

## **Product Specific Supplement for Options on ETFs**

**Validity: Until 31 December 2023**

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### **Preamble**

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

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

### **1. Applicable Building Blocks**

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

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

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

### **2. Liquidity Provider Rebates**

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

Execution type	Building Block	Upon fulfilment of requirements
Order book	Basis	60%
	Package	30%
	Strategy	-
	Larger Size	-
	Tighter Spread	-
	Total	90%
Eurex EnLight	Basis	50%
	Package	30%
	Strategy	-
	Eurex EnLight	-
	Total	80%
TES	Basis	50%
	Package	30%
	Strategy	-
	Eurex EnLight	-
	Total	80%

### 3. Basis Building Block Requirements

#### 3.1. Basis Block Requirements

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

	Package	Non-Package
<b>Product ID</b>	See section 5.2	
<b>Validity</b>	01.01.2021 – 31.12.2023	
<b>Quotation Time:</b>	09:00 – 17:30 CE(S)T (15:30 – 17:30 CE(S)T for selected products, see section 5.2, exception on US bank holidays when quotation is not required)	
<b>Required Coverage:</b>	85% (80% for Fixed Income ETFs)	
<b>Maturity Range:</b>	The first six expirations need to be quoted (first three expirations for Fixed Income ETFs)	
<b>Strike Price Window:</b>	5 out of 7 (10 out of 15 for Commodity ETFs)	
<b>Minimum Quote Size:</b>	See quotation parameters table below (cp. Sec. 5.2)	
<b>Maximum Spread:</b>	See quotation parameters table below (cp. Sec. 5.2)	
<b>Revenue Sharing</b>	Yes (see below)	No

#### 3.2. Package Block Requirements

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

Scheme	Package ID	Fulfilment Criterion
All Equity ETFs	ALLE	Fulfilment of Basis Block requirements in five products
All iShares ETFs	ISHA	Fulfilment of Basis Block requirements in 21 products

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

A revenue sharing scheme for Options on ETFs is offered as of 1 January 2021 until 31 December 2023 in accordance with section 3.1.2 of the General Supplement to the LPA. The scheme applies to each product individually (All Equity ETFs & Xetra-Gold® ETC) or for the entire package (All iShares ETFs). Liquidity Providers can only be eligible for one revenue sharing pool. The evaluation takes place on a monthly basis.

	All Equity ETFs & Xetra-Gold® ETC	All iShares ETFs
<b>Revenue Sharing Pool:</b>	Up to 30% of the net revenues of the individual product	Up to 25% of the net revenues of the products in the package (with a yearly cap on the maximum pay-out from the Commodity ETF options at USD470k). Plus the revenues of OHYU, OEMB and OQDE.
<b>Participation Condition:</b>	Fulfilment of Basis Block requirements of the product	Fulfilment of BB requirements for 21 out of the 32 All iShares ETF products listed within the scheme
<b>Number of Participants:</b>	Up to 3	Up to 3
<b>Qualification criterion:</b>	The top 3 fulfilling Liquidity Providers participate; ranked according to their share trading volume on M-accounts (order book and TES) of all fulfilling Liquidity Providers in the product	The top 3 fulfilling Liquidity Providers participate; ranked according to their share trading volume on M-accounts (order book and TES) of all fulfilling Liquidity Providers in the product
<b>Distribution Method:</b>	Top Liquidity Provider will receive 15% of the net revenues, while 10% and 5% will be shared with the Liquidity Providers ranked 2 and 3	Distribution depending on the number of qualifying Liquidity Providers as follows: <ul style="list-style-type: none"> <li>• 1x LP only = 25% of total revenue</li> <li>• 2x LPs = 15% / 10% split of total revenue</li> <li>• 3x LPs = 12.5% / 7.5% / 5% split of total revenue</li> </ul>

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

#### 5. Quotation Requirements

##### 5.1. Spread Classes

Spread Class	Bid up to	Maximum Spread	Unit
ETF 1	1.0	0.15	Tick
	5.0	15%	Percent
		0.75	Tick
ETF 2	1.5	0.25	Tick
	15.0	15%	Percent
		2.25	Tick
ETF 3	10	1.5	Tick
	50.0	15%	Percent
		7.5	Tick
ETF 4	40.0	8	Tick
	200.0	20%	Percent
		40	Tick
ETF 5	1.0	0.25	Tick
	5.0	25%	Percent
		1.25	Tick

Spread Class	Bid up to	Maximum Spread	Unit
ETF 6	1.0	0.2	Tick
	5.0	20%	Percent
		1	Tick
ETF 7	40.0	10	Tick
	200.0	25%	Percent
		50	Tick
FI-ETF	1.5	0.45	Tick
	15.0	30%	Percent
		4.5	Tick
CO-ETF 1	2.0	0.2	Tick
	20.0	10%	Percent
		2	Tick
CO-ETF 2	5.0	0.5	Tick
	50.0	10%	Percent
		5	Tick

## 5.2. Quotation Parameters

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

Options on	Product ID	Asset Class	Package ID	Quotation Time Exceptions CE(S)T	Spread Class	Basis Minimum Quote Size (contracts)
<b>All Equity ETFs</b>						
iShares DAX® UCITS ETF (DE)	EXS1	Equity	ALLE		ETF 2	100
iShares EURO STOXX 50® UCITS ETF	EUN2	Equity	ALLE		ETF 1	500
iShares SMI® (CH)	XMT	Equity	ALLE		ETF 2	100
iShares EURO STOXX® Banks 30-15 UCITS ETF (DE)	EXX1	Equity	ALLE		ETF 1	1000
iShares STOXX® Europe 600 UCITS ETF (DE)	EXSA	Equity	ALLE		ETF 1	500
iShares MSCI Europe UCITS ETF (Dist)	IQQY	Equity	ALLE		ETF 1	750
iShares MSCI Emerging Markets UCITS ETF (Dist)	IDEM	Equity	ALLE	15:30 – 17:30	ETF 6	200
iShares Core MSCI World UCITS ETF	IWDA	Equity	ALLE		ETF 1	200
iShares Core S&P 500 UCITS ETF	CSPX	Equity	ALLE	15:30 – 17:30	ETF 3	100
iShares Core FTSE 100 UCITS (Dist)	ISF	Equity	ALLE		ETF 4	100
iShares FTSE 250 UCITS ETF	MIDD	Equity	ALLE		ETF 7	250
iShares S&P 500 Financials Sector UCITS ETF	IUFS	Equity	ALLE	15:30 – 17:30	ETF 6	50
iShares S&P 500 Health Care Sector UCITS ETF	IUHC	Equity	ALLE	15:30 – 17:30	ETF 5	50
iShares S&P 500 Information Technology Sector UCITS ETF	IUIT	Equity	ALLE	15:30 – 17:30	ETF 6	50
iShares S&P 500 Energy Sector UCITS ETF	IUES	Equity	ALLE	15:30 – 17:30	ETF 6	50
iShares S&P 500 Utilities Sector UCITS ETF	IUUS	Equity	ALLE	15:30 – 17:30	ETF 6	50
iShares MSCI Brazil UCITS ETF (DE)	4BRZ	Equity	ALLE	15:30 – 17:30	ETF 5	50
iShares European Property Yield UCITS ETF	IPRP	Equity	ALLE		ETF 1	150
Xtrackers MSCI Emerging Markets UCITS ETF	DBX1	Equity	ALLE	15:30 – 17:30	ETF 1	250
Xtrackers MSCI World Swap UCITS ETF	DBXW	Equity	ALLE		ETF 1	250
Xtrackers MSCI Europe UCITS ETF	DBXA	Equity	ALLE		ETF 1	250
<b>All iShares ETFs</b>						
iShares DAX® UCITS ETF (DE)	EXS1	Equity	ISHA		ETF 2	100
iShares EURO STOXX 50® UCITS ETF	EUN2	Equity	ISHA		ETF 1	500
iShares SMI® (CH)	XMT	Equity	ISHA		ETF 2	100
iShares EURO STOXX® Banks 30-15 UCITS ETF (DE)	EXX1	Equity	ISHA		ETF 1	1000
iShares STOXX® Europe 600 UCITS ETF (DE)	EXSA	Equity	ISHA		ETF 1	500
iShares MSCI Europe UCITS ETF (Dist)	IQQY	Equity	ISHA		ETF 1	750
iShares MSCI Emerging Markets UCITS ETF (Dist)	IDEM	Equity	ISHA	15:30 – 17:30	ETF 6	200
iShares Core MSCI World UCITS ETF	IWDA	Equity	ISHA		ETF 1	200
iShares Core S&P 500 UCITS ETF	CSPX	Equity	ISHA	15:30 – 17:30	ETF 3	100
iShares Core FTSE 100 UCITS (Dist)	ISF	Equity	ISHA		ETF 4	100
iShares FTSE 250 UCITS ETF	MIDD	Equity	ISHA		ETF 7	250
iShares S&P 500 Financials Sector UCITS ETF	IUFS	Equity	ISHA	15:30 – 17:30	ETF 6	50
iShares S&P 500 Health Care Sector UCITS ETF	IUHC	Equity	ISHA	15:30 – 17:30	ETF 5	50
iShares S&P 500 Information Technology Sector UCITS ETF	IUIT	Equity	ISHA	15:30 – 17:30	ETF 6	50
iShares S&P 500 Energy Sector UCITS ETF	IUES	Equity	ISHA	15:30 – 17:30	ETF 6	50
iShares S&P 500 Utilities Sector UCITS ETF	IUUS	Equity	ISHA	15:30 – 17:30	ETF 6	50

Options on	Product ID	Asset Class	Package ID	Quotation Time Exceptions CE(S)T	Spread Class	Basis Minimum Quote Size (contracts)
iShares MSCI Brazil UCITS ETF (DE)	4BRZ	Equity	ISHA	15:30 – 17:30	ETF 5	50
iShares European Property Yield UCITS ETF	IPRP	Equity	ISHA		ETF 1	150
iShares NASDAQ 100 UCITS ETF	CNDX	Equity	ISHA		ETF 3	100
iShares MSCI World ESG Enhanced UCITS ETF	EEWD	Equity	ISHA		ETF 1	100
iShares MSCI Europe ESG Enhanced UCITS ETF	EMNU	Equity	ISHA		ETF 1	100
iShares MSCI EM ESG Enhanced UCITS ETF	EEDM	Equity	ISHA	15:30 – 17:30	ETF 6	100
iShares MSCI USA ESG Enhanced UCITS ETF	EEDS	Equity	ISHA	15:30 – 17:30	ETF 1	100
iShares USD High Yield Corporate Bond ETF	EHYU	Fixed Income	ISHA	15:30 – 17:30	FI-ETF	10
iShares J.P. Morgan USD Emerging Market Bond ETF	EEMB	Fixed Income	ISHA	15:30 – 17:30	FI-ETF	10
iShares USD Corporate Bond ETF	ELQD	Fixed Income	ISHA	15:30 – 17:30	FI-ETF	10
iShares EUR High Yield Corp Bond UCITS ETF	OHYG	Fixed Income	ISHA		FI-ETF	10
iShares EUR Corp Bond UCITS ETF	OEAC	Fixed Income	ISHA		FI-ETF	10
iShares USD Treasury Bond 20+yr UCITS ETF	ODTL	Fixed Income	ISHA	15:30 – 17:30	FI-ETF	10
iShares Physical Gold ETC	IGLN	Commodity	ISHA		CO-ETF 1	100
iShares Physical Silver ETC	ISLN	Commodity	ISHA		CO-ETF 1	100
iShares Diversified Commodity Swap UCITS ETF	ICOM	Commodity	ISHA		CO-ETF 1	10
<b>Non-Package</b>						
Xetra-Gold®ETC	OXGL	Commodity	n/a		CO-ETF 1	20
WisdomTreePhysical Gold ETC	OPHA	Commodity	n/a		CO-ETF 2	150
WisdomTreeWTI Crude Oil ETC	OCRU	Commodity	n/a		CO-ETF 1	20
WisdomTreeBrent Crude Oil ETC	BRNT	Commodity	n/a		CO-ETF 1	20
WisdomTreeNickel ETC	NICK	Commodity	n/a		CO-ETF 1	20
WisdomTreeCopper ETC	COPA	Commodity	n/a		CO-ETF 1	10
iShares USD High Yield Corporate Bond ETF	OHYU	Fixed Income	n/a	15:30 – 17:30	FI-ETF	10
iShares J.P. Morgan USD Emerging Market Bond ETF	OEMB	Fixed Income	n/a	15:30 – 17:30	FI-ETF	10
iShares USD Corporate Bond ETF	OQDE	Fixed Income	n/a	15:30 – 17:30	FI-ETF	10