

Instruction I-EX-DF- 08/2023

Liquidity Provider Program in Physical Delivery Stock
Futures.

MEFF

Instruction: Financial Derivatives

Date: 7 July 2023

Effective Date: 12 July 2023

Replaces: I-EX-DF-09/2022

Minimum requirements to meet to be considered Liquidity Provider for Stock Futures Settled by Delivery. The list of Underlying Assets is updated.

This Instruction is published to develop the established on Circular C-EX-DF-04/2023 or any Circular which may replace it.

ASSOCIATED BENEFIT TO LIQUIDITY PROVIDER PROGRAM ON STOCK FUTURES SETTLED BY DELIVERY

Associated benefit to the fulfilment of the minimum requirements will be that the fee per contract paid to MEFF and BME CLEARING of every traded contract on the Member prop account on every underlying, will be of 10 cents per contract except for those contracts where maximum per transaction has been already applied. Furthermore, no minimum per transaction will be applied.

Fee per contract for every contract will have a progressive reduction depending on the daily average number of credits obtained by the Member during the control period according to the following table. Fee will be applied to every contract of (traded by property account) the period and in all underlyings, even those that have not been quoted.

| Credits. Daily Average | Fee |
|-------------------------|-------|
| Hasta 49.440 | 0,100 |
| Entre 49.441y 96.055 | 0,090 |
| Entre 96.056 y 119.363 | 0,085 |
| Entre119.364 y 142.671 | 0,080 |
| Entre 142.672 y 165.978 | 0,075 |
| Entre 165.979 y 189.286 | 0,070 |
| Entre 189.287 y 235.900 | 0,060 |

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MEFF Sociedad Rectora del Mercado de Productos Derivados, S.A.U., con domicilio social en Madrid, Plaza de la Lealtad 1, CIF A-86595568, e inscrita en el Registro Mercantil de Madrid en el Tomo 30.460, Folio 151, Sección 8, Hoja M-548163.

| | |
|-------------------------|-------|
| Entre 235.901 y 282.515 | 0,050 |
| Entre 282.516 y 329.130 | 0,040 |
| Entre 329.131 y 375.743 | 0,030 |
| 375.744 o más | 0,020 |

MINIMUM QUOTING CONDITIONS AND DEGREE OF FULFILLMENT MEASUREMENT

a) Each Member will quote at least a minimum of 10 single stock futures. 6 underlyings are mandatory and detailed below, the other 4 of them will be of free election.

- BBVA
- Iberdrola
- Inditex
- Repsol
- Banco Santander
- Telefónica

Furthermore, it will be possible to quote other underlyings in order to obtain extra credits.

b) Quoting on the first quarterly expiry will be mandatory.

c) The minimum quoting time to be considered Liquidity Provider will be 80% as an average of each control period that will be monthly.

d) Quotes will be for the minimum contracts and maximum spreads (expressed in euro cents) established on Annex 1.

e) Control system will take an observation each 5 seconds and will assign credits:

- Normal Conditions: One credit for each observation with correct spread and volume according to specifications on Annex 1.
- Special Conditions: Members can gain more credits as follows:

Control system will assign one credit per observation and contract quoted correctly if Members quote: more underlyings, more than 80% of the session on mandatory underlying.

Control system will assign two credits per observation and contract quoted correctly

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if Members quote: with tighter spreads according to the established on Annex 1 (improved Spread).

Obtaining credits above minimum will be rewarded progressively through additional reduction of fees, according to the table on "Benefits" section.

- For each underlying throughout the session, accumulated punctuation on observations will result on a figure. If during the control month, the Member obtains more than 80% or more possible points, it will be considered that conditions have been fulfilled.

FAST MARKET

Fast Market status will be triggered as described on the Circular Liquidity Provider Program and it will be activated at underlying level. When an underlying has "Fast Market" status, the quoting obligation will be established according to the following criteria:

- The maximum quoting spread will be increased of 100% (Spread x 2).
- The minimum volume will be reduced on 50% (Volume / 2), always rounded up.

The "Fast Market" condition will last for 10 minutes, extendable in 10-minute tranches until the circumstances that caused it end and the variation in prices and volumes stabilizes.

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