X-pand into the Future

eurex circular 077/07

Date: Frankfurt, May 2, 2007
Recipients: All Trading Members of Eurex Deutschland and Eurex Zürich and Vendors
Authorized by: Peter Reitz

Action required

Eurex Connection Agreement

Contact: Member Services & Admission Team, tel. +49-69-211-1 17 00,
E-mail: customer.support@eurexchange.com

Content may be most important for:

➲ All departments

Attachments:

1. Updated sections of Exchange Rules for Eurex Deutschland and Eurex Zürich
2. Connection Agreement
3. General Terms and Conditions
4. Price List of Eurex Frankfurt AG

Summary:

In order to permit in future a more flexible design of the connection portfolio to the Eurex® system along with the corresponding pricing scheme in favor of trading participants, the Exchange Council of Eurex Deutschland in its session on March 8, 2007 decided on the appropriate changes to the Exchange Rules for Eurex Deutschland which will become effective on **July 2, 2007.** The corresponding changes to the Exchange Rules for Eurex Zürich were approved by the Administrative Council of Eurex Zürich in its session on April 30, 2007.

The Connection Agreement contains the contractual regulations for technical connection to the electronic Eurex® trading system of Eurex Deutschland and Eurex Zürich. It enables trading participants of the Eurex Exchanges to use the trading software for both on-exchange and off-exchange transactions.

With regard to the connection to the fully electronic Eurex® trading system this agreement replaces the current regulations for the present connection to the Eurex Exchanges. The execution of the Connection Agreement is a prerequisite for admission to participation in exchange trading at the Eurex Exchanges pursuant to number 3.1 of the Exchange Rules for Eurex Deutschland and Eurex Zürich to become effective on July 2, 2007.

Eurex Connection Agreement

In order to permit in future a more flexible design of the connection portfolio to the Eurex® system and of the corresponding pricing scheme in favor of trading participants, the Exchange Council of Eurex Deutschland in its session on March 8, 2007 decided on changes to the Exchange Rules for Eurex Deutschland which will become effective on July 2, 2007. The changes to the Exchange Rules for Eurex Zürich were approved by the Administrative Council of Eurex Zürich in its session on April 30, 2007.

The Connection Agreement to be introduced contains the contractual regulations for the technical connection to the electronic trading system of Eurex Deutschland and Eurex Zürich. It enables trading participants of the Eurex Exchanges to use the trading software for both on-exchange and off-exchange transactions.

Please find attached our new Agreement on the Technical Connection to and the Utilization of the Electronic Trading System of Eurex Deutschland and Eurex Zürich (Connection Agreement – attachment 2) together with the General Terms and Conditions of the Agreement on the Technical Connection to and the Utilization of the Electronic Trading System of Eurex Deutschland and Eurex Zürich (attachment 3) and the Price List of Eurex Frankfurt AG (attachment 4). With regard to the connection to the fully electronic Eurex® trading system this Agreement will be concluded between Eurex Frankfurt AG and the respective trading participant, also when domiciled in Switzerland, and replaces the current regulations for the present connection to the Eurex Exchanges. The execution of the Connection Agreement is a prerequisite for admission to participation in exchange trading at the Eurex Exchanges pursuant to number 3.1 of the Exchange Rules for Eurex Deutschland and Eurex Zürich (attachment 1) to become effective on July 2, 2007.

Kindly have attachment 2 signed by two of your company's authorized signatories and submit the document in duplicate by June 30, 2007 at the latest to:

Member Service & Admission
Deutsche Börse AG
Neue Börsenstraße 1
60487 Frankfurt

In this context, please note the following:

Changes to fees will also in future be announced by circular, with reference to the possibility of objection. They will be published on the Eurex website **www.eurexchange.com**.

For any further questions you may have please feel free to contact the Member Services & Admission Team at tel. +49-69-211-1 17 00.

Frankfurt, May 2, 2007

[....]

3.1 Admission of Enterprises (Exchange Participants)

Notwithstanding the provisions below, an enterprise is to be admitted to trading if

a) it has a clearing license of Eurex Clearing AG for clearing transactions carried out at the Eurex Exchanges (hereinafter referred to as "Derivatives Clearing License") and/or if it is a member of another clearing house (hereinafter referred to as "Member of the Link Clearing House"), which is admitted by Eurex Clearing AG as a special clearing member of Eurex Clearing AG according to the provisions of the Clearing Conditions for Eurex Clearing AG and/or has either concluded an NCM-CM agreement with a Clearing Member of Eurex Clearing AG as prescribed by Eurex Clearing AG or is entitled to clear via a Member of the Link Clearing House its transactions carried out at the Eurex Exchanges ~~.~~, and

b) it has entered into an Agreement with Eurex Frankfurt AG (as amended) on Utilisation of the Electronic Trading System of Eurex Deutschland and Eurex Zürich (Eurex Connection Agreement) for the duration of the admission.

With regard to such authority, the Eurex Exchanges may demand for a proof from enterprises, which indicate that they clear its transactions carried out at the Eurex Exchanges. The Eurex Exchanges may restrict the admission to options and futures trading to specified future transactions, provided that an orderly settlement of transactions is guaranteed.

[....]

Agreement on the technical connection and the utilization of the Electronic Trading System of Eurex Deutschland and Eurex Zürich (Connection Agreement)

between

Eurex Frankfurt AG
Neue Börsenstrasse 1
60487 Frankfurt am Main
Germany - hereinafter referred to as EFAG -

and

_____

_____

_____ - hereinafter referred to as trading participant -

§ 1 The subject matter of this Agreement is the option for the trading participants of Eurex Deutschland and Eurex Zürich (hereinafter referred to as the "Eurex Exchanges") of using, by way of technical connectivity to and by provisioning, operation and maintenance of, the trading system Eurex® for the electronic trading of the Eurex Exchanges, in each case for on-exchange as well as OTC trading.

§ 2 The **General Terms and Conditions of the Connection Agreement** and the **Price List** in their respective current versions shall be components of this Agreement. Both components may be viewed and printed out from the Internet at www.eurexexchange.com.

§ 3 EFAG shall be entitled to amend this Agreement and/or individual components of it at any time, paying due consideration to the interests of the trading participant. § 9 of the General Terms and Conditions of the Connection Agreement shall govern such amendments.

§ 4 This Agreement shall be governed by the law of the Federal Republic of Germany. Exclusive place of jurisdiction shall be Frankfurt am Main. EFAG shall be entitled to take legal action against a trading participant at the trading participant's general place of jurisdiction as well.

§ 5 This Agreement shall not affect the relationship under public law between Eurex Deutschland and the trading participant of Eurex Deutschland, in particular sovereign measures of Eurex Deutschland against such trading participant. The same applies to the relationship between Eurex Zürich and the trading participant of Eurex Zürich and any measures of Eurex Zürich against such participant.

§ 6 This Agreement shall govern the subject matter exclusively. No agreements or ancillary agreements between the parties other than those expressly set forth herein exist.

§ 7 In the event that any individual terms of this Agreement should be or become invalid or impracticable, this shall not affect the validity of the remaining terms hereof. Any invalid contractual provision shall be replaced either by the statutory provision or (in the event of absence of such a rule) such provision as the parties would in good faith have admissibly adopted if they had been aware of the invalidity or nullity of the term which it replaces. The same shall apply in so far as it may be determined that the contractual provisions are incomplete.

§ 8 The parties agree that this Agreement supersedes all earlier agreements between the parties in respect of the subject matter of the Agreement.

Eurex Frankfurt AG

Frankfurt am Main, Germany, _____ (date)

_____ _____

Signature Signature

Trading participant

_____

Place, date

_____ _____

Signature Signature

General Terms and Conditions of the Agreement on the technical connection and the utilization of the Trading System of Eurex Deutschland and Eurex Zürich (Connection Agreement)

§ 1 Definitions

(1) "Eurex Exchanges" shall mean the exchanges Eurex Deutschland and Eurex Zürich.

(2) "Trading System" shall mean the trading system Eurex® determined by the Management Board of Eurex Deutschland and Eurex Zürich for the electronic trading at the Eurex Exchanges, including its utilization in OTC trading.

(3) "Business Day" is an exchange day at the Eurex Exchanges.

§ 2 Utilization of the Trading System

(1) Only the trading participants who have been admitted to the Eurex Exchanges by the management boards of the Eurex Exchanges are entitled to the utilization of the Trading System of Eurex. Section 17 paragraph 1 German Stock Exchange Act *(Börsengesetz, BörsG)* shall remain unaffected. The right to use the Trading System is a condition subsequent to the termination, revocation, cancellation or suspension of the admission to the Eurex Exchanges or, for trading participants of another stock exchange within the meaning of Section 17 paragraph 1 BörsG, to this stock exchange.

(2) The trading participant shall be entitled to use the Trading System subject to the regulations of the Eurex Exchanges and the present General Terms and Conditions. The utilization requires the trading participant having been assigned a participant number and code by the Eurex Exchanges for identification in the Trading System.

(3) Eurex Frankfurt AG (hereinafter referred to as "EFAG") shall be obliged for the duration of the Connection Agreement and subject to the technical possibility and economical reasonableness, to take appropriate measures to enable the contractual utilization of the Trading System subject to the regulations of the Eurex Exchanges. In case of an interruption of the availability of the Trading System, EFAG shall be obliged, subject to the technical possibility and economical reasonableness, to take immediate measures to restore the contractual utilization of the Trading System. EFAG exercises the care of a prudent merchant. Notwithstanding the foregoing, EFAG shall be entitled to charge third parties to carry out all tasks necessary to perform the Connection Agreement. In such cases, EFAG shall be obliged to exercise prudence in its choice and induction of third parties.

§ 3 Limitation on the Utilization

(1) The trading participant shall be obliged to refrain from any misuse of the Trading System, in particular omitting any utilization of the Trading System contravening orderly stock exchange trading and its settlement.

(2) The trading participant shall be obliged to solely use information or data obtained while using the Trading System only for trading and settlement. The submission or provision of these data or information to third parties is impermissible, unless this is carried out for purposes of settlement or unless EFAG has given its prior written consent. The foregoing shall not affect the trading participant's statutory disclosure obligations.

§ 4 Fees

(1) The technical connection of the trading participant is granted against consideration. The trading participant shall be obliged to pay the fees according to the respective Price List (as amended).

(2) EFAG shall be entitled to amend the Price List at any time having due regard to the interests of the trading participants. Amendments to the Price List will be notified to trading participants at least six weeks prior to the effective date of the amendments. They are deemed to have been approved if the trading participant does not lodge objections with EFAG within six weeks of the notification of the amendment.

§ 5 Liability

(1) EFAG shall pay damages - irrespective on which legal ground (e.g. default or tort) – in case of violation of obligations arising from the contractual obligation by its employees or the persons whom it commissions in order to fulfil its obligations – only within the following scope:

(a) In the event of wilful intent, EFAG shall be fully liable;

(b) In the event of gross negligence and in the event of default regarding a guarantee, EFAG shall be liable up to the amount of the foreseeable damage which should be prevented by the relevant due diligence or the guarantee undertaking.

(c) In the event of simple negligence, EFAG shall only be liable in case of violation of a cardinal obligation or when defaulting with an obligation which is so material that the attainment of the purpose of the agreement is jeopardized. In this case, EFAG shall be liable for the damage which is typical and was foreseeable.

(d) Beyond lit. (a) to (c), EFAG shall not be liable.

(e) As far as EFAG is obliged to compensate frustrated expenses, the stipulations at lit. (a) to (c) shall apply mutatis mutandis.

(f) The statutory liability for the injury of life, body and health as well as under the Product Liability Act shall remain unaffected.

(2) The objection of contributory negligence shall remain unaffected.

(3) EFAG shall not be liable for damages caused by force majeure, riot, war and forces of nature or by other events it is not responsible for (e.g. strike, lockout, instructions of higher authority domestic or abroad).

§ 6 Duration of the Agreement and Termination

(1) The Connection Agreement is concluded for an unlimited duration. The parties shall be entitled to terminate the Connection Agreement with three months' notice to the end of a quarter. The Agreement shall terminate automatically at termination of admission to the Eurex Exchanges or, for trading participants to another stock exchange pursuant to Section 17 paragraph 1 BörsG, at termination of admission to such exchange.

(2) The right of the parties for termination without notice for material reason shall not be affected. A particular material reason for EFAG shall exist if the trading participant, notwithstanding a warning in writing, (i) violates material obligations under the present Agreement; or (ii) violates its obligation to cooperate with or tolerate audits pursuant to Section 7 paragraph 2 of these General Terms and Conditions.

(3) Any termination of contract shall be made in writing.

§ 7 Connection abroad

(1) If the trading participant uses the Trading System outside the Federal Republic of Germany or Switzerland, it, upon request of EFAG, shall be obliged to mandate a person authorized to receive service, domiciled in Germany or Switzerland and accepted by EFAG, for the entire duration of this Agreement. The trading participant shall immediately notify EFAG in writing of any change to the person authorized to receive service.

(2) If a trading participant uses the Trading System outside the Federal Republic of Germany or Switzerland, it shall be obliged to permit EFAG or its agents to check at any time that the contractual obligations are being adhered to in the foreign country concerned. This shall include in particular access to the premises of the trading participant, inspection of documents as necessary, questioning of employees of the trading participant and adoption of all other measures needed in the context of necessary investigations.

(3) If there are reasonable grounds for suspecting that a participant is violating its obligations under the present Agreement, EFAG can instruct, at the participant's expense, a neutral party, notably an auditor, to conduct an audit pursuant to sentence 1.

§ 8 Transfer of rights and responsibilities under this Agreement

EFAG shall be entitled to assign all rights and obligations under the Agreement to a company in which EFAG contributes its whole business operation. Upon assignment of the Agreement, only the assuming company shall be a party to the rights and obligations; EFAG shall be released from all obligations under the Agreement. In case EFAG intends to carry out such assignment, the trading participants shall be informed in advance with prior notification of six weeks.

§ 9 Amendments

EFAG is entitled to amend the General Terms and Conditions at any time having due regard to the interests of the trading participant. Amendments to the General Terms and Conditions will be notified to trading participants at least six weeks prior to their effective date. They are deemed to have been approved if the trading participant does not lodge objections with EFAG within six weeks of notification of the amendment.

Price List to the Agreement on the technical connection and the utilization of the Trading System of Eurex Deutschland and Eurex Zürich (Connection Agreement)

1 Connection Fees

Connection Component	fee per month
Internet-based connections: For each connection with 1 Mbit/s s bandwidth	EUR 500
Connections based on dedicated lines: For each connection with 1 Mbit/s s bandwidth	EUR 750
Connections based on dedicated lines: From the third connection with 1 Mbit/s bandwidth each	EUR 2.000

Explanation:

Depending on the chosen connection alternative and the number of released connections, a monthly fee will be charged by Eurex Frankfurt.
The grand total of the monthly connection fees will be calculated by the addition of released connections of a Trading Member, multiplied by the amount of the relevant fee per connection.

2 Maturity

Connection fees according to section 1 will be charged monthly and become due by the third Business Day of the following calendar month.