquiring securities, including for the avoidance of doubt the cost of any purchase of securities by the Clearing House Organisation in order to fulfil any obligations under the arrangements it has made to acquire the securities ("the Acquisition Cost"), is greater than the amount which would have been payable by the Clearing House Organisation to the Transferor in respect of the securities to have been delivered to it by the Transferor (or which, but for the application of the "bad delivery" or such other rules referred to in paragraph (c) of term 18.01 had purportedly been delivered to it by the Transferor), the Seller shall forthwith on demand pay the amount of such difference to the Clearing House Organisation; or
- (ii) if the Acquisition Cost is less than the amount which would have been payable by the Clearing House Organisation as referred to in sub-paragraph (i) above, the amount of such difference shall (if any remain after the deduction so far as possible of such sums as are payable by the Seller to the Clearing House Organisation under sub-paragraph (iii) below or otherwise) be retained by the Clearing House Organisation to the order of the Board;
- (iii) if the Seller delivers or attempts to deliver securities to the Clearing House Organisation under a Contract after the Settlement Day, the Clearing House Organisation shall be entitled to reject such attempted or actual delivery, or shall be entitled to sell any securities which are so delivered, as it sees fit, if the Clearing House Organisation has made alternative arrangements to acquire securities for delivery to the Buyer; and
- (iv) the Seller shall forthwith on demand pay to the Clearing House Organisation any sums payable by the Seller pursuant to paragraph (a) of this term.

- (d) Any step taken by the Clearing House Organisation pursuant to paragraphs (a), (b) or (c) of this term shall be without prejudice to the rights of any party to refer a dispute to arbitration under term 22.

19.04 Without prejudice to its rights under terms 19.02 and 19.03, the Clearing House Organisation may refer to the Board any dispute or issue arising between the parties referred to in paragraph (a) or (b) of term 19.02 as a result of a default by a Seller or by a Buyer under term 18.01. If, upon such reference, the Board is of the opinion that the default is of minor significance it shall determine any such dispute or issue upon such evidence as it may deem relevant and convey its findings to the Buyer and the Seller, who shall forthwith accept such determination and shall

implement its terms without question, provided that such acceptance and implementation shall be without prejudice to the right of either party to refer the dispute or any related dispute to arbitration.

- 19.05 If no settlement has been reached pursuant to term 19.02 and if no steps have been taken by the Clearing House Organisation pursuant to term 19.03 and any dispute or issue between the parties referred to the Board under term 19.04 is, in the opinion of the Board, not such as may be subject to determination under term 19.04 then the Board in consultation with the Clearing House Organisation shall forthwith fix a price for invoicing back each Contract in respect of which the dispute or issue has arisen and each Contract, as the case may be, shall be invoiced back at that price. Such invoicing back price shall be final and no dispute as to such price may be referred to arbitration. Such price may at the Board's absolute discretion take account of any compensation that the Board may consider should be paid by any party save that where a dispute or issue has arisen in respect of a Contract between a Seller and the Clearing House Organisation and a like dispute or issue has arisen in respect of a Contract between a Buyer and the Clearing House Organisation which had been matched by the Clearing House Organisation with the Contract between the Seller and the Clearing House Organisation, and the dispute or issue has in each case been referred to the Board under term 19.04, the Board shall fix the same invoicing back price in respect of each Contract. Any such action taken by the Board under this term shall be without prejudice to the rights of any of the parties to refer any dispute to arbitration under term 22.

20. Force Majeure

- 20.01 Subject to any steps taken at any time by the Board under emergency powers in the Rules, a Seller or a Buyer shall be liable to perform his obligations in respect of a lot 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.

21. ~~Articles, Rules, Regulations, etc~~

- 21.01 Every Contract shall be subject to the ~~Articles and the~~ Rules and to the Regulations Rules of the Clearing Organisation in so far as applicable notwithstanding that either or both of the parties to it be not a member of the Exchange or of the Clearing House Organisation.

- 21.02 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.

22. Arbitration

22.01 Subject to terms 22.02 and 22.03, any dispute arising from or in relation to a Contract shall be referred to arbitration under the Rules relating to arbitration and arbitration shall be held in accordance with the Rules in force at the time of such reference.

22.02 No dispute arising from or in relation to any invoicing back price fixed by the Board under these terms shall be referred to arbitration under the Rules.

22.03 The Rules of the Clearing Organisation shall have priority over these terms in any dispute relating to clearing save where the Rules of the Clearing Organisation provide for a dispute to be governed by the LIFFE Rules.

23. Governing Law

23.01 Every Contract shall be governed by and construed in accordance with English law.

24. ~~[deleted] Non-registered Contracts~~

~~24.01 In respect of a Contract which is not a registered Contract ("non-registered Contract") these terms shall be modified by the parties thereto 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 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 to permit performance of such 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.~~

~~24.02 If the securities the subject of a registered Contract are Cum Entitlement (or Ex Entitlement, as the case may be) on the Last Trading Day, the securities the subject of a non-registered Contract shall be deemed to be Cum Entitlement (or Ex Entitlement, as the case may be) on such day, and these terms shall be construed accordingly.~~

25. Economic and Monetary Union

25.01 The Board in its absolute discretion may from time to time vary, substitute or remove any of, or add to, the terms of this Exchange Contract in order to reflect the existence of, or to permit, require or facilitate payment in, the euro pursuant to the participation of a Member State in Economic and Monetary Union in the European Union.

25.02 Any variation, substitution or removal of, or addition to, the terms of this Exchange Contract made pursuant to term 25.01 shall have such effect with regard to existing and/or new Contracts as the Board may determine.

25.03 Any determination by the Board to vary, substitute or remove any of, or add to, the terms of this Exchange Contract pursuant to terms 25.01 and 25.02 shall be the subject of a Notice.

26. Statement in relation to EDSP Price Formation

26.01 The Exchange draws the following statement to the attention of potential users of its Universal Stock Futures Contracts ("USF contracts"). Members should ensure that their clients are made aware of the statement.

"Statement in relation to EDSP Price Formation

Potential users of the USF contracts made available on The London International Financial Futures and Options Exchange should familiarise themselves with the relevant contract terms of those contracts. Potential users should also assess for themselves, or take professional advice in relation to, the risks inherent in any such investment, and in particular those having possible impact on a Contract's pricing or value.

These include:

- (i) whether or not there is a relevant listing authority (UK or otherwise) which imposes obligations in relation to certain aspects of corporate behaviour or disclosure; and
- (ii)(a) where a Contract is cash settled, possible influences on price formation in the underlying cash market which might affect the reference price used for settling the Contract, as explained below.
- (ii)(b) Price formation leading to the EDSP for the cash settled USF contracts is subject to similar influences to those in the case of many other cash-settled contracts. Trading activity on the relevant stock market during the EDSP period is likely to be affected by the activity of particular market participants who are seeking to obtain price convergence at the EDSP between offsetting stock and derivatives positions. Such participants might typically seek to achieve this by unwinding their stock positions during the EDSP period at prices which will, in turn, be used to determine the final EDSP. A consequence of this concentrated activity might be that the final EDSP differs from the share price immediately prior to the commencement of the EDSP period and, if relevant, from the share price immediately following that period.
- (ii)(c) Potential users should familiarise themselves with the mechanism used by the Relevant Stock Exchange to determine the price which is used as the reference price to settle the Contract. Relevant Stock Exchanges may have alternative arrangements for determining such price in certain circumstances e.g. due to

insufficient liquidity during a closing auction and these alternative arrangements may tend to be applied more frequently to certain securities than to others.

Potential users should, therefore, consider the risks of holding positions into the expiry of the cash settled USF contracts. In particular, they should consider their exposure to potentially unfavourable price movements in the expiry and whether to take steps to neutralise such exposure; for example, taking into account that there may be relatively limited liquidity provision, whether to “roll” or close positions prior to expiry.”

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| Issue Date: ~~23 May~~10 June 2013

## UNIVERSAL STOCK FUTURES CONTRACT

Exchange Contract No. 66F

Administrative Procedures

### CASH SETTLED CONTRACTS

#### Last Trading Day

At the time specified in the  
List of Contract Details

Trading shall cease in Contracts for the relevant Last  
Trading Day.

#### Reference Day

As soon as reasonably  
practicable

The Exchange will publish a provisional EDSP.

Within 60 minutes after  
publication of a provisional  
EDSP or as soon as reasonably  
practicable thereafter

The Exchange will publish the EDSP.

#### Settlement Day

By 10.00 hours

All payments required by term 6.01 to be made by the  
Buyer and the Seller shall have been completed.

## PHYSICAL DELIVERY CONTRACTS

### Settlement Procedures

All deliveries under a Contract must be made in accordance with the Rules of the Relevant Settlement System with respect to the settlement of contracts through the Relevant Settlement System and the Contract terms, Administrative Procedures and Relevant Delivery Procedures.

### Delivery Details

Where the Relevant Delivery Procedures so require, clearing members shall have given to the Clearing ~~House~~[Organisation](#) in accordance with the Relevant Delivery Procedures the delivery details referred to in terms 9.01 and 10.01 in order to facilitate settlement of Contracts through the Relevant Settlement System.

### Last Trading Day

At the time specified in the List of Contract Details

Trading shall cease in Contracts for the relevant Last Trading Day.

### Reference Day

As soon as reasonably practicable

The Exchange will publish a provisional EDSP.

Within 60 minutes after publication of a provisional EDSP or as soon as reasonably practicable thereafter

The Exchange will publish the EDSP.



On the market day following the Reference Day

By 07.00 hours

The Clearing HouseOrganisation will issue a Delivery Notice to each of the Buyer and the Seller specifying the Contracts to which he is party with the Clearing HouseOrganisation and details of the Contracts which shall be submitted in accordance with the Relevant Delivery Procedures by or on behalf of the Buyer or the Seller, as the case may be, and by the Clearing HouseOrganisation to the Relevant Settlement System, in respect of Contracts which are due to be settled by the transfer of securities through the Relevant Settlement System.

In respect of Contracts to be settled by the transfer of securities through the Relevant Settlement System, on the Relevant Settlement System business day following the Reference Day

By 11.30 hours

The details of Contracts shall have been submitted, as required by such terms, to the Relevant Settlement System so as to enable the Relevant Settlement System:

- (a) in the case of the Buyer, to match the details of the Contracts submitted to it by or on behalf of the Buyer with the details of the Contracts submitted to it by the Clearing HouseOrganisation, and
- (b) in the case of the Seller, to match the details of the Contracts submitted to it by or on behalf of the Seller with the details of the Contracts submitted to it by the Clearing HouseOrganisation,

in order that settlement of Contracts is effected through the Relevant Settlement System on the Settlement Day.

In respect of Contracts to be settled by the transfer of securities through the Relevant Settlement System, on the Settlement Day

By the close of  
Delivery Versus  
Payment Equity  
Settlement

(a) The Transferor in respect of a Contract shall have transferred securities through the Relevant Settlement System to the Relevant Settlement System Account of the Clearing ~~House~~Organisation and payment of the settlement amount for such securities transferred through the Relevant Settlement System shall have been satisfied by Delivery Versus Payment; and

(b) the Clearing ~~House~~Organisation shall, in respect of a Contract, have transferred securities through the Relevant Settlement System to the Relevant Settlement System Account —notified to the Clearing ~~House~~Organisation in accordance with term 9.01(a) for the account of the Transferee and payment of the settlement amount for such securities transferred through the Relevant Settlement System shall have been satisfied by Delivery Versus Payment.

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Issue Date: ~~4 December 2007~~ 10 June 2013