

Exhibit G-1: Description of the foreign board of trade’s regulatory or compliance department, including its (a) size, (b) experience level, (c) competencies, (d) duties and (e) responsibilities.

In its release on foreign board of trade (“FBOT”) registration, the Commission agreed with Eurex on the scope of the Commission’s review of the local regulation of the FBOT. Eurex had commented that in many jurisdictions the concept of self-regulation is not as established as in the U.S. and, further, those foreign exchanges are not empowered in the same way as Designated Contract Markets (“DCMs”). Eurex recommended that, in considering the comparability of regulation, the Commission explicitly determine that it may rely on the totality of the regulation – self and governmental– of the FBOT and its clearing house in evaluating the FBOT for comparable comprehensive supervision and regulation.

Defined terms, used but not otherwise defined in this Exhibit G-1 shall have the same meaning attributed to them in any of the other exhibits to this Form FBOT application, unless the context requires otherwise.

In Germany, the responsibility for the supervision of trading activities and market participants is shared between the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* - “BaFin”) and the Exchange Supervisory Authority (*Borsenaufsichtsbehörde* - “ESA”) which are located in each federal state. For Eurex, which is principally located in Frankfurt, the Exchange Supervisory Authority of the State of Hesse (“ESA of Hesse”) is its regulator. Each exchange has an embedded Trading Surveillance Office (“TSO”) located at each exchange.

The responsibilities of BaFin are specifically defined in the German Securities Trading Act (*Wertpapierhandelsgesetz*) and the German Banking Act (*Kreditwesengesetz*) (which are attachments to this exhibit). Among them are:

- Prevention of market abuse, especially with respect to insider dealing and market manipulation
- Supervision of disclosure requirements
- Supervision of code of conduct in the exchanges
- International cooperation, and
- Supervision of credit institutions and financial services providers

The responsibilities of the ESA in each state, according to the German Stock Exchange Act, (*Börsengesetz*), include:

- Supervision of legal provisions and proper conduct of the exchange
- Granting permission to operate exchanges and approval of their rules and regulations, and
- Supervision of exchanges, operating companies, and entities relating to exchange business.
-

Eurex’s structure reflects the regulatory structure under which it operates.

Eurex is acting under administrative law and hence is acting as a “front-line regulator” with jurisdiction over its exchange-driven markets and its members and assigned individual traders, extending to rulemaking, compliance, market surveillance and enforcement.

As part of its administrative law mandate, Eurex is governed by an Exchange Council and Board of Management, as well as a Trading Surveillance Office and a Disciplinary Committee. Each regulated exchange in Germany has a TSO.

Both the German Stock Exchange Act and the German Securities Trading Act, apply to trading on Eurex Deutschland, as well as the Exchange Rules of Eurex Deutschland (“Exchange Rules”) and the Conditions for Trading at Eurex Deutschland, which were adopted by the Exchange Council of Eurex Deutschland.

(a) Size.

a.1. Trading Surveillance Office (TSO)

Overall the TSO has 21 employees, including both cash market surveillance (Frankfurt Stock Exchange) and derivative market surveillance (Eurex Deutschland). While trading surveillance of Eurex Deutschland is attributed to 8 employees, all staff of TSO has access to Eurex Deutschland trading data and *vice versa* to respective data of Frankfurt Stock Exchange (cash market). Fundamentally, there are joint investigations, and joint surveillance systems and procedures in place.

a.2. Board of Management

The Board of Management currently consists of five members. The members that from time to time form part of the Management Board are listed at:

http://www.eurexchange.com/about/corporate/general_managers_en.html.

The Board of Management of Eurex may commission other persons to fulfill certain responsibilities.

(b) Experience Level.

b.1. Trading Surveillance Office

All staff members are fully-fledged analysts, all with an economic background, be it from university or industry (former brokers, investment bankers or traders). All members of staff have passed the relevant trader exams either for Eurex Deutschland or Frankfurt Stock Exchange, or both. Some employees, in addition, have passed the relevant clearing and back office exam. In addition, some employees have academic backgrounds from mathematics and/ or informatics coursework. The head of TSO is a lawyer with more than 10 years experience in trading surveillance. Before joining TSO in 2000, he

worked for 8 years in international legal and compliance units at Barclays Bank, Salomon Brothers and Citibank in London, Tokyo and Frankfurt.

b.2. Board of Management

All appointees to the Board of Management are subject to detailed pre-screening, which includes, inter alia, a credit review, verification of academic qualifications and employment history and a review of the information supplied in support of the individual's application (including references). In addition, appointees are subject to further checks on their professional memberships, qualifications and directorships and checks of any criminal records.

Pursuant to the German Stock Exchange Act, the members of the Board of Management must generally be reliable and have the professional aptitude required for the management of a regulated exchange. They are appointed for no more than five years; and a repeat appointment is permitted. The appointment of a member of the Board of Management requires the consent of the ESA.

(c) Competencies.

c.1. Trading Surveillance Office

TSO is entrusted by law (German Stock Exchange Act) with regulatory power and competencies.

The German Stock Exchange Act (Section 7 (3)) conveys the following powers and competencies to the TSO, which are equivalent to those of the ESA:

- the right to request information (without having to give a specific reason) from the exchange, its operator and trade participants, and the right to carry out audits;
- the right to demand that the information and documents are transmitted for automated processing;
- In the case of a possible violation of exchange rules or other misconduct, the TSO may demand information, the presentation of documents or the provision of copies from anyone. Additionally, the TSO may summon and question persons. The TSO may, in particular:
 1. demand that trade participants state the identity of the principals and of the persons entitled or obliged under the transactions made as well as changes of trade participants' holdings of financial instruments traded on the stock exchange,
 2. demand information from the principals and entitled or obliged persons about the transactions executed,

including a statement on the identity of the persons participating in these transactions,

3. demand information from banks operating collective security deposits and giro transfer systems and systems for ensuring the fulfillment of stock exchange transactions, about the changes of trade participants' holdings of financial instruments traded on the stock exchange, and
4. demand from the stock exchange, trade participants, and companies affiliated with them, the presentation of already existing records of telephone conversations and data transmissions; with respect to which the constitutional right under Article 10 of the Federal Constitution (*Grundgesetz- GG*) is insofar restricted and
5. The right to enter the premises and offices of the exchange and of trading participants located within its jurisdiction during normal business hours.

Moreover, the TSO may cooperate with other regulators and surveillance units of exchanges (Section 7(4) of the German Stock Exchange Act). TSO is allowed to transmit trade data to other exchanges, the ESA or other exchanges and to the supervision office of another stock exchange supervising trading on foreign (non-German) markets. Trade data may be exchanged with such regulatory bodies only if there is a confidentiality agreement in place and the recipient has agreed to use the data only for the purpose for which it has been transmitted. The TSO shall inform the ESA and exchange management as to which kind of data is being transmitted and with which competent authorities in other countries.

c.2. Board of Management

The Board of Management has a wide range of competencies to perform its functions. The Board of Management further represents Eurex in- and out-of-court, to the extent that Eurex Frankfurt AG as operator of Eurex is not charged with such competence.

The Board of Management has, without limitation, the right:

1. To remove persons who disturb the order or business commerce at the exchange from exchange business premises, It may also refuse persons entry to the exchange premises;
2. to order the suspension of the admission of trade participants;
3. to revoke the admission of trade participants;

4. to give orders that are suitable to ensure the fulfilment of the obligations from the exchange transactions;
5. to demand reports from the Disciplinary Committee during any proceedings before the Disciplinary Committee and to take over such proceedings; and
6. To suspend trading at Eurex, if proper stock exchange trading is temporarily endangered or if this appears advisable to protect the public and/or to discontinue trading at Eurex, if proper stock exchange trading no longer appears ensured.

(d) Duties.

d.1. Trading Surveillance Office

The function of the TSO's market surveillance is to ensure that the trading and settlement of exchange transactions (*Börsengeschäftsabwicklung*) takes place in a fair and orderly manner and in compliance with the trading rules. The TSO exercises the tasks and powers delegated to it under the German Stock Exchange Act solely in the public interest only.

The head of the TSO must report to the Exchange Supervisory Authority on a regular basis. The persons entrusted with supervision functions within the TSO may only be discharged, if without their consent, with the approval of the ESA. The exchange management may, with the ESA's approval, assign other duties to TSO staff.

The TSO monitors trading and attempts to detect cases of possible market abuses or any other misconduct relating to the rules and regulations of Eurex. Any cases of possible market abuse or non-compliance with the trading rules are reported to the BaFin and/or the ESA after finalizing the analysis of facts and respective data.

d.2. Board of Management

The ongoing exchange management is delegated to the Board of Management, which carries out its duties under the discretion it has been given pursuant to the German Stock Exchange Act and the Eurex Exchange Rules. The function of the Board of Management of Eurex include, among others, admission of members, determination of the operating conditions of the exchange (such as trading hours and trading halts) and maintenance of order at Eurex. It is the duty of the Board of Management to maintain order in the premises of Eurex and to supervise the compliance of trade participants (and of persons acting for them) with their

duties. The Management ensures that exchange-relevant laws, ordinances, standard terms and conditions and other regulations are implemented and complied with accordingly.

The Board of Management exercises the tasks and powers delegated to it under the German Stock Exchange Act in the public interest only.

The ESA monitors Eurex on an ongoing basis to confirm compliance with this requirement by reviewing the effectiveness of Eurex's management in overseeing regulatory functions, and avenues of communication between the Exchange Council and the Board of Management.

(e) Responsibilities.

e.1. Trading Surveillance Office

Trading on Eurex is monitored in real-time and batch mode by the TSO. Market surveillance is conducted by analyzing the trading behavior patterns and trading positions of members and individual traders on a constant, random basis e.g. to identify any unusual behavior or exposure. In addition Eurex conducts trading audits of and routine visits to Members.

The TSO investigates reports of suspected misconduct and also carries out real-time monitoring on Eurex Deutschland to identify suspicious trades or patterns of trading. In order to facilitate its investigations, the relevant surveillance systems and procedures produces a suite of daily reports or alerts that e.g. analyze possible price spikes, settlement trading and/or questionable trading or other business conduct violations. The data used to generate these alerts is sourced directly from Eurex's data bases, members' trading documentation and, where relevant, files, audio and telephone records. Upon detecting evidence of misconduct, TSO will commence a formal investigation.

e.2. Board of Management

The Board of Management's responsibilities include, in particular:

1. Admitting exchange participants and exchange traders to futures and options trading at Eurex or excluding them from futures and options trading, and to take suitable precautions, which ensure an effective and permanent supervision of exchange participants and exchange

traders; the Board of Management regularly transmits a current list of the trade participants admitted at Eurex to the ESA.

2. regulating the organization and business operations of Eurex and setting the trading hours,
3. without prejudice to the competence of the Trading Surveillance Office, monitoring and examining compliance with all laws, regulations, Exchange Rules (*Börsenreglemente*), terms and conditions and other rules governing trading at Eurex Deutschland,
4. adopting rules for the determination, monitoring, documentation and publication of the prices of Eurex;
5. announcing stock exchange prices and the volumes underlying them to the trade participants
6. Making determinations respecting the admission and the termination of admission of futures and options contracts to futures and options trading at Eurex and deciding on the commencement, suspension or discontinuation of futures and options trading at Eurex; the Board of Management informs the ESA and the BaFin without undue delay about any trade suspensions or discontinuations ordered by it.
7. ruling that no physical delivery shall be effected if this is necessary for the maintenance of orderly market conditions at Eurex,
8. determining position limits for futures and options positions held by enterprises admitted to futures and options trading at Eurex; the Board of Management informs the ESA without undue delay if security deposit limits have been exceeded and of any orders or other measures the Board of Management has taken in this respect; and
9. Adopting contract specifications for futures contracts and options contracts at Eurex.

The Board of Management of Eurex Deutschland may commission other persons to fulfill certain responsibilities.

The Board of Management further takes over any proceedings before the Disciplinary Committee, if facts have arisen, which justify the revocation or cancellation of the admission of a trade participant or of lead broker.

