Product Specific Supplement for EURO STOXX 50® Index Options (OESX)

Validity: Until further notice
Contact: Trading Liquidity Management, Email: liquidity@eurex.com

Preamble

This Product Specific Supplement (hereinafter referred to as “Product Specific Supplement”) forms an integral part of the Liquidity Provider Agreement (LPA). One Liquidity Provider scheme for EURO STOXX 50® Index Options (OESX) 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	Building Blocks and Incentives applicable, as defined in section 2.3. of the General Supplement to the LPA								
		BBB	PBB	CBB	LBB	TBB	SBB	EBB	ABB	Passive Volume Incentive / Revenue Sharing
OESX	EURO STOXX® 50 Index Options (OESX)	✓**		✓**			✓*		✓	✓

* The Stress Presence Block applies to all equity options and equity index options with MMO-flag (see Sec. 2.3.6. of the General Supplement to the LPA)

** The Strategy Building Block is a necessary precondition for fulfilling the basic building block and qualification into the Advanced Building Block + Passive Volume Incentive. The Strategy Building Block independently is not an incentive paying component.

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 Sec. 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 Sec. 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	80% ≤ Coverage < 90%: 25% 90% ≤ Coverage: 30%
	Package	
	Strategy	0%
	Larger Size	
	Tighter Spread	
	Advanced Building Block	0-40%
	Total	0-70%
Eurex EnLight	Basis	0%
	Package	
	Strategy	
	Eurex EnLight	
	Advanced Building Block	0%
	Total	0%
TES	Basis	0%
	Package	
	Strategy	
	Eurex EnLight	
	Advanced Building Block	0%
	Total	0%

3. Building Block Requirements

3.1 Basis Block Requirements

In order to receive the Liquidity Provider rebates pursuant to Section 2 above, the following quotation requirements shall apply.

	OESX
Products:	OESX
Quotation Period:	09:00 – 17:30 CE(S)T
Required Coverage:	90%*
Strike Price Window / Delta Strike Window:	C: $\mathbf{0.05} \le \Delta \le \mathbf{0.75}$ P: $-\mathbf{0.75} \le \Delta \le -\mathbf{0.02}$
Maturity Range:	28** expiries (including weeklies and month-end expiries)
Minimum Quote Size:	See link in Section 4.2
Maximum Spread:	See link in Section 4.2

* For Liquidity Providers showing coverage higher than 80% and lower than 90% a 5% rebate reduction will apply as outlined in the table in Section 2, but basic permanent quotation requirements will be considered fulfilled.

** No expirations with time to maturity longer than 2 years will be considered under quotation requirements.

In the case of products with weekly expirations only fees in the weekly expirations which are part of the **package** will be rebated. Rebates will be paid out separately for monthly and sub-monthly expiries.

In the case of EURO STOXX® 50 Index Options, weekly options are part of the one OESX scheme, and are rebated at the same level as monthly options based on the summary performance measurement across all expirations listed.

3.2 Strategy Building Block Requirements for EURO STOXX® 50 Index Options

The following requirements apply for the EURO STOXX® 50 Index Options. The Strategy Sets (CBB Sets) are defined in the General Supplement to the LPA, Annex Table.

Expiration	CBB Applicable?	CBB Set
Monthly, Weekly and Month End	Yes	5

4. Quotation Requirements

4.1 Available Spread Classes

The following spread class is available:

Spread Class	Bid up to	Maximum Spread	Unit
	15	1.2	absolute (Index Points)
OESX*	225	8%	percent
		18	absolute (Index Points)

For the last two expirations in the maturity range, the maximum spread is increased to two times the maximum spread as outlined in above table for permanent quotation as well as for response to quote requests for all options with an expiry scope of ~~6~~ 8 or more expirations.

* For quotation of the OESX basic requirements, the OESX spread class is taken as a reference for the mistrade range calculation. Effectively all quotes within this range will be measured towards coverage of the basic requirements. As defined in Sec. 2.1.1. a. of the General Supplement to the LPA one side quotation will be allowed for Spread Class OESX.

4.2 Quotation Parameters

The following quotation parameters apply for the quotation requirements pursuant to Section 3 above.

Option on	Product ID	Spread Class	Basis Minimum Quote Size	Number of Expirations to be quoted; the first
EURO STOXX® 50	OESX	OESX	25	28

5. Advanced Building Block EURO STOXX® 50 Index Options (OESX)

Eurex offers an Advanced Building Block for liquidity provisioning in OESX as defined in Sec. 2.3.8. of the General Supplement to the LPA. The sliding scale in use for calculating the rebate of the Advanced Building Block in OESX is:

$$\boldsymbol{Rebate}\% = \mathbf{0.015} * \boldsymbol{SizeQuality} + \mathbf{0.354} * \boldsymbol{SpreadQuality}$$

The starting points for improvement measurements of Spread and Size Quality are defined in Section 4.2 of this document.

6. Passive Volume Incentive EURO STOXX® 50 Index Options (OESX)

A Passive Volume Incentive scheme is offered in accordance with Sec. 3.1.2. of the General Supplement to the LPA. The scheme applies to the product EURO STOXX® 50 Index Options (OESX). The evaluation takes place monthly.

	OESX Passive Volume Incentive
Revenue Sharing Pool:	Up to 8% of the net revenues (order book, TES and EnLight) generated in the respective product
Participation Condition:	Fulfilment of requirements of the Basis Building Block in the respective product
Number of Participants:	Up to 9
Qualification Criterion:	The top 9 fulfilling Liquidity Providers participate; ranked according to their passive trading volume on M- and P-accounts (order book) among all qualifying Liquidity Providers in OESX.
Distribution Method:	Distributed proportionally between all qualifying Liquidity Providers according to their share of passive trading volume in M- and P-accounts (order book) among all qualifying Liquidity Providers
Distribution Cap:	The total incentive payouts resulting from the EURO STOXX® 50 Index Options (OESX) Liquidity Provisioning including the Passive Volume Incentive are limited to 100% of the gross Orderbook fees of a respective Liquidity Provider in any given month. No further distribution will be made of any exceeding amounts.

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