

version 1.1

# Liquidity Provider Agreement

Updated September 2011

This Agreement is being distributed by Turquoise Global Holdings Limited only to, and is directed only at (a) persons who have professional experience in matters relating to investments who fall within Article 19(1) of the FSMA 2000 (Financial Promotion) Order 2005 and (b) persons to whom it may otherwise lawfully be communicated (together "relevant persons"). Any investment or investment activity to which this document relates is available only to and will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this application form or any of its contents.

Turquoise Global Holdings Limited is authorised and regulated by the Financial Services Authority



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## 1 Liquidity Provider Agreement: General Provisions

As per rule 4.3 of the Turquoise Equities Rules, a Liquidity Provider status is available to Members if they are an investment firm, or a local firm (a local firm refers to the exemptions provided by article 2 (1) (d) and (l) in connection with articles 42(3) and 14(4) of Mifid).

The Liquidity Provider must deal as principal in the relevant Securities.

Liquidity Provision in this context means trades undertaken to meet the Liquidity Provision Obligations, and the respective transactions related to this business in the genuine capacity of liquidity provision.

It would not cover trades where the main overall intention is to create a short position, rather than the provision of liquidity.

In order to remain classified as a Liquidity Provider on Turquoise, the Member must meet the Liquidity Provider Obligations as described hereafter:



## 2 Liquidity Provider Obligations

### 1. Mandatory Quote Period

The Liquidity Provider, must maintain executable quotes in each Security within the pricing obligations and executable size requirements applicable to that Security, as per the table in section 7.

The Liquidity Provider shall indicate in the attached application form which Securities it will be providing quotes for.

The Mandatory Quote Period does not apply in the following circumstances:

- Public holiday for the Primary-market for a Security listed in the attached form
- Regulatory Suspension of Trading and/or auctions on the Primary-market for a Security listed in the attached form
- Suspension of trading of a Security on Turquoise
- In the event of exceptional volatile market conditions (“fast markets”) following a market notice issued to Liquidity Providers by Turquoise.

### 2. Pricing Obligations

The Liquidity Provider must enter quotes within the maximum spread for the relevant Security based on the TBBO in the Turquoise Integrated Order Book for that Security at that time.

### 3. Executable Size

The aggregated quoted volume on the bid and offer within the Pricing Obligations must meet the minimum Executable Size for the relevant Security.

### 4. Registration

A Member intending to act in the capacity of a Liquidity Provider must adhere to this Agreement by signing and returning a duly completed application form.

Turquoise reserves the right, at its sole discretion, to refuse an application or accept it for only some of the requested Securities.

### 5. Minimum Term

The Liquidity Provider commits for a minimum term of 30 calendar days. Subject to this minimum term, should a Member wish to cease to act as a Liquidity Provider, it must inform Turquoise immediately.

In exceptional circumstances, a firm may request from Turquoise a temporary withdrawal from its Liquidity Provider Obligations.

### 6. Failure to comply with the Liquidity Provider Obligations

If the Member fails to comply with the Liquidity Provider Obligations, Turquoise will contact the firm and request an explanation. In this event, the Liquidity Provider will be considered on probation for the next 30 days.

If Turquoise has reasonable grounds to believe that the Member cannot comply with the Liquidity Provision Obligations in a consistent manner going forward, Turquoise has the right to deregister a Member as a Liquidity Provider for some or all of the registered Securities.

Any deregistration is at the sole discretion of Turquoise except where the Liquidity Provider fails to meet its Liquidity Provision Obligations for two subsequent periods of 30 days. In such case, deregistration would be automatically triggered.

## 7. Liquidity Provider Obligations

Security	Mandatory Quote Period	Pricing Obligations	Executable Size
ESTOXX 50 <sup>1</sup>	80%	25bps	€5,000

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<sup>1</sup> Please note that the List of Securities representing the constituents of the ESTOXX 50 may be varied from time to time;

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## Application Form: Becoming a Liquidity Provider

This Application Form should be completed by firms seeking to be registered as a Liquidity Provider on the markets operated by Turquoise Global Holdings Limited. A completed application form should be returned to:

**Turquoise  
Compliance  
10 Paternoster Square  
London EC4M 7LS**

If you have any queries on the application process, please contact the Client Relationship Team on +44 (0)20 7382 7650 or [sales@tradeturquoise.com](mailto:sales@tradeturquoise.com)

Turquoise has the right to publish the Liquidity Provider status and will inform its Members accordingly.

**Please note that by signing and returning this Application form you accept the terms of the Liquidity Provider Agreement.**



## Member Details

<b>Name of legal entity applying to become a Liquidity Provider:</b>
<b>Registered address:</b>



## List of Securities <sup>2</sup>

The Liquidity Provider must indicate below the Securities for which it will act as a Liquidity Provider :

AB INBEV		TELEFONICA SA		FRANCE TELECOM	
DEUTSCHE BANK AG NA O.N		Nokia Corporation		GDF SUEZ	
BAY.MOTOREN WERKE AG ST		CREDIT AGRICOLE		ALSTOM	
DT.TELEKOM AG NA		AIR LIQUIDE		UNILEVER	
RWE AG ST O.N.		CARREFOUR		CRH PLC ORD	
DAIMLER AG NA O.N.		TOTAL		GENERALI	
SAP AG O.N.		L'OREAL		UNICREDIT	
SIEMENS AG NA		SANOFI-AVENTIS		INTESA SANPAOLO	
ALLIANZ SE VNA O.N.		AXA		ENEL	
MUENCH.RUECKVERS.VNA O.N.		DANONE		ENI	
DEUTSCHE BOERSE TENDERED		LVMH		TELECOM ITALIA	
BASF SE O.N.		SCHNEIDER ELECTRIC		ARCELORMITTAL	
BAYER AG NA		UNIBAIL-RODAMCO		PHILIPS KON	
E.ON AG NA		SAINT GOBAIN		ING GROEP	
BBVA(BILB-VIZ-ARG)		VINCI		Volkswagen	
BANCO SANTANDER		VIVENDI		Inditex	
IBERDROLA SA		SOCIETE GENERALE			
REPSOL YPF SA		BNP PARIBAS ACT.A			

**Please note that by signing and returning this Application form you accept to be bound by the terms of the Liquidity Provider Agreement.**

Signed on behalf of the Member  
By:

Signed on behalf of Turquoise  
By:

Title:  
Date:

Title:  
Date:

<sup>2</sup>The Securities that were available to Liquidity Providers when joining the scheme shall remain available for the purposes of liquidity provision; Liquidity Providers shall expressly indicate their intention to deregister the Securities that were delisted from the Index and/or their intention to become a Liquidity Provider for the new securities entering in the Index. Turquoise shall contact the Liquidity Providers every time the composition of the Index is varied.