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**Exchange Rules for the Frankfurt Stock Exchange**

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## **Section I Areas of Business**

### **§ 1 Business**

The Frankfurt Stock Exchange (FWB) assists its trading participants in closing trades in securities and their derivatives within the meaning of § 2 paragraph 2 of the German Securities Trading Act (*Wertpapierhandelsgesetz, WpHG*) and in financial instruments under § 2 paragraph 2b Securities Trading Act and precious metals. Deals may be concluded in floor trading and in the electronic trading system. Floor trading takes place in the rooms specified (trading floors).

### **§ 2 Administrating and Operating Institution of the FWB**

- (1) The administrating and operating institutions of the FWB are Deutsche Börse Aktiengesellschaft, Frankfurt am Main, and Scoach Europa AG, Frankfurt am Main. The authority and operating duty of the Scoach Europa AG are restricted to the trading with structured products defined in the annex to § 2 paragraph 1 of the Exchange Rules. With regard to trading with other securities, only the Deutsche Börse AG is entitled and obligated as the administrating and operating institution of the FWB.
- (2) The administrating and operating institutions shall, at the request of the Management Board (*Geschäftsführung*) or the Exchange Council (*Börsenrat*), and within the scope of their authority and operating duty pursuant to paragraph 1 and regulatory approval, provide the necessary staff, financial resources, facilities and premises.

### **§ 3 Exchange Supervisory Authority**

The competent highest state authority of the State of Hesse shall be responsible for supervising the operations of the FWB (Exchange Supervisory Authority, *Börsenaufsichtsbehörde*).

## **Section II Exchange Bodies and their Tasks**

### **Sub-section 1 Exchange Council**

### **§ 4 Responsibilities of the Exchange Council**

- (1) The Exchange Council has the following responsibilities:
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1. issuance and adoption of the Exchange Rules;
  2. issuance and adoption of conditions for transactions on the exchange;
  3. issuance and adoption of the fee schedules and regulations;
  4. issuance of adoption of admission and registration rules for exchange traders, issued in the form of articles of association;
  5. appointment and dismissal of the Members of the Management Board, in agreement with the Exchange Supervisory Authority;
  6. supervision of the Management Board;
  7. issuance of rules of procedure for the Management Board;
  8. appointment, reappointment and removal of the head of Market Surveillance (*Handelsüberwachungsstelle*) upon the nomination of the Management Board and in agreement with the Exchange Supervisory Authority;
  9. definition of trading hours and sessions;
  10. approval of the introduction of technical systems which facilitate the trading or settlement of stock exchange trades and the use of stock exchange facilities;
  11. comment on cooperation and merger agreements of the administrating and operating institutions of the stock exchange concerning its operation, and on the outsourcing of functions and activities to another enterprise.
- (2) For policy matters, the Management Board requires the consent of the Exchange Council. This applies, in particular, to:
1. decisions which have a material impact on the course of trading and settlement, such as the introduction of new products;
  2. decisions on commencing or withdrawing from essentially new areas of activity;
  3. entering into co-operation, such as may have an effect on the FWB's freedom of decision, with other stock exchanges and organisations.

## § 5

### **Composition and Period of Office of the Exchange Council**

The composition and term of office of the Exchange Council shall be governed by the Regulations for the Election of the Exchange Council of the FWB and of Eurex Deutschland (*Wahlverordnung*).

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## **§ 6 Chair of the Exchange Council; Deputy Chairs**

- (1) In its first meeting following an election, the Exchange Council shall elect a chair and up to five deputies from among its members.
- (2) A deputy chair must belong to another group within the meaning of the Regulations for Election than the chair itself.
- (3) The election of the chair and their deputies shall be conducted by secret ballot.
- (4) The chair shall preside over the proceedings of the Exchange Council or, if the chair is unable to do so, one of the deputy chairs shall do so. If none of these members is taking part in the proceedings, the member of the Exchange Council most senior in age shall preside over the meeting.
- (5) The Exchange Council may establish committees for the preparation of its resolutions. In forming such committees, the Exchange Council shall ensure that members of the groups pursuant to the Regulations for Election whose interests may be affected by the resolutions are adequately represented.
- (6) The Exchange Council shall exercise the duties and powers assigned to it only in furtherance of the public interest.

## **§ 7 Quorum and Passing of Resolutions in the Exchange Council**

- (1) The Exchange Council shall have a quorum when more than one-half of its members take part in adopting a resolution. Resolutions shall be passed by a simple majority of the valid votes cast. In case of a tied vote in meetings pursuant to paragraph 2, the person presiding over the meeting shall cast the deciding vote; in case of a tied vote in a circulation procedure pursuant to paragraph 3, the chair shall cast the deciding vote. If either presiding person or chair abstain from voting, the motion shall be deemed defeated.
  - (2) Resolutions shall be passed in meetings after oral discussion. The members attending the meeting and members who submit votes in writing to the chair may participate in the passing of resolutions. In special sessions of the Exchange Council, participation in the passing of resolutions shall also be possible by means of a telephone or other technical connection.
  - (3) In suitable cases, resolutions may also be passed outside meetings when motions are circulated in writing. As regards voting on motions circulated in written form, those members who cast their votes in written form, via fax or electronically within the deadline set by the chair may participate in the passing of resolutions. Each member of the Exchange Council may request that the resolution be passed in a meeting pursuant to paragraph 2. An application of that nature shall be substantiated. To the extent that the application necessitates oral discussion of the subject matter of resolution, the chair shall comply with such application by calling a meeting without undue delay.
  - (4) Votes shall be taken by secret ballot upon the application of one-quarter of the members.
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- (5) The content and outcome of the voting on the motion shall be recorded in writing and signed by the person presiding over the meeting.
- (6) The rules of procedure for the Exchange Council shall govern the details.

## **Sub-section 2            Management Board**

### **§ 8            Exchange Management**

- (1) The Management Board shall manage the FWB on its own responsibility. The Members of the Management Board shall be appointed for no more than five years; reappointment is permissible.
- (2) The Members of the Management Board must be reliable and possess the appropriate professional qualifications for managing the stock exchange.
- (3) The Management Board shall be responsible for all duties that are not expressly allocated to other governing bodies or the administering and operating institutions of the FWB.
- (4) The FWB shall be represented in court and out of court by two Members of the Management Board. The Management Board may also name other members of staff as proxy.
- (5) The Management Board shall exercise the duties and powers assigned to it only in furtherance of the public interest.

### **§ 9            Tasks and Powers of the Management Board**

- (1) The Management Board of the FWB shall have the following tasks and responsibilities in particular:
1. to admit enterprises and natural persons as participants in exchange trading or as visitors to the trading floors or to exclude them therefrom;
  2. to regulate the organisation and business operations of the FWB and to define the location and hours for stock exchange trading;
  3. to maintain order at the FWB and to ensure the orderly use of the other FWB facilities, particularly the EDP equipment;
  4. notwithstanding the responsibility of Market Surveillance, to monitor compliance with the statutes, regulations, terms and conditions and other rules concerning the stock exchange;
  5. to monitor performance of the duties of the enterprises admitted to trading, and performance of the duties of persons who are said to be authorised to act as their agents (exchange traders) at the FWB, and performance of the duties of lead brokers and of those acting as their agents;
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6. to allocate the order books among the various lead brokers who run the books and to supervise them;
  7. to decide on the commencement, suspension and discontinuation of the price fixing and on interruptions to stock exchange trading or to price fixing;
  8. to decide on the manner of price fixing taking into consideration the requirements of trading in securities, the protection of the public and the orderly conduct of trading;
  9. to decide on the admission of securities to the Regulated Market;
  10. to remit regularly a current list of listed enterprises, traders, lead brokers and lead broker persons (trading participants) to the Exchange Supervisory Authority.
- (2) The Management Board may authorize other persons to discharge certain functions.
  - (3) The Management Board may enter instructions into the electronic trading system to ensure orderly conduct of business and clearing in line with the provisions of Eurex Clearing AG. If instructions entered by the Management Board are matched with instructions or quotes of trading participants, these shall be deemed to be trades between Eurex Clearing AG and those trading participants if said participants are authorised for clearing, but if trading participants are not admitted to clearing, the trade shall be with the clearing member concerned.

## **§ 10 Authority of the Management Board**

- (1) The Management Board may issue regulations to trading participants and issuers to ensure orderly stock exchange trading and orderly processing of stock exchange instructions.
  - (2) Members of the Management Board or its authorised representatives shall be empowered to have persons who disrupt order or business on the FWB or who fail to comply with instructions of the Management Board removed from the stock exchange's trading floors or, on a case-by-case basis, to exclude such persons from use of stock exchange facilities, if and for the duration of the period in which they affect the proper functioning of said facilities.
  - (3) The Management Board may avail itself of the services of the administrating and operating institutions of the stock exchange in the fulfilment of its monitoring duties pursuant to § 9 paragraph 1 no. 4 with respect to foreign participants which transmit instructions to the FWB solely by means of electronic data processing or which participate in trading solely by means of the electronic trading system.
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**Sub-section 3            Market Surveillance****§ 11            Establishment and Operation**

In accordance with the requirements laid down by the Exchange Supervisory Authority, the FWB shall establish and operate a Market Surveillance as a governing stock exchange body to monitor trading on the FWB and the settlement of transactions pursuant to § 7 of the Stock Exchange Act (*Börsengesetz, BörsG*).

**Section III            Security****Sub-section 1            General****§ 12            Security**

- (1) The enterprises admitted to stock exchange trading and the lead brokers must provide sufficient security to be able to satisfy at any time the obligations arising out of transactions concluded on the FWB.

For the purpose of the limiting and monitoring of the stock exchange liabilities of the enterprises and lead brokers admitted, the Management Board may determine security limits depending on the tier one capital, or on a comparable equity variable, of the trading participants.

- (2) The monitoring of the compliance with the security limit and the application of suitable measures to ensure that obligations arising out of transactions conducted on the stock exchange are met is in accordance with § 20 of the Stock Exchange Act (*Börsengesetz, BörsG*).

**§ 13            Security Limit**

- (1) Any admitted enterprise and any lead broker may close out trades on the FWB without providing security if the price risks in these transactions do not exceed the relevant security limit.
- (2) For admitted enterprises and lead brokers which do not fall within the scope of the German Banking Act (*Kreditwesengesetz, KWG*) a security limit in the amount of a percentage of tier one capital to be defined by the Management Board shall apply.
- (3) For admitted enterprises and lead brokers which are not subject to the scope of the German Banking Act (*Kreditwesengesetz, KWG*), a security limit in the amount of a percentage of an equity variable to be defined by the Management Board and comparable to tier one capital shall apply.
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- (4) The Management Board may determine that the tier one capital, or an equity variable comparable to that of tier one capital, of the parent companies of admitted enterprises and lead brokers may be counted towards the tier one capital or that an equity variable comparable to tier one capital, of the admitted enterprises and lead brokers may be so counted. The nature and scope of such inclusion shall be as determined by the Management Board.
- (5) The Management Board shall determine the amount of the security limit for each enterprise and lead broker admitted. The Management Board shall be entitled to call for all necessary disclosures and proof [http://deutsche-boerse.com/dbag/dispatch/de/kir/gdb\\_navigation/listing](http://deutsche-boerse.com/dbag/dispatch/de/kir/gdb_navigation/listing) for this purpose. Evidence shall be furnished to the Management Board at its request of the size of the tier one capital or of the comparable equity variable. The Management Board may mandate an auditor to review the tier one capital or the comparable equity variable, at the expense of the admitted enterprise or lead broker.
- (6) The Management Board shall define a particular security limit for taking part in block trading in accordance with paragraphs 1 to 5.

## **§ 14 Obligation to Notify on the Part of Admitted Enterprises and Lead Brokers**

Each admitted enterprise and lead broker shall notify the management without delay as soon as circumstances arise which influence the level of tier one capital or the comparable equity variable or otherwise impact the definition of the security limit, insofar as these circumstances can lead to a lowering of the security limit.

## **§ 15 Raising the Security Limit; Bank Guarantees; Security**

- (1) Each admitted enterprise and lead broker can increase the amount in its security limit as defined in § 13 by submitting guarantees from credit institutions and/or security as cash or securities. § 13 paragraph 1 shall apply mutatis mutandis.
- (2) The bank guarantee must be furnished by a domestic credit institution within the meaning of § 1 paragraph 1 German Banking Act (*Kreditwesengesetz, KWG*) or a comparable foreign bank and in favour of Deutsche Börse AG. The Management Board may determine that the guarantee of a domestic or foreign non-bank also suffices, insofar as its guarantee compares to a bank guarantee. The provisions governing bank guarantees shall apply mutatis mutandis.

The admitted enterprise, the lead broker and the guaranteeing credit institution must be different legal persons. The nature and scope of an admissible group relationship between the admitted enterprise or the lead broker and the guaranteeing credit institution are defined by the Management Board.

The bank guarantee must contain the unconditional and non-terminable commitment by the credit institution to remit the guaranteed sum at first demand of the Management Board to an account of

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Deutsche Börse AG if the security provided by the admitted enterprise or lead broker does not suffice. The nature, content and form of the bank guarantee shall be as defined by the Management Board.

- (3) Security in cash or securities shall be furnished pursuant to §§ 20, 21.
- (4) The bank guarantees and security in cash and securities underwrite the performance of the obligations of the admitted enterprise or lead broker arising from their stock exchange trades. Deutsche Börse AG manages the bank guarantees and securities under the present provisions as fiduciary for the rightful enterprises and lead brokers.

## **§ 16 Calculation of Risk**

- (1) The object of risk calculation is the price risk for each admitted enterprise and lead broker. The price risk is the potential loss suffered by the parties, of any admitted enterprise or lead broker, to a stock exchange trade, if said enterprise or lead broker does not meet a payment or delivery obligation incurred as a consequence of stock exchange trades.
- (2) The Management Board shall notify the admitted enterprises and lead brokers of the method by which the price risk (risk amount) shall be calculated.
- (3) The Management Board shall provide the admitted enterprises and lead managers appropriately with the figures and details needed to calculate risk insofar as such action is not in conflict with overriding interests, that warrant protection, of the trading participants, the market or the investors.
- (4) At the end of each trading day, the Management Board shall announce the risk amount calculated on that day to the admitted enterprises and lead brokers.

## **Sub-section 2 Overrun on the Security Limit**

### **§ 17 Surveillance of the Security**

- (1) Market Surveillance monitors adherence to the security limit of the admitted enterprises and lead brokers. If it identifies overruns, it shall notify the Management Board without delay.

If the risk amount calculated under § 16 overruns the security limit of an admitted enterprise or lead broker, this enterprise or lead broker either shall furnish security in cash or as securities, acceptable to the Management Board, to Deutsche Börse AG in the amount defined by the Management Board.

- (2) On the basis of the risk amount announced under § 16 paragraph 4, all admitted enterprises and lead brokers shall notify the Management Board on each trading day of any overrun on the security limit by a deadline before start of trading which has been fixed by the Management Board.
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- (3) The security furnished ensures that admitted enterprises and lead brokers meet the obligations they incur in their stock exchange trades. Deutsche Börse AG administers the security furnished in accordance with these provisions.
- (4) If the security already furnished does not cover the amount as fixed, the admitted enterprise or lead broker shall furnish the difference on any trading day by a deadline set by the Management Board.

## **§ 18 Calculation of Security to be Furnished**

Each admitted enterprise and each lead broker shall furnish security in an amount enabling them to meet their stock exchange trading obligations at any time. The level of the security as furnished must bear an appropriate relationship to the risks entailed in the stock exchange trades. The Management Board shall notify the admitted enterprises and lead brokers of the method by which the security to be posted is to be calculated.

## **§ 19 Additional Posting of Security**

- (1) If an admitted enterprise or lead broker incurs particular trading risk, the Management Board may fix additional or higher security posting requirements pursuant to §§ 17, 18. The Management Board may require that this additional security is to be furnished immediately.
- (2) The level of the security as furnished must bear an appropriate relationship to the risks entailed in the stock exchange trades.

## **§ 20 Security in the Form of Cash**

- (1) Admitted enterprises and lead brokers that have an accounting relationship with Clearstream Banking AG (“trading participants with clearing account”) shall post security in cash by assigning their claims, on Clearstream Banking AG for outpayment of cash balances, as security to Deutsche Börse AG.
- (2) In the case of admitted enterprises and lead brokers that have no accounting relationship with Clearstream Banking AG (“trading participants without clearing account”), Deutsche Börse AG opens in its own name, and for the account of the enterprise concerned or of the lead manager concerned, a fiduciary account at Clearstream Banking AG. Trading participants without a clearing account shall post security in cash to that account.

## **§ 21 Security in the Form of Securities**

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- (1) Security in the form of securities shall be furnished by assignment of claims to Deutsche Börse AG through an account kept at Clearstream Banking AG.
- (2) The Management Board shall determine which securities it accepts as security and their valuation.

## **§ 22 Liquidation of Security**

If an admitted enterprise or lead manager does not meet its obligations from stock exchange trading, Deutsche Börse AG shall liquidate, and at the direction of the Management Board, the security and bank guarantees furnished by the enterprise or lead broker in question pursuant to the above stated provisions. The proceeds shall be paid proportionately to the enterprise or lead broker so entitled.

### **Sub-section 3 Default; Technical Problems**

#### **§ 23 Default**

- (1) If an admitted enterprise or lead broker defaults the Management Board may adopt measures pursuant to §§ 24 to 28. Default is given if an admitted enterprise or lead broker does not post defined security in time or does not timely fulfil any other provision according to the obligations under the present rules. Hence it is immaterial if there is lack of culpability on the part of the admitted enterprise or lead broker.
  - (2) Each admitted enterprise and each lead broker shall notify the Management Board without delay if it cannot meet obligations from stock exchange trades, security postings or other obligations existing pursuant to the present rules.
  - (3) Admitted enterprises and lead brokers are to receive a hearing from the Management Board before any measure under §§ 24 to 28 is adopted. A hearing may be dispensed with if the circumstances do not warrant it.
  - (4) The Management Board may disclose to other trading participants the measures it has taken pursuant to §§ 24 to 28 insofar as this does not conflict with the overriding interests of the enterprise or lead broker concerned which warrant protection.
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**§ 24 Increase in the Risk Amount**

If there is a default, the Management Board may raise the risk amount for the defaulting enterprise or lead broker calculated under § 16 paragraph 2 by a percentage sanction factor. The staggering, level and duration of the sanction factor shall be as determined by the Management Board.

**§ 25 Completion of Pending Trades**

Upon default, the Management Board may instruct a defaulting enterprise or lead broker to complete pending stock exchange trades. The completion of such pending trades is to occur to the extent needed to balance the deficit in the postable security.

**§ 26 Restriction to Brokerage Operation**

Upon default, the Management Board may instruct a defaulting enterprise or lead broker to restrict itself to brokerage operations. The instruction shall contain a specified duration.

**§ 27 Suspension of Admission; Suspension of Admission to Stock Exchange Trading**

- (1) In case of repeated default and a disproportionately high shortfall in postable security, or in case of other severe infringements of obligations pursuant to the present rules, the Management Board may instruct the suspension of the admission of the enterprise or the lead broker. The instruction shall contain a specified duration which shall not exceed six months.
- (2) In case of an instruction under paragraph 1, the Management Board may and for the period during which the enterprise's admission has been suspended, also order the suspension of the admission to stock exchange trading of those persons who conclude stock exchange trades for the trading participants on the stock exchange.

**§ 28 Withdrawal of Entitlement to Take Part in Block Trading**

In case of default the Management Board may withdraw from an admitted enterprise which is entitled to take part in block trading the entitlement to do so, and with effect from the next trading day.

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**§ 29 Technical Problems**

- (1) Should the Management Board be partly or entirely unable, given technical problems, to calculate, transmit or monitor the requisite data for security posting pursuant to the present rules, the security limits defined for the admitted enterprise and lead broker at the time the technical problems occurred shall remain in force for participation in trading for as long as the technical problems exist. The postable security as defined by the Management Board shall also remain in force for that duration, and the security posted by the admitted enterprises and lead brokers.
- (2) The Management Board may also decree further measures as necessary.

**Section IV Use of Stock Exchange EDP; Emergency Measures****§ 30 Use of Stock Exchange EDP**

- (1) FWB shall provide trading participants with EDP facilities to the extent decided upon by the Exchange Council and Management Board. It undertakes to provide them and maintain them. It undertakes to provide software programs and to maintain and upgrade them and to run them in a computer centre (stock exchange EDP). EDP facilities, data transmission lines and programs that are placed in service by the trading participants so as to use the stock exchange EDP and that are neither owned by the administrating and operating institutions of the FWB nor are under their control shall not be the responsibility of the FWB.
- (2) The general instructions issued by the Management Board shall apply to computer failures, system bottlenecks, failures of software and similar system interruptions to the stock exchange EDP or the EDP facilities of the trading participants which interfere with, endanger or interrupt orderly trading. The Management Board shall be authorised to take all necessary measures to guarantee or create orderly market conditions. This shall be without prejudice to the emergency measures outlined in § 31. Each trading participant shall notify the Management Board without delay of system interruptions under sentence 1.

**§ 31 Emergency Measures**

- (1) FWB has provided for effective emergency measures in the eventuality of stock exchange EDP failure and has made the requisite arrangements for implementing those emergency steps.
  - (2) The Management Board has specified back-up rooms in which floor trading can continue in the eventuality that the rooms defined under § 1 sentence 3 as trading floors, or significant parts thereof necessary to maintain floor trading, might not be useable in the long term.
  - (3) In cases defined in paragraph 2, the aim is to recommence floor trading in the back-up rooms within five trading days of the suspension of or interruption to trading pursuant to paragraph 4. FWB shall take appropriate steps under paragraph 1 to ensure the punctual operability of the stock exchange EDP in the back-up rooms. The lead brokers shall make appropriate arrangements to ensure that
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their limit control systems under § 61 paragraph 3 and their EDP facilities, data transmission lines and programs needed for price fixing under § 30 paragraph 1 sentence 2 can commence operations punctually in the back-up rooms. Upon request, the lead brokers shall provide evidence to the management that they are meeting the obligation under sentence 3 (viability in an emergency); the management may order that emergency exercises be conducted. Lead brokers admitted on 1 November 2007 shall provide said evidence within a reasonable time period.

- (4) While the stock exchange EDP is down (paragraph 1) or while the trading floor is unavailable (paragraph 2), the management shall suspend trading entirely or in part under § 54 paragraph 1 or shall halt it entirely or in part under § 54 paragraph 2.
- (5) If trading is resumed after suspension or interruption under paragraph 4, the electronic order book will be displayed to lead brokers with the status it had before trading had been suspended or interrupted, if the electronic order book had been blocked before the suspension or interruption. If lead brokers were not able to enter the most recently fixed price into the stock exchange EDP owing to the suspension or interruption, that entry shall be made immediately once trading has recommenced. The lead managers shall be obliged to enter instructions which had already been transmitted to them at the time the trading was suspended or interrupted into the stock exchange EDP without delay once trading recommences.
- (6) The foregoing shall be without prejudice to § 30 paragraph 2.

## **Section V Admission as Stock Exchange Visitor and to Participation in Trading**

### **§ 32 Application for Admission**

- (1) Permission is needed to visit the stock exchange, to take part in trading on it and to be an exchange trader. The enterprises and the exchange traders (applicants) shall submit written applications in this regard, to be considered by the Management Board. The application for admission of an enterprise shall identify the individual who is to participate in stock exchange trading on behalf of the enterprise.
- (2) The admission may be limited to participation in the electronic trading system.

### **§ 33 Admission with the Right to Participate in Stock Exchange Trading**

- (1) The only enterprises admissible to stock exchange trading shall be those which gainfully and in the business under § 1
    1. conduct purchasing and selling for their own account, or
    2. conduct purchasing and selling in their own name for the account of third parties, or
    3. take on the brokerage of purchase and sale contractsand whose business operations are of such nature and scale as to require a commercially-organised
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business establishment.

- (2) Enterprises with a registered office outside the member countries of the European Union or other signatory states to the treaty on the European Economic Area shall, insofar as they meet the prerequisites specified in paragraph 1, be admitted only if surveillance of the prohibitions of insider trading or surveillance of the ban on market rigging, exchange of information and the performance of reporting requirements under § 9 German Securities Trading Act, (*Wertpapierhandelsgesetz, WpHG*) are guaranteed.

## **§ 34 Conditions Governing Admission**

- (1) The admission of an enterprise to participate in stock exchange trading pursuant to § 33 is to be granted if
1. in the case of enterprises that are organised in the legal form of a sole proprietorship, the proprietor, or in the case of other enterprises, the individuals who are (by law, articles of association or shareholders' agreement), entrusted with managing the applicant's business and authorised to represent said applicant, are fit and proper; and if at least one such person has the necessary professional qualification to trade securities on a stock exchange;
  2. the orderly settlement of trades closed on the FWB is ensured;
  3. the enterprise provides evidence of equity capital totalling at least EUR 50,000 unless it is a credit institution, a financial services institution or an enterprise within the meaning of § 53 paragraph 1 sentence 1 or § 53 b paragraph 1 sentence 1 of the German Banking Act (*Kreditwesengesetz, KWG*) which is authorised to engage in financial commission business within the meaning of § 1 paragraph 1 sentence 2 No. 4 or to render a financial service within the meaning of § 1 paragraph 1 a sentence 2 nos. 1 to 4 German Banking Act (*Kreditwesengesetz, KWG*); the paid-in capital and reserves after deduction of any withdrawals by the proprietor or the personally-liable shareholders and any credit extended to such persons and after deduction of any excess of debt with respect to the free assets of the proprietor shall be considered as equity capital;
  4. with respect to the enterprise which is obliged under no. 3 to provide evidence of equity capital, there are no facts justifying the assumption that the enterprise, taking into account the equity capital evidenced, does not have the necessary economic capacity to participate in an orderly manner in stock exchange trading;
  5. the enterprise provides evidence that it fulfils the technical and legal requirements to directly or indirectly participate in the systems for providing security and performing transactions on the FWB;
  6. the agreement on using the trading EDP at the FWB in its current version is concluded for the duration of the admission;
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**Exchange Rules for the Frankfurt Stock Exchange**

7. the enterprise uses, for executing and settling transactions, the stock exchange EDP specified by the Exchange Council and the Management Board, in each case to the extent set forth by the Management Board.
- (2) The condition contained in paragraph 1 no. 2 is satisfied if the enterprise conducts the settlement of its stock exchange trades through a central securities depository, CSD, recognised under § 1 section 3 German Securities Deposit Act (*Depotgesetz*) and through an accounting relationship recognised by that CSD with Deutsche Bundesbank, or to another central bank of an EU member state linked directly to the TARGET2 payment system of the ECBS and ECB, European System of Central Banks and European Central Bank. In the case of securities held abroad with a foreign depository (non-collective safe custody securities held via trustee business), settlement of transactions will be conducted through a CSD under sentence 1 only to the extent that such bank ensures the settlement of cash clearing and securities clearing. It is necessary in addition thereto, for the orderly settlement of transactions that have as their object securities quoted in foreign currencies or units of account, that the participant itself participates in clearing in foreign currencies or units of account or maintains an accounting relationship with an appropriate clearing bank; participants and clearing banks identified above must participate in the clearing process of a CSD pursuant to sentence 1 for securities to be settled in foreign currencies or units of account. If enterprises admitted to participation in stock exchange trading mandate more than one CSD to execute their transactions, paragraph 1 number 2 is satisfied irrespective of the provision of sentence 1, if these CSDs have signed corresponding contractual agreements governing the opening of reciprocal accounts.
- (3) Notwithstanding the provisions of paragraph 1 no. 2 and paragraph 2, the enterprise shall, for the purpose of meeting its liabilities arising out of FWB transactions in securities and rights inherent in or evidenced by securities (options) determined by the Management Board pursuant to paragraph 5, ensure the settlement thereof via Eurex Clearing AG. The enterprise shall be required to provide evidence that it has accepted the Clearing Conditions for Eurex Clearing AG.
- (4) Security to be posted pursuant to §§ 12 to 29 shall not be provided for the securities and options in which the enterprise pursuant to paragraph 1 in connection with paragraph 3 participates in the security system of Eurex Clearing AG.
- (5) The Management Board shall announce for which securities and options the settlement pursuant to paragraph 3 shall be conducted. In addition, the management may determine that, for a large number or all of the securities and options, the settlement will not be conducted pursuant to paragraph 3, if this becomes necessary for technical reasons or for the purpose of avoiding any other threat to the operational reliability of stock exchange trading. For the security to be provided for the securities and options included in the settlement pursuant to paragraph 3, paragraph 4 shall apply.

**§ 35 Participation in Electronic Trading**

- (1) An enterprise is to be admitted to electronic trading if
  1. the prerequisites for taking part in trading under §§ 33, 34 have been met;
  2. the applicant holds an account at a Deutsche Bundesbank branch and a CSD recognised under § 1 paragraph 3 German Securities Deposit Act (*Depotgesetz*) or has mandated an

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account holder at a CSD pursuant to § 1 paragraph 3 German Securities Deposit Act (*Depotgesetz*) to settle transactions;

3. the technical requirements for connection to the electronic trading system are satisfied; and
4. the ability of the admitted enterprise to be reached at any time during the trading hours of the electronic trading system is ensured.

- (2) In order to access the electronic trading system, each enterprise admitted as trading participant shall be assigned a user ID by the Management Board; such ID may be used only by that particular enterprise. Based on this user ID, the admitted enterprise shall install personal user IDs for all persons who are to have access to the electronic trading system. The Management Board shall be notified in writing of the persons' names and of the user IDs.

Exchange traders and other persons using the electronic trading system (e.g. security officers) may access the electronic trading system. Personal user IDs and passwords may be used only by the person to whom they have been assigned.

Passwords may not be disclosed to unauthorised third persons.

Only admitted exchange traders (§ 36 paragraph 1) shall be allowed to use the electronic trading systems to submit orders to close out stock exchange trades.

- (3) Every admitted enterprise which participates directly in trading on the FWB via its Member Integration System Server (MISS) outside Germany must - to the extent legally permissible - ensure that all installations operated outside Germany (MISS, data entry devices etc.) and all activities in which the admitted enterprise engages in connection with the use thereof can be examined in accordance with the provisions of the Exchange Rules, and the Implementation Regulations. In addition, the admitted enterprise must take suitable measures to ensure that service of notices to the enterprise or persons acting for the enterprise outside Germany can be delivered to an authorized recipient in the Federal Republic of Germany.

Sentence 1 shall apply mutatis mutandis to admitted enterprises which participate in trading in the electronic trading system via data entry devices abroad which are connected to a Member Integration System Server (MISS) installed in Germany.

- (4) The satisfaction of the technical requirements within the meaning of paragraph 1 no. 3 requires that the applicant has access to EDP facilities which guarantee the orderly conduct of trading in the electronic trading system. The configuration, connections and operation of those EDP facilities shall not result in any impairments, particularly of trading and settlement. The FWB shall specify hardware and software which conform to these requirements. Any other hardware and software must meet the requirements of sentence 1; evidence of that is to be furnished by the applicant. The Management Board is entitled to carry out inspections.

In addition, every enterprise must, for the duration of its admission to trading, maintain its EDP facilities and ensure that such equipment is ready for ongoing operation in accordance with the above-mentioned provisions. Details shall be as laid down in the Implementation Regulations which are to be issued by the Management Board.

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- (5) To the extent that the Management Board permits an admitted enterprise to use order routing systems to input orders in accordance with the Implementation Regulations, that enterprise shall be responsible for ensuring that the order routing facility is used appropriately, in accordance with system specifications and while adhering to the FWB provisions. This also applies to any orders from third parties not admitted to the stock exchange which are entered in the trading system via order routing. Should the trading participant fail to comply with the requirements of sentences 1 and 2, the Management Board shall restrict or revoke the permission to use an order routing system.

### **§ 36 Admission of Exchange Traders**

- (1) Whoever is a fit and proper person and has the necessary professional qualification shall be admitted as exchange trader. They may each be admitted on behalf of only one enterprise.
- (2) The Examination Regulations for exchange traders, which require ratification by the Exchange Supervisory Authority, govern the details of the requirements concerning professional qualification and the examination procedure.

### **§ 37 Evidence of the Prerequisites for Admission**

- (1) An applicant must furnish evidence that the conditions for admission pursuant to §§ 32 to 36 have been met. The Management Board shall satisfy itself in an appropriate manner that the necessary prerequisites have been met. Notwithstanding the applicant's duty to provide evidence, the Management Board may, in particular,
- undertake a pertinent examination of the applicant at the applicant's expense, either itself or through a Board of Examiners;
  - require the applicant to submit such statements and documents as it may deem appropriate; and/or
  - procure information from third parties, whereby the applicant must be given prior notice of such request.
- (2) After the granting of admission, the admitted applicant shall be required to notify the Management Board without delay of any changes of a factual or legal nature as a result of which the conditions for admission pursuant to §§ 32 to 36 could cease to be met; paragraph 1 sentences 2 and 3 shall apply mutatis mutandis. The admitted applicant shall be required, in particular, to inform the Management Board immediately
- if it becomes aware that criminal proceedings have been commenced against it on suspicion of property or tax offences, or that proceedings have been launched concerning an infringement of the ban on insider trading or market rigging;
  - if it becomes aware that such proceedings have been initiated against a person acting on behalf of it, as an enterprise pursuant to § 34 paragraph 1 no. 1, who, as proprietor of the enterprise or who, by law, articles of association or shareholders' agreement is entrusted with
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the management of the business of the admitted applicant and who is authorised to represent it.

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## **§ 38 Admission without the Right to Participate in Stock Exchange Trading**

- (1) The right of access to the FWB as a visitor without the right to participate in trading may be granted to:
  1. individuals who previously were admitted to participate in trading as exchange traders in their capacity as business owner, member of a managing board or a holder of a general power of attorney ('Prokurist' under German commercial law) and who no longer engage in business activities on the FWB;
  2. reporters and employees of the financial press, radio or television;
  3. individuals belonging to an enterprise not admitted to the stock exchange and who wish, for special reasons, to visit the FWB in their own interest or in the interest of their enterprise;
  4. other individuals who the Management Board for general reasons believes to have a justified interest in visiting the FWB;
  5. support personnel (e.g. technical personnel and messengers).
- (2) To the extent that individuals were admitted as representatives of a particular enterprise, their admission terminates upon their departure from such enterprise or upon written application of the enterprise. The admission may also be revoked for material reason.
- (3) The Management Board may permit guests access to the FWB.

## **§ 39 Stock Exchange Identification Cards; Visitor Identification Cards**

Individuals admitted with the right to participate in trading on the trading floors shall receive a FWB identification card, unless the admission is limited to participation in electronic trading. Other visitors without the right to participate in trading shall receive a visitor identification card. The identification cards are valid only for the individuals in whose name they are issued.

## **§ 40 Waiver by a Trader; Suspension, Withdrawal and Revocation of the Admission**

- (1) The admission of an exchange trader to FWB shall terminate upon its written notice of waiver to the Management Board. The stock exchange identification cards must be returned.
  - (2) The statutory provisions shall apply in other respects. The stock exchange identification cards must be returned.
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## **Section VI Settlement Systems**

### **§ 41 Settlement Systems**

- (1) The settlement and clearing of receivables and liabilities for trades concluded on the FWB occurs through Eurex Clearing AG for the securities as defined by the Management Board.
- (2) Delivery and cash transfer for trades concluded on the FWB occurs through Clearstream Banking AG or through another central securities depository recognised in the present Exchange Rules.

## **Section VII Admission of Securities**

### **Sub-section 1 Admission to the Regulated Market (General Standard)**

#### **§ 42 Application for Admission, Responsibility, Publication of the Admission**

- (1) The admission to the Regulated Market (General Standard) shall be applied for by the issuer of the securities together with a credit institution, financial services institution or an enterprise within the meaning of § 53 paragraph 1 sentence 1 or § 53 b paragraph 1 sentence 1 of the German Banking Act (*Kreditwesengesetz, KWG*). The institution or enterprise must have already been admitted to a domestic stock exchange and be entitled to participate in trading and be able to provide evidence of liable equity capital amounting to at least EUR 730,000 (or the currency equivalent). If the issuer itself is an institution or enterprise within the meaning of sentence 1, and if the requirements of sentence 2 have been fulfilled, the issuer may file the application acting alone.
- (2) The Management Board shall rule upon the admission under paragraph 1.
- (3) The Management Board shall publish the admission pursuant to §§ 51, 72a of the Stock Exchange Admission Rules and on the Internet.

#### **§ 43 Revocation of Admission upon Application by the Issuer**

- (1) The Management Board may revoke the admission of securities to the Regulated Market (General Standard) upon application by the issuer, unless investor protection concerns conflict with such revocation. Investor protection concerns shall not prevent such revocation in particular
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1. if the admission of, and trading in the security concerned on a domestic or foreign organised market within the meaning of § 2 paragraph 5 of the German Securities Trading Act (*Wertpapierhandelsgesetz, WpHG*) appears to be ensured, even after the revocation of admission has become effective, or
  2. if, after the revocation of admission has gone into effect, the security concerned is neither admitted to nor traded on another domestic exchange or foreign organised market, but provided that, after the revocation decision has been announced, the investors have sufficient time to sell the securities affected by the revocation on the stock exchange.
- (2) Any revocation of admission pursuant to paragraph 1 no. 1 shall take effect immediately if the security concerned has been admitted to and traded on at least one other domestic exchange at the time when the revocation is published. If the security has been admitted to and is being traded exclusively on a foreign organised market at the time when the revocation is published, the revocation shall go into effect three months after that time. In cases of paragraph 1 no. 2, the revocation shall become effective six months after it has been published.
- (3) Upon application from an issuer, the Management Board may shorten the periods specified in paragraph 2 sentences 2 and 3, if the issuer or big shareholder makes the security holder a purchase offer the size of which can be reviewed in separate proceedings (e.g. arbitration proceedings), or if repurchase of the security against appropriate cash compensation by the issuer is assured under the terms of the security. The time period under paragraph 2 sentence 2 can be shortened to one month at the most and the time period under paragraph 2 sentence 3 to a maximum of three months.
- (4) The issuer shall be responsible for providing evidence that the conditions for revoking the admission have been satisfied and for assessing the periods. The Management Board may, in particular, require the submission of appropriate declarations and documents. If any of the conditions set forth in paragraph 1 are no longer satisfied after the revocation has been made public but before such revocation becomes effective, the Management Board may reverse its decision.
- (5) The Management Board shall publish the reversal on the Internet without delay.

## **§ 44 Revocation of Admission Ex Officio**

- (1) The Management Board can revoke the admission of securities to the Regulated Market (General Standard), and in addition to applying the provisions of the German Law of Administrative Proceedings (*Verwaltungsverfahrensgesetz*), if orderly long-term stock exchange trading is no longer guaranteed and the Management Board has halted trading on the Regulated Market or the issuer is not meeting its obligations under the terms of the admission, even after an appropriate time period has passed.
  - (2) The Management Board shall publish the revocation on the Internet without delay.
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## **Sub-section 2            Admission to the Sub-Segment of the Regulated Market with Additional Obligations arising from Admission (Prime Standard)**

### **§ 45            Application for Admission; Responsibility**

- (1) In the case of shares or certificates representing shares which are admitted to the Regulated Market (General Standard), the issuer may apply for admission to the sub-segment of the Regulated Market with additional obligations arising from admission (Prime Standard). The application must include all shares or certificates representing shares of the same securities class admitted to the Regulated Market (General Standard). The application may be submitted together with the application for admission to the Regulated Market (General Standard).
- (2) The Management Board shall decide on admission to the sub-segment of the Regulated Market with additional obligations arising from admission (Prime Standard).
- (3) Shares or certificates representing shares shall be admitted if no circumstances are known to the Management Board according to which the issuer will fail to fulfil the additional obligations arising from admission in an orderly manner. Such circumstances are regularly presumed
  1. if an application for the initiation of insolvency proceedings on the assets of the issuer has been filed; this shall apply mutatis mutandis to issuers having their registered office outside Germany; or
  2. if the issuer of already admitted shares or certificates representing shares has failed to fulfil its obligations arising from admission, or failed to do so in an orderly manner.

### **§ 46            Publication of the Admission**

For the publication of the admission to the sub-segment of the Regulated Market with additional obligations arising from admission (Prime Standard), the regulations on publishing admission to the Regulated Market (General Standard) shall apply mutatis mutandis.

### **§ 47            Annual Financial Statements**

- (1) At the end of a financial year, the issuer shall draw up an annual financial statement as a single or several documents under § 37v paragraphs 2 and 3 German Securities Trading Act (*Wertpapierhandelsgesetz, WpHG*) or, if so required, group consolidated accounts and group management report under § 37y no. 1 German Securities Trading Act. The annual financial statements shall be prepared in both German and English. Issuers with registered offices outside
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Germany may prepare their statements in English only.

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- (2) The issuer shall transmit the annual financial statements to the Management Board by four months at the latest after the end of a given financial year. The manner and form of the electronic transmission shall be determined by the Management Board. The Management Board shall make the annual financial statements available to the public, either electronically or in another suitable manner.
- (3) The Management Board can exempt issuers from the requirements under paragraph 1 sentence 1 in whole or in part insofar as the issuers are subject to equivalent provisions of a non-EU member state, or subject themselves to such regulations in whole or in part. The provisions of paragraph 1 sentences 2 and 3, paragraph 2 and paragraph 4 shall apply mutatis mutandis for the information to be prepared under the regulations of the non-EU member state.
- (4) The foregoing shall be without prejudice to the statutory provisions concerning the annual financial statements. Exemptions granted by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin*) shall be immediately applicable. The issuer shall inform the Management Board of exemptions granted under sentence 2.

## **§ 48 Half-yearly and Quarterly Financial Statements**

- (1) The issuer shall draw up a half-yearly or a quarterly financial report pursuant to § 37w paragraphs 2 to 4 German Securities Trading Act (*Wertpapierhandelsgesetz, WpHG*) and § 37w paragraph 2 nos. 1 and 2, paragraphs 3 and 4 German Securities Trading Act or, if required, group consolidated accounts and group management report, under § 37y no. 2 German Securities Trading Act and § 37y no. 2 German Securities Trading Act analogously.
- (2) Half-yearly reports shall be prepared for the first six months of a financial year. Quarterly reports must be prepared for each of the first and third quarters of a financial year at the respective reporting deadlines.
- (3) The half-yearly and quarterly reports shall be prepared in both German and English. Issuers with registered offices outside Germany may prepare their half-yearly and quarterly reports in English only.
- (4) The statements in the half-yearly report can be subject to auditing pursuant to § 317 German Commercial Code (*Handelsgesetzbuch, HGB*). § 37w paragraph 5 German Securities Trading Act (*Wertpapierhandelsgesetz, WpHG*) shall apply.

Quarterly financial reports can be audited. § 37x paragraph 3 German Securities Trading Act (*Wertpapierhandelsgesetz, WpHG*) shall apply.

- (5) The issuers shall transmit the half-yearly or quarterly reports to the Management Board electronically within two months of the end of the reporting period. The nature and form of the electronic transmission shall be determined by the Management Board. The Management Board shall make the half-yearly and quarterly reports available to the public, either electronically or in other appropriate mode.
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- (6) The Management Board can exempt issuers from the requirements under paragraph 1, paragraph 2 and paragraph 4 in whole or in part insofar as the issuers are subject to equivalent provisions of a non-EU member state, or subject themselves to such regulations in whole or in part. The information to be produced according to those regulations of the non-EU member state shall be governed by the regulations under paragraphs 3, 5 and 7 *mutatis mutandis*.
- (7) The foregoing shall be without prejudice to the statutory provisions concerning the half-yearly or quarterly reports. Exemptions granted by the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin*) shall be immediately applicable. The issuer shall inform the Management Board of exemptions granted under sentence 2.

## **§ 49 Financial Calendar**

- (1) The issuer shall prepare and continuously update upon commencement of trading in the security and thereafter at the beginning of each financial year, a financial calendar for at least the respective financial year, in German and English.
- (2) The financial calendar must include details concerning the most important corporate action events on the issuer's calendar, in particular the annual general meeting, the press conferences and analysts meetings.
- (3) The issuer is obliged to publish the financial calendar on its Internet website and also to submit it to the Management Board in electronic form. The nature and form of the electronic transmission shall be determined by the Management Board. The Management Board shall make the financial calendar available to the public, either electronically or in other appropriate mode.

## **§ 50 Analysts Meeting**

The issuer shall be required to conduct an analysts meeting at least once a year outside the media conference in order to announce the figures from the annual accounts.

## **§ 51 Publication and Notification of Insider Information in English**

The issuer shall be obliged to make disclosures according to § 15 German Securities Trading Act (*Wertpapierhandelsgesetz, WpHG*) in English at the same time. This shall be without prejudice to § 15 German Securities Trading Act.

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## **§ 52 Revocation of Admission to the Sub-Segment of the Regulated Market with Additional Obligations arising from Admission (Prime Standard)**

- (1) Upon application from the issuer, the Management Board shall revoke the admission to the sub-segment of the Regulated Market with additional obligations arising from admission (Prime Standard). The Management Board shall publish the revocation immediately on the Internet. The period between the date of the publication and the effective date of the revocation shall be three months.
- (2) With regard to the revocation of admission to the sub-segment of the Regulated Market with additional obligations (Prime Standard) ex officio, the provisions concerning the revocation of the admission to the Regulated Market (General Standard) ex officio shall apply mutatis mutandis. The Management Board shall inform the Exchange Supervisory Authority and the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin*) of the exclusion without delay.
- (3) The revocation shall not affect the admission to the Regulated Market (General Standard) in other respects.
- (4) In the event that the admission to the sub-segment of the Regulated Market with additional obligations arising from admission (Prime Standard) is terminated, the Management Board must arrange for the admitted securities to be listed in the Regulated Market (General Standard) ex officio for trading (introduction).

## **Section VIII Introduction, Suspension, Cessation and Interruption of Trading on the Regulated Market**

### **§ 53 Introduction of Securities to Trading on the Regulated Market**

- (1) The Management Board shall decide upon application from the issuer on commencement of trading in listed securities on the Regulated Market (introduction). The issuer must notify the Management Board of the point in time for the introduction and the characteristics of the securities to be launched.
  - (2) The Management Board shall publish the decision about the introduction on the Internet.
  - (3) The securities may be introduced to trading at the earliest on the business day following the publication of the prospectus or, if no prospectus is to be published, on the business day following the publication of the listing.
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## **§ 54 Suspension, Cessation and Interruption of Trading on the Regulated Market**

- (1) The Management Board may
1. suspend trading in the Regulated Market if orderly trading on the stock exchange is temporarily endangered or if the suspension is deemed necessary in the interests of protecting the public;
  2. discontinue trading if orderly trading on the stock exchange no longer appears to be ensured.

Existing orders will be deleted. The Management Board shall inform the Exchange Supervisory Authority and the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin*) immediately of any measures pursuant to sentence 1.

- (2) The Management Board may further
1. interrupt all exchange trading or that of certain market segments, or
  2. interrupt price fixing,
- if this is necessary for technical reasons or to avoid any other threat to the functioning of exchange trading. This shall be without prejudice to existing orders (interruption).
- (3) In the cases set out above in paragraph 1 no. 1 and paragraph 2 no. 1, direct transactions among the trading participants are not permissible. In the case set out in paragraph 2 no. 2, direct transactions among the trading participants are permissible in which the lead brokers may also participate to cover any existing name-to-follow and proprietary trades.
- (4) The suspension, cessation and interruption of trading on the Regulated Market is published on the Internet.

## **Section IX Inclusion of Securities in the Regulated Market (General Quoted)**

### **§ 55 Inclusion; Competency**

- (1) Securities which are not admitted to the FWB's Regulated Market may be included in trading on the Regulated Market upon application by a trading participant or ex officio.
  - (2) The Management Board shall decide on the inclusion. The Management Board shall notify the issuer, the securities of which were included in trading under paragraph 1, of the inclusion.
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## § 56 Prerequisites for Inclusion

- (1) The application for inclusion must be submitted in writing by a participant admitted to trading on the FWB. The issuer of the securities to be included has no right to object to the inclusion.
- (2) The application must contain the following information:
  1. the name, the registered office and business address of the applicant;
  2. the name, the registered office and business address of the issuer of the securities to be included;
  3. the stock exchange or exchanges on which prices of the securities to be included are already being fixed;
  4. the type and class of the securities to be included as well as the respective securities code (*Wertpapierkennnummer, WKN*) and International Securities Identification Number (ISIN).
- (3) The application must be accompanied by all documentation necessary for the purpose of examining the inclusion requirements pursuant to paragraph 4 as well as by evidence
  1. that the orderly settlement of stock exchange trades is ensured,
  2. that the orderly conduct of trading is ensured.

The evidence to be furnished pursuant to sentence 1 numbers 1 and 2 must, in particular, include the designation of a paying agent in Germany.

- (4) Securities may be included if they are admitted
    1. to trading on a Regulated Market on another domestic stock exchange;
    2. to trading on an organised market in another member state of the European Union or another state signatory to the Treaty on the European Economic Area; or
    3. to an organised market in another non-EU country, provided that prerequisites for admission and notification and transparency obligations which are comparable to those existing in the Regulated Market for admitted securities exist at this market and that the exchange of information with the competent authorities of the respective country for the purpose of monitoring trading is ensured;and if
    4. no circumstances are known which, should the securities be included, would lead to fraud on the public or damage to substantial public interests.
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If, in the case of the state within the meaning of number 2 or 3, provisions exist concerning reporting transactions by members of the management or the supervisory body (directors' dealings) of the issuer of the securities, with those provisions being comparable to the provision of § 15 German Securities Trading Act (*Wertpapierhandelsgesetz, WpHG*), the applicant shall indicate in its application pursuant to paragraph 1 the form and medium in which the transactions are published.

## **§ 57 Publication of Inclusion**

The Management Board shall publish the inclusion on the Internet.

## **§ 58 Obligations of the Applicant after Inclusion**

- (1) The applicant shall be obliged to notify the Management Board without delay of all circumstances disclosed by the issuer of the included securities or of which the applicant has otherwise become aware and which are material in evaluating the included securities. This shall, in particular, include notifications and changes pursuant to §§ 30b, 30c German Securities Trading Act (*Wertpapierhandelsgesetz, WpHG*) and publications and notifications pursuant to § 15 German Securities Trading Act or comparable provisions which are applicable at the foreign market to which the included securities are admitted, for the protection of the public and for the purpose of ensuring orderly exchange trading. Changes in the form or the medium of publication pursuant to § 56 paragraph 4 sentence 2 shall be notified by the applicant without delay.
- (2) If the inclusion was ex officio, the obligations under paragraph 1 are waived.

## **§ 59 Notification of the Parties Involved in Stock Exchange Trading**

The applicant shall notify the parties involved in stock exchange trading without delay in an easily accessible and appropriate mode of all circumstances notified by it to the Management Board pursuant to § 58 paragraph 1.

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**Section X                    Securities Transactions in Floor Trading****Sub-section 1              General Provisions for Market Price Fixing****§ 60                    Opening and Closing of the Stock Exchange**

Opening and closing of the stock exchange on the trading floors (floor trading) shall be announced by an acoustic signal.

**§ 61                    Market Price Fixing; Limit Control System**

- (1) Market prices shall be set by lead brokers under the regulations of the present sub-section and of the provisions governing price fixing pursuant to the appendix to § 61 as a percentage of the par value or in EUR per notional no-par-value share. The lead brokers shall avoid, to the greatest possible extent, partial executions of orders that have been placed with them.
- (2) The price which corresponds to the actual market situation in trading on the stock exchange shall be fixed as the market price. The lead brokers shall treat all orders existing at the time of the fixing equally. They are entitled to correct obvious mistakes in connection with the price fixing subsequently, with retroactive effect and without delay, by not later than the commencement of the price fixing on the following stock exchange day or – in case the following day is not a trading day but a day of delivery and/or cash settlement (§ 48 of the Conditions for Transactions on the FWB) – in the course of this day.
- (3) The lead broker shall use an electronic system to fix prices in the securities assigned to them. It shall monitor and display the presence of orders and their executability in the lead broker's order book (limit-control system). The Management Board can adopt provisions for certain securities which derogate from the foregoing.

The limit control system shall fulfil the following minimum requirements:

1. Continuous checking of all incoming orders and those in the order book (market, limit and stop orders) to see whether they are executable against the FWB's (published) price estimate, against other customer orders or any designated reference market or markets (including a premium or discount defined by the lead broker).
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2. Immediate display of order executability (market and limit orders) in the order book against the FWB's (published) price estimate or against other orders or the designated reference market or markets (including a premium or discount defined by the lead broker).
3. Immediate display of stop-loss orders upon reaching the bid price of the FWB's (published) price estimate or against the bid price of the designated reference market or markets. Immediate display of stop-loss orders upon reaching the offering price of the FWB's (published) price estimate or against the ask price of the designated reference market or markets.
4. Recording of all orders that have not been executed by the lead broker during a certain timeframe although it was obvious to the broker that they were executable.

## **§ 62 Open Outcry**

- (1) Calling out a price shall be deemed to be a contractual offer to all trading participants on the trading floor or connected by telephone; in continuous trading, the offer thus called shall refer at minimum to the following units:
    - 50 units for par-value shares, i.e. a pro rata share in the capital stock of DM 50.00 / EUR 25.00 or higher;
    - 100 units for par-value shares, i.e. a pro rata share in the capital stock of less than DM 50.00/ EUR 25.00;
    - DM 1 million or EUR par value for bonds.

This shall apply also when prices are set with identical bid and ask rates. Exceptions shall be announced separately for the security in question.
  - (2) If a trading participant asks for the quantity (number of shares or par value) being bid or asked for an open outcry bid or ask price, he shall be obliged upon request of the lead broker or trader to sell or buy the quantity constituting the answer; this shall not apply to a lead broker's open outcry of a price estimate. If a trading participant accepts a contract offered him by open outcry of a price without the quantity being specified, he shall be obliged upon request of the lead broker or trader to sell or buy the quantity which the lead broker or trader names to him.
  - (3) If a lead broker is instructed with a compensation transaction at a given price, he shall take not only current orders into account but conduct open outcry for that security; he shall also take subsequent orders placed with him into account.
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**§ 63 Order Book Block and Cut-Off Time**

- (1) The lead broker blocks the electronic order book at the start of every price fixing; the instructing party may neither change nor delete orders placed before that block. The stock exchange EDP collects orders, changes or deletions of orders directed to a lead broker while the order book is blocked in a holding file and feeds them into the order book when the block has been removed.
- (2) Instructions for calculated prices (opening price and single price) are to be submitted to the lead broker at the times determined. The price fixing begins with the lead broker blocking his electronic order book before price fixing and conducting open outcry of the price estimate if the trading floor participants show recognisable interest. Subsequently, further orders may be placed orally or by phone. After the order acceptance has finished, reaction to a lead broker's contract offers (buy and sell offers, price spreads) may occur only by open outcry.
- (3) If the orders placed after the price fixing has started do not permit price fixing around the price estimate named, the lead broker shall open the electronic order book, naming a new price estimate which takes into account the further orders placed with him in the interim. The lead broker then establishes the calculated price while adhering to the procedure mentioned above.
- (4) Orders at calculated prices are to have been lodged at the latest by the time which has been set for the start of a price fixing.
- (5) Orders to be executed same-day must have been entered into the order book of the lead broker concerned by ten minutes at the latest before the last-possible time for fixing the price of the security in question.

**§ 64 Opening Price and Single Price Fixing**

- (1) Opening and single prices in floor trading are calculated prices.
  - (2) In the case of securities not admitted to continuous trading, the price shall be fixed only once daily in the form of a single price. For securities which are included in continuous trading both calculated and, if necessary, variable prices shall be fixed, if the Management Board so decides.
  - (3) The opening price shall be determined at the commencement of floor trading on the basis of the orders the lead broker has at hand prior to commencement that are suitable for continuous trading.
  - (4) The determination of the single price for continuously-traded securities shall commence at a time determined by the Management Board. All orders at hand shall be included in the calculation of the single price.
  - (5) The next market price to be fixed after the above-mentioned times shall be a calculated price; variable prices may not be fixed prior to the determination of the calculated price.
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## § 65 **Consideration of Orders at Market Price Fixing**

In determining a market price, the lead broker must consider those orders received by the time price fixing starts.

## § 66 **Order Execution**

- (1) Instructions in securities which are admitted only to single price trading must be executed at that price.
  - (2) Orders in securities which are traded continuously are to be executed at the variable price, insofar as the quantity instructed (units or par value) covers the minimum quantity defined for continuous trading or a multiple of it. Any residual balance not expressible as a multiple shall be executed at the single price. If by the time the single price is fixed continuous trading has not occurred with a variable price at which the order could have been executed, the order shall be included in the calculation of the single price unless there is an instruction to the contrary.
  - (3) The defined minimum quantity under paragraph 1 shall usually be:
    - 1 share in the case of equities and subscription rights;
    - DM 1 million or EUR par value for bonds.Exceptions shall be announced separately for the trading in question.
  - (4) The instructing party may demand that its entire order be executed only at the single price, where the Management Board has determined the fixing of a single price.
  - (5) Non-limit orders shall be executed at that particular next price fixed after their entry which permits them to be included. Limit orders are to be executed at the next price at which the limit is hit or is overshoot or undershot in favour of the instructing party.
  - (6) If an order has been placed for a non-tradeable quantity, it is to be executed at the next-lowest tradeable quantity or the next-lowest par value possible.
  - (7) Minimum market orders are to be executed in full if the allocation does not change materially as a result. For variable-price orders, the allocation can be restricted at single price fixing such that the non-allocated balance remains entirely in variable-price trading.
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- (8) The lead broker is to consult to a reasonable extent with the instructing party on electronically-transmitted orders which are highly likely to be faulty, before executing such an order.
- (9) Lead brokers are not obligated to execute orders in the electronic trading system (§ 114).

## **§ 67 Single Price Fixing for Subscription Rights**

- (1) Orders are to be placed with the competent lead broker by the time defined by the Management Board. That lead broker, and where possible after consultation with the institute settling the subscription rights, shall quote the estimated price on the basis of which further orders may be placed with him until cut-off time. Cut-off and price fixing may occur as from 12.00 h (CET), but not before 15 minutes have passed since the estimated price was announced.
- (2) If the orders then at hand permit price formation around the price estimate, the lead broker institutes cut-off and fixes the price. A price fixing for the old share should occur first.
- (3) If the orders on hand do not permit price formation around the estimated price the lead broker, and where possible after consulting once more the institute settling the subscription rights, shall state a new estimated price; after its entry into the stock exchange EDP the trading participants may place orders again, on the basis of which the lead broker derives the price of the subscription right while observing the pricing procedure governed by paragraph 2.

## **§ 68 Procedure for Price Fixing**

- (1) A market price is fixed in the light of the order situation on the FWB taking into account the market situation on the reference market (market situation). A price shall be fixed which would facilitate the greatest possible turnover for the greatest possible matching of orders placed with the lead broker. In addition, the lead broker shall undertake to fix a price which in consideration of tendencies which have become apparent in the meantime results in the least possible deviation from the last quoted price.
- (2) Prior to market price fixing, the lead broker shall announce a non-binding price estimate on the basis of the market situation or a binding transaction offer (buy and sell offers, spread) within which the price fixing is to take place.
- (3) Before a market price at which the lead broker is prepared to enter into transactions is fixed, the price must first be announced through open outcry as a binding transaction offer, given recognisable interest on the part of those trading participants present on the trading floor.
- (4) An opening price must always be fixed.
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## § 69 Price Addenda at Price Fixing

The lead broker shall use the addenda at price fixing as appropriate depending on executability of the orders at hand:

### I. Addenda

All buy orders limited above the fixed price and all sell orders limited below the fixed price other than unlimited buy and sell orders must be executed at the prices fixed, in the case of numbers 1 through 5. The price addenda indicate the extent to which the buy and sell orders limited at the price fixed were able to be executed.

1. b or price without addendum = *bezahlt* (paid): all orders were executed;
2. bG *bezahlt Geld* (paid, bid): the buy orders limited at the price determined were not necessarily executed in full; there were additional bids;
3. bB *bezahlt Brief* (paid, ask): the sell orders limited at the price determined were not necessarily executed in full; there were additional offers;
4. ebG *etwas bezahlt Geld* (partially paid, bid): only a small portion of the buy orders limited at the price determined could be executed;
5. ebB *etwas bezahlt Brief* (partially paid, ask): only a small portion of the sell orders limited at the price determined could be executed;
6. ratG *rationiert Geld* (scaling down, bid): the buy orders limited at and above the price determined and the market buy orders could only be executed in part;
7. ratB *rationiert Brief* (scaling down, ask): the sell orders limited at and above the price determined and the market sell orders could only be executed in part;
8. \* = asterisk: small amounts could not be traded in whole or in part.

### II. Further addenda

In addition, the following symbols are used:

1. G *Geld* (bid): there were no trades; only bids existed at this price;
  2. B *Brief* (ask): there were no trades; only offers existed at this price;
  3. - *gestrichen* (quotation cancelled): no price could be determined;
  4. - G *gestrichen Geld* (quotation cancelled, bid): no price could be determined; unlimited bids existed;
  5. - B *gestrichen Brief* (quotation cancelled, ask): no price could be determined; unlimited offers existed;
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6. - T *gestrichen Taxe* (price estimate cancelled): a price could not be determined; the price is estimated;
  7. - GT *gestrichen Geld/Taxe* (quotation cancelled, bid/estimated): a price could not be determined as the price on the bid side is estimated;
  8. - BT *gestrichen Brief/Taxe* (quotation cancelled, ask/estimated): a price could not be determined as the price on the offer side is estimated;
  9. ex D *nach Dividende* (ex dividend): first quotation net of the dividend;
  10. ex A *nach Ausschüttung* (ex distribution): first quotation net of the distribution;
  11. ex BR *nach Bezugsrecht* (ex rights): first quotation after separation of the subscription right;
  12. ex BA *nach Berichtigungsaktien* (ex bonus shares): first quotation after change of the price to reflect share capital adjusted for corporate funds;
  13. ex SP *nach Splitting* (after share split): first quotation after adjustment of the price quotation to reflect a share split;
  14. ex ZS *nach Zinsen* (ex interest): first quotation net of interest;
  15. ex AZ *nach Ausgleichszahlung* (ex settlement payment): first quotation net of a settlement payment;
  16. ex BO *nach Bonusrecht* (ex bonus right): first quotation after separation of a bonus right
  17. ex abc *ohne verschiedene Rechte* (without various rights): first quotation after separation of various rights;
  18. ausg *ausgesetzt* (suspended): the price quotation is suspended; an open outcry is not permitted;
  19. - Z *gestrichen Ziehung* (quotation cancelled, drawing): the quotation of the debt security has been suspended due to a date for a drawing for redemption. The suspension begins two exchange days before the date fixed for the drawing and ends at the end of the following exchange day;
  20. C *Kompensationsgeschäft* (compensating transaction): only orders were executed at this price for which buyer and seller were identical;
  21. H *Hinweis* (note): separate attention is drawn to special features.
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## § 70 Price Fixing in Continuous Trading

- (1) Prior to an exchange price being fixed, the lead broker must announce the price estimate determined from bids and offers, while considering the reference market, and within which the price fixing is going to occur; the offers must be available to the trading participants and their acceptance must be possible. This does not apply if the lead broker accepts offers and bids made public in the market.
- (2) The lead broker must take the orders at hand into account when fixing prices in continuous trading.
- (3) The Management Board may require that with respect to all or certain securities, the lead broker must also, prior to fixing a market price, also provide the exchange participants with the price of the purchase order with the highest limit and the sell order with the lowest limit.
- (4) The aim of publishing ask and/or bid prices is to balance the market with the smallest possible deviation from the most recent quoted price, taking into account the general trend.
- (5) The principles under §§ 64 to 67 and § 68 paragraph 2 shall apply mutatis mutandis.

## § 71 Measures upon Price Fluctuations

- (1) If the lead broker discovers from the orders on hand that the price will likely deviate considerably from the last price fixed or the last-quote price estimate, he shall notify expected price changes using an adjusted price estimate
    1. for debt securities, if the expected change is more than 1.5 percent of the par value,
    2. for shares and warrants, which were issued in connection with a change in capital at the issuing company (company-issued warrants), if the expected change is over 10 percent of the price; for share prices, however, which are EUR 5 or less, only expected changes of over 20 percent shall be relevant.
  - (2) For convertible bonds, bonds with warrants and participation certificates, the rule for shares under paragraph 1 shall apply mutatis mutandis. For participation certificates ex warrants, which were placed pursuant to the German Banking Act (*Kreditwesengesetz, KWG*), the ruling for debt securities under paragraph 1 shall apply mutatis mutandis.
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- (3) If steps are taken under paragraphs 1 and 2 the next price may be fixed only after at least 10 minutes have elapsed. The deadline for the next price fixing may be shortened by agreement with Market Surveillance. If the price fluctuations strengthen during the period under sentence 1, this circumstance shall not lead to the period under sentence 1 recommencing or the current period being extended.

The deadline for the next price fixing can be reduced without consulting Market Surveillance for securities the prices of which are fixed with reference to a reference market and for securities priced under EUR 0.50; it continues to be incumbent upon the lead brokers to ascertain a time period appropriate to the given situation and to adhere to it.

- (4) A special deadline for the next price fixing is dispensed with in the case of subscription rights, warrants (except for company-issued warrants), certificates and reverse convertibles.
- (5) If prices fluctuate considerably the price is to be fixed in agreement with Market Surveillance.

## **§ 72      Scaling Down**

- (1) If a lead broker discovers from orders on hand that they can probably be executed only after limited allotment or acceptance (scaling down), the market is to be notified of this by input of a corresponding estimated bid or ask price into the stock exchange EDP.
- (2) In the quota allocation, the limited and unlimited orders which are actioned shall receive the same treatment.

## **§ 73      Announcement of Underlying Trades**

The lead broker shall announce the fixed price and the trades calculated at that price by input into the stock exchange EDP and if there is noticeable interest, by open outcry.

## **§ 74      Entry into the Stock Exchange EDP System**

- (1) All orders given to an lead broker and the stock exchange trades concluded must promptly be entered into the EDP system specified by the Management Board, unless otherwise stated. Name-to-follow trades are also deemed to be stock exchange trades.
- (2) Proprietary transactions of the lead brokers and the input of transaction data that could lead to proprietary or name-to-follow orders of the lead broker are to be identified separately for the EDP system.
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## **Sub-section 2 Admission as Lead Broker, Admission as Lead Broker Person; Duties of a Lead Broker**

### **§ 75 Admission of Lead Brokers and Lead Broker Persons**

- (1) The Management Board may entrust enterprises admitted to stock exchange trading with FWB price fixing upon application from those enterprises (admission as lead broker). The applicant and its managers must be fit and proper for the role of lead broker and be suitable in terms of their professional and economic performance. The applicant shall prove that it can fulfil the minimum requirements for price determination using a limit control system pursuant to § 61 paragraph 3 and can be viable in an emergency under § 31 paragraph 3 sentence 3.
- (2) The Management Board shall admit persons who are to be entitled to act for a lead broker (lead broker persons) upon application if they are exchange traders admitted to the FWB and have the appropriate professional qualifications for lead broking. Only one admission is possible for each lead broker. The professional qualification pursuant to sentence 1 can be assumed if the technical knowledge and experience necessary for lead broking can be proved. The evidence may be furnished as follows:
  1. The technical knowledge shall be evidenced by passing the examination for lead broker persons under §§ 77 to 89 before the Board of Examiners of the FWB. At the time the application is filed, not more than two years must have gone by since the exam was passed. The applicant shall confirm in writing that the candidate for admission has had professional experience of lead broking over a period of at least 6 months within the last two years. That experience must be evidenced in the form of statements about relevant activities of the candidate for admission.
  2. The evidence of professional knowledge and experience shall occur in the shape of written confirmation from a German stock exchange that the candidate had worked as lead broker person at that exchange for a period of at least six months within the last two years.
  3. The professional knowledge and experience shall be proved by other evidence of equal ranking with the evidence under nos. 1 and 2 above.
- (3) For evidence of the admission prerequisites pursuant to paragraphs 1 and 2 and the disclosure requirements of the person admitted, § 37 shall apply *mutatis mutandis*.
- (4) The prohibition of participation by a lead broker in exchange trading and the revocation, withdrawal and the order to suspend admission as lead broker pursuant to paragraph 1 and to suspend admission as lead broker person pursuant to paragraph 2 shall be subject to the legal provisions. The Management Board may also revoke the admission as lead broker person if the necessary professional qualification subsequently ceases to exist. If there are justified grounds for believing that the professional qualification necessary for lead broking has subsequently ceased to exist, the

Management Board may order the suspension of admission as lead broker for six months at maximum.

## **§ 76 Duties of the Lead Broker**

- (1) The lead broker shall conduct the brokerage and conclusion of stock exchange trades in the securities allocated to it in line with the technical features, timing and content of the requirements for price fixing and order execution (market model). Those requirements are laid down in §§ 60 to 74.
- (2) Lead brokers shall reserve the necessary staff and technical facilities needed to discharge their functions. In particular, they shall ensure that enough lead broker persons are present on the trading floor during trading hours.
- (3) A lead broker is obliged to use the rooms and technical facilities as determined by the Management Board in performing the tasks incumbent upon it.
- (4) Lead brokers shall conduct all telephone calls related to their performance of the tasks incumbent upon them using landline connections. They shall record such calls. The voice recordings are to be retained for at least three months. Lead brokers must ensure that no mobile phone calls are made from inside the facilities set aside for order execution (broker booths)
- (5) The only persons to have access to the broker booths shall be the lead broker persons responsible for price fixing.
- (6) Proprietary transactions and name-to-follow transactions of a lead broker in respect of securities allocated to it shall not have the effect of strengthening a trend.
- (7) The lead broker may conduct name-to-follow securities trades with a designated sponsor
  1. if the designated sponsor has not answered a quote request immediately or is not reachable by phone or otherwise;
  2. if it has agreed with the designated sponsor to execute orders against the designated sponsor without prior quote request and order formation is necessary for that prior; or
  3. if it has agreed with the designated sponsor to refrain from naming a quote for the execution against the designated sponsor. In that case and for a purchase order, the market price must be lower or at least equal to the ask limit. In case of a sell order, the market price must be higher than or equal to the bid limit of the quote.

Sentence 1 applies also to name-to-follow transactions based on buy and sell orders of differing volumes, and for proprietary trades. Agreements between the lead broker and the designated sponsor under sentence 1 no. 2 and no. 3 are to be disclosed to the Management Board.

- (8) Securities other than those allocated to the lead brokers may be traded by the lead brokers only if this does not impair the lead brokerage.
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### **Sub-section 3 Examination of Lead Brokers**

#### **§ 77 Establishment and Composition of the Board of Examiners**

- (1) Under § 75 paragraph 2 no. 1 the Management Board shall establish a Board of Examiners to examine the professional knowledge of persons who are to be entitled to act as agent for a lead broker on the FWB (lead broker examination)
- (2) The Board of Examiners shall consist of five full members. The Management Board shall appoint them for a period of three years. The members of the Board of Examiners must possess the necessary professional knowledge and capacity to discharge the tasks entrusted to them. They discharge their office without being subject to third-party instructions or transfer or dismissal.
- (3) If a Member of the Board of Examiners cannot attend, the Management Board shall nominate a suitable proxy under paragraph 2.

#### **§ 78 Confidentiality**

The Members of the Board of Examiners shall maintain confidentiality towards third parties in respect of all matters concerning examinations.

#### **§ 79 Admission to Lead Broker Examination**

Those persons who are admitted as exchange traders to floor trading on the FWB and who have filed an examination admission application with the FWB's Management Board shall be admitted to the lead broker examination. The Board of Examiners decides on the admission to the examination.

#### **§ 80 Examination Dates**

The dates for the lead broker examinations are published on the FWB website at [www.deutsche-boerse.com](http://www.deutsche-boerse.com). The examinees are to be notified of their examination date.

#### **§ 81 Subject Matter of the Examination**

- (1) The aim of the lead broker examination is to test the candidates' professional knowledge needed for lead brokering. The professional knowledge is evidenced by knowledge of the subject areas named in paragraph 2 below.
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- (2) The lead broker examination can cover the following subject areas:
1. legal foundations of lead brokerage and the FWB's Rules and Regulations;
  2. workflows and rules of price fixing in floor trading;
  3. function of the stock exchange EDP specified by the Management Board for floor trading under § 74.

## **§ 82 Conduct of the Lead Broker Examination**

- (1) The lead broker examination is conducted only as a German-language electronic examination. Candidates must attend the exam in person. There are no oral tests. Software-based exam questions from the subject areas defined in § 81 paragraph 2 are to be answered in the examination. The examination lasts 1.5 hours.
- (2) The overall nature of the examination is as defined by the Board of Examiners in coordination with the Management Board. The design of the various questions is carried out by the Board of Examiners. It is authorised to lay down the number, distribution, selection and weighting of the exam questions.
- (3) The Board of Examiners determines at least one person who is entitled to administer and invigilate the lead broker examination. The candidates shall prove their identity at the request of the invigilator. They are to be informed of the exam procedure, the time available for the exam and the permissible aids before the exam commences. The candidates are also instructed that it is impermissible to forward exam questions to third parties during or after the exam.

## **§ 83 Non-Disclosure**

- (1) The lead broker examinations are not public. Appointees of the Management Board and staff of the Hesse Exchange Supervisory Authority shall be permitted to attend.
- (2) The Board of Examiners may admit third parties as observers at a lead broker examination provided that no candidate lodges an objection.
- (3) Only the members of the Board of Examiners shall consult on the examination results.

## **§ 84 Cheating Attempt and Infringement of Procedural Rules**

- (1) If a candidate tries to influence the exam result by cheating or using prohibited aids, or violates the procedural rules, the invigilator shall permit further attendance at the lead broker exam subject to a decision by the Board of Examiners under paragraph 2. Alternatively, and if the candidate has been causing considerable disruption, the invigilator may bar the candidate irrevocably from further
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attendance at the lead broker exam. In such cases, the candidate shall be deemed to have failed the exam.

- (2) In cases under paragraph 1 sentence 1 the Board of Examiners decides after conducting a hearing of the candidate whether the person in question is to be barred from the exam or whether the Board of Examiners will take other measures. In serious cases, and especially in that of premeditated cheating, the candidate shall be excluded irrevocably from the exam. The candidate fails the whole exam if excluded irrevocably.
- (3) If an attempt to cheat or to use inadmissible aids is discovered only after the lead broker exam has finished, the Board of Examiners may decide within a year of the day of the exam on measures under paragraph 2. If the candidate is then declared to have failed the exam, the Management Board is to revoke the certificate issued under § 87 paragraph 2 .

## **§ 85 Withdrawal from Examination**

- (1) Candidates may lodge a written statement by the time the lead broker exam starts declaring their withdrawal from that exam. In such cases, the candidate shall be said not to have sat for the exam. Insofar as the candidate fails to appear at the exam and has not submitted a declaration of withdrawal under sentence 1, the candidate shall be deemed to have failed the exam.
- (2) Once the lead broker exam has commenced, a candidate may withdraw only for material reason. The Board of Examiners shall rule on whether a reason is to be deemed material after it has heard the candidate. If there is material reason for a withdrawal, the candidate will be given the status “did not sit for the exam”; recognition of part-performance in the exam is hereby precluded. If a candidate withdraws from the lead broker exam after it has started and without material reason, s/he will have failed the exam.

## **§ 86 Assessment of Exam Performance**

The assessment of lead broker exam performance is based on the results that candidates achieve in the examined subject areas.

## **§ 87 Passing the Lead Broker Examination**

- (1) Candidates have passed the lead broker exam if they achieve a grade of 75 percent. The Board of Examiners determines whether or not a candidate has passed or failed a lead broker exam using the electronic marking of the exam.
  - (2) The Board of Examiners shall notify candidates in writing of their pass/fail at the lead broker exam; no further grading of the answers given to individual questions or to the exam as a whole will be issued. If a candidate has passed the exam the Board of Examiners shall issue that candidate with a certificate to that effect.
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## **§ 88 Repeating the Examination**

if a candidate fails an exam, they may sit for it again twice. Repeat attempts are to be applied for under § 79. No part-performance from earlier exams will be counted towards later exam results. Applications to sit for a second repeat exam may be submitted one month at the earliest after candidates have failed at the first repeat attempt.

## **§ 89 Legal remedy**

Legal redress against the outcome of a lead broker exam or against the steps taken by the Board of Examiners in connection with a lead broker exam can be lodged only at the same time as the permissible legal remedies against a decision on admission as lead broker.

## **Sub-section 4 Lead Broker Fees**

### **§ 90 General**

- (1) FWB lead brokers levy price fixing fees for their brokerage pursuant to §§ 91 to 95.
- (2) The fees defined in §§ 91 to 93 are maximum rates. The minimum fee for a brokered trade under paragraph 1 is EUR 0.75.

### **§ 91 Brokerage of Equities**

The fee for brokerage of stock exchange trades in shares including subscription rights, warrants and other unit-quoted securities shall be 0.8 per thousand of the price quoted.

### **§ 92 Debt Securities**

- (1) Fees for fixed-interest paper are levied on the basis of the par value. This shall not apply to zero bonds and participation certificates for which fee setting using the par value is not possible.
- (2) The fee rates are as below for EUR-denominated securities, for DEM-denominated securities after conversion of the par value to Euro at the conversion factor and for foreign-currency denominated currencies after conversion to Euro on the basis of the conversion factor in question or of the ECB's foreign exchange reference rate:

for par values:

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up to EUR 25,000	0.75 per thousand of the par value
over EUR 25,000 up to EUR 50,000	0.4 per thousand of the par value and at least EUR 18.75
over EUR 50,000 up to EUR 125,000	0.28 per thousand of the par value and at least EUR 20.00
over EUR 125,000 up to EUR 250,000	0.26 per thousand of the par value and at least EUR 35.00
over EUR 250,000 up to EUR 500,000	0.16 per thousand of the par value and at least EUR 65.00
over EUR 500,000 up to EUR 1,000,000	0.12 per thousand of the par value and at least EUR 80.00
over EUR 1,000,000 up to EUR 2,500,000	0.08 per thousand of the par value and at least EUR 120.00
over EUR 2,500,000	0.06 per thousand of the par value and at least EUR 200.00

- (3) For zero bonds, asset-backed securities, certificates and participation certificates for which a fee cannot be calculated using the par value, the fee shall be on the basis of the price as under paragraph 2.

### **§ 93 Fixed Fees and Maximum Rates**

The Exchange Council sets fixed fees and maximum rates for certain securities as defined in the annex to § 93 within the fee framework defined in §§ 91 and 92.

### **§ 94 Creditor for the Fee**

The lead broker is owed the fee, having brokered the fee-paying transaction.

### **§ 95 Debtor for the Fee**

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- (1) Any admitted enterprise that as buyer or seller has occasioned the closing of a trade through the lead broker owes a fee for that transaction.
- (2) The debtor for the fee may also be whoever has assumed the obligation to pay the fee by making a declaration to the lead broker.

## **Sub-section 5            Allocation of Equities Order Books**

### **§ 96            Responsibility, Emergency Allocation**

- (1) The Management Board shall decide on the allocation to order books for equities which have been admitted to the Regulated Market (equities order books). The allocation shall take place at the latest one month before expiry of the existing allocation.
- (2) The allocation shall be limited to a term of 30 months.
- (3) In urgent cases, the Management Board may decide upon the allocation of equities order books on an interim basis, if doing so is required to guarantee the maintenance of orderly floor trading. Allocations pursuant to sentence 1 shall be based on the performance of the lead brokers (§ 99 ).
- (4) Allocation decisions may be provided with collateral clauses under §3 6 paragraph 2 of the Hesse Administrative Procedures Act (*Hessisches Verfahrensverwaltungsgesetz*).

### **§ 97            Allocation Application**

- (1) The application for allocation of equities order books shall be in writing. Lead brokers admitted to the FWB are authorised to apply.
  - (2) The application shall be submitted to the Management Board at the latest three months before the existing order book allocation expires.
  - (3) The application must include:
    1. evidence of admission as lead broker to the FWB;
    2. details of the persons who are to act as lead brokers in equities order books on behalf of the applicant;
    3. preferences regarding the order book groups to be allocated.
  - (4) The Management Board may lay down detailed provisions on the application contents pursuant to paragraph 3.
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**§ 98 Order Book Groups**

- (1) The equities order books are allocated in the form of order book groups. There is no entitlement to allocation of specific order book groups or individual order books.
- (2) The Management Board shall divide the equities order books to be allocated into order book groups. Order books for equities which have been admitted to trading in the Prime Standard of the Regulated Market shall be divided into industry groups. Order books for equities which are admitted to trading in the General Standard of the Regulated Market shall be divided into country groups according to the domicile of the respective issuer.
- (3) The percentage of the total yearly order book turnover of all equities order books shall be calculated for each order book group. The percentage indicates the size of the respective order book group. The total yearly order book turnover is calculated over a period of one year.
- (4) Order book groups may be divided into sub-groups, provided that this is necessary to allocate order book groups pursuant to § 101.

**§ 99 Performance Measurement**

- (1) The Management Board shall measure on a regular basis the performance of each lead broker who has been allocated equities order books. If measures are implemented under § 30 paragraph 2 or emergency measures under § 31, the Management Board may suspend the performance measurement where it would not be reasonable for a lead broker to have to adhere to the relevant benchmarks.
- (2) The performance shall be measured using the following performance parameters and their weighting pursuant to the procedure regulated in the annex to § 99:
  1. Entry of an order for the bid and ask side (quote) at the beginning of trading (early quote) 5 %
  2. Percentage of the trading period of a trading day for which a quote is entered (quote presence) 10 %
  3. Difference between buy and sell order of a quote (quote spread) 10 %
  4. Volume of the smaller buy or sell order of a quote during one trading day (quote volume) 10 %
  5. Execution time of orders (execution time) 20 %
  6. Percentage of partial executions of executed orders (partial executions) 20 %
  7. Execution of orders within quotes (execution quality) 25 %

For each lead broker, the results of the performance measurement shall be indicated as a percent of

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the generally highest reachable performance level (total performance level pursuant to number IV of the annex to § 99).

- (3) The Management Board shall regularly and – upon request – at any time inform lead brokers in writing about their measured performance. A lead broker may not assert a claim to receive information on another lead broker's performance. The Management Board may publish the performances of the lead brokers in anonymous form.

## **§ 100 Allocation to Admitted Lead Brokers**

- (1) Each lead broker admitted to FWB who has applied for allocation pursuant to § 97, shall be allocated order book groups with a total volume of 2 percent of the yearly total order book turnover (§ 98 paragraph 3). Insignificant deviations in the size of the order book groups shall be disregarded.
- (2) In addition to the allocation pursuant to paragraph 1, lead brokers which have already been allocated equities order books shall be allocated further order book groups depending on their performance pursuant to the following provisions:
1. The total volume of the order book groups to be allocated pursuant to paragraph 2 shall depend on the relative total performance level pursuant to number 2, weighted by the number of price fixings of the lead brokers within the last 12 months before end of the application period pursuant to § 97 paragraph 2. Insignificant deviations in the size of the order book groups shall be disregarded.
  2. The relative total performance level of a lead broker is calculated by assigning the total 99.5 percent performance level, under number IV in the annex to § 99, a relative total performance level of 1. A relative total performance level of 2 is assigned to the total performance level under number IV in the annex to § 99 of 100 percent. The relative total performance levels of the lead brokers is computed by linear scaling of the total performance levels in between.

## **§ 101 Allocation of Order Book Groups**

- (1) Initially, lead brokers pursuant to § 100 paragraph 2 shall be allocated the order book groups which have been allocated to them before. If the total volume of the order book groups allocated to these lead brokers to date exceeds the total volume of the order book groups to be allocated to them pursuant to § 100, the former order book groups in which the lead brokers have reached the best total performance levels under number IV of the annex to § 99 shall be allocated until the total volume pursuant to § 100 is reached.
- (2) Lead brokers who have not been allocated equities order books yet shall be allocated order book groups not already allocated under paragraph 1 under the preferences given in the allocation application (§ 97 paragraph 3 number 3), until the total volume of order book groups to be allocated
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to them under § 100 paragraph 1 has been reached. In case of matching preferences, the Management Board decides upon the allocation at their own discretion.

- (3) Remaining order book groups which have not been allocated pursuant to paragraphs 1 and 2 shall be allocated pursuant to the following provisions:
1. The order book groups shall be allocated according to the volume of the order book groups, beginning with the biggest group.
  2. The order book group shall be allocated to the lead broker whose total volume of the order book groups allocated to it pursuant to paragraphs 1 and 2 deviates the most from the total volume of the order book groups to be allocated to it pursuant to § 100.
  3. An allocation pursuant to number 2 is not to take place if the volume of the order book groups to be allocated exceeds the total volume of order book groups that remain to be allocated to the lead broker after the allocation pursuant to paragraph 1 or 2 by more than 0.1 percent.
  4. Notwithstanding number 3, the order book group shall be allocated if its volume does not exceed the volume of the order books which have to be allocated in total to the lead broker pursuant to § 100 and if the excess pursuant to number 3 is balanced by the disposal of order book groups allocated pursuant to paragraph 1 or 2. The disposal of order book groups shall take place in the order of their volume, beginning with the smallest order book group.

## **§ 102 Consolidation, Discontinuation of Lead Brokers**

- (1) In case of a lead broker ceasing after its business has been taken over by another lead broker, the equities order books allocated to the lead broker taken over shall be allocated to the lead broker which performed the takeover. The allocation shall take place with the limitation period applying to the original allocation of equities order books.
- (2) In case of a lead broker cessation in the absence of the prerequisites of paragraph 1 sentence 1, the equities order books allocated to such lead broker shall be allocated to the lead broker which has reached the best total performance level pursuant to number IV of the annex to § 99 on all order book groups allocated to it within the last three months before allocation. The allocation shall take place with the limitation period applying to the original allocation of equities order books.

## **§ 103 Allocation of New Order Books**

- (1) The Management Board shall assign new equities order books occurring within the limited allocation period to the relevant existing order book group (§ 98 paragraph 2) and shall be allocated to the lead broker to which this order group has been allocated. If sub-groups have been created in this order book group, new order books shall be allocated to the lead broker who has reached the highest total performance level pursuant to number IV of the annex to § 99 in this order book group within the
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last three months before the allocation. The allocation shall take place with the limitation period applying to the original allocation of equities order books.

- (2) New equities order books occurring within the limited allocation period which the Management Board assign to a new order book group, shall be allocated to the lead broker who has reached the highest total performance level pursuant to number IV of the annex to § 99 in all order book groups allocated to it within the last three months before the allocation. The allocation shall take place with the limitation period applying to the original allocation of equities order books.

#### **§ 104 Temporary Hindrance of a Lead Broker**

- (1) In cases where a lead broker is temporarily hindered from price fixing in the order books allocated to it and if the prerequisites of § 105 paragraphs 2 or 3 do not exist, the Management Board shall at their own proper discretion assign the price fixing for these order books to another lead broker for the length of time that the first lead broker is experiencing the hindrance. In doing so, the Management Board shall take into account the performance of the lead broker (§ 99). The allocation of order books shall not be affected by the assignment according to sentence 1.
- (2) The Management Board shall immediately be notified of any hindrance under paragraph 1, and of its cessation.

#### **§ 105 Revocation and Withdrawal of Order Book Allocation**

- (1) The Management Board may at any time revoke the allocation of equities order books which have not been allocated pursuant to § 100 paragraph 1 if the average total performance level of a lead broker pursuant to number IV of the annex to § 99 in the relevant equities order books does not reach a total performance level of 99.75 percent over a continuous period of three calendar months.
  - (2) Notwithstanding paragraph 1, the Management Board shall revoke the allocation of equities order books if the admission as lead broker at FWB is withdrawn, revoked or otherwise cancelled or has been resolved otherwise.
  - (3) In the event that the lead broker is temporarily banned from participating in trading or the suspension of its admission as lead broker is ordered, the Management Board shall revoke the allocation of equities order books for the period of the ban or the suspension of the admission.
  - (4) The foregoing shall be without prejudice to the provisions of §§ 48, 49 of the Hesse Administrative Procedures Act (*Hessisches Verwaltungsverfahrensgesetz*).
  - (5) In case of withdrawal or revocation of the order book allocation, the Management Board shall allocate the order books to the lead broker which, within the last three calendar months before the month of withdrawal or revocation, has reached the highest total performance level pursuant to number IV of the annex to § 99 in all order groups allocated to it. The allocation pursuant to sentence 1 and 2 takes place with the limitation applying to the original allocation of the equities
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order books. In case of revocation pursuant to paragraph 3, the allocation shall be carried out for the period of the revocation.

## **§ 106 Transitional Provision**

- (1) The Management Board shall allocate the equities order books with effect from 26 March 2007 pursuant to §§ 96 to 101. § 96 paragraph 1 sentence 2 and § 97 paragraph 2 shall not apply to applications for allocation of equities order books under sentence 1.
- (2) In derogation from § 100 paragraph 2 number 1, the allocation of equities order books pursuant to paragraph 1 shall be based on the total performance level pursuant to number IV of the annex to § 99 as well as on the number of price fixings in the period from 1 October 2005 to 30 September 2006.

## **Sub-section 6 Allocation of Non-Equities Order Books**

### **§ 107 Responsibility, Emergency Allocation**

- (1) The Management Board shall decide on the allocation of order books for securities other than equities admitted to the Regulated Market (non-equities order books). The allocation shall take place at the latest one month before expiry of the existing allocation.
  - (2) The allocation shall be limited to a term of 30 months. Notwithstanding sentence 1, the allocation shall be limited:
    1. for order books for structured products pursuant to the annex to § 2 paragraph 1, to the period ending 27 April 2008;
    2. for order books for Federal government securities, until the next third Friday of the months March, June, September or December of a calendar year, as soon as the remaining term of the respective Federal government security falls below five or – for securities with a remaining term of under five years – below two years.
  - (3) In urgent cases, the Management Board may decide upon the allocation of non-equities order books on an interim basis, if doing so is required to guarantee the maintenance of orderly floor trading.
  - (4) Allocation decisions may be provided with collateral clauses under § 36 paragraph 2 of the Hesse Administrative Procedures Act (*Hessisches Verwaltungsverfahrensgesetz*).
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**§ 108 Application for Allocation**

- (1) The application for allocation of non-equities order books shall be submitted in written form. Lead brokers admitted to the FWB are authorised to apply.
- (2) The application shall be submitted to the Management Board at the latest three months before the existing order book allocation expires. Sentence 1 shall not apply to allocation of order books for Federal government securities within the allocation period pursuant to § 107 paragraph 2 sentence 1.
- (3) The application must include:
  1. evidence of admission of the lead broker to the FWB;
  2. details on the persons who shall act as lead brokers in non-equities order books on behalf of the applicant;
  3. details on existing or planned technical and/or business links to third parties in respect of the conduct of price fixing, in particular to issuers or lead managers who provide liquidity for non-equities; evidence of intended technical and/or business links shall be provided in adequate form.
- (4) The Management Board may lay down detailed provisions on the application contents pursuant to paragraph 3.

**§ 109 Allocation of Order Books**

- (1) Non-equities order books shall be allocated by the Management Board at their own proper discretion. There shall be no entitlement to allocation of specific non-equities order books.
  - (2) The Management Board may reject allocation applications under paragraph 3 to the extent this is necessary under the conditions for price fixing among non-equities, in order to guarantee orderly price fixing in non-equities order books.
  - (3) When deciding upon order book allocation, the Management Board shall consider in particular:
    1. dependency of the price formation for non-equities on provision of liquidity by third parties, in particular by issuers or lead managers;
    2. existing or intended technical and/or business links for implementing the price fixing of lead brokers with third parties, in particular issuers or lead managers providing liquidity for non-equities;
    3. experience which lead brokers have had of price fixing for the order books of the respective securities category and/or in order books of the respective issuer's securities;
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4. the equities order books allocated to a lead broker by the Management Board, to the extent order books for share-equivalent participation certificates, for convertible bonds issued by companies or for warrants of warrant bonds are allocated;
5. the specialisation of lead brokers in Federal government securities with the respective remaining term, to the extent order books for Federal government securities are allocated.

## **§ 110 Consolidation, Discontinuation of Lead Brokers**

- (1) In case of a lead broker ceasing after its business has been taken over by another lead broker, the non-equities order books allocated to the lead broker taken over shall be allocated to the lead broker performing the takeover. The allocation shall take place with the limitation period applicable to the original allocation of non-equities order books.
- (2) In the case of cessation of a lead broker in the absence of the prerequisites under paragraph 1 sentence 1, the Management Board shall reallocate the non-equities order books allocated to it at their proper discretion having due regard to § 109 paragraph 3. It shall also take those lead brokers into account which had not been allocated any non-equities order books so far. The allocation shall take place with the limitation period applicable to the original allocation of non-equities order books.

## **§ 111 Allocation of New Order Books**

- (1) New non-equities order books occurring within the limited allocation period shall be allocated by the Management Board to the lead broker to which the non-equities order books of the respective issuer have been allocated. To the extent non-equities order books of an issuer have been allocated to several lead brokers, the Management Board shall allocate new non-equities order books of this issuer at their own proper discretion, having due regard to § 109 paragraph 3, to one of these lead brokers. The allocation shall take place with the limitation period applicable to the original allocation of non-equities order books.
- (2) Notwithstanding paragraph 1, the Management Board shall allocate the following order books at its proper discretion having due regard to § 109 paragraph 3:
  1. Non-equities order books of issuers whose securities are not yet eligible for trading on the Regulated Market;
  2. Non-equities order books for which, and for lead brokers other than those named in paragraph 1, a technical and/or business link necessary for carrying out the price fixing pursuant to § 109 paragraph 3 no. 2 is intended.

At allocation, the Management Board shall also consider lead brokers who have not been allocated non-equities order books yet. The allocation shall take place with the limitation period applicable to the original allocation of non-equities order books.

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## **§ 112 Temporary Hindrance of a Lead Broker**

- (1) In cases where a lead broker is temporarily hindered from price fixing in the non-equities order books allocated to it and if the prerequisites of § 113 paragraphs 2 or 3 do not exist, the Management Board shall at its own proper discretion and having due regard to § 109 paragraph 3 assign the price fixing for these non-equities order books to another lead broker for the length of time that the first lead broker is experiencing the hindrance. The allocation of non-equities order books shall be without prejudice to the assignment according to sentence 1.
- (2) The Management Board shall immediately be notified of any hindrance under paragraph 1, and of its cessation.

## **§ 113 Revocation and Withdrawal of Order Book Allocation**

- (1) The Management Board may revoke the allocation of non-equities order books if the prerequisites of the allocation cease to exist retroactively.
  - (2) Notwithstanding paragraph 1, the Management Board shall revoke the allocation of non-equities order books if the admission as lead broker at FWB is withdrawn, revoked or otherwise cancelled or resolved.
  - (3) In the event that the lead broker is temporarily banned from participating in trading or the suspension of its admission as lead broker is instructed, the Management Board shall revoke the allocation of non-equities order books for the period of the trading ban or the suspension of the admission.
  - (4) The foregoing shall be without prejudice to the provisions of §§ 48, 49 of the Hesse Administrative Procedures Act (*Hessisches Verfahrensverwaltungsgesetz*).
  - (5) In cases where the lead broker allocation has been withdrawn or revoked under paragraphs 1 to 4, the Management Board shall reallocate the non-equities order books at their proper discretion having due regard to § 109 paragraph 3. They shall also take those lead brokers into account which had not been allocated any non-equities order books so far. The allocation pursuant to sentence 1 shall be carried out with the time limitation applicable to the original allocation of non-equities order books. In case of revocation pursuant to paragraph 3, the allocation shall be carried out for the period of the revocation.
  - (6) Irrespective of the limitation pursuant to § 107 paragraph 2 sentence 2 number 1, the Management Board may revoke the allocation of order books for structured products pursuant to the annex to § 2 paragraph 1 at reasonable notice if floor trading with structured products is stopped.
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## **Section XI Securities Transactions in the Electronic Trading System**

### **Sub-section 1 General Provisions**

#### **§ 114 Electronic Trading System**

- (1) Securities may be traded in an electronic trading system of the FWB subject to a resolution by the Management Board. The securities must be either admitted to trading on the FWB or included in the Regulated Unofficial Market (Open Market.)
- (2) Using objective criteria such as, in particular, the type of security and the average trading volume, the Management Board may allocate the securities which can be traded in an electronic trading system to individual trading segments for which uniform conditions for trading shall be determined. For securities that are traded in these trading segments (main market), the Management Board may establish an additional trading segment exclusively for orders of a specific minimum volume (block trading). This shall be without prejudice to the market segmentation under the German Stock Exchange Act (*Börsengesetz*).

#### **§ 115 Exchange Hours, Trading Phases**

- (1) The exchange hours are divided into three consecutive phases:
  - the pre-trading phase;
  - the main trading phase;
  - and the post-trading phase.

During the trading phases, orders can be entered, changed or cancelled in the electronic trading system. The exchange hours for the commencement and end of the individual phases shall be determined by the Management Board for all securities. The Management Board may extend or reduce the exchange hours and the start of individual phases on a trading day to the extent necessary to maintain orderly trading conditions or for reasons relating to the electronic trading system.

- (2) During the pre-trading phase, the order book shall remain closed. In the case of securities to be determined by the Management Board, especially warrants, the entry of indicative quotations pursuant to § 127 paragraph 2 shall continue to be possible.
  - (3) The main trading phase follows upon pre-trading. During it, securities under §§ 129 to 131 may be traded continuously in one or several auctions or in continuous auctions. The Management Board shall decide on the nature of the trade in the different securities and especially on the number of daily auctions and on their conduct with closed or open order book (§ 129 paragraph 1) and on acceptance to continuous trading or continuous auction
  - (4) At the end of the main trading phase, the electronic trading system shall continue to be available to the trading participants in the post-trading phase for order entry; paragraph 2 shall apply accordingly.
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## **§ 116 Suspension, Discontinuance and Interruption of Trading**

For trading in the electronic trading system, § 54 shall apply accordingly.

## **§ 117 Price Documentation and Use of Data**

- (1) The trading data, particularly the exchange prices and the relevant turnovers shall be stored in the EDP system of the exchange.
- (2) Data and information received from the electronic trading system may be used by the trading participants only for trading and settlement purposes. Such data and information may not be passed on to third parties without the consent of the Management Board.

## **§ 118 Price Determination and Monitoring; Reference Price**

- (1) Exchange prices shall be determined through the electronic trading system. The Management Board shall ensure that the prices are determined in an orderly manner.
- (2) Two reference prices shall be determined as the basis of various calculations, in particular the determination of the price ranges within which orders can be matched to bring about transactions in the auction and in continuous trading. The first reference price shall equal the last price determined on the same trading day, or otherwise the last price determined in the system on a preceding trading day. The second reference price shall equal, as a general rule, the price determined in the first auction or a following auction on the same trading day, or otherwise the last price determined in the system on a preceding trading day. If the determination of a reference price in line with market conditions pursuant to sentence 2 or 3 is not possible, the Management Board shall determine such price according to §§ 119 to 124.

## **§ 119 Normal Rules for Determining Reference Prices in line with Market Conditions**

- (1) The reference price of a security for the price corridor under § 118 paragraph 2 sentence 2 (price corridor) is usually equal to the most recent market price calculated for that security in the electronic trading system.
  - (2) The reference price for the price corridor under § 118 paragraph 2 sentence 3 (static price corridor) is normally equal to the most recent market price calculated for that security in an auction in the electronic trading system (market prices that are formed when a volatility interruption occurs are auction prices). For the following trading day, the reference price of the static price corridor shall always equal the most recent market price from the electronic trading system.
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- (3) If no reference price in line with market conditions can be determined in this way, it will be determined under §§ 120 to 122.

## **§ 120 Exceptional Rules for Determining Reference Prices in line with Market Conditions**

The reference price of a security for the dynamic or static price corridor is generally not in line with the market if no market price was fixed in the electronic trading system on a trading day and so the reference price under § 119 relevant for the subsequent trading day would be older than one trading day; or if other events under § 122 have occurred. In such cases, the reference price is normally redetermined using the rules below.

## **§ 121 Lack of a Market Price in line with Market Conditions**

If there is no market price for a security, the most recent available price from FWB floor trading is determined as reference price for the dynamic and static price corridor for the next day. An intra-day adjustment of the reference price does not normally happen.

If no market price for that security was fixed in FWB floor trading, the reference price is the most recent market price from the electronic trading system.

## **§ 122 New Entry of Securities**

For securities which are being included in electronic trading for the first time and for which there is no market price under § 121, the reference price shall be determined in cooperation with the underwriting bank, the lead broker or in some other appropriate way.

Generally speaking, EUR 0.01 shall be set as reference price on the first trading day of securities with the trading form continuous auctions. After the first trading day, the reference price for such securities is determined in the usual way.

## **§ 123 Adjustment of Reference Price for Ancillary Rights**

If FWB becomes aware of ancillary rights (dividend distribution, par value conversion etc.) for a security which can lead to price changes a reference price corrected for the proper value or theoretical value of the ancillary right (for dividends, this is the value of the gross dividend) is determined for the ex day.

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## **§ 124 Adjusting the Reference Price at Mistrades or Ex Officio Trade Cancellation**

The prices for trades which were cancelled under § 40 paragraphs 1 and 2 (mistrade) or paragraph 3 (ex officio trade cancellation) of the Conditions for Trading on the FWB are not considered at reference price adjustments under § 118 paragraph 2.

### **Sub-section 2 Designated Sponsor**

## **§ 125 Admission as Designated Sponsor**

- (1) The Management Board may decide that designated sponsoring is to be conducted for one or more securities which are traded in the electronic trading system. It may revoke this decision should this appear necessary for factual reasons.
- (2) Any enterprise which is admitted to FWB trading may apply for admission as a designated sponsor for one or more securities in the electronic trading system. Each security for which an applicant seeks admission as a designated sponsor must be specified in the application. The Management Board shall grant designated sponsor admission to any applicant which is suitable for the position, provided that no legal provisions state otherwise; the designated sponsor admission may be furnished with collateral clauses aimed at ensuring that these prerequisites are satisfied. The designated sponsor admission shall list all securities which are allocated for designated sponsoring. In the continuous auction pursuant to § 130, the Management Board may restrict the number of designated sponsors per security to the extent necessary to maintain orderly market conditions. In particular, in the trading of warrants, certificates and reverse convertibles, only issuers or trading participants designated by them may be admitted as designated sponsors.
- (3) Upon granting of admission as designated sponsor, the designated sponsor shall be obliged simultaneously to enter limit bid and ask orders (quotes) into the trading system and to enter into transactions on the basis of such orders during stock exchange hours, pursuant to the provisions of the Exchange Rules and the rulings of the Management Board.
- (4) A designated sponsor may submit a supplementary application for additional securities. If such application is approved, these securities may be included in designated sponsoring activities as of the trading day immediately following the approval of the supplementary application; this shall be without prejudice to the waiting period in § 126 paragraph 1.

## **§ 126 Waiver by a Trader; Suspension, Withdrawal and Revocation of the Admission as Designated Sponsor**

- (1) A designated sponsor may waive its designated sponsor admission as a whole or with respect to specified securities by submitting written notice of same to the Management Board. Five stock exchange days after the receipt of such notice, the designated sponsor shall no longer be authorised
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or obliged to supply quotes for the securities concerned. A stock exchange participant may not be re-admitted as a designated sponsor for those securities with respect to which it waived admission, for an appropriate period subsequent to that resignation of its designated sponsor admission. That period shall generally be no less than twenty stock exchange days.

- (2) The Management Board may revoke a designated sponsor admission if the designated sponsor repeatedly fails to comply with its obligation to supply quotes after having received a warning. In other respects, § 40 shall apply mutatis mutandis.

## **§ 127 Rights and Obligations of Designated Sponsors**

- (1) A designated sponsor is authorised and, upon receipt of a request for a quote for any security included in its designated sponsor admission, obliged to supply quotes and to enter into transactions on such basis promptly; in addition, the designated sponsor is obliged to provide quotes throughout the auction. A designated sponsor must be available at all times during the trading hours of the electronic trading system. . The Management Board may decide that the identity of the admitted stock exchange participant requesting a quote is to be disclosed to the designated sponsor.
- (2) In the continuous auction pursuant to § 130 the designated sponsor must give notice of its willingness to conclude transactions by entering non-binding bid and ask prices (indicative quotations). Indicative quotations must contain prices that are current and in line with market conditions and with those quotes which are entered into electronic information systems. This shall be without prejudice to the obligation of a designated sponsor to enter binding quotes pursuant to § 130, paragraphs 3 and 4. If the designated sponsor is unable to meet its obligations pursuant to sentences 1 and 2, it shall be required to notify the Management Board of this without delay. The designated sponsor is obliged to notify the Management Board about the electronic information systems by means of which it disseminates the indicative quotations outside the trading system. Any changes shall be notified in advance by giving five trading days' prior notice. Sentence 2, second half-sentence, and sentence 5 of this paragraph shall not apply to the continuous auction in equities.
- (3) The Management Board may, in the interests of ensuring orderly trading conditions, impose certain requirements on the performance of the designated sponsor function; in particular, they may establish a maximum spread between the bid and the ask prices, a minimum volume for bid and ask quotes, and a minimum period for maintaining quotes in the electronic trading system.
- (4) Quotes may be entered during the pre-trading phase and the main trading phase (§ 115). Please consult the Conditions for Transactions on the FWB for further details.

## **§ 128 Monitoring and Documentation**

The Management Board records and documents measures under § 126 and whether and to what extent the designated sponsor is discharging its obligations under § 127. They will publish the corresponding data insofar as this is required for an appropriate notification of trading participants and issuers.

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**Sub-section 3            Auction, Continuous Trading, Continuous Auction and Block Trading****§ 129            Auction and Continuous Trading**

- (1) In the auction, that price shall be determined, on the basis of the limited and unlimited orders in existence at a particular time, at which the largest volume of orders can be executed with a minimal overhang; the execution of unlimited orders shall have priority.

The auction is subdivided into announcement, price determination and, to the extent that there is an overhang of unexecuted orders, market clearing. In derogation from sentence 2, the Management Board may establish that the market will not be cleared in those securities determined by it by using objective criteria. If there are executable orders, a potential execution price will be displayed at the auction with closed order book. That price shall be derived under sentence 1. At the instruction of the Management Board, the potentially executable order volume, a possible order overhang and its volume are also displayed. In an auction in which the order book is open, sentences 5 and 6 shall apply accordingly and the aggregate order volume of the respective bid and/or ask limits shall also be displayed. If there are no orders that may be executed against one another, the best bid and/or offer limit shall be displayed as well as the aggregate order volume, at the instruction of the Management Board. .

Any overhang of unexecuted orders which remains after the price has been determined can be executed when the market clears by entering corresponding orders at the auction price. During a period to be determined by the Management Board, only the designated sponsors are entitled to accept the unexecuted orders in the securities allocated to them. This right is limited to the minimum volume for quotes or such multiple thereof as determined by the Management Board. The multiple shall be an integer.

- (2) Continuous trading shall begin with an opening auction which shall be carried out pursuant to paragraph 1. During continuous trading, the prices shall be determined by matching orders at the best respective bid and/or offer limit as shown in the order book or, if the prices are the same, in the chronological order in which they were entered into the system (price-time priority); the execution of unlimited orders shall have priority. All existing orders shall be displayed in aggregate form at the respective limit (open order book).
- (3) In order to carry out intraday auctions, continuous trading shall be interrupted for the duration of the auction. In the announcement preceding the auction, the existing orders for the auction and continuous trading shall be brought together to create a single order situation; in other respects paragraph 1 shall apply mutatis mutandis.
- (4) Continuous trading shall end with a closing auction which is subject mutatis mutandis to the provisions of paragraph 1.
- (5) Please consult the Conditions for Transactions on the FWB for further details.
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**§ 130 Continuous Auction**

- (1) In the continuous auction warrants and other securities, with respect to which such form of trading appears to be appropriate for the orderly conduct of trading, may be traded on the stock exchange as determined by the Management Board.
- (2) In the continuous auction the price shall be determined on the basis of the limited and unlimited orders in existence at a particular time such that, corresponding to or within the bid and/or offer limit provided by the quote of the designated sponsor, the largest volume of orders can be executed with a minimal overhang; the execution of unlimited orders shall have priority. The continuous auction shall take place in a manner such that after the end of an auction the next auction will immediately commence.
- (3) The continuous auction is subdivided into pre-announcement, announcement, price determination and, to the extent that there is an overhang of unexecuted orders, market clearing; § 129 paragraph 1 sentence 3 and sentences 9 to 10 shall apply accordingly. During the pre-announcement phase, the orders contained in the order book are continuously checked for possible execution within the designated sponsor's bid and/or offer limits resulting from the respective indicative quotation. Orders may be entered, changed or cancelled.

If the order book contains orders which may possibly be executed against each other or at an indicative quotation, the designated sponsor shall enter a quote after receiving a communication to that effect through the trading system. The bid/offer limit of the quote is to be equal to or narrower than the indicative quotation entered before. If the designated sponsor has entered a quote on the basis of a manual quote request or if orders may possibly be executed against each other after receipt of a quote, the announcement phase will commence. The quotes shall not be changed or cancelled during a period determined by the Management Board. If orders may be executed against each other, a potential execution price shall be displayed; § 129 paragraph 1 sentence 6 shall apply mutatis mutandis. If this is not the case, the best bid and/or ask limit shall be displayed; § 129 paragraph 1 sentence 8 shall apply mutatis mutandis. The prices shall be determined pursuant to paragraph 1.

- (4) In the continuous auction for equities, the indicative quotations entered by the designated sponsor shall specify the quantities of its offer and bid. The designated sponsor shall be obliged to enter into transactions, in the scope of its quote, for at least these specified quantities.

**§ 131 Block Trading**

- (1) In the block trading segment, auctions will be held during the periods determined by the Management Board. Only orders that meet the minimum volume requirements for the respective security, as determined by the Management Board, shall be admitted to such auctions.
  - (2) In the auctions, only those prices are determined that are based on the arithmetic mean of the respective security's best bid and offer price, as reflected at that same time in the main market's order book (midpoint).
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- (3) The auction is subdivided into pre-announcement, announcement and price determination. During the auction, the respective midpoint will be displayed as the potential execution price. The order book shall remain closed. During the pre-announcement phase, the orders contained in the order book are continuously checked for possible execution at midpoint. The announcement phase shall be triggered by an unlimited order or a limited order being entered in the order book, such limited order – if it is a sell order – being limited below or – if it is a buy order – being limited above the price limit determined by the Management Board in consideration of the current midpoint. The execution of orders having the largest lot size shall have priority in each case or, in the event the lot size is the same, in the chronological order in which they were entered into the system (volume-time priority).
- (4) Admission to participate in block trading will be granted upon written application to the Management Board. The Management Board may fix a particular security limit under §§ 12 to 22 as prerequisite for participating in block trading. The details shall be as determined by the Management Board.

## **§ 132 Determination of the First Market Price**

- (1) The determination of the first market price of a newly-admitted or newly-included security occurs when the applicant applies for admission or inclusion. § 53 paragraph 1 sentence 2, paragraphs 2 to 4 shall apply mutatis mutandis.
- (2) During the announcement phase preceding the price determination and in derogation from § 129 paragraph 1 no display occurs under § 129 paragraph 1 sentences 4 to 7. But the applicant can arrange for the Management Board to make such notification.
- (3) Notwithstanding § 129 paragraph 1 sentence 3 only the applicant can enter, change or cancel orders for the purpose of clearing the market as from a point in time to be determined by the Management Board. The end of the announcement phase will then be determined by the Management Board; for the determination of prices, § 130 paragraph 2 sentence 1 shall apply mutatis mutandis.

## **Sub-section 4 Best Execution**

### **§ 133 Admission as Best Executor**

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**Exchange Rules for the Frankfurt Stock Exchange**

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- (1) During the main trading phase, own customer orders as well as customer orders transmitted by other trading participants may, according to § 134, be executed against proprietary orders of a particular trading participant (best executor) at an execution price which is a price improvement in favour of the customer on the potential execution in the order book of the electronic trading system (best execution), provided that the customer orders concerned are designated as determined by the Management Board.
  - (2) The Management Board determines which securities shall be included in best execution.
  - (3) Any enterprise which is admitted to stock exchange trading may apply for admission as a best executor in the electronic trading system for a minimum number of securities determined by the Management Board, provided that such enterprise has entered into a corresponding agreement with the administrating and operating institution of the FWB whose authority and operating duty pursuant to § 2 paragraph 1 includes trading in such securities. The agreement shall define the fees for the best execution.
  - (4) A best executor may submit a supplementary application for additional securities. If such application is approved, the Management Board's decision on the supplementary application determines the point of time at which the securities shall be included in the best execution; this shall be without prejudice to the waiting period pursuant to § 136.
  - (5) The admission as best executor shall depend on prior admission as a trading participant.

## **§ 134 Conduct of Best Execution**

- (1) On the basis of the parameters previously entered by the best executor, quotes of the best executor are generated against which customer orders may be executed (best executor quotes).
  - (2) The calculation of the execution price shall be made in accordance with the parameters entered in the system on the basis of such price at which the customer order concerned would have been executed at the same time in the order book of the electronic trading system without considering the best executor quote (potential execution price). In the event that the potential execution of the customer order would be carried out as several partial executions in the order book, a corresponding, volume-weighted average price shall be calculated as potential execution price. The execution price in the best execution will fall below the potential execution price in the case of a customer buy order and exceed it in the case of a customer sell order, taking into consideration the parameters entered by the best executor.
  - (3) Within the context of the best execution, only own customer orders of the best executor and customer orders of another trading participant with which the best executor has entered into a corresponding agreement on the forwarding of customer orders, may be executed.
  - (4) The transactions concluded within the context of best execution will not result in market prices and will be specifically flagged upon publication. In other respects, §§ 117 paragraph 1 and 137 paragraph 2 shall apply mutatis mutandis.
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**§ 135 Obligations of Best Executors**

- (1) A best executor can, for securities specified by the Management Board, be obliged to conduct designated sponsoring in the order book of the electronic trading system in accordance with §§ 125 through 128 and to meet additional requirements determined by the Management Board (liquidity management). The best executor can also have the liquidity management performed by another admitted enterprise. In such a case, the best executor must notify the Management Board that it has done so. The obligation of the best executor pursuant to sentence 1 shall remain unaffected.
- (2) A best executor is obliged to notify the Management Board in writing and without delay of the conclusion of an agreement regarding the transfer of orders to another trading participant for best execution. The Management Board shall determine at which point of time the forwarding may be carried out.

**§ 136 Waiver by a Trader; Suspension, Withdrawal and Revocation of the Admission as Best Executor**

- (1) A best executor may waive its best executor admission as a whole or with respect to specified securities by submitting written notice to the Management Board. In the case of the specified securities, the number of securities may not fall below the minimum number of securities determined by the Management Board pursuant to § 133 paragraph 3. Five trading days after the receipt of such notice, the best executor shall no longer be authorised to supply best executor quotes for the securities concerned. For an appropriate period subsequent to the waiver, generally no less than twenty trading days, a trading participant may not be re-admitted as best executor for those securities with respect to which it had lodged the waiver.
- (2) The Management Board may revoke a best executor admission in whole or in part if the best executor fails to comply with its obligations pursuant to §§ 133 through 136. In other respects, § 40 shall apply mutatis mutandis.
- (3) Upon waiver, withdrawal or revocation, the rights and obligations of the best executor pursuant to §§ 133 through 135 shall be terminated.

**Section XII Transparency Obligations****§ 137 Reporting and Publication of Turnover**

- (1) All trading participants shall permit the stock exchange, at the further instruction of the Management Board, to record turnovers and to have them published by third parties.
  - (2) Unless otherwise determined under § 139, the market prices and the underlying trades shall be
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published without delay, unless delayed disclosure seems necessary to avoid inappropriate disadvantage to those participating in the trading. Means and extent of the publication shall be notified by the Management Board in advance. The Management Board is authorised in the same way to occasion publications that serve the purpose of properly informing the public of market events.

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**§ 138 Pre-trading Transparency in Equities and Certificates Representing Equities**

- (1) A price estimate will be published in floor trading showing the range of bid and ask limits for price fixing.
- (2) In electronic continuous trading, at least the aggregate order volumes of the five best price lines will be published and the number of orders per price line occupied.
- (3) During the call phase of an auction either the indicative auction price or the best bid and/or offer limit including the volume of it are to be published.

**§ 139 Post-trading Transparency in Equities and Certificates Representing Equities**

The market prices and the volume and time at which the trades were closed out shall be published immediately in real time and not later than three minutes after occurrence.

**Section XIII Regulated Unofficial Market (Open Market)****§ 140 Regulated Unofficial Market (Open Market)**

- (1) For securities which are neither admitted to the Regulated Market nor admitted to or included in the Regulated Market, FWB may permit a Regulated Unofficial Market (Open Market) run by the administrating and operating institutions if the orderly conduct of trading and the settlement of transactions appears to be ensured by the general terms and conditions promulgated by those institutions and approved by the Management Board. Issuers the securities of which are included in the Regulated Unofficial Market (Open Market) without their permission cannot be obligated by the general terms and conditions to publish information concerning those securities.
  - (2) The guidelines for the trading in structured products defined in the annex to § 2 paragraph 1 in the Regulated Unofficial Market (Open Market) shall be issued by Scoach Europa AG. The General Terms and Conditions for the trading in other securities in the Regulated Unofficial Market (Open Market) shall be issued by Deutsche Börse AG. The Management Board may demand that the General Terms and Conditions of Scoach Europa AG and Deutsche Börse AG contain provisions about the orderly conduct of trading, including the conditions for the admission of securities to the Regulated Unofficial Market (Open Market), the orderly fixing of market prices and their publication, and the settlement of transactions.
  - (3) The prices fixed on the Regulated Unofficial Market (Open Market) are market prices within the meaning of § 24 of the Stock Exchange Act. They are subject to the supervision of the Exchange Supervisory Authority and Market Surveillance. §§ 60 through 74 and §§ 114 through 124, and §§ 129 through 132 shall apply mutatis mutandis.
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**Section XIV****Final Provisions****§ 141 Independence of Persons Discharging a Function**

The Members of the Exchange Council shall carry out their activities on an honorary basis.

**§ 142 Amendments to the Exchange Rules, Announcements**

- (1) Amendments to the Exchange Rules become effective after execution on the day of their announcement unless the Exchange Council determines a later point in time.
- (2) Unless otherwise provided, announcements by governing bodies of the FWB shall be made by electronic publication on the Internet, available on the Internet pages of the FWB under <http://www.deutsche-boerse.com> for a period of three months. The Management Board may determine other electronic media for publication.

**§ 143 Data Protection**

- (1) The FWB records incoming and outgoing telephone calls on the connections announced by the Management Board in circulars to perform its task of monitoring the orderly conduct of stock exchange trading and the settlement of trades. The recordings shall be deleted ten years after recording at the latest.
  - (2) Data raised under paragraph 1 the confidentiality of which is in the interests of trading participants or of a third party, especially personal data and operating and business secrets, shall be used only for the purpose named in paragraph 1 and only if clarifying pertinent facts is not, or not reasonably, possible by using other evidence. In cases falling under sentence 1, the data raised may be forwarded to the bodies named in § 10 paragraph 1 sentence 3 Stock Exchange Act, insofar as those bodies need to know about the data to be able to perform their tasks.
  - (3) Trading participants are obliged to obtain from those staff who contact FWB using the telephone links announced by the Management Board in circulars written permission to use and transmit person-related data under paragraph 2. That written permission shall meet the requirements of § 7 of the Hesse Data Protection Act (*Hessisches Datenschutzgesetz*). The permission is to be submitted to the Management Board at their request.
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**§ 144 Transitional Provision for Financial Statements**

§§ 47, 48 shall apply for the first time to financial statements for the financial year which starts or has started after 31 December 2006. For financial statements the financial year for which started before 31 December 2006, §§ 62 and 63 of the Exchange Rules in the version dated 15 August 2007 shall apply, on the proviso that the Management Board assumes the functions of the Admissions Office.

**§ 145 Effective Date of the Exchange Rules**

These Exchange Rules shall go into force on 1 November 2007.

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**Annex to § 2 paragraph 1****Structured products pursuant to § 2 paragraph 1**

1. Structured products pursuant to § 2 paragraph 1 of the Exchange Rules are non-standardised derivatives currently securitised on the German market which are issued en masse and in standardised form as bonds within the meaning of the German Civil Code (*Bürgerliches Gesetzbuch*) by a financial intermediary.
2. Structured products include certificates, warrants (except company-issued warrants under number 3 a) and reverse convertibles.
3. Structured products do not include:
  - a) warrants launched in connection with a change in capital at the issuing company including company-issued warrants of financial intermediaries;
  - b) standardised, non-securitised derivatives (such as derivatives traded on the futures exchange of Eurex Deutschland);
  - c) bonds issued for financing purposes with a nominal rate of interest payable at regular intervals (coupon); this rate is either bindingly agreed upon at flotation (which allows either a homogeneous or heterogeneous nominal interest rate during the term of the bond) or the rate is linked to the development of a reference interest rate (e.g. EURIBOR, LIBOR);
  - d) shares and certificates representing shares, as ADRs or GDRs, participation certificates, basket certificates, cooperative society shares, investment fund units, exchange-traded funds (ETFs) and comparable securities; and
  - e) exchange-traded commodities (ETCs), real estate investment trusts (REITs), contracts for difference (CFDs) and similar products.

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## 1 Definitions

The definitions describe some terms central to market price fixing and are used in the entire annex with the meanings as given below. All definitions are to be understood only in the context of price fixing and so are not generally valid and transferable to other areas of terminology; they do not replace the definitions in other sets of rules.

<b>Bid</b>	Naming of bid price at which a trading participant is willing to conclude a legally-binding transaction.
<b>Calculated market prices</b>	Opening and single prices
<b>Call</b>	Reaction by a trading participant to the most recent bid or offer by another trader (acceptance of a trade offer) in the open outcry system.
<b>Cut-off time</b>	Announcement by lead broker for calculated prices that any subsequent orders will no longer be included in the market price fixing to follow immediately.
<b>Front running</b>	The opening or closing of a name-to-follow trade or the conclusion of a lead broker's proprietary trade.
<b>Lead broker</b>	Enterprise admitted to lead brokerage.
<b>Lead broker person</b>	Person entitled to act for a lead broker. Receives orders in the securities allocated to them, fixes market prices and executes the orders placed with them at those prices, as appropriate.
<b>Limit</b>	Bid or ask limit. Bid limit is the highest price a buyer is willing to pay for a unit of the security. Ask limit is the minimum price a seller is willing to receive for at least one unit of the security.
<b>Market price</b>	Price fixed by a lead broker for a security allocated to it including the relevant addenda.
<b>Name-to-follow</b>	Trade in which a lead broker reserves the right to name the counterparty later.
<b>Offer/ask</b>	Naming of ask price at which a trading participant is willing to conclude a legally-binding sell transaction.
<b>Order</b>	Buy or sell order which a lead broker is to execute at market prices under the relevant rules.
<b>Order</b>	Buy or sell order which a lead broker is to execute at market prices under the relevant rules.
<b>Order position</b>	Total of all valid orders placed with a lead broker at a given time.
<b>Order position</b>	Total of all valid orders placed with a lead broker at a given time.
<b>Overhang</b>	The difference at a fixable market price between the volumes of executable buy and sell orders.

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<b>Price estimate</b>	Is not legally-binding and is composed on the basis of the order position, of a bid and ask price, taking into account the reference market.
<b>Proprietary trade</b>	Transaction that the lead broker does at a market price fixing for its own account and in its own name.
<b>Quotes</b>	Bid and ask prices stating a volume.
<b>Quoting</b>	Publication of bid and ask prices stating a volume.
<b>Reference market</b>	Organised market in or outside Germany on which the most liquid trading in the relevant security occurs. For securities for which a designated sponsor discloses binding quotes to a lead broker during a trading session, the quoting by the designated sponsor is the reference market.
<b>Side</b>	Buy (bid) or sell (ask).
<b>Trade</b>	Conclusion of a contract which occurs through the execution of orders at market prices and confirmation of the transaction.
<b>Trade confirmation</b>	Electronically generated contract note.
<b>Trade offer</b>	Binding bid or offer
<b>Turnover</b>	The total volume traded at a fixed market price of all trades at par or non-par value (in units or at nominal value)
<b>Variable market prices</b>	Prices fixed by a lead broker in continuous trading.
<b>Volume</b>	Par or non-par value (in units or at nominal value) of an order or for which a trade has occurred.

## 2 Rules of Procedure

The lead broker person appointed by a lead broker to be responsible for price fixing determines market prices by means of a pre-defined sequence of actions. For simplicity, reference below is made only to "lead broker".

### 2.1 Calculated Prices

Before a calculated price is fixed, at least one price estimate is to be named and entered into the stock exchange EDP. The fixing of a calculated market price starts at announcement and the lead broker closing the order book in the security concerned.

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If a lead broker does not discern any interest of the floor trading traders in a market price fixing, a price fixing can exist for an appropriate time after the relevant price estimate has been entered into the stock exchange EDP, even without outcry of price estimates or trade offers.

A cut-off time can be foreshadowed before the lead broker names a first-time trade offer. This cut-off time calls on other trading participants to place their orders for the last time for the pending price fixing. If a cut-off time is proclaimed, it must also be foreshadowed prior to proclamation. For electronic orders, the cut-off time occurs in the form of order book blockage without foreshadowing.

If further orders are placed after foreshadowing of a cut-off time, these shall be accepted by the lead broker.

If no more orders are placed after a cut-off time has been foreshadowed, the cut-off time is proclaimed and no further orders for consideration at the pending market price fixing can be placed. The lead broker call out only those trade offers to which traders can react by outcry. The price fixing occurs soon after cut-off time.

For telephone orders in the announcement phase (closed order book) for fixing calculated prices, the lead broker or its authorised staff member as necessary shall immediately repeat the order placed for the information of the traders in front of the booth.

Before fixing a calculated market price, the lead broker shall call out a trade offer for an overhang at a fixable price to the trading participants.

If nobody reacts by call to the lead broker's trade offer within an appropriate time, a market price can be fixed or the order acceptance reopened, if it had been closed prior.

If the lead broker hears a call without volume statement after having made his trade offer, the trading participant clears the trade in its entirety on the bid or offer side. The concluded contract is confirmed by the lead broker. A *paid* price, i.e. price without addendum, is fixed under the price formation rules for market prices.

If the lead broker hears a call naming a volume, in reply to his trade offer, which is lower than the overhang in question this call is accepted as a limited day order (good for day) at a corresponding bid or ask price.

If in reply to his trade offer the lead broker hears a call naming a volume which is higher or the same as the current overhang, the calling trader clears the overhang in its entirety. A *paid* price, i.e. price without addendum, is fixed under the market price formation rules for market prices. A non-executed portion of the trader's call lapses.

Insofar as a call with a volume lower than the overhang was listed as an order, the lead broker may call out a trade offer again or may fix a price.

All fixed prices are announced to trading participants along with turnovers.

### **2.1.1 Determination of the First Market Price**

For the introduction of securities to floor trading and notwithstanding section 2.1 the following procedure shall apply:

Trading participants are notified early by open outcry or entry of a price estimate into the stock exchange EDP. The price estimate is to be reconciled where possible with the credit or financial service institution

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introducing the security, where the latter is willing to clear any overhang. Cut-off time shall be 15 minutes at the earliest after outcry and entry of the first price estimate.

At its request, the lead broker names the introducing institution the overhangs within the price estimate. It is impermissible to transmit that information to other trading participants.

Insofar as the introducing institution is not willing to completely clear the market as from a time to be determined by the lead broker before the price fixing, the lead broker may not impart to that institution any further order book information. A price estimate is to be named on the basis of the then given order position and entered into the stock exchange EDP. The price fixing is to follow once that price estimate has been called, under section 2.1

### **2.1.2 Fixing a Market Price in Subscription Rights Trading**

Section 2.1.1 shall apply mutatis mutandis to the price fixing in subscription rights.

## **2.2 Variable Prices**

The naming of price estimates, their entry into the stock exchange EDP, the outcry of trade offers and the announcement of market prices have to occur such that all trading participants can realise to which security the information relates.

Each trading participant can call out trade offers and react to them.

The lead broker is obliged to inform trading participants about the order position by naming price estimates and entering them into the stock exchange EDP for an appropriate period.

If a lead broker reacts by call to a trade offer of another trading participant or, conversely, a trading participant reacts by call to a trade offer from a lead broker and if a trade occurs, this leads directly to market price fixing, unless the order position given the reference market does not allow this.

If orders on the bid and ask side can be matched at lead broker front running, a price can be fixed; a price is to be fixed if orders on the bid and ask sides can be executed without lead broker front running and having regard to the reference market.

The fixed price is announced to trading participants along with turnovers.

## **3 Price Formation Rules**

The price formation rules shall apply to calculated and variable market prices.

### **3.1 Price Estimates**

The naming of a price estimate and its entry into the stock exchange EDP informs trading participants of the bid and ask prices between which a price could be fixed. It is not binding and does not amount to a trade offer.

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### **3.1.1 Price Estimate and Order Position**

The price formation for price estimates is done in line with the order position. If there is a reference market for the security in question, the price estimate is to be ascertained using the best bid and ask spread on the reference market, insofar as such data are published. When determining the price estimate under sentence 1 and 2, the volume of the offers announced on the reference market shall be taken into account. If the order book contains no valid orders, the price estimate can be estimated without them: in this case too, the reference market is to be taken into account.

If a price fixing occurs close in time to the most recent market price fixing, the entry of the price estimate can be dispensed with.

### **3.1.2 Price Estimate with Volume**

If a volume is published in addition to a price estimate, that volume must, and as a matter of policy, match the price estimate entered for the overhang of the orders at hand on the bid and offer sides. In addition, a lead broker may publish a volume even without a corresponding order position if he is willing to front run up to the volume he indicates.

### **3.1.3 Narrowing**

If two price estimates follow each other and the order position and the reference market spread stay unchanged, the last-named bid price must be the same as or higher or the last-named offer price must be the same as or lower than before.

### **3.1.4 Adjustment**

Insofar as the order position in the order book or on the reference market changes materially, the price estimate is to be adjusted in line with number 3.1.1.

## **3.2 Trade Offers**

### **3.2.1 Trade Offer and Price Estimate**

The first bid price called out for the trade offer is higher than or the same as the ask side of the last price estimate named prior, given an unchanged order position.

The first ask price called out for the trade offer is lower than or the same as the ask side of the last price estimate named prior, given an unchanged order position.

### **3.2.2 Narrowing**

If two trade offers follow each other and the order position stays unchanged, the last-named bid price must be the same as or higher, or the last-named offer price must be the same as or lower than before.

### **3.2.3 Outcry before Front Running**

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Before a calculated market price is determined at which the lead broker is prepared to front run, the price must first be announced through open outcry as a trade offer.

### **3.2.4 Trade Offer and Market Price**

The fixed market price shall be higher than or the same as the last bid price called out as trade offer and lower than or the same as the last offer price called out as trade offer.

## **3.3 Market Prices**

### **3.3.1 Basic Principles**

A market price is fixed on the basis of the order position within the published price estimate and as a matter of policy, observing the principle of highest volume transacted. When fixing a market price, and notwithstanding the foregoing regulations the market position on the reference market must be taken into account under number 3.1.1.

### **3.3.2 Principle of Highest Volume Transacted**

The price to be fixed as market price is that price at which the highest-possible volume is transacted for a minimum overhang.

### **3.3.3 Priority of Brokerage**

- (1) The brokerage of the orders placed with a lead broker shall have priority over front running as a matter of policy. To avoid partial execution, the lead broker may however depart from the priority of brokerage and fix a market price deviating from the principle of highest volume transacted
  1. if the proceeds from potential partial execution are hardly sensible from an economic standpoint, i.e. partial execution of an order would undershoot a cash equivalent of EUR 3,000 or EUR 10,000 in securities as determined by the Management Board; or
  2. if the proceeds of the potential partial execution represent less than 10 percent of the volume of the orders; or
  3. if a distance to the next executable limit of at least 20 percent of that price estimate spread is maintained which had been valid when the orders were placed.

The Management Board shall publish the names of securities defined under sentence 2 number 1.

- (2) The lead broker may waive the priority of brokerage in securities as determined by the Management Board up to a volume per price fixing defined by the Management Board and fix a market price deviating from the principle of highest volume transacted if execution of one or several orders is
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performed at the midpoint of the current price estimate. The Management Board shall publish the securities defined under sentence 1 and the defined volumes per price fixing.

### **3.3.4 Price Continuity**

If several market prices can be determined under the foregoing provisions, the price to be fixed is the one which is as close as possible to the last fixed price. Any further deviations must be substantiated.

### **3.3.5 Closure of Name-to-Follow Orders**

The lead broker is to close matching orders as fast as possible within the applicable closure deadlines.

### **3.3.6 Addenda**

If a fixed market price is higher than the last-called bid price or lower than the last-called offer price this market price can have no addendum in relation to *bid* or *ask*.

If there is a reaction to the outcry with a volume bigger than the overhang to a trade offer called out by the lead broker, a market price without addition is fixed as *bid* or *ask* and only if a part of the outcry reaction is transacted.

### **3.3.7 Execution of Minimal Orders**

Minimal market orders are to be executed in full if the allocation does not change materially as a result. This shall apply both to limited and unlimited orders.

### **3.3.8 Partial Executions with Proceeds under EUR 500**

Price fixings that can lead to a partial execution with proceeds under EUR 500 may be conducted only in agreement with Market Surveillance.

## **3.4 Price Correction**

The lead broker may correct obvious errors in connection with the price fixing retroactively and immediately and at the latest by the start of price fixing on the following stock exchange day. As a matter of policy, a price correction for continuously-traded equities may be made only until the next price fixing. Exceptions to this require special justification and the lead broker shall document them in writing.

The errors must be attributable to matters under the control of the lead broker and be linked to its behaviour in connection with price fixing (e.g. slips of the tongue, keyboard errors or obviously incorrect exercise of a lead broker's discretion). Errors by the instructing party or lead broker behaviour which are not directly related to the price fixing (e.g. forgetting to call a price fixing) shall not justify a price correction.

In exercising its discretion about a possible price correction the lead broker shall take the following criteria into account especially:

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- confidence of the trading participants in the market price which has already been entered into the stock exchange EDP;
- the system restores the former order book only if the price correction is entered into the stock exchange EDP within the stipulated correction period.

The market price which has been fixed again after the correction originating in the erroneous price must be fixed taking into account the order position and the reference market at the time of the faulty price fixing.

Price deletions for which the old order book is not reversed, with the next price fixing occurring on the basis of the current order position, may be performed only if the error had been due to the lead broker not having intended to fix a price for the security in question, but had indeed fixed one in error.

## **4 Minimum Requirements for Lead Broker Price Fixing**

### **4.1 Minimum Requirements for Quoting and Execution in Particular Securities**

#### **4.1.1 General**

The lead brokers shall be obliged to adhere to the minimum requirements laid down under numbers 4.1.2 and 4.1.3.

If differing minimum quoting and order execution requirements have been imposed on a security, the lead broker shall adhere to the more stringent minimum requirement for that security.

Sentences 1 and 2 shall not apply if adhering to the minimum requirements is impossible, or not reasonably possible, for the lead brokers on account of particular events. Such events can be political in nature; misuse by an instructing party or an extraordinary market situation. Lead brokers shall inform Market Surveillance immediately of non-adherence to the requirements under sentences 1 and 2 owing to events under sentence 3.

#### **4.1.2 Minimum Requirements for Quoting and Execution in Equities**

When fixing equities prices lead brokers shall adhere to the minimum requirements laid down in number 5.1 of this annex for quoting and executing.

#### **4.1.3 Minimum Requirements for Quoting and Execution in Debt Securities**

The minimum requirements laid down in number 5.2 of the annex to these provisions for quoting and execution shall apply to price fixing for debt securities in the Prime Bonds and Select Bonds segments.

The Management Board shall decide upon application from a lead broker to which the relevant order book had been allocated on the acceptance of bonds in the Prime Bonds and Select Bonds segments and on the removal of securities from those segments. The Management Board may also decide to remove securities

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ex officio. Decisions by the Management Board under sentences 1 and 2 take effect from start of trading on the next stock exchange day.

The inclusion of bonds in the Prime Bonds and Select Bonds segments and the removal of securities from those segments are published on the website of FWB.

## **4.2 Supplementary Requirements for Securities in Designated Sponsoring**

### **4.2.1 Price Fixing in existing Designated Sponsoring**

The lead broker shall take quotes submitted as part of designated sponsoring in a security into account when it is fixing a price for that security.

### **4.2.2 Proprietary and Name-to-Follow Trades**

Proprietary and name-to-follow transactions by a lead broker may not lead to a market price more unfavourable for the counterparty than the quote by the designated sponsor. The lead broker may conduct proprietary and name-to-follow dealing only

- a) if the designated sponsor does not react straight away to the quote request and is not reachable;
- b) if it has agreed with the designated sponsor to execute orders against the designated sponsor without prior quote request, and order formation is necessary for that prior; or
- c) if it has agreed with the designated sponsor to refrain from the execution against the designated sponsor in spite of a quote being named.

For proprietary and name-to-follow deals, the price fixing for a buy order is to be lower or equal to the ask limit; for a sell order, higher or equal to the bid limit of the designated sponsor's quote. This shall apply also if the market price fixing leads only in part to a proprietary or name-to-follow transaction by a lead broker.

### **4.2.3 Taking the Underlying into Account**

It may be that there is no designated sponsoring under 4.1.2 or that irrespective of existing designated sponsoring, there are no quotes. In such cases the lead broker shall take into account, when price fixing, the market position of the securities, goods and rights and their derivatives underlying the warrant (except for company-issued warrants), certificates or reverse convertibles.

### **4.2.4 Execution of Stop Orders**

The lead broker shall ensure that the limit control system display to it stop-loss and stop-buy orders under § 2 paragraph 5 Conditions for Transactions on the FWB, as soon as these would be executable against the quote of the designated sponsor. If executability within the meaning of sentence 1 is displayed to the lead broker, it can do a name-to-follow deal against the designated sponsor on the FWB, describing the

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instructing party of the stop-loss or stop-buy order entered in the order book as the counterparty for the name-to-follow deal. Number 4.1.1 sentence 3 shall apply mutatis mutandis.

## 5 Annex

### 5.1 Minimum Requirements for Quoting and Execution in Equities

Table 1

Minimum requirements for quote spread and execution quality

Quote spread*		Price level in Euro									
Liquidity level	No. orders per day	A	B	C	D	E	F	G	H	I	J
		>50	<=50 and >25	<=25 and >10	<=10 and >5	<=5 and >2.5	<=2.5 and >1	<=1			
		in %	in %	in %	in %	in %	in %	in Eurocent			
1	>500	0.20	0.24	0.28	0.44	0.64	1.00	1.00	-	-	-
2	<=500 and >250	0.28	0.40	0.56	0.80	1.08	2.00	2.00	-	-	-
3	<=250 and >100	0.44	0.64	0.88	1.20	1.50	3.00	3.00	-	-	-
4	<=100 and >50	0.64	0.84	1.08	1.50	2.00	4.00	4.00	-	-	-
5	<=50 and >25	0.84	1.08	1.40	2.00	2.60	5.00	5.00	-	-	-
6	<=25 and >10	1.08	1.40	1.80	2.50	3.50	6.00	6.00	-	-	-
7	<=10 and >5	1.40	1.80	2.50	3.50	5.00	7.00	7.00	-	-	-
8	<=5 and >0	2.00	2.50	3.50	4.50	6.00	8.00	8.00	-	-	-
9	=0	3.00	3.50	4.50	6.00	8.00	10.00	10.00	**	-	-
0											

\* The minimum requirement for the quote spread is determined for certain securities on the basis of the reference market.

The minimum requirement from the relevant liquidity class does not apply in these cases.

The defined minimum requirements are based on the quote midpoint.

\*\* e.g. listings

Minimum requirements for the execution time

Execution time in seconds		Price level EUR									
Liquidity level	No. orders per day	A	B	C	D	E	F	G	H	I	J
		>50	<=50 and	<=25 and	<=10 and	<=5 and	<=2.5 and	<=			
1	>500	60	60	60	60	60	90	120	-	-	-
2	<=500 and	60	60	60	60	90	120	180	-	-	-
3	<=250 and	60	60	60	90	120	150	240	-	-	-
4	<=100 and	90	90	90	120	150	180	300	-	-	-
5	<=50 and	120	120	120	150	180	240	360	-	-	-
6	<=25 and	180	180	180	240	300	360	480	-	-	-
7	<=10 and	240	240	240	360	420	480	600	-	-	-
8	<=5 and	360	360	360	480	600	600	600	-	-	-
9	=0	600	600	600	600	600	600	600	**	-	-
0											

\*\* e.g. listings

**Minimum requirements for quote volume and for minimal volume to be considered at partial execution and maximum volume at execution speed and quality**

Liquidity level	In Euro No. orders per day	Price level in EUR	0	0	0	0	0	0	0	0	0	0
		A	B	C	D	E	F	G	H	I	J	
		> 50	<= 50 and > 25	<= 25 and > 10	<= 10 and > 5	<= 5 and > 2.5	<= 2.5 and > 1	<= 1	-	-	-	-
1	> 500	20000	20000	20000	20000	10000	5000	3000	-	-	-	-
2	<= 500 and > 250	20000	10000	10000	10000	5000	3000	1000	-	-	-	-
3	<= 250 and > 100	10000	10000	10000	5000	5000	1000	1000	-	-	-	-
4	<= 100 and > 50	5000	5000	5000	5000	3000	1000	1000	-	-	-	-
5	<= 50 and > 25	5000	5000	5000	3000	1000	1000	1000	-	-	-	-
6	<= 25 and > 10	3000	3000	3000	1000	1000	1000	1000	-	-	-	-
7	<= 10 and > 5	3000	1000	1000	1000	1000	1000	1000	-	-	-	-
8	<= 5 and > 0	1000	1000	1000	1000	1000	1000	1000	-	-	-	-
9	= 0	1000	1000	1000	1000	1000	1000	1000	**	-	-	-
0	-	-	-	-	-	-	-	-	-	-	-	-

\*\* e.g. listings

Table II

**Minimum requirements for modified liquidity classes**

	Early quote	Quote presence	Quote spread	Quote volume	Partial exec.	Partial execution	Execution quality
	in %	in %	in %**	in Euro	in seconds	in Euro	in %
DAX	100	100		20,00	60	10,000.0	= QS
MDAX*	100	100		10,00	120	3,000.0	= QS
SDAX*	100	100		7,500	240	3,000.0	= QS
TecDAX*	100	100		10,00	120	3,000.0	= QS
DJIA	100	100		10,00	120	3,000.0	= QS
Nasdaq	100	100		3,000	120	3,000.0	= QS
Eurostoxx 50*	100	100		10,00	120	3,000.0	= QS
Stoxx 50*	100	100		10,00	120	3,000.0	= QS

\* ex values under EUR 5

\*\*The minimum requirement for the quote spread for these securities is determined on the basis of the ref.

QS=quote spread

## 5.2 Minimum Requirements for Quoting and Execution in Debt Securities

Segment	Category	Remaining term to maturity	Spread	Volume	Execution time
Select Bonds	Federal government bonds	<= 5 yrs	5 ct	EUR 250,000	90 s
		5 < 11 yrs	10 ct	EUR 250,000	90 s
		>= 11 yrs	18 ct	EUR 250,000	90 s
	Jumbo Pfandbriefe (covered bonds)	<= 5 yrs	10 ct	EUR 250,000	90 s
		5 < 11 yrs	15 ct	EUR 250,000	90 s
		>= 11 yrs	25 ct	EUR 250,000	90 s
	Other Pfandbriefe (covered bonds)/ Euro government bonds / low-interest bonds	<= 2 yrs	15 ct	EUR 100,000	90 s
		> 2 yrs	30 ct	EUR 100,000	90 s
	Floating-rate bonds	<= 5 yrs	10 ct	EUR 250,000	90 s
		> 5 yrs	20 ct	EUR 250,000	90 s
	Corporate bonds	<= 5 yrs	15 ct	EUR 100,000	90 s
		5 < 10 yrs	20 ct	EUR 100,000	90 s
>= 10 yrs		30 ct	EUR 100,000	90 s	
Prime Bonds	All categories from Select Bonds	All remaining maturities	5 ct	EUR 250,000	90 s



**Annex to § 93****Fixing the Lead Broker Fees**

The Exchange Council of the FWB sets the maximum fee rates for activity as lead broker as follows with effect from 1 February 2005 under § 93:

**I. Equities (including subscription rights, warrants and other unit-quoted securities)**

The fee is 0.8 percent of the actual amount

**II. Equities in the DAX-30**

The fee is 0.4 percent of the actual amount

**III. Debt Securities**

The fee is:

- (1) for EUR-denominated securities, for DEM-denominated securities after conversion of the par value to Euro at the conversion factor and for foreign-currency denominated currencies after conversion to Euro on the basis of the conversion factor in question or of a foreign exchange reference rate:

for amounts up to nominal EUR 25,000.00	0.75 ‰ of par value (but at least EUR 0.75)
for amounts over nominal EUR 25,000.00 up to nominal EUR 50,000.00	0.40 ‰ of par value (but at least EUR 18.75)
for amounts over nominal EUR 50,000.00 up to nominal EUR 125,000.00	0.28 ‰ of par value (but at least EUR 20.00)
for amounts over nominal EUR 125,000.00 up to nominal EUR 250,000.00	0.26 ‰ of par value (but at least EUR 35.00)
for amounts over nominal EUR 250,000.00 up to nominal EUR 500,000.00	0.16 ‰ of par value (but at least EUR 65.00)
for amounts over nominal EUR 500,000.00 up to nominal	0.12 ‰ of par value (but at least EUR 80.00)

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EUR 1,000,000.00

for amounts over nominal  
EUR 1,000,000.00 up to  
nominal  
EUR 2,500,000.000.08 ‰ of par value  
(but at least EUR 120.00)for amounts over nominal  
EUR 2,500,000.000.06 ‰ of par value  
(but at least EUR 200.00)

- (2) For zero bonds, asset-backed securities, certificates and participation certificates for which a fee cannot be calculated using the par value, the fee shall be on the basis of the price of the transaction as per the scale given in paragraph 1 (i.e. the market price in place of the par value).

**IV. Bonds of the Federal Republic of Germany incl. special funds, railways, post office, Federal states and KfW, Reconstruction Loan Corporation (until further notice):**

for amounts up to nominal  
EUR 25,000.000.75 ‰ of par value  
(but at least EUR 0.75)for amounts over nominal  
EUR 25,000.00 up to nominal  
EUR 50,000.000.40 ‰ of par value  
(but at least EUR 18.75)for amounts over nominal  
EUR 50,000.00 up to nominal  
EUR 125,000.000.28 ‰ of par value  
(but at least EUR 20.00)for amounts over nominal  
EUR 125,000.00 up to nominal  
EUR 250,000.000.26 ‰ of par value  
(but at least EUR 35.00)for amounts over nominal  
EUR 250,000.00 up to nominal  
EUR 500,000.000.16 ‰ of par value  
(but at least EUR 65.00)for amounts over nominal  
EUR 500,000.00 up to nominal  
EUR 1,000,000.000.1 ‰ of par value  
(but at least EUR 80.00)for amounts over nominal  
EUR 1,000,000.00 up to nominal  
EUR 1,500,000.000.075 ‰ of par value  
(but at least EUR 100.00)for amounts over nominal  
EUR 1,500,000.00 up to nominal0.0625 ‰ of par value  
(but at least EUR 112.50)

EUR 2,000,000.00

for amounts over nominal  
EUR 2,000,000.00 up to nominal  
EUR 2,500,000.00

0.06 ‰ of par value  
(but at least EUR 125.00)

for amounts over nominal  
EUR 2,500,000.00 up to nominal  
EUR 3,500,000.00

0.05 ‰ of par value  
(but at least EUR 150.00)

for amounts over nominal  
EUR 3,500,000.00 up to nominal  
EUR 5,000,000.00

0.04 ‰ of par value  
(but at least EUR 175.00)

for amounts over nominal  
EUR 5,000,000.00

0.03 ‰ of par value  
(but at least EUR 200.00)

for amounts over nominal  
EUR 15,000,000.00

0.025% of par value (but at  
least EUR 450.00)

for amounts over nominal  
EUR 25,000,000.00

0.02 ‰ of par value  
(but at least EUR 625.00)

for amounts over nominal  
EUR 50,000,000.00

0.015 ‰ of par value  
(but at least EUR 1,000.00)

**V. Minimum fee**

The minimum fee is generally EUR 0.75 for each trade concluded.

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## **Annex to § 99**

Under § 99, the Management Board shall measure on a regular basis the performance of each lead broker which has been allocated equities order books. This annex to § 99 defines the process of performance measurement.

### **I. Definitions**

Within the meaning of this annex

1. benchmark shall mean a yardstick applying to a given parameter or the minimum requirement under the annex to § 61 (price fixing provisions);
2. limit order shall mean a limited binding buy or sell order;
3. market order shall mean an unlimited binding buy or sell order;
4. order shall mean a binding buy or sell order;
5. quote shall mean an order for the bid and ask side;
6. stop order shall mean a binding buy or sell order in case the price for a security exceeds or falls below a specific limit.

### **II. Basic Principles of Performance Measurement**

- (1) The performance measurement shall take place using the parameters defined in § 99 paragraph 2 of these Exchange Rules. Two numbers per parameter are measured:
    1. the parameter value indicates the average value of the respective parameter per equities order book and trading day;
    2. the performance level is the measure for reaching of the benchmark applicable to the respective parameter per equities order book and trading day.
  - (2) Benchmarks applicable to the parameters shall be determined by the Management Board on the basis of the liquidity and price level of the equities pursuant to the conditions for price fixing. Equities for which no liquidity or price level information exist shall be classified into the lowest liquidity or price level. The Management Board shall announce the benchmarks to the lead brokers via circular.
  - (3) In addition, the Management Board shall define benchmarks on the basis of modified liquidity categories pursuant to the conditions for price fixing and announce such benchmarks to the lead brokers via circular. Equities are classified in modified liquidity categories on the basis of other criteria, in particular index inclusion. For equities which are additionally classified in a modified
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liquidity category, benchmarks of the respective liquidity category and the modified liquidity category apply. The measurement of the performance level shall be carried out on the basis of the stricter benchmark. If percentage and absolute benchmarks coincide, the percentage benchmark applies.

### **III. Measurement of the Individual Performance Parameters**

The measurement of the individual performance parameters shall be carried out per equities order book and trading day pursuant to the following provisions. If the Management Board is to determine more details in this regard, such details shall be announced to the lead brokers via circular.

#### **1. Early Quote**

- (1) The early quote parameter measures if a valid quote is entered at the beginning of trading (parameter value = 1) or not (parameter value = 0). A quote is valid if bid and ask are greater than zero. The point in time when the quote is entered is irrelevant.
- (2) The benchmark is equal to 1.
- (3) The performance level is calculated from the parameter value multiplied by 100 percent.

#### **2. Quote Presence**

- (1) The quote presence parameter measures the part of the trading time of a trading day for which a lead broker has entered a valid quote (parameter value). The volume of the quote is irrelevant. The Management Board may postpone the beginning of measurement to a point in time after trading starts, where the state of trading means that quote entry may be expected only at that point in time.
- (2) A quote presence applies completely as benchmark over the whole trading day (= 100 percent).
- (3) The parameter value shall at the same time be the performance level.

#### **3. Quote Spread**

- (1) The quote spread parameter measures the average distance of the bid and ask side of a valid quote from the midpoint of bid and ask side of the respective quote in percent. One-sided quotes are not considered. The Management Board may postpone the beginning of measurement to a point in time after trading starts, where the state of trading means that quote entry may be expected only at that point in time. The average percentage quote spread is the simple average of the valid percentage quote spreads measured at the given times of entry (parameter value). The measurement shall take place every ten seconds.
  - (2) In the liquidity category concept, the Management Board determines a maximum benchmark for the quote spread, depending on the liquidity and price level pursuant to the conditions for price fixing. For certain equities and in derogation from number III paragraphs 2 and 3, an additional benchmark is defined with regard to the relevant reference market (reference market concept). Reference market is an organised market in Germany or abroad or another electronic trading system on or in which the most liquid trading in the given equities takes place. To measure the quote spread parameter for
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certain foreign equities, the Management Board can define a domestic stock exchange or a domestic multilateral trading system as reference market where those equities pursuant to the following definition are continuously-traded: the equities shall be foreign equities not allocated to any modified liquidity category and for which no foreign reference market has been defined, in derogation from the requirement of most liquid trading under sentence 3 and from the definition of the reference market under the minimum price fixing conditions defined in § 61 and its annex. If the given reference market is open for trading, the actual quote spreads on the reference market are taken as benchmark. If the reference market is closed for trading, a historic value shall be taken as benchmark, and the latter is increased by cost and/or risk markups depending on the given reference market. To the extent that benchmarks have been set on the strength of the liquidity category concept and of the reference market concept, the measurement of the quote spread parameter is based on the given strict benchmark.

- (3) The calculation of the performance level for the quote spread parameter is carried out in the same way using the liquidity category concept and the reference market concept. Provided that the quote spread is smaller than or equal to the respective benchmark, the performance level in the given period is 100 percent. Provided that the quote spread is more than 20 percent above the given benchmark, the performance level for the given period is 0 percent. If the benchmark is exceeded by a value between 0 percent and 20 percent, the performance level shall be accordingly linear-scaled between 100 percent and 0 percent.

#### **4. Quote Volume**

- (1) The quote volume parameter measures the average volume of the given smaller bid or ask side of valid quotes. The Management Board may postpone the beginning of measurement to a point in time after trading starts, where the state of trading means that quote entry may be expected only at that point in time. The parameter value results from the time-weighted average of the entered quote volumes.
- (2) For the quote volume, the Management Board determine a benchmark per liquidity category pursuant to the conditions for price fixing.
- (3) The performance level measures the percentage of those valid quotes which are greater than or at least equal to the benchmark. When calculating this percentage, those valid quotes shall be considered time-weighted, as is done when calculating the parameter value. If there is no valid quote, the calculation of the quote volume shall not be considered for this period.

#### **5. Execution Time**

- (1) The execution time parameter measures, between 9.00 hrs. and 19.50 hrs. (CET) of a trading day, the average time between the point in time as from which the execution of an order is possible and the actual time that order was executed. The parameter value is the non-weighted average of the single values per executed order. The orders to be counted shall be limited to a maximum volume pursuant to the conditions for price fixing. Stop orders shall not be counted.
1. In the case of unlimited orders, the point in time from which executing an order is possible shall be the point at which the order is received. In the case of limited orders, the point in time
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at which the order is received shall also be used, provided that the order can be executed at this time on the basis of the quote. If this is not the case, the point in time in which the limited order can be executed due to a change of the quote shall be applied. One-sided quotes shall not be considered.

2. The beginning of the measurement is postponed In the opening phase of trading The measurement shall begin subject to the assignment of the respective equities to (modified) liquidity categories 3, 5 or 15 minutes after trading starts. If the first price fixing is carried out before these points in time, the execution time shall be measured from the point of that price fixing.
  3. For the remaining part of a partially executed order, the measurement of the execution time shall begin from the point in time of the last partial execution.
  4. Orders not executed by the end of a trading day but executable during this trading day shall not be counted in the measurement. On the next trading day, the point in time from which the execution of the order is measured shall be re-determined pursuant to numbers 1 to 3.
- (2) For the execution time parameter, a maximum benchmark shall be determined by the Management Board according to the liquidity category pursuant to the conditions for price fixing.
  - (3) The performance level measures the percentage of the orders entered pursuant to paragraph 1 the execution time of which is lower than or at most equal to the benchmark. When determining this percentage, the individual order executions shall not be weighted pursuant to their volume.

## **6. Partial Execution**

- (1) The partial execution parameter shows the ratio of partial executions which do not exceed the minimum volume pursuant to paragraph 2, to all executed orders. The partial executions parameter is measured by multiplying the number of equities included in the partial execution by the price at which the order was partially executed (parameter value). This amount is compared with the benchmark pursuant to paragraph 2.
- (2) The Management Board shall determine a minimum volume as benchmark for partial executions depending on the liquidity category pursuant to the conditions for price fixing; such minimum volume must not be undershot.
- (3) The performance level measures fully executed orders or partially executed orders exceeding the benchmark pursuant to paragraph 2 as a percentage of all executed orders.

## **7. Execution Quality**

- (1) The execution quality parameter measures if an order was executed within the quote which was valid at the time the order was first executable. The parameter value results from the non-weighted average of the individual values per entered order. The orders to be counted shall be limited to a maximum volume pursuant to the conditions for price fixing.
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1. When measuring the execution quality parameter, an order shall be considered if it became executable due to a valid quote. Market orders and limit orders which are immediately executable shall be based on the quote which was valid at the time of order entry. For orders not immediately executable, the quote valid at the time of the executability started is relevant.
  2. The beginning of the measurement is postponed in the opening phase of trading. The measurement shall begin subject to the assignment of the respective equities to (modified) liquidity categories 3, 5 or 15 minutes after trading starts. If a first price fixing is carried out before these points in time, the execution quality shall be measured from the time of that price fixing.
- (2) The benchmark for the execution quality shall result either from the benchmark for the quote spread pursuant to number 3 paragraph 2 or from the quote spread of the quote pursuant to paragraph 1 clause 1. The more stringent benchmark shall apply. The distance of the price to the quote midpoint shall be measured. The distance shall be smaller than or equal to the benchmark. The benchmark is deemed to be fulfilled if the quote is executed within the scope determined by the benchmark.
- (3) The performance level measures the proportion of the orders which is executed within the quote valid at the point in time of the first executability. The execution quality parameter is also considered met if a buy order is executed below, or a sell order above the quote valid at the time the order was entered, where the execution occurs within the quote valid at the time of execution and the price does not deviate from the quote midpoint more than the benchmark defined for the quote spread parameter under number 3 paragraph 2. Where the benchmark for the execution quality parameter is fixed as an absolute value, the spread of the quote is compared to the absolute benchmark. The aggregation of the orders relevant under paragraph 1 sentence 3 shall be carried out unweighted.

#### **IV. Aggregation of the Individual Performance Levels to a Total Performance Level**

- (1) The individual performance levels of the parameters determined pursuant to numbers III 1 to 7 shall be weighted per equities order book and trading day pursuant to § 99 paragraph 2 of these Exchange Rules and shall be aggregated to a total performance level. The total performance levels derived under sentence 1 are constituted over several trading days and several order books. For that purpose, the performance levels per equities order book and trading day are weighted by the number of executed orders per equities order book and trading day and aggregated accordingly.
  - (2) If no order was executed in a equities order book on a trading day, the individual performance levels of the quoting parameters under number III 1 to 4 shall be included in the weighting with a factor of 1 for this trading day and when aggregating across several order books for this order book. The individual performance levels of the order execution parameters under number III 5 to 7 are aggregated without counting the days/order books with no executions.
  - (3) If, in the case of aggregation over several trading days, no order was executed in an equities order book on one trading day or in the case of aggregation over several order books in one equities order book, the total performance levels shall be included in the weighting at factor 1.
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- (4) The Management Board shall determine critical individual performance levels for each parameter pursuant to number III 1 to 7 and shall inform the lead brokers of this via circular. A modified total performance level shall be calculated on the basis of the critical individual performance levels.
1. The critical individual performance level is the value from which the individual performance level is set equal to 100 percent when determining the modified total performance level. The critical individual performance level applies to all order books irrespective of the respective liquidity category.
  2. The modified total performance level is the weighted average of the critical individual performance levels. It shows the applicable result for the performance of the lead brokers pursuant to § 99 of these Exchange Rules.

## **V. Removal of Measurement Results**

- (1) Ex officio, the Management Board remove those equities from the performance measurement which are listed with their own ISIN in addition to the main securities class, and
1. for which the buy or takeover bid was accepted (submitted for purchase or takeover); or
  2. for which trading restrictions, in particular due to lock-up periods, exist.
- (2) Upon application from a lead broker, the Management Board shall remove equities from the performance measurement if circumstances exist which make it unreasonable for a lead broker to comply with the benchmarks applicable to the performance measurement. Such circumstances are:
1. unusual denominations of equities;
  2. equities for which there is either no buy or no sell order with a deviation of at maximum 10 percent from the last-fixed price for a period of at least two weeks and for which, at the same time, position-squaring on the reference market is not guaranteed;
  3. listed equities besides the main securities class with own ISIN and deviating dividend rights or other deviating rights;
  4. subscription rights, to the extent that the applicable fulfilment of benchmarks for parameters of the performance measurement is objectively impossible.

Lead brokers shall outline the reasons underlying any removal.

- (3) Lead brokers are obligated to inform the Management Board immediately if the circumstances applicable to removing equities from the performance measurement pursuant to paragraph 2 no longer apply. After such circumstances no longer obtain, the equities shall again be included in the performance measurement. The Management Board shall – notwithstanding the notification duty of the lead brokers pursuant to clause 1 - include the equities ex officio in the performance measurement if the relevant circumstances no longer obtain.
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- (4) Upon application from a lead broker, the Management Board may remove equities by the day from the performance measurement, where it is unreasonable for the lead broker to have to adhere to the performance level benchmarks over this period. The lead broker shall apply for removal, and shall specify the reasons applicable for such removal, by the end of trading on the next day at the latest.
- (5) The Management Board may remove all equities order books of all lead brokers from performance measurement by the day ex officio, if objective measurement is impossible owing to special events, especially an extraordinary market situation.
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