X-pand into the Future

eurex circular 043/10

Date: Frankfurt, March 12, 2010
Recipients: All Trading Members of Eurex Deutschland and Eurex Zürich
Authorized by: Thomas Lenz

⚠ **Action required** ⚠ **High priority**

Volatility Futures: Introduction of Market-Making Scheme on Mini Future on VSTOXX®

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Content may be most important for:	**Attachment:**
➲ All Departments	Application Form - Designated Market-Making Scheme for Mini Future on VSTOXX®

The Management Boards of the Eurex Exchanges and the Executive Board of Eurex Clearing AG decided to introduce a Market-Making scheme for volatility futures (product code: FVS) including a 100 percent transaction fee refund.

The program will run from **April 1, 2010** to **December 31, 2011**.

All Trading Members may act as Designated Market Makers. Interested members are required to fill in the attached application form and fax it to Alexey Weizmann.

Application Form - Designated Market-Making Scheme

To
Eurex
Product Strategy
Alexey Weizmann
One Canada Square
Floor 42, Canary Wharf

London E14 5DR

Fax: +44 20 7862 9213

Application for the Status of Designated Market Maker in Volatility Futures

1. We _____
(name of member)

herewith apply for the status of Designated Market Maker in the following contract:

Mini Future on VSTOXX® (Product ID: FVS)

for the period from April 1, 2010 until December 31, 2011 in accordance with the terms and conditions stated in the Quote Obligations in paragraph 7.

2. As Designated Market Maker

a) we will provide bid and ask quotes on both sides of the market

- for the minimum number of contracts specified in the Quote Obligations
- in compliance with the Maximum Spreads specified in the Quote Obligations; and
- for the period of time specified in the Quote Obligations (also, and in particular, on a daily basis at the beginning of trading and at the end of trading in the contract and in response to quote requests)

b) we will designate a manager who has the authorization and expertise necessary to make decisions and act as the coordinator in our firm, who will be available for Eurex with respect to this agreement;

c) we will ensure that a Eurex trading screen and a qualified trader are available for Designated Market Making; and

d) we will inform Eurex within one business day in the event that we find ourselves no longer in a position to fulfill these obligations.

3. Eurex will in return

   a) publish the name of the Eurex member with Designated Market Maker status in advertising and information material in connection with the contracts;

   b) make Eurex speakers and printed material available for volatility futures-related seminars organized by Designated Market Makers

   c) refund all trading and clearing fees for contracts traded by Designated Market Makers on M-accounts up to December 31, 2011. Refunds for the respective month will be calculated at the beginning of the subsequent month. No refund will be made if the respective futures are traded on A- or P-accounts or if Quote Obligations are not fulfilled.

   Compliance with the obligations stated under paragraph 2 shall be monitored by Eurex.
   In the event that the obligations stated under paragraph 2 are not be met by us, Eurex shall have the right to terminate the agreement and to publicly disclose the termination of the Designated Market Maker status at Eurex' discretion. In this case, Eurex shall be released from its obligations pursuant to paragraph 3 with immediate effect.

5. In the event of a significant change in the Contract Specifications for the contract or due to a revision of the law or rules with respect to the contract, we as well as Eurex have the right to terminate this agreement with immediate effect or to renegotiate the requirements indicated in paragraph 2 and/or in the associated Quote Obligations.

6. Eurex shall have the right to amend one or more of the conditions laid down in this agreement for limited periods of time at its sole discretion with validity for all Designated Market Makers, if it deems this appropriate (for example, in circumstances which lead to high market volatility or if such amendments are not expected to have an adverse effect on market quality). In the event that Eurex amends one or more conditions, the Designated Market Makers must, for their part, ensure that the Designated Market Makers can also be promptly advised that this situation has ceased to exist

7. Quote Obligations:

Minimum Size:	500 contracts
Maximum Spread:	5 percent of the bid price
Expirations:	all four expirations
Quotation Period:	80 percent of the total trading period on a monthly average

SHOULD BE FILLED OUT BY THE PERSON DESIGNATED IN ACCORDANCE WITH PARAGRAPH 2. b)

_____
Place, date

_____	_____
Name	Position
_____	_____
Phone	Fax

_____
(Signature / Stamp of the firm) E-mail address

Please fax the completed application for the status of Designated Market Maker to above-mentioned fax number.