

Governance and Committee Structure.

Since Eurex is a public law institution with limited legal capacity, it is operated by EFAG, which is a stock corporation (“*Aktiengesellschaft*”) incorporated under German law. Only Eurex itself is empowered with and entitled to all responsibilities and obligations pursuant to the German Stock Exchange Act and the rules and regulations thereunder. EFAG does not have any legal relationships with Members under the German Stock Exchange Act. EFAG’s responsibility is limited to exchange operations while all responsibility under the Exchange Act rests with Eurex. This division of responsibility between the exchange and its operating company is one of the core principles of the Exchange Act. The rationale behind this division is to combine the advantages of private enterprises with the delegation of legislative authority and comprehensive enforcement powers to a self-regulatory organisation (SRO).

Eurex Deutschland (Eurex)

The German Stock Exchange Act requires Eurex to be organized according to the principles of internal “checks and balances.” Accordingly, the German Stock Exchange Act stipulates a dual board system which requires a division of responsibilities between the Exchange Council and the Eurex Board of Management.

1) Exchange Council

The Exchange Council is the supervisory body of the exchange and is composed of 18 representatives of Members and investors. The Exchange Council is responsible for appointing and supervising the Board of Management. The Exchange Council is also responsible for the adoption of the Exchange’s rules and regulations. Exchange Council approval is also required for decisions regarding the introduction of new trading and settlement systems. Exchange Council Members are representatives of banks, financial services institutions and investors. Its diverse composition ensures that the interests of a broad range of Members are taken into account when basic policy decisions with regard to Eurex are made. The Exchange Council represents the interests of both the public and the trading community.

2) Board of Management

The Board of Management is responsible for the management of Eurex. It represents the exchange in and out of the court. The Board of Management carries out its duties under the discretion it has been given pursuant to the German Stock Exchange Act and the Exchange Rules.

Members of the Board of Management are appointed for a term of up to five years. At the exchange level, the responsibilities of the Board of Management include, among others:

- to admit enterprises and individuals to trading on, or as visitors to, the Eurex or to exclude them therefrom,
- to regulate the organization and business operations of Eurex and to set the location of trading,
- to maintain order at Eurex and to ensure the orderly use of the other Exchange facilities, particularly the EDP equipment; it shall take appropriate measures to accomplish this,
- without diminishing the responsibility of the Trading Surveillance Office, to monitor compliance with the statutes, regulations, conditions and other rules concerning the Eurex, and
- to decide on the commencement, suspension and discontinuation of the price determination for securities and foreign means of payment as well as on the interruption of trading or the price determination.

3) Disciplinary Committee

The Disciplinary Committee is in charge of issuing sanctions for violations of exchange law provisions or orders. Under Section 22 of the German Stock Exchange Act, the Disciplinary Committee is empowered to reprimand, issue fines up to the value of € 250,000.00 or exclude from trading for a period of up to 30 days any Member who intentionally or recklessly:

- violates exchange law provisions or orders;
- breaches established principles of commercial trust; or
- damages the reputation of another Member.

In the event that facts emerge in proceedings before the Disciplinary Committee which justify the withdrawal or revocation of a Member's admission to Eurex, the Disciplinary Committee must transfer the proceeding to the Exchange Management.