

# **EAGLE MARKET MAKERS, INC.**

141 West Jackson Boulevard • Suite 1201A

Chicago, Illinois 60604

312/341-0834 • 1/800/341-0834

Fax: 312/341-0908

[www.eaglemarketmakers.com](http://www.eaglemarketmakers.com)



## **ADDENDUM FOR LIFFE PRODUCTS**

Return to EAGLE MARKET MAKERS, INC.

## **LIFFE SCHEDULE 1**

### **(General Terms)**

The terms set forth in this Schedule 1 (which are required pursuant to General Notice Number 399) shall apply in respect of all Commodity Contracts traded on The London International Financial Futures and Options Exchange ("LIFFE") for which Eagle Market Makers, Inc., a LIFFE member, acts as Customer's broker. Capitalized terms not otherwise defined herein or in the Commodity Futures Customer Agreement by and between Broker and Customer (the "Agreement") shall have the meanings ascribed to them in the Rules of LIFFE.

1. All contracts in the terms of an Exchange Contract made on LIFFE shall be subject to the Rules of LIFFE as from time to time in force. As a member of LIFFE, Broker contracts only as a principal in the respect of contracts in the terms of an Exchange Contract. In respect of contracts between Broker and the Customer subject to the Rules of LIFFE, in the event of a conflict between the Rules of LIFFE and the terms of the Agreement, the Rules of LIFFE, as from time to time in force, shall prevail with respect to the subject matter thereof.
2. Subject to paragraph 3 below, in respect of every contract made between Broker and the Customer subject to the Rules of LIFFE, Broker shall have made in the pit, by LIFFE CONNECT®,  by ATS, or otherwise as sanctioned by LIFFE, an equivalent contract or shall have accepted the allocation of such a contract.
3. In Broker and the Customer's interests, LIFFE may from time to time sanction the making of a contract outside the pit in order to satisfy the Customer's order, where there has been an error in the execution of the Customer's order in the pit. Where a better price (an improvement) can be obtained, Broker will seek to secure and offer that improvement to the Customer. The Customer acknowledges and agrees that where, in response to its order, Broker has bought or sold in accordance with the Customer's order to buy or, as the case may be, to sell but has traded the wrong delivery/expiry month or wrong exercise price of the relevant contract, then Broker may, in accordance with the Rules of LIFFE, offset any loss arising from that contract against any improvement achieved for the Customer in the course of correctly satisfying the Customer's order, thus offering the Customer only the net improvement, if any.
4. In respect of every contract made between Broker and the Customer for allocation to another member as specified by the Customer:
  - a. in the event that such other member accepts the allocation, Broker shall (without prejudice to any claim which Broker may have for commission or other payment) upon such acceptance cease to be a party to the contract and shall have no obligation to the Customer for its performance;
  - b. in the event that such other member declines to accept the allocation, Broker shall be entitled at its option either to confirm the contract with the Customer or to liquidate it by such sale, purchase, disposal or other transaction or cancellation as Broker may in its discretion determine, whether on the market or by private contract or any other feasible method; and any balance resulting from such liquidation shall be promptly settled between Broker and the Customer.
5. Since the London Clearing House ("LCH") does not specify a particular contract when making a delivery or exercising an option, Broker may allocate them on the basis of an equitable method which will be used at Broker's discretion. Examples of what Broker regards as equitable methods include, with respect to short options positions, randomly allocating exercise notices among customers with short options positions that are subject to exercise.
6. In respect of Broker's requirement for the Customer to satisfy margin calls and Broker's rights in the event of the Customer's failure to do so, see Section[s] 5 & 7 page 5 of the Agreement.
7. The following provision shall apply without prejudice to any other provision of the Agreement: LIFFE Administration and Management ("LIFFE A&M") is obliged under the Financial Services and Markets Act 2000 to ensure that business conducted by means of its facilities is conducted in an orderly manner and so as to afford proper protection to investors. To this end, LIFFE A&M will at all times endeavor to maintain a fair and orderly market as is consistent with LIFFE A&M's legal obligations and the object of the market. LIFFE A&M wishes to draw to the Customer's attention that, inter alia, business on the market may from time to time be suspended or restricted or the market may from time to time be closed for a temporary period or for such longer period as may be determined in accordance with the Rules of LIFFE including, without limitation, as a result of a decision taken under Rule 4.15 or 4.16 on the occurrence of one or more events which require such action to be taken in the interests of, inter alia, maintaining a fair and orderly market. Any such action may result in Broker being unable, and through Broker, the Customer and the Customer's customers (if any) being unable to enter into contracts in accordance with the Rules of LIFFE on the terms of Exchange Contracts either by means of contracts entered into on the market floor or through LIFFE CONNECT® or ATS. Furthermore Broker, and through Broker, the Customer and the Customer's customers (if any) may from time to time be prevented from or hindered in entering into contracts in the terms of Exchange Contracts, or errors in orders or in contracts in the terms of Exchange Contracts may arise, as a result of failure or malfunction of communications,

equipment, market facilities, LIFFE CONNECT® or ATS central processing systems or one or more LIFFE CONNECT® or ATS workstations supplied to Broker by LIFFE A&M or otherwise used by Broker or software supplied to Broker by LIFFE A&M or any other person. LIFFE A&M further wishes to draw the following exclusion of liability to the Customer's attention and to the attention of the Customer's customers (if any). Unless otherwise expressly provided in the Rules of LIFFE or in any other agreement to which LIFFE A&M is party, Broker and LIFFE A&M shall not be liable to the Customer or any of the Customer's customers (if any) for loss (including any indirect or consequential loss including, without limitation, loss of profit), damage, injury or delay, whether direct or indirect, arising from any of the circumstances or occurrences referred to above or from any act or omission of LIFFE A&M, its officers, employees, agents or representatives under the Rules of LIFFE or pursuant to LIFFE A&M's obligations under statute or from any breach of contract by or any negligence howsoever arising of LIFFE A&M, its officers, employees, agents or representatives.

8. Any dispute arising from or relating to the Agreement, insofar as it relates to a contract which is subject to the Rules of LIFFE, and any dispute arising from, or relating to such contract shall, unless resolved between Broker and the Customer, be referred to arbitration under the arbitration rules of LIFFE, or to such other organisation as LIFFE may direct before either Broker or the Customer resorts to the jurisdiction of the courts (other than to obtain an injunction or an order for security for a claim).
9. All contracts subject to the Rules of LIFFE shall be subject to and construed in accordance with English Law.
10. Subject to the provision for arbitration set out in the provisions of paragraph 8 above, and to any applicable law which require actions or proceedings to be referred to a different forum, each party irrevocably agrees for Broker's benefit that the courts of England shall have jurisdiction to hear and decide any actions or proceedings and to settle any disputes arising out of this Schedule 1 or in connection with any Exchange Contract and irrevocably submits to the jurisdiction of such courts (provided that this shall not prevent Broker from bringing an action in the courts of any other jurisdiction).
11. As a member of LIFFE, Broker is required to ensure that the Customer is aware that LIFFE has a number of powers which, if exercised, may impact upon Broker's ability to submit an order on behalf of the Customer or which may lead to the cancellation of an order after submission to the LIFFE CONNECT® Trading Host prior to execution. In particular, in addition to the powers already available to LIFFE (including those in relation to investor protection and maintaining an orderly and proper market), the Customer should be aware that, in respect of LIFFE CONNECT:
  - a. LIFFE has the power to suspend Broker's access, or access via a particular ITM or ITMs, following a single warning, and to terminate Broker's access under certain conditions;
  - b. LIFFE will cancel all outstanding orders on the default of Broker;
  - c. orders outside the price limits will be rejected automatically by the Trading Host;
  - d. all orders (with the exception of GTC orders) will be cancelled automatically at Market Close or when the ITM under which the order was submitted is logged out without the order being transferred to an alternative ITM;
  - e. all orders (including GTC orders) will be cancelled at close of business on the Last Trading Day of the expiry month to which they relate; and
  - f. all orders (with the exception of GTC orders) will be cancelled automatically if the Trading Host fails.

## LIFFE SCHEDULE 2 (Linked Contracts)

The terms set forth in this Schedule 2 (which are required pursuant to General Notice Number 880) shall apply in respect of all Linked LIFFE Contracts and Linked Participating Exchange Contracts (both as defined below) for which **Eagle Market Makers, Inc.**, a LIFFE member, acts as Customer's broker. Capitalized terms not otherwise defined herein or in the Commodity Futures Customer Agreement by and between Broker and Customer (the "Agreement") shall have the meanings ascribed to them in the Rules of LIFFE.

### I. Definitions

1. **"LCH"** means The London Clearing House Limited.
2. **"LIFFE"** means LIFFE Administration and Management.
3. **"LIFFE Contract"** means an Exchange Contract to which a Linked Participating Exchange Contract is linked.
4. **"Linked LIFFE Contract"** means an Exchange Contract made available for trading on the market pursuant to a Link, which is specified as such in a General Notice published from time to time by the Exchange and is linked to a Participating Exchange Contract.
5. **"Linked Participating Exchange Contract"** means a Participating Exchange Contract specified as such in a General Notice published from time to time by the Exchange and is linked to an Exchange Contract.
6. **"Participating Exchange"** means an exchange which has concluded one or more agreements in relation to a Link with LIFFE A&M and/or LCH pursuant to which (i) contracts in terms of one or more Linked LIFFE Contracts are to be transferred to, for clearing by, such exchange or its clearing house; or (ii) contracts in terms of a Linked Participating Exchange Contract are to be transferred to, for clearing by, LCH. The term "Participating Exchange" shall include any clearing house which from time to time provides clearing services to such exchange.
7. **"Participating Exchange Contract"** in respect of a Participating Exchange, means a class of contract permitted to be made by Participating Exchange Members under Participating Exchange rules.

### II. General Provisions

1. **Exclusion of Liability.** Broker and LIFFE wish to draw to your attention that LIFFE shall have no liability whatsoever to any member or customer in contract, tort (including, without limitation, negligence), trust, as fiduciary or under any other cause or action (except in respect of gross negligence, willful default or fraud on its part), in respect of any damage, loss, cost or expense of whatsoever nature suffered or incurred by any member or customer, as the case may be, as a result of: any suspension, restriction or closure of the market administered by either a Participating Exchange or LIFFE, whether for a temporary period or otherwise, or as a result of a decision taken on the occurrence of a market emergency; any failure by a Participating Exchange, LIFFE or LCH to supply each other with data or information in accordance with arrangements from time to time established between all or any of them; the failure of communications facilities or technology supplied, operated or used by either a Participating Exchange, LIFFE or LCH for the purposes of the Link; any event which is outside its or their control; any act or omission of either a Participating Exchange (where a Participating Exchange is acting otherwise than in connection with its clearing function) or LIFFE in connection with any Participating Exchange Contract, Linked LIFFE Contract or Linked Participating Exchange Contract or any act or omission of a Participating Exchange, LIFFE, or LCH (as the case may be) in connection with the operation of the Link or the arrangements for the transfer of contracts.
2. **Governing Law.** This Schedule 2 and all contracts in the terms of LIFFE Contracts made under this Schedule 2 shall be subject to and construed in accordance with English Law.
3. **Margin and Client Money/Assets.** Following the transfer of a contract in the terms of a Linked LIFFE Contract and the creation of a contract in the terms of a Participating Exchange Contract or prior to the transfer of a contract in the terms of a Linked Participating Exchange Contract and the creation of a contract in the terms of a LIFFE Contract (as the case may be), margin requirements will be determined in accordance with the rules of the Participating Exchange rather the Rules of LIFFE. Any money or assets held in any country other than the UK may be subject to the applicable law of that country rather than UK client money or others assets rules, and the Customer should satisfy itself that this is acceptable to the Customer before instructing Broker to transact any such business.

### III. Provisions Relating to Outward Transfers of Linked LIFFE Contracts

1. **Rules of LIFFE.** All contracts in the terms of a Linked LIFFE Contract made on LIFFE shall be subject to the Rules of LIFFE as from time to time in force.
2. **Transfer.** Broker shall endeavor to secure the transfer through the relevant Link of each contract in the terms of a Linked LIFFE Contract made between Broker and the Customer which is intended to transfer. Where Broker is to be counterparty to a Participating Exchange Contract as well as a Linked LIFFE Contract, upon confirmation by the relevant Participating Exchange of receipt of trade/position details from LCH, rights and obligations under such contract, save for outstanding obligations with respect to fees and margin and those rights and obligations referred to in the rules of LIFFE and the Regulations of LCH, shall be discharged and there shall arise simultaneously a contract in the terms of a Participating Exchange Contract between Broker and the Customer. The contract in the terms of a Participating Exchange Contract shall be subject to the rules of the relevant Participating Exchange and shall not be subject to the provisions of this Schedule 2. Where the Customer is Broker's customer only in respect of a Linked LIFFE Contract, but not in respect of a Participating Exchange Contract, upon the transfer of the contract in the terms of a Linked LIFFE Contract Broker shall, without prejudice to any claim Broker may have including, without limitation, for fees or margin, cease to be a party to the contract and shall have no obligation to the Customer for its performance.
3. **Delayed Transfer.** In the event that, on any LIFFE trading day, LCH is unable for whatever reason to transmit details of all contracts in the terms of a Linked LIFFE Contract, or the relevant Participating Exchange is unable to receive or acknowledge receipt of such details, any such contract made between Broker and the Customer on that day shall remain as an undischarged contract in the terms of a Linked LIFFE Contract (but without prejudice to any default provisions agreed between Broker and the Customer which may be operated to discharge such contract), subject to the Rules of the LIFFE and the General Regulations and Default Rules of LCH as from time to time in force, until such time as transfer can be achieved.
4. **Impossibility of Transfer.** If it is not possible for whatever reason for such details of contracts in the terms of the Linked LIFFE Contract to be transmitted by LCH, or the relevant Participating Exchange to receive or acknowledge receipt of all such details, so that transfer of such contracts cannot occur on any particular day, and any circumstances preventing such transfer continues so that the Link is suspended or terminated, any such contract made between Broker and the Customer during any such period shall remain as an undischarged contract in the terms of a Linked LIFFE Contract, subject to the Rules of LIFFE and the Regulations of LCH as from time to time in force, and shall be performed in accordance with its terms or may be closed out or otherwise discharged, in accordance with the Rules and any agreement reached between Broker and the Customer.

### IV. Provisions Relating to Inward Transfers of Linked Participating Exchange Contracts

1. **Transfer.** In respect of each contract in the terms of a Linked Participating Exchange Contract made between Broker and the Customer which is intended for transfer through the relevant Link, rights and obligations under such contract, save for outstanding obligations with respect to fees or margin and any other rights or obligations referred to in the Rules of the Participating Exchange, shall be discharged upon confirmation by LCH of receipt of trade/position details for the Participating Exchange and there shall arise simultaneously a contract in the terms of a LIFFE Contract between Broker and the Customer. The LIFFE Contract shall be subject to the Rules of LIFFE and the General Regulations and Default Rules of LCH.
2. **Delayed Transfer.** In the event that, on any Participating Exchange trading day, the relevant Participating Exchange is unable for whatever reason to transmit details of all contracts in the terms of a Linked Participating Exchange Contract, or LCH is unable to receive or acknowledge receipt of all such details, any such contract made between Broker and the Customer on that Participating Exchange on that day shall remain an undischarged contract in the terms of a Linked Participating Exchange Contract (but without prejudice to any default provisions agreed between Broker and the Customer which might be operated to discharge such contract), subject to the rules of the Participating Exchange as from time to time in force, until such time as transfer can be achieved.
3. **Impossibility of Transfer.** If it is not possible for whatever reason for details of contracts in the terms of a Linked Participating Exchange Contract to be transmitted by relevant Participating Exchange, or for the LCH to receive or acknowledge receipt of all such details, so that transfer of such contracts cannot occur on any particular day, and any circumstance preventing such transfer continues so that the Link is suspended or terminated, any such contract made between Broker and the Customer on that Participating Exchange during that period shall remain as an undischarged contract in the terms of a Linked Participating Exchange Contract, subject to the rules of the Participating Exchange as from time to time in force and shall be performed in accordance with its terms or may be closed out or otherwise discharged in accordance with the Rules and any agreement reached between Broker and the Customer.



**Ancillary Documents.** To the extent certain ancillary documents are applicable, executed and delivered in connection with this Agreement, including, without limitation, LIFFE Schedules 1 and 2 attached hereto, any or all such ancillary documents are incorporated herein by reference. In the event any term or provision of any of such ancillary documents should conflict with any term or provision of the Agreement, the terms and provisions of this Agreement shall control and prevail; provided that, in the event any term or provision of LIFFE Schedules 1 and 2 should conflict with any term or provision of this Agreement, the terms and provisions of LIFFE Schedules 1 and 2 shall control and prevail with respect to the subject matter thereof.

<p><b>Eagle Market Makers, Inc.</b> <b>ACKNOWLEDGE OF RECEIPT OF DOCUMENTS</b></p>
--

The undersigned hereby acknowledges receipt of these documents identified below and that he or she has read them and understood their contents,

- GLOBEX CUSTOMER INFORMATION AND RISK DISCLOSURE STATEMENT
- PROJECT A ELECTRONIC TRADING DISCLOSURE
- RULE 21.03 NOTICE TO SPECIAL CALLS
- NON-CASH RISK DISCLOSURE
- NOTICE TO FOREIGN TRADERS and BROKERS
- LIFFE Schedule1

CUSTOMER

\_\_\_\_\_

Date:

\_\_\_\_\_

Customer Signature

\_\_\_\_\_

Date:

\_\_\_\_\_

Customer Signature

(If joint account, all joint owners must sign. If a partnership or trust account, all general partners or trustees must sign. If a corporate account, an authorized officer must sign.)

---

ACCOUNT NUMBER

---

CUSTOMER NAME

---

ACCOUNT EXECUTIVE