

**Exhibit G-4: A description of the market surveillance program (and any related rules), addressing the following:**

As described in Exhibit G-1, the German regulatory system is not one of self-regulation according to the U.S. definition. Instead, the Stock Exchange Supervisory Authority (“ESA”) exercises supervision over exchanges, in part, by supervising the Stock Exchange Council, the Stock Exchange Management, the Disciplinary Committee, and the Trading Surveillance Office (“TSO”) as well as the Stock Exchange Operator, Eurex Frankfurt AG, its facilities and the unofficial market. Exchange supervision extends to the proper operation of trading at the stock exchange and the proper settlement of transactions. Section 7 of the German Stock Exchange Act sets forth the duties and responsibility of the TSO acting under the supervision of the ESA.

The requirements for Exhibit G-4 include information respecting the dedicated market surveillance department or the delegation or outsourcing of that function, including:

**(1) A general description of the staff;**

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.

All staff members are fully-fledged analysts, all with 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 passed the relevant clearing and back office exam. In addition some employees do have academic background from mathematic and/ or informatics. The head of TSO is a lawyer with more than 10 year experience in trading surveillance. Before joining TSO in 2000 he works for 8 years in international legal and compliance units for Barclays Bank, Salomon Brothers and Citibank in London, Tokyo and Frankfurt.

**(2) The data collected on traders’ market activity;**

There is a wide range of data that may be collected on traders’ market activity. Beside of the respective trading data (quotes, orders, trades, information about order routing, trader registration incl. respective ID’s)) of

Eurex Deutschland, Section 7 of the German Stock Exchange Act provides that the ESA and, by extension, the TSO, may, *“to the extent required to perform its functions, even in the absence of a specific reason, request information from the stock exchange and the stock exchange operator as well as from the companies admitted to participate in stock exchange trading, stock exchange traders, lead brokers, and lead broking persons (trade participants) and from the issuers of securities.”* They may also request that data be submitted to them in order to allow for automated processing.

Where there is probable cause that a rule violation has occurred, the ESA’s or TSO’s information requests may be more extensive. It may demand information, the presentation of documents and provisions of copies from anyone and summon and question persons “to the extent necessary to fulfill its functions. In particular, Section 7 of the German Stock Exchange Act allows it to:

- demand that trade participants state the identity of the principals and of the persons entitled or obliged under the transactions made as well as the changes of trade participants’ holdings of financial instruments traded on the stock exchange;
- demand information from the principals and entitled or obliged persons about the transactions made including the identity of the trading participants;
- demand information from banks operating collective security deposits and trade transfer systems;
- demand from the exchange, market participants, and affiliated companies the presentation of telephone taping records and data transmissions and
- TSO staff may enter the premises and offices of an exchange or of market participants to the extent necessary to perform its functions; absent the right against self-incrimination, TSO staff may compel the disclosure of information necessary for their investigations.

**(3) Data collected to determine whether prices are responding to supply and demand;**

For debt instruments, the underlying government debt securities are the deliverable for the Eurex futures and options contracts. From the outset, these contracts are structured so that there is an adequate deliverable

supply. For debt securities, there must be a minimum issue amount of EUR 5 billion. Specific delivery procedures and limitations on the underlyings for specific countries are as follows:

- Settlement of debt securities issued by the Republic of France in case of physical delivery will be done via Clearstream Banking Luxembourg.
- Debt securities issued by the Republic of Italy must have an original term of no longer than 16 years (only for Long-Term Euro-BTP Futures).
- Debt securities issued by the Republic of France must have an original term of no longer than 17 years.
- In the case of callable bonds issued by the Swiss Confederation, the first and the last call dates must be between eight and 13 years.
- Debt securities must have a minimum issue amount of EUR 5 billion, such issued by the Republic of Italy no later than ten exchange days prior to the Last Trading Day of the current maturity month, otherwise, they shall not be deliverable until the delivery day of the current maturity month.
- Debt securities issued by the Swiss Confederation must have a minimum issue amount of CHF 500 million.

For monitoring of the underlying markets of equity index derivatives, the Eurex TSO is a member of the Intermarket Surveillance Group (“ISG”), which was established in the early 1980’s to ensure the sufficiency of cross-market surveillance for equities and derivatives. Members of ISG are an international group of exchanges, market centres and market regulators that perform front-line market surveillance in their respective jurisdictions.

The two primary purposes of ISG are:

- (1) The coordination and development of programs and procedures to identify possible fraudulent and manipulative activities across markets; and
- (2) Information sharing.

The organization is governed by a written Agreement that requires every member to represent that it has the ability to obtain and freely share regulatory information and documents with other ISG members in order to assist them in investigations and/or pursue disciplinary actions. An ISG member’s ability to share information must be generally unencumbered by rules, nationally imposed blocking statutes or bank secrecy laws.

The scope of the ISG is international in nature, given the growth of cross border trading and proliferation of international products and membership in the ISG has grown to over 50 organizations worldwide.

While membership is open to all exchanges, strict requirements exist with respect to an applicant’s regulatory capabilities related to market surveillance as well as their ability to obtain and freely share information. The Eurex TSO meets the stringent requirements of ISG membership.

The purpose of the ISG is to provide a framework for the sharing of information and the coordination of regulatory efforts among exchanges trading securities and related products to address potential intermarket manipulations and trading abuses. The ISG plays a pivotal role in information sharing among markets that trade securities, options on securities, security futures products and futures and options on broad-based security indexes. The ISG also provides a forum for discussing common regulatory concerns, thus enhancing members' ability to efficiently fulfil their regulatory responsibilities.

Given Eurex's predominance as a provider of equity index derivatives, the Eurex TSO finds the ISG crucial to conduct routine market surveillance and to its ability to obtain information about trading in the individual components of underlying indexes.

**(4) Data on the size and ownership of deliverable supplies;**

Data of underlying German equity products are available from the Frankfurt Stock Exchange; TSO may request data for other products from other trading venues or foreign authorities if necessary.

As a member of the ISG, Eurex TSO is able to share information required for regulatory purposes with other members of ISG. In connection with the routine sharing of information, the ISG has defined certain types of violations which can occur across markets. The primary violation for which the ISG focuses on, of course, is front running. The ISG Agreement provides that shared information must be kept strictly confidential and used only for regulatory purposes.

**(5) A description of the manner in which the foreign board of trade detects and deters market manipulation;**

Like several other exchanges, Eurex's TSO is in the process of tailoring an off-the-shelf surveillance system, the Scila Surveillance™ Platform, to ensure it is most effective for the Eurex markets.

Scila provides this platform to exchanges, market places, regulators, and market participants, along with appropriate technology that detects and prevents market abuse. Other customers that have chosen Scila Surveillance include Burgundy, Deutsche Börse, EDX London, LMAX and Oslo Børs.

Scila Surveillance provides a structured and comprehensive view of market activity, inclusive of high market overviews and order book views detailing every single order and trade. External sources of information may be added for purposes of price comparison, and customers can choose to monitor these views in real-time.

The service includes several mechanisms capable of detecting and investigating any possible market abuse or trade violations. The alert portfolio offers a variety of alerts for derivatives markets, and detects activities such as Ramping and Wash Trading. The report engine generates the creation of rich content reports, which can be created on any data that is fed into Scila Surveillance. Customers also have the option of creating their own reports.

The search engine mechanism allows large data searched to be executed within milliseconds. This same technology can be found in search engines used by web portals used in Scila Surveillance.

Further, the services Scila Surveillance offers are cost efficient and technology compatible. Other than the cost of the operating system, there is no need to outsource for expensive third party licenses. The surveillance system is written in and operated on any Java compliant platform, and the database access system can run on any Hibernate supported database, including but not limited to, MySQL, Oracle and DB2.

**(6) For cash-settled contracts, methods of monitoring the settlement price or value:**

Surveillance of the Settlement of cash settled products is performed with the Trading Surveillance System Scila. There are several alert rules which cover this area.

**Fixed income Futures and Options (Euro Schatz, Euro Bobl, and Euro Bund)**

Fixed income futures and options contracts that Eurex has been allowed to offer or sell to US market participants include products based on certain Notional short-, medium- or long-term debt instruments issued by the Federal Republic of Germany, the Republic of Italy, the Republic of France or the Swiss Confederation.

**Daily Settlement Price**

The Daily Settlement Prices for the current maturity month of CONF Futures are determined during the closing auction of the respective futures contract.

For all other fixed income futures, the Daily Settlement Price for the current maturity month is derived from the volume-weighted average of the prices of all transactions during the minute before 17:15 CET (reference point), provided that more than five trades transacted within this period.

For the remaining maturity months the Daily Settlement Price for a contract is determined based on the average bid/ask spread of the combination order book.

**Final Settlement Price**

The Final Settlement Price is established by Eurex on the Final Settlement Day at 12:30 CET based on the volume-weighted average price of all trades during the final minute of trading provided that more than ten trades occurred during this minute; otherwise the volume-weighted average price of the last ten trades of the day, provided that these are not older than 30 minutes. If such a price cannot be determined, or does not reasonably reflect the prevailing market conditions, Eurex will establish the Final Settlement Price.

## **Money Market Futures (One-Month EONIA Futures and Three-Month Euribor Futures)**

### **Daily Settlement Price for One-Month Eonia Futures**

The Daily Settlement Price for the current maturity month of One-Month EONIA Futures is derived from the volume-weighted average of the prices of all transactions during the minute before 17:15 CET (reference point), provided that more than five trades transacted within this period.

For the remaining maturity months, the Daily Settlement Price for a contract is determined based on the average bid/ask spread of the combination order book.

### **Daily Settlement Price for Three-Month Euribor Futures**

The Daily Settlement Price for the current maturity month of Three-Month EURIBOR Futures is derived from the volume-weighted average of the prices of all transactions during the minute before 17:15 CET (reference point), provided that more than five trades transacted within this period.

For the remaining maturity months, the Daily Settlement Price for a contract is determined based on the average bid/ask spread of the combination order book.

### **Final Settlement Price for One-Month Eonia Futures**

The Final Settlement Price is established by Eurex on the Final Settlement Day after 19:00 CET; based on the compounded average of the effective overnight reference rate for the euro (EONIA) as calculated by the European Central Bank on a daily basis for the period of the contract. To fix the Final Settlement Price, the compounded EONIA average rate is rounded to three decimal places and then subtracted from 100

### **Final Settlement Price for Three-Month Euribor Futures**

The Final Settlement Price is established by Eurex on the Final Settlement Day at 11:00 CET; based on the reference interest rate (EURIBOR) for three-month euro term deposits as determined by FBE/ACI. To fix the Final Settlement Price, the EURIBOR rate is rounded to three decimal places and then subtracted from 100.

## **Equity Index Futures and Options on Futures**

For each of the equity index derivatives products for which Eurex has obtained certification or no-action status from the Commission for the offer and sale to U.S. market participants, Eurex has met and continues to meet the requirements of §2(a)(1)(C)(ii) of the Commodity Exchange Act (“the Act”). One of those requirements is for index transparency. The settlement price of each index is clearly defined as to its weightings, scope of prices to be included and the methodology by which settlement prices are determined. Additionally, the Trade Surveillance Office has the capacity to monitor that settlements are appropriately determined.

## **Inflation Derivatives**

## **Euro Inflation Futures**

### **Daily Settlement Price**

The Daily Settlement Price is established by Eurex. The Daily Settlement Price for Euro-Inflation Futures is the closing price fixed in the closing auction. If it is not possible to fix a closing price within the closing auction, or if the price thus fixed does not reflect the actual market conditions, Eurex Clearing AG will determine the settlement price by means of a theoretical pricing model.

### **Final Settlement Price**

The Final Settlement Price is established by Eurex on the Final Settlement Day. Relevant is the Harmonized Index of Consumer Prices (or "HICP") published by Eurostat on this day. The Final Settlement Price of a Euro-Inflation Futures contract will be calculated in percentage with four decimal places based on 100 minus the annual inflation rate of the twelve months period of the HICP preceding the maturity month (rounded to four decimal places).

The underlying formula for the calculation of the maturing contract month (t) is:

$$\text{FSPt} = 100 - [100 * (\text{HICPt-1}/\text{HICPt-13} - 1)]$$

### **Example:**

For the August 2007 contract, the applicable HICP figures are those for July 2007 (104.14 released on August 16, 2007) and July 2006 (102.38 released on August 17, 2006). The final settlement price is calculated accordingly:

$$100 - [100 * (104.14/102.38 - 1)] = 98.2809$$

## **Agricultural Futures**

Set forth below is a list of Agricultural futures contracts that may be offered or sold to market participants located in the US:

### **European Processing Potato Futures**

#### **Last Trading Day and Final Settlement Day**

Last Trading Day is the exchange day preceding the Final Settlement Day. Final Settlement Day in the maturity months April and November is the last Friday of the month, if this is an exchange day; otherwise the exchange day immediately preceding that day. Final Settlement Day in the maturity month June is the first Friday of the month, if this is an exchange day; otherwise the exchange day immediately following that day. Close of trading in the maturing European Processing Potato Futures on the Last Trading Day is at 16:00 CET.

#### **Daily Settlement Price**

The Daily Settlement Price for the current maturity month is derived from the volume-weighted average of the prices of all transactions during the minute before 16:00 CET (reference point), provided that more than five trades transacted within this period.

For the remaining maturity months, the Daily Settlement Price for a contract is determined based on the average bid/ask spread of the combination order book.

## **London Potato Futures**

### **Daily Settlement Price**

The Daily Settlement Price for the current maturity month is derived from the volume-weighted average of the prices of all transactions during the minute before 16:00 CET (reference point), provided that more than five trades transacted within this period.

For the remaining maturity months, the Daily Settlement Price for a contract is determined based on the average bid/ask spread of the combination order book.

### **Final Settlement Price**

The Final Settlement Price is established by Eurex on the Final Settlement Day, based on the value of the Eurex London Potato Index at 09:30 CET.

## **Piglet Futures**

### **Daily Settlement Price**

The Daily Settlement Price for the current maturity month is derived from the volume-weighted average of the prices of all transactions during the minute before 16:00 CET (reference point), provided that more than five trades transacted within this period.

For the remaining maturity months, the Daily Settlement Price for a contract is determined based on the average bid/ask spread of the combination order book.

### **Final Settlement Price**

The Final Settlement Price is established by Eurex on the Final Settlement Day, based on the value of the Eurex Piglet Index at 09:30 CET.

## **Hog Futures**

### **Daily Settlement Price**

The Daily Settlement Price for the current maturity month is derived from the volume-weighted average of the prices of all transactions during the minute before 16:00 CET (reference point), provided that more than five trades transacted within this period.

For the remaining maturity months, the Daily Settlement Price for a contract is determined based on the average bid/ask spread of the combination order book.

### **Final Settlement Price**

The Final Settlement Price is established by Eurex on the Final Settlement Day, based on the value of the Eurex Hog Index at 09:30 CET.

## **Butter Futures**

### **Daily Settlement Price**



The Daily Settlement Price for the current maturity month is derived from the volume-weighted average of the prices of all transactions during the minute before 18:30 CET (reference point), provided that more than five trades transacted within this period.

For the remaining maturity months, the Daily Settlement Price for a contract is determined based on the average bid/ask spread of the combination order book.

#### **Final Settlement Price**

The Final Settlement Price is established by Eurex on the Final Settlement Day, based on the value of the Eurex Butter Index at 19:00 CET.

### **Skim Milk Power Futures**

#### **Daily Settlement Price**

The Daily Settlement Price for the current maturity month is derived from the volume-weighted average of the prices of all transactions during the minute before 18:30 CET (reference point), provided that more than five trades transacted within this period.

For the remaining maturity months, the Daily Settlement Price for a contract is determined based on the average bid/ask spread of the combination order book.

#### **Final Settlement Price**

The Final Settlement Price is established by Eurex on the Final Settlement Day, based on the value of the Eurex Skimmed Milk Powder Index at 19:00 CET.

### **Precious Metal Futures**

#### **Gold Futures**

#### **Daily Settlement Price**

The Daily Settlement Price is established by Eurex following the afternoon fixing of the London Gold Market Fixing Ltd.

#### **Final Settlement Price**

The Final Settlement Price is established by Eurex on the Final Settlement Day, based on the fixing of The London Gold Market Fixing Ltd at 11:30 CET (10:30 GMT).

### **Gold Options**

#### **Daily Settlement Price**

The Daily Settlement Price is established by Eurex following the afternoon fixing of the London Gold Market Fixing Ltd.

#### **Final Settlement Price**

The Final Settlement Price is established by Eurex on the Final Settlement Day, based on the fixing of The London Gold Market Fixing Ltd at 11:30 CET (10:30 GMT).

## **Silver Futures**

### **Daily Settlement Price**

The Daily Settlement Price is established by Eurex following the fixing of the London Silver Market Fixing Ltd.

### **Final Settlement Price**

The Final Settlement Price is established by Eurex on the Final Settlement Day, based on the fixing of The London Silver Market Fixing Ltd. at 13:00 CET (12:00 GMT).

## **Silver Options**

### **Daily Settlement Price**

The Daily Settlement Price is established by Eurex following the fixing of the London Silver Market Fixing Ltd.

### **Final Settlement Price**

The Final Settlement Price is established by Eurex on the Final Settlement Day, based on the fixing of The London Silver Market Fixing Ltd. at 13:00 CET (12:00 GMT).

## **Weather Derivatives**

### **Final Settlement Price (Settlement Value)**

The Final Settlement Price is established by Eurex on the Final Settlement Day based on the amount of damage indicated in a PCS® report, with reference to an eligible event. The Final Settlement Price is determined with USD 10,000 if:

- Eurex receives a final PCS® report stating an industry loss amount for an eligible event equalling or exceeding the Trigger Level.
- Eurex receives an interim PCS® report stating an industry loss amount for an eligible event equalling or exceeding 110% of the Trigger Level.
- Eurex receives on the last exchange day of the 30th month upon beginning of the Contract Risk Period the most recent preliminary PCS® report stating an industry loss amount for an eligible event equalling or exceeding the Trigger Level.

In all other cases, the Final Settlement Price amounts USD 0.10.

## **Property Derivatives**

### **Daily Settlement Price**

The Daily Settlement Prices for the current maturity year are derived from the volume-weighted average of the prices of all transactions during the minute before 17:30 CET (reference point), provided that more than five trades transacted within this period.

### **Final Settlement Price**

The Final Settlement Price shall reflect the nominal par value of 100 plus the annual total return for the IPD UK Annual All Property Index during the calculation period of one calendar year, which is subject to being calculated. It is determined to three decimal places.

**(7) Any foreign board of trade position limit, position management, large trader or other position reporting system.**

The Board of Management of Eurex Deutschland, acting with input from the TSO, determines position limits using the availability of the underlying cash instruments. For example, for fixed income futures, the CTD bonds (cheapest-to-deliver bonds comprising the basket of deliverable bonds of each fixed income futures contract) in the delivery month are considered. For equity options, a percentage of the free-float of the underlying shares is taken as a reference. The TSO constantly monitors the positions of all trading members on a random basis and intervenes immediately if any unusual exposure is identified. The TSO also uses software tools to monitor in real-time whether position limits may have been exceeded.

Under Section 17 of the Exchange Rules for Eurex Deutschland, participants are prohibited from influencing in an erroneous or misleading way bid, ask or prices of Eurex contracts. Pursuant to Section 20a of the German Securities Trading Act, there is also a prohibition against effecting a price not in line with the market or effecting an artificial price level that is not consistent with relevant market practice rules. This prohibition covers such trade practice violations as: trading ahead, front-running, misallocation of fills, bucketing, churning, wash trading, bumping and marking the close, accommodation trading, prearranged trading and fictitious trading.

The TSO monitors trading on Eurex Deutschland in real-time/batch mode and systematically records all data regarding trading and settlement. Since all trading is done on an electronic trading platform, there is a highly accurate audit trail through which trading history may be reconstructed. Market surveillance is conducted by analyzing the trading data, order book history and positions of members on a constant random basis to identify any unusual activity, pattern or exposure, reviewing daily alerts and reports.

Attached to this Exhibit G-4 is Eurex Circular 107/12, which is the most recent example of an update of the position limits applicable from time to time to Euro Fixed Income Futures on Eurex. It explains the methods to be used to record position adjustments during the trading session: Immediate position adjustments are to be made using the Trade Adjustment Function (Open/Close Adjustment) on the trading platform. If a market participant were to somehow fail to make a position adjustment during the trading session, there is another opportunity to reduce their positions later in the clearing process (albeit subject to late closing fees).

Eurex has a robust position reporting system which is visible to the TSO.

