

PARIS NOTICE NO. 13/08

Issue Date: 20 June 2013
Effective Date: 2 July 2013

INTRODUCTION OF OPTIONS ON KERING

CHANGE IN TERMS AND CONDITIONS FOR LP ACTIVITY (ON NYSE EURONEXT EUROPEAN CASH MARKETS AND PARIS DERIVATIVES MARKET)

Executive Summary

This notice informs Members of the introduction of new American style and European style option classes on Kering (FR0000121485) as of 2 July 2013. This notice also invites Members to apply for Liquidity Provider roles.

As announced in Paris Info-Flash No. PA 13/13, NYSE Euronext has taken the opportunity to bring the terms and conditions for the Paris Derivatives market into line with the new standardised Terms and Conditions for NYSE Euronext's European Cash Market.

1. Introduction

- 1.1 The shareholders of Kering have approved the distribution of Groupe Fnac shares. Corporate Action Notice No. CA/2013/195/P, issued on 19 June 2013, informed Members that the Kering American style and European style options (option trading symbols: PP1 and PP2) are adjusted according to the package method on 20 June 2013.
- 1.2 Following the corporate action, NYSE Liffe intends to introduce new American style and European style options (physical delivery) on Kering as from **2 July 2013**. The option trading symbol for the American style options will be "KR1" and for the European style options the option trading symbol will be "KR2". The contract specifications are equal to the current, pre corporate action, contract specifications of PP1 and PP2. The contract specifications are shown in the appendix.

2. Liquidity Provider information

- 2.1 As previously announced in Paris Info-Flash No. PA 13/13, this Notice also informs members of the new version of the Continental Derivatives and Cash Liquidity Provider Terms and Conditions, including the enhancements detailed below, that will be effective from 1 July 2013, and will apply to all existing and future liquidity provision agreements on NYSE Euronext European Cash Markets and Paris Derivatives Market.

- 2.2 The new version of the Continental Derivatives and Cash Liquidity Provider Terms and Conditions will be effective from 1 July 2013, and will apply to all existing and future liquidity provision agreements on NYSE Euronext European Cash Markets and Paris Derivatives Market.
- 2.3 Members for Cash Markets as well as for Continental Derivatives Markets are reminded, for the sake of clarity, that all Parties to liquidity provision agreements (that is, the Liquidity Provider as well as the relevant European Market Undertaking) are required to abide by the mutually agreed Membership Application Form. As such and for consistency purposes, the laws and jurisdiction selected in the Membership Application Form by the Member itself will govern its Liquidity Provider trading activity on the NYSE Euronext European Cash and Continental Derivatives Markets.
- 2.4 Following Info-Flash NO. PA13/13, issued on 7 June 2013, NYSE Liffe will select up to five PLPs, five CMMs and five RMMs for the Non Target Group option class **KR1** on the basis of applications received from Members.
- 2.5 Members are informed that the Maximum Bid/Offer Spread for the Non target Group option class **KR1** will be included to **Group 4** with a Minimum Order size of no fewer than **20 lots**.
- 2.6 NYSE Liffe will select up to ten RMMs for the European style option class **KR2** on the basis of applications received from Members.
- 2.7 Members are informed that the Maximum Bid/Offer Spread for the European style option class **KR2** will be included to **Group 4** with a Minimum Order size of no fewer than **200 lots**.
- 2.8 All Members are eligible to apply for PLP, CMM or RMM status.
- 2.9 Members who have already submitted a Continental Derivatives Liquidity Provider Registration Form and would like to apply for a Liquidity Provider role in KR1 should complete the Continental Derivatives Liquidity Provider Update Form.
- 2.10 Members who have not submitted a Continental Derivatives Liquidity Provider Registration Form before and would like to apply for a Liquidity Provider role in KR1 should complete the Continental Derivatives Liquidity Provider Registration Form.
- 2.11 Both the Update and Registration Forms are available on the NYSE Euronext website: www.nyx.com/elps (under the Stock Options and Paris heading) and should be sent to the EMS Liquidity Provision department via fax (+31 (0)20 550 5101) or email (ELPS@nyx.com) by no later than the close of business on 26 June 2013. Also, the applicant should provide two hard copies of the relevant completed form to NYSE Liffe for the attention of EMS Liquidity Provision, P.O. Box 19163, 1000 GD Amsterdam, The Netherlands to be received no later than 28 June 2013 at close of business.
- 2.12 Members are reminded that the appointment of each Liquidity Provider will be subject to a binding contract (“the Agreement”) between the successful applicant and the Exchange. The Agreement will consist of the Terms and Conditions as published on the NYSE Euronext website at www.nyx.com/elps (under the Paris heading), the Liquidity Provider Registration Form and, where appropriate, any Update Form. Furthermore, a successful applicant’s status, and therefore the period for which the Liquidity Provider may receive financial benefits, may not be deemed to have commenced until the relevant Liquidity Provider Registration Form or Update Form is completed

and confirmed by all parties. Please note that in terms of effectiveness, the date is confirmed in writing by the Exchange.

- 2.13 In the event that any business which may give rise to a benefit under the terms of this Scheme may also qualify as business undertaken by the Liquidity Provider giving rise to a benefit under any other Exchange liquidity provision, market making or other similar scheme or arrangement, the Exchange reserves the right in its absolute discretion to take one or more of the following actions:
- a) withhold the credit of any further rebates otherwise due under the Scheme;
 - b) to re-charge some or all of the discounted transaction fees made under the Scheme; and
 - c) to terminate the Agreement by notice to the parties with immediate effect.
- 2.14 For the Liquidity Provider programme specifications please refer to Paris Info Flash no. PA13/13 which is available on the NYSE Euronext website: www.nyx.com/elps (under the Stock Options and Paris heading).

For further information in relation to this Notice, Members should contact their Account Manager.

Attachment

The contract specifications for Kering share options American style are as follows:

| | |
|------------------------|---|
| Option style | American – Physical settled |
| Underlying instrument | Kering (ISIN FR0000121485) |
| Trading symbol | KR1 |
| Contract size | 100 shares |
| Trading unit | 100 |
| Pricing unit | 1 |
| Currency | Euro |
| Option price | Premium x trading unit |
| Tick size | € 0.01 (€ 1 per contract) |
| Trading hours | 09:01 – 17:30 CET for trades in the central order book 09:01 – 18:30 CET for block trades |
| Expiry months | Group 2 expiry: Initial lifetime: 1, 2 and 3 monthly options Cycle: Every month Initial lifetime: 6, 9, 12 month quarterly options Cycle: March, June, September, December Initial lifetime: 18, 24 month half yearly options Cycle: June, December |
| Last day of trading | Until 17:30 CET on the third Friday of each expiry month, provided this is a business day. If not, the last day of trading shall be the last business day preceding the third Friday in the expiry month. |
| Exercise | Exercise until 19:15 CET on any business day, Exercise until 19:45 CET on the Last Trading Day |
| Settlement | Delivery of 100 shares through the settlement system of LCH.Clearnet S.A. |
| Settlement day | Three business days after the exercise day |
| Clearing organization | LCH.Clearnet S.A. |
| SPAN margin parameters | As determined by LCH.Clearnet S.A. |

The contract specifications for Kering share options European style are as follows:

| | |
|------------------------|---|
| Option style | European – Physical settled |
| Underlying instrument | Kering (ISIN FR0000121485) |
| Trading symbol | KR2 |
| Contract size | 10 shares |
| Trading unit | 10 |
| Pricing unit | 1 |
| Currency | Euro |
| Option price | Premium x trading unit |
| Tick size | € 0.01 (€ 0.10 per contract) |
| Trading hours | 09:01 – 17:30 CET for trades in the central order book 09:01 – 18:30 CET for block trades |
| Expiry months | Group 1 expiry: Initial lifetime: 6, 12, 18, 24 month half yearly options Cycle: March, September |
| Last day of trading | Until 17:30 CET on the third Friday of each expiry month, provided this is a business day. If not, the last day of trading shall be the last business day preceding the third Friday in the expiry month. |
| Exercise | Exercise until 19:45 CET on the Last Trading Day only |
| Settlement | Delivery of 10 shares through the settlement system of LCH.Clearnet S.A. |
| Settlement day | Three business days after the exercise day |
| Clearing organization | LCH.Clearnet S.A. |
| SPAN margin parameters | As determined by LCH.Clearnet S.A. |