

## “Xetra Liquidity Provider Programme”

This Xetra Liquidity Provider Programme Agreement ("Agreement") is made

between

**Deutsche Börse AG**

Mergenthalerallee 61

65760 Eschborn

Germany

- hereinafter referred to as „**DBAG**“

and

- hereinafter referred to as “**Xetra Liquidity Provider**” or “**XLP**”.

### **Preamble**

The Xetra Liquidity Provider (XLP) intends to enhance liquidity in the order books of designated instruments at the Exchange Trading Place “Xetra” of the Frankfurter Wertpapierbörse (FWB) – Market Identifier Code “XETR” – (“Xetra”). This Agreement regulates the terms for such liquidity provision and obligations of the XLP and DBAG.

Whereas, the XLP is a trading participant at the Frankfurt Stock Exchange and the XLP and DBAG have entered into the “Agreement on the Utilization of the Exchange-EDP of the Frankfurt Stock Exchange and of the EDP XONTRO” (“Connection Agreement” – *Anschlussvertrag*).

In consideration of the above, the XLP and DBAG agree as follows:

### 1. Obligations of the Xetra Liquidity Provider

- (1) The XLP provides liquidity in the order books of instruments in pre-defined instrument baskets with dedicated orders and quotes considered within this programme (as specified in Annex A "Parameters of the Xetra Liquidity Provider Programme") at visible Best Bid or visible Best Offer ("BBO") in the continuous trading phase (excluding volatility interruptions) on Xetra.
- (2) With regards to liquidity provision the XLP fulfils minimum performance requirements separately for its proprietary trading activity and separately for each of its clients' trading activities.
  - (a) The field of proprietary activity is limited to orders and quotes initiated by the XLP for own account and at own risk without any corresponding interaction with clients. Consequently, any kind of client flow even if executed on a riskless or matched principal basis is excluded from the field of proprietary activity. Performance measurement for the field of proprietary activity is conducted jointly for all trader IDs designated by the XLP for liquidity provision in its field of proprietary activity considering the Xetra account types "P" and "M".
  - (b) A field of client activity is limited to orders and quotes initiated by a direct client of the XLP for the client's own account and at the client's own risk without any corresponding interaction with third parties. Performance measurement for a field of client activity is conducted separately per trader ID designated by the XLP for liquidity provision in a field of client activity considering the Xetra account types "A", "R", and "P" and "M". Respective trader IDs each have to be used exclusively for one client only.
- (3) The minimum performance requirements comprise (a) minimum BBO presence, (b) minimum passive volume share and (c) minimum passive volume ratio. The respective benchmarks (as specified in Annex A "Parameters of the Xetra Liquidity Provider Programme") need to be met per field of activity (see paragraph 45), instrument basket and calendar month on average.
  - (a) BBO presence: Percentage of continuous trading time (excluding volatility interruptions) on Xetra when the XLP is present in an instrument at BBO with resting orders or quotes considered within this programme with a combined volume (in €) per side which at least matches a defined minimum threshold. The BBO presence is measured separately for the bid side and for the offer side and then averaged over both sides.
  - (b) Passive Volume Share: Share of the XLP's passively executed volume (in €) generated with orders and quotes considered within this programme in the total passively executed volume (in €) in continuous trading (excluding volatility interruptions) on Xetra.
  - (c) Passive Volume Ratio: Share of the XLP's passively executed volume (in €) in the XLP's total executed volume (in €), both generated with orders and quotes considered within this programme, in continuous trading (excluding volatility interruptions) on Xetra.

(4) For high volatility days, the achieved BBO Presence (as defined according to paragraph 3) is doubled when calculating the month-to-date value of the instrument basket. A high volatility day is defined as a day, on which the DAX® (TR) EUR index (ISIN DE0008469008) exceeds a range of three percent, according to the following formula:

$$(Daily\ High - Daily\ Low) / (0.5 * (Daily\ High + Daily\ Low))$$

(54) The trader IDs for liquidity provision in the field of proprietary activity and the trader IDs for liquidity provision in the fields of client activity (the latter each with the respective client name and domicile) to be considered for a calendar month have to be designated to DBAG with the form in Annex B "Xetra Liquidity Provider Programme / Designation of Trader IDs" at least three trading days before the end of the previous calendar month.

## 2. Obligations of DBAG

- (1) Separately for each field of activity of the XLP, DBAG grants the XLP refunds on transaction fees subject to fulfilment of the monthly minimum performance requirements (according to section 1, paragraph 3), as specified in Annex A "Parameters of the Xetra Liquidity Provider Programme". This refund will be comprised in the regular Xetra invoice for the XLP cumulated across its fields of activity.
- (2) DBAG provides the XLP with a daily file via the Common Report Engine in XML format which contains daily and month-to-date BBO presence, passive volume share and passive volume ratio percentage figures separately per field of activity on instrument level (for BBO presence only) and basket level. Additionally, the volume (in €) of executed orders and quotes considered within this programme is provided per trader ID in order to allow the XLP a breakdown of the XLP refund to each trader ID participating in this programme.

## 3. Validity, Duration, Termination and Changes of the Agreement

- (1) This Agreement shall become effective on \_\_\_\_\_.
- (2) DBAG is entitled to amend this Agreement paying due regard to the interests of the XLP. Amendments to this Agreement will be notified to the XLP by Xetra circular at least six weeks prior to the effective date of the amendment. Such amendments are deemed to have been approved if the XLP does not lodge objections in writing with DBAG within one week of notification of the respective amendment.
- (3) The Agreement will terminate automatically as soon as the Xetra Liquidity Provider's admission as trading participant at FWB is revoked.
- (4) Each Contracting Party shall be entitled to terminate the Agreement at the end of a calendar month with at least one-week notice.
- (5) The Contracting Parties' right to terminate the contract without prior notice for good cause shall remain unaffected.

- (6) Termination must be made in writing to become effective.

#### **4. Transfer of Rights and Obligations**

- (1) The XLP shall not be entitled to transfer this Agreement to third parties cede rights arising out of this Agreement or in relation with it to third parties without the prior written consent of DBAG.
- (2) DBAG shall be entitled to cede the Agreement completely or partially to another company, provided that such company accepts the administration and operation of FWB or of the Regulated Unofficial Market at FWB. With the transfer of the Agreement, only the company taking over shall have all rights and obligations arising from this Agreement; DBAG shall be released from all obligations arising from this Agreement. In case DBAG makes use of the possibility to transfer the Agreement, DBAG shall have to notify the XLP giving at least six weeks prior written notice before the transfer becomes effective.

#### **5. Miscellaneous**

- (1) The terms and conditions reflected in this Agreement shall be deemed part of the Connection Agreement, and to the extent such terms and conditions conflict with those in the Connection Agreement, the terms in this Agreement shall prevail.
- (2) This Agreement shall be governed by the laws of the Federal Republic of Germany. The place of jurisdiction for all disputes arising out of or in connection with this Agreement as well as the place of performance shall be Frankfurt am Main.
- (3) No oral agreements have been made in connection with this Agreement. Amendments and supplements to this Agreement shall be effective only when made in writing. This also applies to any amendment to this requirement of the written form.
- (4) Should a provision of this Agreement be invalid or become invalid, this shall not affect the validity of the remaining provisions. In place of the invalid provision, an appropriate legally permissible provision shall apply which corresponds as closely as possible to the economic intention of the Parties. This applies accordingly if and to the extent the Agreement is incomplete. Such incompleteness shall be remedied by including into the Agreement a provision which corresponds to that which the Parties intended or would have intended had they been aware of the incompleteness.

**Xetra Liquidity Provider**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Deutsche Börse AG**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Annex A: Parameters of the Xetra Liquidity Provider Programme (XLP Programme) – effective from 1 July 2020**

- **Scope of instruments:** DAX30 and/or MDAX60 stocks<sup>1</sup> (two separate instrument baskets)
- **Scope of orders and quotes considered for liquidity provision (separately per instrument basket):**  
Lean orders and quotes with the exemption of Iceberg and Volume Discovery orders.
- **Scope and level of refund of transaction fees (separately per instrument basket):**  
Transaction fees for passive executions of orders and quotes considered for liquidity provision<sup>2</sup>.

Instrument Basket	Tier	Monthly minimum performance requirement levels				Refund level
		BBO presence	Volume threshold (€)	Passive vol. share	Passive vol. ratio	
DAX30 stocks	1	20%	5,000	1.0%	0%	100%
MDAX60 stocks	1	35%	2,500	3.5%	0%	75%
	2	25%	2,000	2.5%	0%	50%

For new Xetra Liquidity Providers their first calendar month of activity serves as a test period with halved minimum performance levels for BBO presence and passive volume share.

- 1) Changes of the composition for DAX30 and MDAX60 are considered in the XLP Programme in the following calendar month.
- 2) In order to avoid double counting of refunds, (a) calculation of the lean order rebate rate / rebate is carried out without consideration of executed orders and quotes already refunded under the XLP Programme and (b) the monthly refund of transaction fees for a Designated Sponsor will be reduced on instrument level by the monthly refund of transaction fees granted for orders and quotes executed in the M account under the XLP Programme.

**Annex B: Xetra Liquidity Provider Programme / Designation of Trader IDs**

The form “Xetra Liquidity Provider Programme / Designation of Trader IDs” may is available on the Xetra website [www.xetra.com](http://www.xetra.com) under the following link:

**Trading > Trading fees and charges > Liquidity Provider Programme**