

Customer Information 2017-11-28

PEGAS: Introduction of Gas Options on TTF

Paris, 28 November, 2017

Dear members,

PEGAS plans to introduce **European Gas Options on TTF**, available via STP trade registration (Trayport Clearing Link and Efetnet ExRP) and cleared by ECC. Go-live is planned for **28 February 2018**.

These Options will fall under Powernext Derivatives and will be listed within the PEGAS Regulated Market rulebook.

Products specifications

Products specifications	TTF Options
Underlying	TTF Month Futures
Maturities	<ul style="list-style-type: none"> ▪ The next 6 Months will be available for STP trade registration ▪ The next 5 Quarters, 4 Seasons and 2 Calendars will be offered as bundles of Month Options
Call	<p>The buyer of a call option (Call) is entitled to receive a long position in the corresponding TTF Natural Gas Futures at the exercise price of the option on the last trading day.</p> <p>The seller of the call option (Call) receives a short position in the corresponding TTF Natural Gas Futures after the call option is exercised and assigned at the exercise price on the last trading day.</p>
Put	<p>The buyer of a put option (Put) is entitled to receive a short position in the corresponding TTF Natural Gas Futures at the exercise price of the option on the last trading day.</p> <p>The seller of the put option (Put) receives a long position in the corresponding TTF Natural Gas Futures at the exercise price after the put option is exercised and assigned on the last trading day.</p>
Option type	European: The option can only be exercised on the last trading day.
Minimum lot size	1 MW
Volume tick size	1 MW
Price tick	0.001 €/MWh
Strike prices	Upon the introduction into the market, 20 strike prices above and 20 strike prices below the market price of the underlying are created. The strike prices are separated by a 0.5€ interval for TTF. It will be possible to add strike prices manually.
Trading hours	PEGAS Business days, from 8:00 to 18:00 CET
Exercise day	The last trading day (or exercise day) for the options will be five calendar days before the delivery start of the relevant month contract. If that day is a non-business day, expiry will occur on the nearest prior business day, except where that day is also the expiry date of the underlying futures contract, in which case expiry will occur on the preceding business day.

Clearing

Options will be cleared in monthly strips, i.e., Quarter/Season/Calendar options are in fact bundles of monthly option – for instance, if a Quarter option is traded, it will be split into 3 Month options of same strike price, same quantity and same price. Each of the Month option can then be exercised individually.

Admission

- PEGAS

If you are authorized on PEGAS Regulated Market for TTF Futures, you will automatically be allowed to trade Options on these Futures: no additional forms need to be submitted.

- ECC

ECC will contact your Clearing Member to get the approval allowing you to trade PEGAS Options. The approval will be forwarded to you and to PEGAS.

Fees

Options are included in your existing membership package.

The following fee scheme will apply:

Market area	OTC Registration fees	Clearing fees	Exercise fees
TTF	EUR/MWh 0.002	EUR/MWh 0.002	0

Additionally, the first delta hedge Futures trade for each Option contract will be free of charge (trading and clearing fees).

Technical setup

- *STP with Trayport Clearing Link*
 - 1) If you are not yet setup for STP on PEGAS, you must request Trayport to open the Clearing Link between you, your broker and ECC
 - 2) Your broker has to map PEGAS Options products
 - 3) If you are not a Trayport Gold member, you will have to map the options manually

- 4) Your broker has to map your company to the Options instruments with your ECC account
 - 5) Options stripping requires the **Automatic confirmation** of trades: if you have not chosen this setup, you can request it by sending ECC's TP08 form to Powernext's or to ECC's Membership, or by asking your broker to add you on the ECC's White list.
- *STP with EFETnet ExRP*
- 1) If you are not yet setup for STP on PEGAS, you must request Efetnet to build the link between you, your broker and ECC
 - 2) Your broker has to configure PEGAS Options products in the eXRP interface
 - 3) Options stripping requires the **Automatic confirmation** of trades: if it is not your setup for ECC, you can request it by sending ECC's TP08 form to Powernext's or to ECC's Membership or by asking your broker to add you on the ECC's White list.

If you have any further question please do not hesitate to contact PEGAS Market Operations team.

Yours sincerely,

PEGAS Market Operations Team:

Phone: +33 1 73 03 96 24

Email: gas@powernext.com

PEGAS Sales Teams:

Phone Paris: +33 1 73 03 76 09

Phone Leipzig: +49 341 2156-215

Phone London: +44 207 862 7555

Email: pegas-sales@powernext.com