

IMPORTANT NOTICE

It is reminded that the options are financial instruments which are highly risky and that only informed investors should contemplate trading options. Before placing any order relating to options on NYSE Liffe the client will always be presumed to have become familiar with, understood and accepted all the clauses of the "ADDENDUM TO GENERAL TERMS AND CONDITIONS OF STRATEO RELATING TO THE TRADING OF OPTIONS", available on the Transaction Site, as well as the information contained in the documents to which this addendum refers especially the document: «General risk warning concerning financial instruments» and the transaction rules NYSE Liffe

Practical specifications of Strateo service relating to the trading of options on NYSE Liffe, Transaction rules: NYSE Liffe (Brussels, Amsterdam and Paris)

1. Types of products that can be traded on the Strateo trading platform

The Strateo trading platform only allows the trading of options contracts; it cannot be used to trade futures contracts.

There exist daily, weekly and monthly options, depending on the underlying assets.

2. Opening hours

The Strateo trading system offers trading on different segments, with for each specific trading hours. You can find the different opening times at: <https://europeanequities.nyx.com/en/trading/trading-hours-and-holidays>

3. Types of options transactions

1. Cash-settled options: at the exercise, there is no delivery of the underlying security but a cash payment of the positive difference (exercise settlement value) between the quote of the underlying value on the moment of calculation and the fixed exercise price.

2. Physical delivery options: the holder of a long position for this type of contract has the right to receive (call) or to make (put) a physical delivery of the underlying interest.

The Strateo trading system for the aforementioned markets allows «opening buy» transactions (order to purchase an options contract), and «closing sell» transactions (order to sell an options contract). Short selling transactions involving «opening sell» and «closing buy», i.e. the sale or issue of options by clients is permitted under following conditions:

- The issue of index and Forex options is not authorised.
- The issuer of a «call» option must dispose of the underlying securities in his trading account at all times in such a manner as to be able to meet the possible exercise of the «call» option (assignment). The underlying securities will be frozen in the trading account of the issuer as a guarantee pending expiration or exercise of the option
- The trading account of the issuer of a «put» option must carry the cash amount necessary to meet the possible exercise of the «put» option (assignment). The cash amount necessary to meet the possible assignment will be frozen on the trading account of the issuer of the option pending expiration or exercise of the option.

4. Order transmission method

Client's orders to trade options contracts on these markets can be transmitted by Strateo electronic routing system or via telephone, in accordance with the provisions of Strateo's general terms and conditions, which remain fully applicable to the trading of options.

5. Features

Each option contract covers generally 100 underlying securities. However, the number of underlying assets can vary depending on the marketplace. As an example option contracts of the European type, at the Paris exchange, has currently an underlying of 10 securities. The client should check the particularity of every serie. Moreover, the number of underlying assets can be adjusted due to certain events. Thus can corporate actions (ex. stock splits, reverse splits, stock dividends, stock distributions and company mergers) result in an adjustment of the number of underlying shares, of the exercise price, or of both.

We particularly bring into focus article 70 "Financial information" of the General Terms and Conditions which stipulates that: "All such information is however supplied to the Bank by third parties, and in the case of some prices, by the markets or MTF concerned. The Client therefore expressly accepts that the Bank cannot guarantee the accuracy of this information and that it declines any liability for any loss resulting from either the erroneous character of the information (in particular regarding the execution of Operations on the basis of erroneous rates or the failure to execute Operations due to erroneous rates), or by the failure to transmit such information (and therefore in particular the loss of chances or opportunities)". Strateo also reminds that the client shall use the information in accordance with article 14.10 of the General Terms and Conditions: "The Client shall undertake to use the Bank's services in good faith, and shall recognise in particular, in this context, as specified in article 70, that the market prices and available prices are provided to the Bank by a third party."

On the Transaction Site all option quotes are by default 15 minutes delayed. It is recommended to have real-time quotes when trading in options. You may activate the NYSE Liffe Brussels, Paris and Amsterdam real-time quotes in the menu "Your preferences"/"Site Preferences"/"Quotes" on the Transaction Site.

6. Types of orders

In the Strateo trading system, the options orders may be expressed in two ways, in terms of validity of the order:

- «Day orders»: in this case, these orders are valid until the last trading session on the date that they are transmitted by Strateo to the relevant market. If they are not executed within that period, they are automatically cancelled at the end of this session;
- «GTC» («Good-Till-Cancelled») orders: when the series of options covered by the GTC orders expire, these GTC orders are automatically cancelled upon expiration. However, the principal may at any time cancel a GTC order prior to the expiration of this period.

Stipulations concerning the execution price

In the Strateo transaction system, orders may be placed, in terms of order type:

- «at the market price», i.e., without any price indication, to be executed at the best price immediately available, and provided () that the entire order can be executed (all or none order);
- «at a limit price», i.e. at a maximum price indicated by the client in the case of a buy order, or at a minimum price indicated by the client in the case of a sell order. Unlike 'market price orders', partial executions of 'limit price orders' are possible.

Given the high volatility of options prices, market price orders are not recommended as they may be executed at prices that can be located far from those prevailing at the time that the orders are recorded. As a result, it is recommended that clients use limit price orders.

The execution of an order is always conditional upon the existence of an adequate counterparty for partial execution (in the case of a limit price order) or total execution (in the case of a market price order).

Remarks:

1. an option acquired by a client may be sold at any time before its expiry. The exercise of options on client's initiative is not possible
2. If a client sells an option largely 'out of the money' (cabinet trade or cab on NYSE Liffe), the trading fees charged to the client will never be superior to the sell price of its option.

7. Exercise/Assignment of options prior to expiration

7.1 Long position

Exercise by the client of purchased options (long position) prior to the expiration thereof is not possible within the framework of the services offered by Strateo.

7.2 Short position

In the event of issue by the client of (short position) options, there is always the possibility that the client may be required to meet his obligation to deliver. The risk, therefore, is that the underlying securities may have to be sold, following the issue of a «call» option, or purchased, following the issue of a «put» option. Strateo is notified by the clearing organization of the total number of contracts called for delivery. Strateo then draws up a list of clients required to meet their obligations.

In the event of an assignment, Strateo proceeds with the purchase or sale of the underlying securities, operating against the client. The statements of account indicate all positions assigned and the underlying securities purchased or delivered in relation to these assignments. The transaction date corresponds to the option exercise date, i.e., the working day preceding the assignment. If the issuer of an option is required to assign, but does not possess all the underlying securities to be delivered, Strateo will purchase the balance of the shares required for assignment, for the account of the client, at the best price. If the client does not have sufficient cash in his trading account to pay the purchase and the costs, Strateo proceeds to the sell or a part or all the shares so that the trading account is no longer in debit. The attention of the client is drawn to the fact that the client takes the risk of an important potential loss depending on the market circumstances.

8. Expiry: what to do on the expiration date of the options?

8.1 Long position

Options contracts always have a fixed expiration date. The option must necessarily be sold or exercised at the latest on their expiration date, being understood that the exercise is only possible at the expiry. During the week preceding the option's expiration date, Strateo will try, to the extent possible, to send an e-mail to the client informing him of his position in those of his options that are expiring. This e-mail does not exempt the client from verifying himself the situation of his options and their expiration date. Strateo may not be held responsible for the failure of receipt of such an e-mail by the client due to transmission problems of e-mails, the communication of an incorrect e-mail address by the client, the lack of communication of



an e-mail address by the client, or to any other reason beyond the control of Strateo.

1. Automatic sale or «auto-sell»

On the last transaction date for the series of options that are expiring, transactions in these options will be possible until the end of quotation, depending on the type of option. After this end of quotation, it will no longer be possible to sell the option, which will then become worthless.

Normally the options are sold automatically by Strateo, for the account of the client, the day of their expiry, i.e., on their last trading day. The client may however deactivate the «autosell» function in the «Autosell» window of its trading interface, in order to avoid this automatic sale. The attention of the client is drawn to the fact that the function «autosell» which is activated by default does of course not guarantee the sale of the options on their expiration date, the execution of the sale depending on the market conditions (market price, liquidity, etc.).

If the options cannot be sold within the framework of this automatic sell program, they will be automatically exercised at the expiry, if they are «in the money» and if the Stock Exchange has automatically exercised this option «in the money». In addition, the trading account of the client must contain an adequate provision, in accordance with what is mentioned hereunder under sections 2 and 3.

Expiring options which are in the client's portfolio on the last trading day at 2 p.m. and for which no sell order is in process will, to the extent possible, be offered for sale at the market price as of 2 p.m. on the last trading day.

Orders to sell (closing sell) or to purchase (opening buy) in the client's portfolio, registered by the market will remain the client's responsibility until the options in question have expired. As a result, the «auto-sell» function will only be operational on options for which the client does not have a pending sell order. The attention of the client is drawn to the fact that, if his sell orders cannot be executed before the expiry of the options concerned, these options will become worthless after their expiry, subject to the automatic exercise as provided for under point 2 hereunder, if the option is «in the money» and the trading account of the client contains an adequate provision.

The deactivation of the function «auto-sell» by the client does not eliminate the possibility for the client to sell his options. Important remark : opening options after 14h00 CET (Central European Time) on the expiration date is very risky. For an option purchased after the «auto-sell» cut-off of 14h00 CET on the expiration date, the auto-sell function will not be available. The customer is solely responsible for closing this option the same day before the market closes. Otherwise the option will expire without any value or will be automatically exercised (see point «Automatic exercise here below»).

2. Automatic exercise

For NYSE Liffe (Brussel, Amsterdam en Parijs) options Strateo can decide to abandon the automatic exercise of the option if the trading account of the customer does not contain adequate provision.

If the function «auto-sell» has been deactivated by the client, or if the options could not be sold in the framework of the «auto-sell» function, or if Strateo did not decide to abandon the exercise of the option, or still, if a sell order transmitted by the client could not be executed, the «in the money» options contracts will be automatically exercised at their expiry in accordance with the following specifications and only if the following conditions are fulfilled:

- For index and Forex options that are «in the money», exercise at expiry consists of a cash payment resulting from the difference between the value of the settlement index/Forex pair and the option's exercise price.(=cash settlement)
- For forex options that are «in the money», exercise at expiry consists of a cash payment resulting from the difference between the value of the settlement currency and the option's exercise price.(=cash settlement)
- For equity options that are «in the money», exercise at expiry consists of the purchase or sale of the underlying security at exercise price in the market in which this security is traded, and will only take place if the trading account of the client contains an adequate provision, as mentioned hereunder under section 3 «Provision required for the automatic exercise».

Automatic exercise only concerns options that are «in the money», for as little as one-hundredth of a euro (share options) or for one-hundredth of a point (index and Forex options), excluding trading expenses (commission, exercise and broker's fees, taxes).

Strictly «at par» or «out of the money» options are not exercised automatically. The client decides alone and under his own responsibility if he decides to sell these two types of options on the day of their expiry.

3. Provision required for the automatic exercise

Considering the afore-mentioned exercise specification for «in the money» index and Forex options, these options will be exercised, in accordance with the above specifications.

As mentioned above under point 2, an «in the money» equity option on NYSE Liffe Brussels, Amsterdam and Paris will be automatically exercised at expiration only if the trading account of the client contains an adequate provision as follows. In case of a call option, the provision on the trading account of the client will be adequate or sufficient if at expiration of the option in question the trading account of the client contains in cash the amount required for the purchase of the underlying equities at the agreed exercise price, increased by the applicable trading expenses (commission, exercise and broker's fees, taxes). In case of a

put option, the provision on the trading account of the client will be adequate or sufficient if at expiration of the option in question the trading account of the client contains the underlying equities, as well as the sum of the applicable trading expenses (commission, broker's fees, taxes).

The aforementioned provision (in equities and/or cash) will, in case of automatic exercise, be blocked on the trading account of the client at the end of the trading session of the expiration date, until the exercise of the option has been effectively realised. The client may not dispose of these equities and/or cash during this blocking period.

The attention of the client is drawn to the fact that the client takes the risk of an important potential loss depending on the market circumstances.

8.2 Short position

If an option sold by the client (opening sell) is «in the money» upon expiration, the client will in principle receive an assignment from the counterpart. He will, in consequence, be required to deliver the underlying securities at the option exercise price, in the case of a «call» option, or purchase the underlying securities, at the option exercise price, in the case of a «put» option.

If the client wishes to avoid a possible assignment and related costs, he should close out the position by purchasing the option «short» (closing buy) prior to expiration of the option.

If the client covers his short option position by buying back the position on D-Day and that an assignment took place on the same D-day by a counterpart, which details the option issued by the client, the clearing will be able to inform Strateo only D-day +1. This will be the date on which Strateo will assign the client to face his commitment in case of option issuing.

As a consequence, the client can find himself assigned because of his short position whereas he has effectively covered his position by the buying back of this position. THE CLIENT ACCEPTS THAT HE CAN BE ASSIGNED AT ANY MOMENT WHEREAS HE HAS ALREADY BOUGHT BACK HIS POSITION AND ACCEPTS ALL CONSEQUENCES.

Explanatory Notes on markets

The Explanatory Notes relating to the markets on which Strateo offers a service of trading of options, can be consulted at: are the following: <https://globalderivatives.nyx.com/regulation/nyse-liffe/>

More particularly the Information Note can be found on the Transaction Site on the order placing page as well as on the screen «Preferences: overview» under the icon «Contracts» at the tab «Options».

The attention of the clients is drawn to the fact that Strateo only offers the services described above and not necessarily all the services and operating processes mentioned in these Explanatory Notes. Subject to this provision, in case of contradiction between these Practical Specifications and the Explanatory Notes, our conditions shall prevail.

In any case, the service offered by Strateo and the execution of the client's orders on options remain submitted to the rules of the markets concerned, on which Strateo acts as an intermediary, on behalf of the client.

In case of lack of understanding of, or doubts regarding, these rules and operating processes, the client is invited to ask for further information to Strateo. In the event of a divergence between the different linguistic versions, the French version shall prevail.

9. Pricing

The tariffs applicable to the trading of options are mentioned in the brochure «Tarifs»

10. Remark

If you wish to use the revenue of a sell, you must take into account the value date of the generated cash.

Value dates per market:

Bonds	D+3
Canadian markets	D+3
Eurex	D+1
European options	D+1
Euronext (Brussels, Amsterdam, Paris)	D+3
Funds the issuer)	D+3 (the value date is stipulated by
London stock exchange	D+3
Madrid	D+3
Milan	D+3
OMX (Helsinki, Stockholm, Copenhagen)	D+3
Switzerland	D+3
US markets	D+3
US options	D+1
Xetra (Frankfurt)	D+2
Currency exchange	D+2

