EURONEXT DERIVATIVES NOTICE

Paris Market	No. NO200731DE3
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UPDATED MARKET MAKING PROGRAMME FOR MARKET MAKERS UNDER OPTIQ® FOR DERIVATIVES

Executive Summary

Further to Notice NO200128DE of 30 January 2020, the daily performance measurement for all options will be adjusted for Market Makers who fail the performance target. This measurement change is made at the request of Market Makers in order to provide a better outcome in terms of performance score for Market Makers that fail only the Strike Obligations.

1. Application of scaling factor on presence time:

In the current Market Making programme, for a given Options contract, Market Makers are required to quote simultaneously a number of series available in the Near-The-Money (NTM) area as a minimum strike obligation. If the Market Maker misses the required number of strikes, the Market Maker's strike performance is not counted, usually resulting in a low overall performance score.

From 3 August 2020, all performance by Market Makers in the Near-The-Money (NTM) area will be counted by applying a scaling factor based on the actual number of strikes quoted, as a proportion of the required number of strikes over the presence time during which the strikes were quoted.

This scaling method will provide a better outcome for Market Makers that miss the required number of strikes, allowing their performance score to reflect the length of time present and the number of strikes actually quoted.

2. Performance Cap at 84.99%:

A Performance Cap of 84.99% will be applied for those Market Makers who do not meet their strike obligations but benefit from the above scaling method. This ensures that there is a clear difference in score between those Market Makers who meet all the obligations, and those Market Makers who meet only the spread and size obligations.

3. Removal of current reduced daily performance target for French Equity Options:

Under the current Market Making programme, if a Market Maker only just misses its performance target at the defined strike obligation for a given French Equity Option contract, Euronext assesses performance based on a reduced daily performance target, while decreasing the strike obligation by

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3 strikes. This reduced daily performance target will be removed starting from 3 August, as the scaling method will improve the outcome in terms of performance measurement.

Further information:

In case of questions, please contact MarketMaker@euronext.com or Derivatives@euronext.com

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