

## Product Specific Supplement for Options on Equity ETFs

Validity: ~~2<sup>nd</sup> May~~ 1<sup>st</sup> December – 31<sup>st</sup> December 2019

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### Preamble

This Product Specific Supplement for Options on Equity ETFs (hereinafter referred to as "Product Specific Supplement") forms an integral part of the Liquidity Provider Agreement (LPA).

A Liquidity Provider scheme for Options on Equity ETFs is offered. The schemes differ in requirements for the minimum quote size, maximum spread as well as in the quotation period. Additionally, a revenue sharing scheme is offered.

### 1. Applicable Building Blocks

Pursuant to Sec. 2.3 of the General Supplement to the LPA, the granting of rebates and the concrete rebate levels to be applied on the respective transaction fees are dependent on the fulfilment of Building Blocks. For this Product Specific Supplement, the following Building Blocks are applicable:

Scheme	Product Scope	Basis	Package	Strategy	Larger Size	Tighter Spread	Stress Presence	Eurex EnLight	Revenue Sharing
		BBB	PBB	CBB	LBB	TBB	SBB	EBB	
Package	All Options on Equity ETFs in Packages	✓	✓				✓*		✓
Non-Package	All other Options on Equity ETFs	✓					✓*		

\* The Stress Presence Block applies to all ETF options with MMO-flag (see section 2.3.6 of the General Supplement to the LPA)

The requirements for Strategy Building Block, Larger Size Building Block, Tighter Spread Building Block, Stress Presence Building Block and Eurex EnLight Building Block are product group specific and can be found in section 2.3 of the General Supplement to the LPA.

### 2. Liquidity Provider Rebates

Upon fulfilment of the Building Block requirements of one product, Liquidity Providers shall receive a fee rebate as specified in section 3 of the General Supplement to the LPA in accordance with the table below. The evaluation takes place on a monthly basis.

Execution type	Building Block	Upon fulfilment of requirements
Order book	Basis	<del>50%</del> <u>60%</u>
	Package	30%
	Strategy	-
	Larger Size	-
	Tighter Spread	-
	Stress Presence	<del>40%</del> <u>0%</u>
	<b>Total</b>	<b>90%</b>
Eurex EnLight	Basis	-
	Package	-
	Strategy	-
	Eurex EnLight	-
	<b>Total</b>	<b>-</b>
TES	Basis	50%
	Package	30%
	Strategy	-
	Eurex EnLight	-
	<b>Total</b>	<b>80%</b>

### 3. Basis Building Block Requirements

#### 3.1. Basis Block Requirements

In order to receive the Liquidity Provider Rebates pursuant to Sec. 2 above, the following quotation requirements shall apply to each product individually:

	Equity ETFs
<b>Product ID</b>	EXS1, EUN2, XMT, EXX1, EXSA, IQQY, IDEM, IWDA, CSPX, ISF, DBX1, DBXW, DBXA, MIDD, IUFS, IUHC, IUIT, IUES, IUUS, 4BRZ, IPRP
<b>Validity</b>	01.01 – 31.12.2019
<b>Quotation Time:</b>	09:00 – 17:30 CET
<b>Required Coverage:</b>	85%
<b>Maturity Range:</b>	The first six expirations need to be quoted
<b>Strike Price Window:</b>	5 out of 7
<b>Response to Quote Requests:</b>	Quote requests have to be answered in accordance with section 2.3.1 of the General Supplement to the LPA
<b>Minimum Quote Size:</b>	See quotation parameters table below (cp. Sec. 5.2)
<b>Maximum Spread:</b>	See quotation parameters table below (cp. Sec. 5.2)
<b>Revenue Sharing</b>	Yes (see below)

#### 3.2. Package Block Requirements

In order to receive the Liquidity Provider rebates pursuant to Sec. 2 above, the following quotation requirements shall apply to packages of products:

	Options on Equity ETFs
<b>Package components:</b>	EXS1, EUN2, XMT, EXX1, EXSA, IQQY, IDEM, IWDA, CSPX, ISF, DBX1, DBXW, DBXA
<b>Fulfilment Criterion:</b>	Fulfilment of Basis Block requirements in five products

#### 4. Other monetary incentive schemes: Revenue Sharing

A revenue sharing scheme for Options on Equity ETFs is offered as of 1 January 2019 until 31 December 2019 in accordance with section 3.1.2 of the General Supplement to the LPA. The scheme applies to each product individually. The evaluation takes place on a monthly basis on a single product base.

Options on Equity ETFs	
<b>Revenue Sharing Pool:</b>	Up to 30% of the net revenues of the individual product
<b>Participation Condition:</b>	Fulfilment of Basis Block requirements of the product
<b>Number of Participants:</b>	Up to 3
<b>Qualification criterion:</b>	The top 3 fulfilling Liquidity Providers participate; ranked according to their share trading volume on M-accounts (order book and TES) of all fulfilling Liquidity Providers in the product
<b>Distribution Method:</b>	Ranked according to their share of trading volume in M-accounts (order book and TES) of all qualifying Liquidity Providers the top Liquidity Provider will receive 15% of the net revenues, while 10% and 5% will be shared with the Liquidity Providers ranked 2 and 3

VAT on the Revenue Sharing amounts shall be borne by the Liquidity Provider, if applicable, and will be offset against any due and unpaid Revenue Sharing amount.

#### 5. Quotation Requirements

##### 5.1. Spread Classes

Spread Class	Bid up to	Maximum Spread	Unit
ETF 1	1.0	0.15	Tick
	5.0	15%	Percent
		0.75	Tick
ETF 2	1.5	0.25	Tick
	15.0	15%	Percent
		2.25	Tick

Spread Class	Bid up to	Maximum Spread	Unit
ETF 3	2.0	0.3	Tick
	20.0	15%	Percent
		3	Tick
ETF 4	40.0	8	Tick
	200.0	20%	Percent
		40	Tick

## 5.2. Quotation Parameters

The following quotation parameters apply for the quotation requirements pursuant to Sec. 3 above and the revenue sharing scheme pursuant to Sec. 4 above.

Options on	Product ID	Spread Class	Basis Minimum Quote Size (contracts)
iShares DAX® UCITS ETF (DE)	EXS1	ETF 2	250
iShares EURO STOXX 50® UCITS ETF	EUN2	ETF 1	500
iShares SMI® (CH)	XMT	ETF 2	50
iShares EURO STOXX® Banks 30-15 UCITS ETF (DE)	EXX1	ETF 1	1000
iShares STOXX® Europe 600 UCITS ETF (DE)	EXSA	ETF 1	500
iShares MSCI Europe UCITS ETF (Dist)	IQQY	ETF 1	750
iShares MSCI Emerging Markets UCITS ETF (Dist)	IDEM	ETF 1	500
iShares Core MSCI World UCITS ETF	IWDA	ETF 1	300
iShares Core S&P 500 UCITS ETF	CSPX	ETF 3	100
iShares Core FTSE 100 UCITS (Dist)	ISF	ETF 4	100
Xtrackers MSCI Emerging Markets UCITS ETF	DBX1	ETF 1	250
Xtrackers MSCI World Swap UCITS ETF	DBXW	ETF 1	250
Xtrackers MSCI Europe UCITS ETF	DBXA	ETF 1	250
<b>iShares FTSE 250 UCITS ETF</b>	<b>MIDD</b>	ETF 4	250
<b>iShares S&amp;P 500 Financials Sector UCITS ETF</b>	<b>IUFS</b>	ETF 1	250
<b>iShares S&amp;P 500 Health Care Sector UCITS ETF</b>	<b>IUHC</b>	ETF 1	250
<b>iShares S&amp;P 500 Information Technology Sector UCITS ETF</b>	<b>IUIT</b>	ETF 1	250
<b>iShares S&amp;P 500 Energy Sector UCITS ETF</b>	<b>IUES</b>	ETF 1	250
<b>iShares S&amp;P 500 Utilities Sector UCITS ETF</b>	<b>IUUS</b>	ETF 1	250
<b>iShares MSCI Brazil UCITS ETF (DE)</b>	<b>4BRZ</b>	ETF 1	250
<b>iShares European Property Yield UCITS ETF</b>	<b>IPRP</b>	ETF 4	250