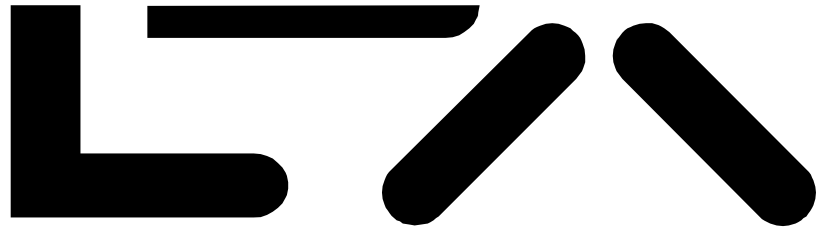


X-pand into the Future



General Supplement to the Eurex Liquidity Provider Agreement

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Preamble

This document forms an integral part of the Eurex Liquidity Provider Framework (ELPF).

The ELPF consists of the Liquidity Provider Agreement, this General Supplement, Product Specific Supplements and the Price List of Eurex Clearing AG.

This document outlines the Incentives for the Liquidity Provider and the general requirements that need to be fulfilled in order to receive these Incentives. Further Incentives and requirements may be stipulated in the respective Product Specific Supplement or the Price List of Eurex Clearing AG.

1. Definitions

The following definitions shall apply in addition to the definitions stipulated in the LPA. In case of deviations of a definition, the definition stipulated in this General Supplement shall be applicable for the purposes of this document.

Term	Definition
Alternative Contract Specifications	shall have the meaning ascribed to such term in Number 3.2.1 of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich.
Asymmetric Quotation	Quotation in options series (call and put) in an expiry such that a call in a strike price does not need to be accompanied by a put in the same strike price.
Basis Building Block (BBB)	A set of minimum requirements in a product that is to be fulfilled in order to receive Monetary Incentives in that product (exception: Package Building Block).
Building Blocks (BB)	Requirement sets for Liquidity Providers. If a Building Block is fulfilled, Liquidity Provider may be eligible for a rebate, subject to additional conditions.
Exceptional Circumstances	Shall have the meaning ascribed to such term in section 2.2.2.
Holding Time	The uninterrupted time period in which a Quote Request is answered by Liquidity Provider with a valid quote.
Larger Size Building Block (LBB)	A set of minimum size requirements that are to be fulfilled in order to receive Monetary Incentives in addition to the BBB incentives. The

requirements consist of the fulfilment of BBB whereas the size component of each quote leg must be equal to or larger than the minimum BBB size requirement multiplied by a specific size factor.

Liquidity Class

The concept of Liquidity Classes differentiates rebate levels and quotation parameters according to the liquidity of the product. Details can be found on the website www.eurexchange.com > Products > Product Information.

Liquidity Provider Eligible Transaction Fees

shall mean transaction fees, which originate from the matching or the registration of derivatives transactions according to Number 3.1 of the Price List of Eurex Clearing AG.

Liquidity Provider Eligible Volume

shall mean any volume pursuant to Section 3.1.1 (3) to (5) (and further specified in the respective Supplement), which is eligible for the granting of Monetary Incentives under this Agreement.

Maturity Range

The maturity range comprises the number of expirations to be quoted.

Monitoring Time

Time period in which the provision of Quote Requests in Strategies is counted towards performance fulfilment in the Strategy Building Block.

Quote requests outside the Monitoring Time are considered to be invalid

The Monitoring Time is specified in the Product Specific Supplement.

Package Building Block (PBB)

A set of minimum requirements for a combination of products (package) that is to be fulfilled in order to receive Monetary Incentives in addition to the BBB incentives. A package consists of more than one product (package component). If minimum requirements with regards to the package are met, then the package requirement for every component of that package is considered to be fulfilled.

Quotation Period	Trading period between quotation start time and quotation end time on each trading day.
Quote Request in Strategies	Dedicated electronic request-for-quote message or a change in the reference data published by the Eurex Exchanges resulting in the creation of a complex instrument.
Registered Customer	shall mean an entity which entered into a Clearing Agreement in the form appended to the Clearing Conditions as Appendix 2 to 5 with a Clearing Member and Eurex Clearing AG as a registered customer.
Required Coverage	<p>A predefined percentage of the quotation period (calculated as a monthly average) on each trading day per calendar month for a predefined number of expirations (the maturity range) that needs to be covered by valid quotes.</p> <p>In the case of daily SMC Coverage, the parameter is calculated as a daily average.</p>
Size Factor	<p>Multiplier that is applied to the minimum size requirement of the BBB in order to obtain the size requirement for the LBB.</p> <p>The Size Factor must be equal to or greater than one.</p>
Spread Factor	<p>Multiplier that is applied to the maximum spread requirement of the BBB in order to obtain the spread requirement for the TBB.</p> <p>The Spread Factor must be equal to or smaller than one.</p>
Strategy Building Block (Complex Instruments) (CBB)	A set of minimum requirements for responding to Quote Requests in Strategies that is to be fulfilled in order to receive Monetary Incentives in addition to the BBB incentives.
Stress Presence Building Block (SBB)	A set of minimum requirements for quoting during Stressed Market Conditions in order to receive Incentives in addition to the BBB incentives.
Stressed Market Conditions (SMC)	Situations of high volatility that may be triggered (a) by discretion of Eurex Exchanges (SMC-Fast) or (b) automatically by significant short-

time changes of price and volume, or resulting from volatility interruptions (SMC-Auto).

In SMC (announced by the Eurex Exchanges), maximum spreads will be increased by 100 percent and the minimum quote size will be reduced by 50 percent.

Strike Price Window (SPW)

For options, the strike price window consists of a predefined number of strike prices (calls and puts) nearest to the current underlying price in every expiration month within the maturity range. Out of this predefined number of strikes Liquidity Provider may chose a predefined number of strikes to be quoted.

Tighter Spread Building Block (TBB)

A set of maximum spread requirements that are to be fulfilled in order to receive Monetary Incentives in addition to the BBB incentives. The requirements consist of the fulfilment of BBB whereas the spread component of each quote leg must be equal to or smaller than the maximum BBB spread requirement multiplied by a specific spread factor.

Tolerated Violation Days

Maximum number of days a Liquidity Provider may fall short of his performance requirement. A Liquidity Provider may fall short for a maximum of a product-specific number of tolerated violation days each month per product, provided that the difference is made up on other days to reach the required monthly average coverage.

Valid Quotes

A pair of buying (bid leg) and selling (ask leg) interests posted to the order book such that (a) each leg is subject to minimum size requirements and (b) the range between the ask price and the bid price does not exceed the maximum spread requirement.

2. Liquidity Provider Requirements

2.1. General provisions

(1) Liquidity Provider shall provide valid quotes to the order book

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- a. For options, only quote messages as defined by the T7 Functional Reference are considered to be quotes. Single sided quotes are not accepted, unless a bid and an offer are submitted with single sided quotes.
 - b. For futures, quote messages as defined by the T7 Functional Reference are considered to be quotes. In addition, limit orders from the M account are relevant, where the best-priced orders from each side are considered and combined to form a volume-weighted pair, which is interpreted as a quote. Single sided quotes are measured like limit orders.

(2) In addition, the requirements stipulated in Section 2.3 apply.

2.2. Stressed Market Conditions and Exceptional Circumstances

Liquidity Provider may receive Incentives when providing liquidity in Stressed Market Conditions (SMC) pursuant to Art. 6 1 lit. b) in the products pursuant to Art. 5(1) lit. b) and c) of Commission Delegated Regulation (EU) 2017/578. Furthermore, Regulated Market Makers shall not be obliged to provide liquidity in Exceptional Circumstances pursuant to Art. 3 of Commission Delegated Regulation (EU) 2017/578.

2.2.1. Stressed Market Conditions

- (1) Liquidity Provider may receive Incentives for quoting during Stressed Market Conditions in certain products if the respective requirements are met.
- (2) Stressed Market Conditions take the form of SMC-Fast (former Fast Market) and SMC-Auto (see below).
- (3) During SMC, quotation requirements of Liquidity Provider are broadened for all Building Blocks pursuant to Section 2.3. A dedicated Building Block further incentivizes the fulfilment of Liquidity Provider requirements during SMC (both during SMC-Fast and SMC-Auto), pursuant to Subsection 2.3.6.
- (4) The following requirements apply for Stressed Market Conditions. At Eurex Exchanges, two trading periods shall be considered as Stressed Market Conditions, SMC-Fast and SMC-Auto.

2.2.1.1. SMC-Fast

In specific market situations, the Eurex Exchanges may announce Stressed Market Conditions ("SMC-Fast" - former: "Fast Market"). The Eurex Exchanges may declare SMC-Fast Events in all products admitted to trading at the Eurex Exchanges. The Eurex Exchanges may also declare SMC-Fast Events after Exceptional Circumstances.

2.2.1.2. SMC-Auto

- (1) The Eurex Exchanges shall, for futures, consider significant short-term changes of prices and volumes or the trading period resulting from volatility interruption as automatically invoked Stressed Market Conditions (SMC-Auto). If the respective parameters are met, SMC-Auto is being applied automatically and announced immediately to trading participants. For options, the state SMC-Auto is invoked when
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the corresponding future product is in SMC-Auto (e.g., SMC-Auto in FESX will automatically invoke SMC-Auto in OESX).

- (2) The Eurex Exchanges may apply the trading condition SMC-Auto in all products admitted for trading at the Eurex Exchanges that are flagged accordingly.
- (3) SMC-Auto is invoked per product for the duration of 10 minutes.

2.2.2. Exceptional Circumstances

- (1) Liquidity Provider requirements may be suspended during Exceptional Circumstances. Exceptional Circumstances are defined in Article 3 of Commission Delegated Regulation (EU) 2017/578, whereas the Eurex Exchanges makes public the occurrence of Exceptional Circumstances, except for paragraph (2).
- (2) In the special case Exceptional Circumstances due to the inability of the Liquidity Provider to maintain prudent risk management practices pursuant to Article 3 (d) of Commission Delegated Regulation (EU) 2017/578, the Liquidity Provider has to submit a prompt notice of the Liquidity Provider's inability to maintain prudent risk management practices to Eurex Exchanges outlining the issue, the start date and time of the issue at hand, and when these are expected to be resolved. Liquidity Providers have also to submit prompt notice when exceptional circumstances have ended. Eurex Exchanges may require the Liquidity Provider to submit further details and evidence on its inability to maintain prudent risk management practices. Based on the provided evidence, Eurex Exchanges will decide on the suspension of Liquidity Provider requirements. Per default, Exceptional Circumstances declared by Liquidity Provider are valid for one day. Exceptional Circumstances persisting for more than one day must be reported for each day separately.
- (3) Liquidity Provider may quote during Exceptional Circumstances. In these cases, the performance is counted towards fulfilment of the requirements. During Exceptional Circumstances, the minimum requirements are broadened for all Building Blocks as in the case of Stressed Market Conditions, as outlined in section 2.2.1 (3).

2.3. Building Blocks

- (1) The granting of rebates and the concrete rebate levels to be applied on a rebate pursuant to Section 3.1.1. are dependent on the fulfilment of Building Blocks applicable for different products. These requirements are split into several elements:
 - Basis Building Block (BBB);
 - Package Building Block (PBB);
 - Strategy Building Block (Complex Instruments) (CBB);
 - Larger Size Building Block (LBB);
 - Tighter Spread Building Block (TBB);
 - Stress Presence Building Block (SBB).
 - (2) In general, the fulfilment of the requirements in the respective Basis Building Block per product is prerequisite for any Liquidity Provider rebates to be granted. However, this restriction does not apply to the Package Building Block.
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- (3) Upon fulfilling the Basis Building Block, the fulfilment of further Building Blocks can increase the overall rebate level (the pre-requisite to fulfilling the Basis Block does not apply to the Package Building Block). All further Building Blocks can be fulfilled independently of each other. The sum of all eligible Building Block rebate levels defines the rebate level per product to be applied on the LP Eligible Transaction Fees.
- (4) If the requirements have been fulfilled in the respective package, all products within this package are granted the basis as well as the package rebate level, irrespective of the Basis Building Block fulfilment. In this case, the Strategy rebate is granted if the CBB is fulfilled and the Stress Presence rebate is granted if the SBB is fulfilled.
- (5) In case the product does not have an MMO-flag set (see section 2.3.6) but belongs to Equity Index Options, Equity Options or ETF Options, the applicable rebate for the SBB is granted by default as long as either the BBB or the PBB has been fulfilled.
- (6) Only the Basis Building Block is available for all products admitted for trading at the Eurex Exchanges that have a Liquidity Provider scheme in place. The other Building Blocks are available for specific products admitted for trading at the Eurex Exchanges. The availability of Building Blocks per product is outlined in the following table, whereas for individual products this assignment may deviate, if so stipulated in the respective Product Specific Supplement.

Table 1: Applicability of Liquidity Provider Building Blocks per Product Group. The categorization is valid unless defined otherwise in the Product Specific Supplements.

	BBB	PBB	CBB	LBB	TBB	SBB
Options						
Equity Index Options	✓	✓	✓	✓	✓	✓
Equity Options	✓	✓	✓	✓	✓	✓
EXTF-Options	✓	✓				✓
Interest Rate Options	✓	✓	✓	✓	✓	
Other Option Products	✓	✓				
Futures						
Index Futures	✓	✓				✓
Single Stock Futures	✓	✓				✓
Kospi-Futures	✓	✓				✓
Taiex-Futures	✓	✓				✓
EXTF-Futures	✓	✓				✓
Other Futures Products	✓	✓				

2.3.1. Basis Building Block (BBB)

- (1) The Basis Building Block of a product in a time period is considered as fulfilled if, in that product, valid quotes are entered such that
- in the required BBB number of strikes of the Strike Price Window,
 - for the required BBB number of expiries (maturity range),
 - the minimum BBB size requirement,
 - the maximum BBB spread requirement, and
 - the minimum BBB requirement for responses to quote requests, and
 - potential additional requirements that are specified in the Product Specific Supplement

are fulfilled for the required BBB covered time in that time period.

- (2) During Stressed Market Conditions (SMC) pursuant to Section 2.2.1, the minimum BBB size requirement shall be halved, and, further, the maximum BBB spread requirement shall be doubled.

2.3.2. Package Building Block (PBB)

- (1) The Package Building Block for a product in a time period is considered as fulfilled if
- the Basis Building Block is fulfilled in a pre-defined number of products of that package, and
 - in the case that the PBB parameters should deviate from the BBB parameters as outlined in 2.3.1, the respective PBB parameters are fulfilled, and
 - potential additional requirements that are specified in the Product Specific Supplement

are fulfilled for the required PBB covered time in that period.

- (2) Liquidity Provider is eligible for a basis rebate and a package rebate in a given product although the BBB for that product is not fulfilled (see section 2.3 lit (4)).

2.3.3. Strategy Building Block (Complex Instruments) (CBB)

- (1) The Strategy Building Block is available to options products assigned to Liquidity Class 1 and Liquidity Class 2.
- (2) The Strategy Building Block in a product in a time period is considered as fulfilled if,
- (i) the requirements pursuant to Paragraphs (3) and (4) are met and (ii) valid quote requests during the monitoring time are answered such that Liquidity Provider
 - responds to incoming strategy requests with a response time of max. 20 seconds
 - provides a firm quote for the minimum time of 20 seconds (Holding Time). If a strategy quote is traded, the obligation for the required holding time for the specific strategy is deemed to be fulfilled;
 - enters a new quote and holds for the minimum time of 20 seconds if the same strategy is re-requested.

Quotes can be updated as often as necessary during the Holding Time.

(3) The following requirements with regards to the number of quote requests shall apply for the determination whether the Strategy Building Block in a given product is fulfilled:

- a) A monthly minimum number of valid strategy quote requests (“floor”) shall be applied at the end of the last trading day of the month per product. If on the last trading day of the month the number of valid strategy quote requests in a product is (i) equal to or lower than the floor, the response to the quote request requirement in the product is deemed fulfilled for this month or (ii) greater than the floor, Liquidity Provider needs to fulfil the minimum coverage requirement of the total number of valid quote requests during the month in that product.
- b) Per product and day, a maximum number of valid strategy quote requests (“ceiling”) in option strategies are counted, of which 50% must be answered.

(4) The following additional requirements shall apply for the determination whether the Strategy Building Block in a given product is fulfilled:

- a) Strike Price Window (SPW) and Maturity Range: The SPW and the Maturity Range of the Basis Block requirements provide the universe of options combinations for each product; strategies where at least one leg is outside the SPW do not need to be quoted.
- b) Options close to maturity: Strategies that contain an options leg that expires five trading days later or less will not be part of the measurement.
- c) Quotation Parameters: The quotation parameters relate to the quotation parameters of the outright option:
 - The minimum quote size is dependent upon the options combination of a given strategy. The minimum quote size for the CBB is a multiple of the Basis Block minimum quote size of the outright. The multiplier is published in the Product Specific Supplement.
 - Maximum Quote Spreads: Depending on the options combination, the maximum spread for the CBB will be a multiple of the respective Basis Block maximum spread of the outright options. The multiplier is published in the Product Specific Supplement.
 - The spread will be determined by the net premium of the option strategy:

Example

Assumptions:

- An option is in spread class 10: where options premiums from 15 to 225 index points can be quoted with an 8 percent spread.
- The multiplier for the maximum spread is assumed to be 1x relative to the outright spread.
- A call spread consists of a long call with a premium of 45 points and a short call with a premium of 25 points.

Result:

The maximum quote size for the CBB of the call spread is 1.6 points: $1 \text{ (multiplier)} * 8\% \text{ (max BBB quote size outright)} * 20 \text{ points (net prem.)}$.
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2.3.4. Larger Size Building Block (LBB)

- (1) The Larger Size Building Block in a product in a calendar month is considered as fulfilled if, in that product, the BBB is fulfilled whereas a valid quote counts into the performance only if it features a size that is equal to or greater than the minimum size requirement of the BBB – multiplied by a specific size factor – on both legs of the quote (Size Factor).
- (2) The respective factors may differ per liquidity class as defined in the Product Specific Supplements.
- (3) In Stressed Market Conditions (SMC) pursuant to Section 2.2.1, the Size Factor applies to the reduced BBB minimum quote size requirements that are valid during SMC.

2.3.5. Tighter Spread Building Block (TBB)

- (1) The Tighter Spread Building Block in a product in a time period is considered as fulfilled if, in that product, the BBB is fulfilled whereas a valid quote counts into the performance only if it features a spread that is equal to or smaller than the spread required by the maximum spread of the BBB – multiplied by a specific spread factor – on both legs of the quote (Spread Factor).
- (2) The respective factors may differ per liquidity class as defined in the Product Specific Supplements.
- (3) In Stressed Market Conditions (SMC) pursuant to Section 2.2.1, the Spread Factor applies to the increased BBB maximum spread requirements that are valid during SMC.

2.3.6. Stress Presence Building Block (SBB)

The Stress Presence Building Block in a product (for products where the “Market Making Obligation (MMO)” flag is set) in a time period is considered as fulfilled if, during Stressed Market Conditions (SMC) pursuant to Section 2.2.1, valid quotes are entered such that

- in the required BBB number of strikes of the Strike Price Window,
- for the required BBB number of expiries (maturity range),
- the reduced BBB minimum size requirement that is valid during SMC pursuant to Section 2.2.1, and
- the increased BBB maximum spread requirement that is valid during SMC pursuant to Section 2.2.1

are fulfilled for the required SBB covered time in that time period.

The following shall apply with regards to the fulfilment of the SBB when the considered time period is one calendar month: A fixed threshold SMC duration will exist per product and calendar month. If the total SMC time in a product and in a calendar month is below

the threshold, then the monthly SBB requirement in that product is considered as fulfilled (subject to the provisions stated in section 2.3 (2) and (4)), regardless of the actual LP performance.

2.4. Other Requirements

Liquidity Provider shall identify and mark such orders and/or quotes which can be attributed to the liquidity provisioning under this Agreement. In particular, Liquidity Provider shall fulfil the requirements on the liquidity provision activity pursuant to Number 6.11 of the Guidelines "Transaction reporting, order record keeping and clock synchronisation under MiFID II" (ESMA/2016/1452) issued by ESMA and shall provide the relevant information for Field 7, Field 8 and Field 3, if applicable.

3. Liquidity Provider Incentives

Liquidity Provider may receive Incentives that can be Monetary and Non-Monetary.

3.1. Monetary Incentives

Monetary Incentives can take the form of, e.g., rebates on transaction fees.

3.1.1. Liquidity Provider Rebates

- (1) EFAG shall provide and ECAG shall apply Liquidity Provider Rebates on a monthly basis
 - (i) on Liquidity Provider Eligible Transaction Fees pursuant to Paragraph (2)
 - (ii) for providing Liquidity Provider Eligible Volume pursuant to Paragraphs (3) to (5) if (iii) the Liquidity Provider Requirements as stated in Section 2 for a specific product or product group in a given calendar month and (iv) all further requirements of this Section are met.
 - (2) Transaction fees, which originate from the matching or the registration of derivatives transactions according to Number 3.1 of the Price List of Eurex Clearing AG ("**Liquidity Provider Eligible Transaction Fees**") are eligible for Liquidity Provider rebates.
 - (3) Liquidity Provider Eligible Volume considers all transactions per Eurex Member ID which have been correctly booked on M-Accounts.
 - (4) When determining Liquidity Provider Eligible Volume, no volume is considered
 - (i) Which is booked on M-Accounts and is afterwards transferred to A- or P-Accounts of the same Clearing Member, Non-Clearing Member or Registered Customer; or
 - (ii) Which is taken up by any other Clearing Member, Non-Clearing Member or Registered Customer.
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(5) Alternative Contract Specifications are not considered in Liquidity Provider Eligible Volume and hence, are not eligible for Liquidity Provider rebates.

(6) The rebate level applicable to Liquidity Provider Eligible Transaction Fees is subject to the fulfilment of different Building Blocks, which are defined in Section 2.3.

3.1.2. Other Monetary Incentive Schemes

(1) Liquidity Provider may receive further Monetary Incentives which will be included in the respective Product Specific Supplement.

3.2. Non-Monetary Incentives

(1) Non-Monetary Incentives take the form of increased limits for the Excessive System Usage (ESU) fee.

(2) Liquidity Provider shall be eligible for the increased ESU limit on a trading day, if the Stress Presence Building Block per product is fulfilled on that trading day according to the provisions outlined in the General Terms and Conditions to the Agreement on the technical connection and the utilization of the Exchange-EDP of Eurex Deutschland and Eurex Zürich (Connection Agreement) and its Price List.
