

## EURONEXT DERIVATIVES NOTICE

Amsterdam Market

No. NO150519DE2

Issue Date:

19 May 2015

Effective Date:

29 May 2015

### INTRODUCTION OF OPTIONS ON PERSHING SQUARE HOLDINGS

#### Executive Summary

This notice informs Members of the introduction of a new option class on Pershing Square Holdings (ISIN-code GG00BPFJTF46) shares as of 29 May 2015 and invites Members to apply for Liquidity Provider roles.

#### 1. Introduction

- 1.1 Euronext will launch options on Pershing Square Holdings shares (option trading symbol: PSH) on the Derivatives Market of Euronext Amsterdam on 29 May 2015 (see attachment for contract specifications).
- 1.2 The underlying shares are traded in US Dollars. This means that the option premium and option strike prices are also in US Dollars.

#### 2. Member onboarding

To confirm their interest in trading the Individual Equity Options listed in US Dollars, current Euronext Trading Members should return the completed 'Euronext Derivatives markets – Request for extension of trading activity' form, available at [www.euronext.com/membership/admission-proces/membership-applications-extensions](http://www.euronext.com/membership/admission-proces/membership-applications-extensions), to the Membership department at [EuronextMembership@euronext.com](mailto:EuronextMembership@euronext.com). They will then be asked to update their existing post-trade and connectivity arrangements in preparation for the launch.

#### 3. Post-trade readiness

- 3.1 Members should contact their Clearing Member to confirm the set-up for trading, clearing and settlement in USD.
- 3.2 The Clearing Member will need to verify with LCH.Clearnet SA the requirements for clearing and settlement in USD business and ensure their readiness.

#### 4. Liquidity Provider information

- 4.1 Euronext will select up to six Primary Market Makers (PMMs) and nine Competitive Market Makers (CMMs) for the Non-Target Group option class PSH on the basis of applications received from Members.

Members are informed that the maximum bid/offer spread and minimum order size will be as follows:

| Term:            | Bid price (\$): |           |           |            |             |        | Minimum size |
|------------------|-----------------|-----------|-----------|------------|-------------|--------|--------------|
|                  | 0.00-0.50       | 0.51-2.50 | 2.51-5.00 | 5.01-10.00 | 10.01-20.00 | >20.00 |              |
| =< 12 months     | 0.25            | 0.40      | 0.50      | 0.50       | 1.00        | 1.50   | 10           |
| >12 =< 24 months | 0.35            | 0.45      | 0.55      | 0.65       | 1.25        | 1.75   | 10           |
| > 24 months      | 0.40            | 0.50      | 0.60      | 0.70       | 1.25        | 1.75   | 10           |

- 4.2 All Members are eligible to apply for PMM or CMM status.
- 4.3 Current Liquidity Providers in Individual Equity Options listed on the Amsterdam market wishing to apply for a Liquidity Provider role should complete the Liquidity Provider **Update Form**.
- 4.4 Members who currently are not a Liquidity Provider in Individual Equity Options listed on the Amsterdam market and wishing to apply for a Liquidity Provider role should complete the Liquidity Provider **Registration Form**.
- 4.5 Both the Update and Registration Forms are available on the [Euronext website](#) and should be sent to the Global Analytics department via email ([LPEurope@euronext.com](mailto:LPEurope@euronext.com)) by no later than the close of business on **26 May 2015**. Also, the applicant should provide two hard copies of the relevant completed form to Euronext for the attention of Global Analytics, 39 Rue Cambon, 75001 Paris, France to be received no later than midday on **28 May 2015**.
- 4.6 Members are reminded that the appointment of each Liquidity Provider will be subject to a binding contract ("the Agreement") between the successful applicant and Euronext. The Agreement will consist of the Terms and Conditions as published on the [Euronext website](#), 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 Euronext.
- 4.7 In the event that any business which may rise to a benefit under the terms of this programme 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 programme or arrangement, Euronext reserves the right in its absolute discretion to take one or more of the following actions:
- Withhold the credit of any further rebates otherwise due under the programme.
  - To re-charge some or all of the discounted transaction fees made under the programme.
  - To terminate the Agreement by notice to the parties with immediate effect.
- 4.8 For the full Liquidity Provider programme specifications please refer to the programme documents which are available on the [Euronext website](#).

## 5. Price Limits

5.1 Euronext hereby announces that [Price Limit](#) Category 3 for Amsterdam Individual Equity Options will apply to the PSH option class.

For further information in relation to this Notice, Members should contact:

|                       |   |  |
|-----------------------|---|--|
| Global Analytics      | +31 (0)20 550 5110                            | <a href="mailto:LPEurope@euronext.com">LPEurope@euronext.com</a>                     |
| EMS Derivatives desk  | +31 (0)20 721 9585                            | <a href="mailto:EMSDerivatives@euronext.com">EMSDerivatives@euronext.com</a>         |
| Membership team (OCA) | +31 (0)20 550 44 25 /<br>+33 (0)1 49 27 11 97 | <a href="mailto:EuronextMembership@euronext.com">EuronextMembership@euronext.com</a> |

Attachment 1

The contract specifications of Pershing Square Holdings options are as follows:

|                        |   |
|------------------------|---|
| Underlying instrument  | Pershing Square Holdings (ISIN-code GG00BPFJTF46)   |
| Exchange contract code | PSH   |
| Contract size          | 100 shares  |
| Trading unit           | 100   |
| Pricing unit           | 1   |
| Currency               | US Dollar   |
| Option price           | Premium x trading unit  |
| Minimum price move     | If the premium of an order at order entry is below or equal to the premium threshold, the tick size is \$ 0.01 (\$ 1 per contract)<br>If the premium of an order at order entry is above the premium threshold, the tick size is \$ 0.05 (\$ 5 per contract)<br>The premium threshold is set at \$ 0.50 |
| Wholesale services     | Prof trading (minimum size 250 contracts)   |
| Trading hours          | Central Order Book 09:01 – 17:30 CET<br>Prof Trade Facility 07:00 – 18:30 CET   |
| Option style           | American  |
| Expiry months          | Initial lifetime: 1, 2 and 3 monthly options<br>Cycle: Every month<br>Initial lifetime: 6, 9 and 12 month quarterly options<br>Cycle: March, June, September, 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.   |
| Settlement             | Delivery of 100 shares through the settlement system of LCH.Clearnet S.A.   |
| Clearing organization  | LCH.Clearnet S.A.   |
| SPAN margin parameters | As determined by LCH.Clearnet S.A.  |