

Eurex Liquidity Provider Agreement (LPA) v.1.1

between

Eurex Frankfurt AG
Mergenthalerallee 61
65760 Eschborn
Germany

- hereinafter referred to as "**EFAG**"-

and

Eurex Clearing AG
Mergenthalerallee 61
65760 Eschborn
Germany

- hereinafter referred to as "**ECAG**"-

and

Eurex Member ID

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- hereinafter referred to as
"**Liquidity Provider**" -

Name of the applying exchange participant

Address 1	Street No

Address 2	

Zip Code	City

Country	_____

- Liquidity Provider, EFAG and ECAG are hereinafter referred to as a "**Party**" each and together as
"**Parties**"-

Definitions

Account – shall mean position account (as defined in Number 5 of the Conditions for Trading at Eurex Deutschland and Eurex Zürich).

Agreement – shall have the meaning ascribed to such term in the Preamble.

Clearing Conditions – shall mean the Clearing Conditions of Eurex Clearing AG.

Clearing Member – shall mean an entity which has been granted a clearing license by Eurex Clearing AG for the clearing of transactions concluded at the Eurex Exchanges.

EDP – shall mean Electronic Data Processing.

ELPF – shall mean Eurex Liquidity Provider Framework.

ESU – shall mean Excessive System Usage.

Eurex Exchange Rules – shall mean the Exchange Rules of Eurex Deutschland and Eurex Zürich.

Eurex Exchanges – shall have the meaning ascribed to such term in the Preamble.

Exchange Participant - shall mean an entity admitted to trading on Eurex Deutschland and Eurex Zürich pursuant to the Eurex Exchange Rules.

Exchange-EDP – shall mean the Exchange-EDP Eurex® determined by the Management Boards of Eurex Deutschland and Eurex Zürich for trading at the Eurex Exchanges.

General Supplement – shall mean the requirements stipulated in the respective document and which Liquidity Provider is required to meet in order to receive Incentives.

Incentive – shall mean Monetary Incentives and Non-Monetary incentives.

Liquidity Provider or LP – shall have the meaning ascribed to such term in the Preamble.

Liquidity Provider Rebates – shall mean the concrete amount of rebates granted for the provision of liquidity under the terms established through the respective Supplement.

LPA – Eurex Liquidity Provider Agreement.

Monetary Incentive – shall mean all monetary incentives provided by EFAG and granted by ECAG (e.g. rebates on transaction fees).

NCA – shall mean national competent authority.

Non-Clearing Member – shall mean an entity other than a Clearing Member which is an Exchange Participant on the Eurex Exchanges and entered into a Clearing Agreement in

the form appended to the Clearing Conditions as Appendix 2 to 5 with a Clearing Member and Eurex Clearing AG as a non-clearing member.

Non-Monetary Incentive – shall mean all non-monetary incentives granted by EFAG (increased limits for ESU).

Regulatory Market Maker or RMM – shall have the meaning ascribed to such term in the Preamble.

Supplement – shall have the meaning ascribed to such term as defined in Section 1 Paragraph 1 Sentence 2.

Preamble

The exchanges Eurex Deutschland and Eurex Zürich AG (collectively the “**Eurex Exchanges**”) are one of the world's leading derivatives exchanges offering a broad range of international benchmark products, operating the most liquid fixed income markets in the world and featuring open and low-cost electronic access. In general, liquidity provision schemes will be offered for all Exchange Participants who are admitted to trading at the Eurex Exchanges.

EFAG is the technical operator and administrator of the exchange Eurex Deutschland pursuant to Sec. 5 of the German Exchange Act. In its role as exchange operator, EFAG provides for the technical infrastructure required for the operation of the Eurex Exchanges. ECAG is one of the leading central counterparties globally and clears the broadest scope of products under a single framework in Europe - both listed products and over-the-counter - and accepts the world's widest spectrum of eligible collateral. ECAG is Europe's leading central counterparty clearing house and a world leader in risk management and post-trade services. Transactions concluded at the Eurex Exchanges are cleared through ECAG and, furthermore, ECAG levies and collects fees from its clients for the trading and clearing of the aforementioned transactions. Monetary Incentives will be provided by EFAG and, if granted as rebates on transaction fees, applied by ECAG.

Exchange Participants applying a Market Making Strategy pursuant to Article 1 of Commission Delegated Regulation (EU) 2017/578 shall apply for admission as Market Makers pursuant to Section 52 of the Eurex Exchange Rules (“**Regulatory Market Maker**”, “**RMM**”). RMM are subject to ongoing obligations pursuant to the Eurex Exchange Rules.

EFAG, ECAG and Liquidity Provider conclude this Liquidity Provision Agreement together with its Appendices (hereinafter referred to as “**Agreement**”). This Agreement does not affect the requirements for Regulated Market Makers. All Exchange Participants may sign the Eurex Liquidity Provision Agreement irrespective whether they do or do not meet the criteria established by Article 1 of Commission Delegated Regulation (EU) 2017/578.

Now, therefore, the Parties hereto agree as follows:

1. Structure of the Agreement

- (1) This Agreement sets out the general rights and obligations of each Party. Under this Agreement the Liquidity Provider may enter into individual Supplements which are individual agreements between the Parties specifying the applicable parameters and Incentives applicable for each of the Liquidity Provision schemes on a product, package or program level and are concluded by Liquidity Providers pursuant to Section 2 Paragraph (4) (“**Product Specific Supplements**”). Obligatory element for this Agreement is Appendix 1 (“**General Supplement**”) which forms an integral part of this Agreement. Each Supplement shall comply with the provisions of this Agreement and will incorporate the provisions of this Agreement accordingly, unless otherwise provided for therein. The General Supplement states the requirements that need to be fulfilled by Liquidity Provider in order to be entitled for Incentives.

- (2) In case of any deviations or inconsistencies between the provisions set forth in this Agreement and those set forth in any Supplement executed hereunder, the provisions of the respective Supplement shall prevail over those of this Agreement. In any case, the provisions in the respective Product Specific Supplement prevail over Appendix 1.
- (3) For the avoidance of doubt, in addition to this Agreement Liquidity Provider may receive further Incentives for liquidity provision within the Price List of Eurex Clearing AG.

2. Provision of Incentives

- (1) Liquidity Provider shall receive Incentives pursuant to this Liquidity Provider Agreement and the requirements stipulated in the respective Supplements. Incentives may consist of Monetary (e.g. rebates on transaction fees) and/or Non-Monetary Incentives (e.g. increased limits for ESU).
- (2) Incentives shall be granted in full only if the requirements of the respective Supplement have been fulfilled in the month prior to the month in which they are relevant. For the avoidance of doubt, no Incentives shall be granted for contracts traded on A- or P-Accounts.
- (3) The transaction fees subject for a rebate under this Agreement are charged pursuant to the Price List of Eurex Clearing AG (which form part of the Clearing Conditions of Eurex Clearing AG). Therefore, any rebates granted are only applicable on transaction fees charged by ECAG towards the relevant contractual party (i.e. Clearing Members). In case Liquidity Provider is not a Clearing Member and, thus, did not enter into a direct contractual relationship where the Price List of Eurex Clearing AG is applicable (e.g. where Liquidity Provider is a Non-Clearing Member), ECAG shall apply the rebates towards the responsible Clearing Member which collects the transaction fees towards its customers.
- (4) From the Effective Date and until further notice, EFAG and ECAG shall automatically monitor whether Liquidity Provider fulfils the respective requirements for the granting of Incentives. For this period, the Product Specific Supplements apply automatically when Liquidity Provider provides liquidity in the respective product. For the avoidance of doubt, Liquidity Provider is not required to select the products where Liquidity Provider intends to provide liquidity.

3. Requirements of Liquidity Provider

- (1) In addition to the specific requirements agreed upon in the respective Product Specific Supplement and the General Supplement, the following general requirements shall apply.
- (2) Liquidity Provider undertakes to inform EFAG immediately of any errors, malfunctions or damages in connection with the liquidity provision or any other contractual obligation.
- (3) Liquidity Provider shall assess invoices and reports for errors or omissions and notify EFAG and ECAG without undue delay about any error discovered by Liquidity Provider. EFAG and ECAG shall issue a new document if an error or an omission has factually occurred.

- (4) Liquidity Provider agrees that its name and/or trading ID may be published on the Eurex website. If the Liquidity Provider is also a Regulatory Market Maker, then this information shall also be displayed on the Eurex website.

4. Amendments by EFAG and ECAG

- (1) EFAG and ECAG are entitled to amend this Agreement in particular in the event that changes in regulatory requirements and/or a change in the administrative practice of a competent authority occur. EFAG and ECAG are entitled to withdraw, modify or extend the parameters, requirements, rebates, rebate levels, revenue sharing programs or Non-Monetary Incentives at their sole discretion.
- (2) Amendments to this Agreement will be notified to Liquidity Provider at least one (1) month prior to their effective date. They will be deemed to have been approved if Liquidity Provider does not lodge objections with EFAG and ECAG within fifteen (15) business days of notification of the amendment. EFAG and ECAG reserve the right to terminate in the event Liquidity Provider objected to a proposed amendment pursuant to Section 9 Paragraph 2 lit. c) below.

5. Representation and Warranties

- (1) Each Party represents and warrants to the other that (i) it has all requisite legal and corporate power to execute and deliver this Agreement; and (ii) it has taken all corporate action necessary for the authorization, execution and delivery of this Agreement.
- (2) Any breach of a representation or a warranty shall be corrected by the breaching Party within a reasonable time, if not agreed otherwise in a Supplement; reasonable grace period shall be granted for breaches that can be subject to corrective action. In case of any breach of a warranty that prevents or substantially interferes with any of EFAG's and/or ECAG's ability to conduct its business, Liquidity Provider shall use its diligent efforts to start the correction of the deficiency without any undue delay.
- (3) The representations and warranties set out in this Section 5 (Representation and Warranties) are the only representations and warranties made by EFAG and ECAG under this Agreement and all other representations, warranties or legal remedies available to Recipient under applicable law are hereby expressly excluded to the extent permitted by applicable law.

6. Liability

- (1) EFAG and ECAG shall be liable without limitations (i) for any damages with respect to injury to life, personal injury or injury to health of Liquidity Provider caused at least negligently on the part of EFAG and/or ECAG, its legal representatives or vicarious agents, (ii) for any other damages caused intentionally or as a result of gross negligence on the part of EFAG and/or ECAG, its legal representatives or vicarious agents, and (iii) for damages arising from a breach

of a guarantee or mandatory legal provisions of the German Product Liability Act (*Produkthaftungsgesetz*) or the German Telecommunications Act (*Telekommunikationsgesetz*).

- (2) In all other respects EFAG and/or ECAG shall be only liable in the event of a breach of obligations essential to the Agreement whereby the purpose of the Agreement is endangered, however limited to (i) direct, typical contractual and predictable damages, and (ii) the amount equal to 100% of the annual Incentives agreed under the respective Supplement, in aggregate.
- (3) Notwithstanding the foregoing, EFAG and/or ECAG shall not be liable for any damages resulting from force majeure (e.g. riots, war or natural disasters) or other events beyond their control (e. g. strikes, lock-outs, traffic disruption and dispositions of domestic or foreign powers) as well as non-culpably caused technical problems, such as problems in connection with the computer system. Computer viruses and intentional attacks of “hackers” on the computer systems are considered as force majeure, provided that reasonable security measures have been taken.
- (4) Claims for damages shall expire after one (1) year unless otherwise agreed upon in this Agreement and unless such claims are based on death, bodily injury or injury of freedom and/or a result of wilful default, wilful misconduct or fraud.

7. Force Majeure

The Parties shall not be liable for any default or delay in the performance of its obligations under this Agreement, if and to the extent such default or delay is caused directly or indirectly by an event of force majeure – such as war, terrorist attacks, forces of nature or fire, sabotage, epidemics, quarantine, government sanctions, collective actions, strike, disruption of provision of services in the supply chain, failure of telecommunications carriers, utility company failures or other similar cause beyond the reasonable control of the Parties, provided however, that the Parties are without fault in failing to prevent or causing such default or delay, and such default or delay could not reasonably be circumvented by the Parties through the use of alternate sources, workaround plans or other means. In such event, the Parties shall be excused from further performance or observance of the obligations so affected for as long as such circumstances prevail and the Parties continue to use commercially reasonable efforts to recommence performance or observance whenever and to the extent possible without delay. If reasonably possible under the circumstances, the Parties shall immediately notify the other Party by telephone, to be confirmed in writing within one (1) calendar day, and describe at a reasonable level of detail the circumstances of such force majeure event.

8. Payment, Taxes and Settlement

- (1) The Monetary Incentives to be provided by EFAG and granted as rebate on transaction fees by ECAG to Liquidity Provider for the provision of liquidity shall be stipulated in the Price List of Eurex Clearing AG or the respective Supplement. All rebates shall be applied on a monthly basis. ECAG may – when calculating the respective transaction fee – offset against any

amounts it owes the other Party. Each Party shall pay any amounts due thirty (30) calendar days after the end of the applicable calendar month, if applicable.

- (2) Each Party shall keep and maintain complete and accurate records, books of account, reports and other data necessary for the proper administration of the payments and/or rebates due under this Agreement. Each Party shall retain such records during the term of this Agreement and for three (3) years after the termination of this Agreement and for any additional time required by applicable law or governmental authorities with jurisdiction over such Party.

9. Term, Termination

- (1) This Agreement shall become effective as of the date of signature and shall remain in effect for an indefinite period of time, unless terminated by either Party giving one (1) month prior notice to the end of a calendar month.
- (2) The right of each Party to terminate this Agreement for cause shall remain unaffected. In particular, a good cause shall be given in the event
 - (a) the other Party materially breaches this Agreement and fails to cure such material breach within thirty (30) calendar days after receiving a notice of such material breach describing such material breach in reasonable detail;
 - (b) of insolvency, liquidation or the appointment of an examiner or other insolvency official with respect to a Party;
 - (c) Liquidity Provider lodges an objection pursuant to Section 4;
 - (d) Liquidity Provider fails to comply with the statutory requirements laid down in the Exchange Act, the Exchange Rules of Eurex Deutschland and Eurex Zürich or other applicable legal provisions or fails to comply with the administrative practice published by an NCA;
 - (e) a material change in the regulatory framework within the European Union occurs, which has a material adverse effect on the offering of Incentives as stipulated in Section 1 (Provision of Incentives) of this Agreement and specified by the relevant Supplement Agreement;
 - (f) a material change in the administrative practice of the NCA responsible for the supervision of EFAG and/or ECAG and/or Liquidity Provider occurs, which has a material adverse effect on the provision of the Incentives, in particular, where such NCA decides that one of the Incentives as provided by EFAG and ECAG to Client or the underlying parameters are not compatible with regulatory requirements;
 - (g) that fees or rebates in general and/or the concept of collecting and distributing fees, rebates or other Incentives will be materially amended or generally abolished by EFAG and/or ECAG.

- (3) The term and termination rights applicable for a Supplement may be stipulated in each Supplement. Section 9 Paragraph 1 and 2 shall apply accordingly for the Supplements, if not agreed otherwise between the Parties. However, no Supplement shall become effective before this Agreement comes into effect pursuant to Section 9 Paragraph 1. The termination of a Supplement shall have no effect on this Agreement or on any other Supplement. All Supplements shall however terminate with the termination of this Agreement, if not expressly stipulated otherwise in the respective Supplement.

10. Confidentiality

- (1) The Parties shall keep confidential and protect against unauthorized access during and after the term of this Agreement any documents, information and data which have been made accessible to them or of which they became aware of due to, or in the course of, the provision of this contractual relationship (together hereinafter referred to as “**Confidential Information**”). Such obligation shall survive the termination of this Agreement, unless otherwise agreed by the Parties. In addition to Banking Secrecy Laws – if applicable - the following provisions shall apply in relation to Confidential Information:
- (a) Each Party receiving Confidential Information (a “**Receiving Party**”) from another Party (a “**Disclosing Party**”) shall and shall ensure that its personnel, Affiliates or any third party provider shall:
- (i) keep the Confidential Information confidential;
 - (ii) not disclose the Confidential Information or permit it to be made available to any person, unless it first obtains the Disclosing Party’s consent; and
 - (iii) not use the Confidential Information other than for purposes of the performance of the relevant person’s obligations under this Agreement and/or its Supplements (the “**Permitted Purpose**”).
- (b) Each Receiving Party may disclose Confidential Information to its personnel, Affiliates, approved subcontractors and professional advisers to the extent reasonably required for the Permitted Purposes, always provided such recipients are subject to contractual or legal obligations of confidentiality and further provided, that the Receiving Party remains responsible for the use of such Confidential Information by the recipient.
- (c) A Receiving Party may disclose Confidential Information where disclosure is required by law or by a court of competent jurisdiction or by any regulatory authority having jurisdiction, provided that, where practicable and legally permissible, the Disclosing Party is given at least two (2) working days’ notice of the disclosure.

- (d) The Receiving Party shall ensure that each recipient of Confidential Information is made aware of and complies with all the obligations of confidentiality of the Receiving Party under this Agreement as if such recipient was a party to this Agreement in place of the Receiving Party.
- (e) The obligations contained in this clause do not apply to any Confidential Information which:
 - (i) is at the date of this Agreement in the public domain, or at any time after the date of this Agreement comes into the public domain other than through breach of this Agreement by the Receiving Party;
 - (ii) can be shown by the Receiving Party to the reasonable satisfaction of the Disclosing Party to have been known by or lawfully in the possession of the Receiving Party before disclosure by the Disclosing Party to the Receiving Party;
 - (iii) can be shown by the Receiving Party to have been developed by the Receiving Party independently, without reference to any information provided by or otherwise obtained from the Disclosing Party, its associates or sub-contractors;
 - (iv) subsequently comes lawfully into the possession of the Receiving Party from a third party without - to the Receiving Party's reasonable knowledge - obligation of confidentiality; or
 - (v) a Party is authorised or permitted to disclose under, or pursuant to, any Supplement or any other agreement between any or all of the Parties.

11. Miscellaneous

- (1) No provision of this Agreement creates a partnership between the Parties or makes a Party the agent of the other Party for any purpose. A Party has no authority to bind, to contract in the name of or to create a liability for the other Party in any way or for any purpose except as may be expressly permitted hereunder or authorized in writing by such other Party. Each Party hereto shall be solely responsible for the actions of its respective employees, agents, sub-providers and representatives
- (2) Liquidity Provider shall not assign any rights or delegate any obligations created by this Agreement without the prior consent of EFAG and ECAG; such consent not to be unreasonably withheld.
- (3) The requirement of written form shall not be applicable. For any amendments, notices, correspondence pursuant to this agreement text form shall be sufficient (incl. email or other comparable communication via electronic means) pursuant Sec. 126b of the German Civil Code. For the avoidance of doubt, Supplements to this Agreement can be entered into, amended or terminated via electronic means.

- (4) This Agreement, including the Appendices hereto constitutes the entire agreement of the Parties hereto with respect to the subject matter hereof; no side-agreements have been entered into. This Agreement shall supersede all prior agreements and understandings, discussions, negotiations and communications, written and oral, between the Parties with respect to the subject matter hereof.
- (5) Headings of clauses and Appendices are exclusively provided for ease of reference purposes and shall not be taken into account when interpreting the Agreement.
- (6) This Agreement shall be governed by, interpreted, construed and enforced in accordance with the laws of Germany without reference to or inclusion of the principles of choice of law or conflicts of law of that jurisdiction. Exclusive place of jurisdiction shall be Frankfurt/Main, Germany.
- (7) In case any provision in or obligation under this Agreement shall be held invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions or obligations shall not in any way be affected or impaired by this. Invalid, illegal or unenforceable provisions shall be replaced by valid, legal and enforceable provisions by the Parties and as agreed by the Parties, so as to affect the original intent of the Parties as close as possible.

IN WITNESS WHEREOF this Agreement has been executed by the Parties on the date set out below.

Signed by
For and on behalf of, and duly authorised by,

Full Name _____

Position _____

Dated _____

Signed _____

Full Name _____

Position _____

Dated _____

Signed _____

Signed by
For and on behalf of, and duly authorised by,
Eurex Frankfurt AG

Full Name _____

Position _____

Dated _____

Signed _____

Full Name _____

Position _____

Dated _____

Signed _____

Signed by
For and on behalf of, and duly authorised by,
Eurex Clearing AG

Full Name _____

Position _____

Dated _____

Signed _____

Full Name _____

Position _____

Dated _____

Signed _____