
Implementation Regulation for § 27 of the Conditions for Transactions on the Frankfurt Stock Exchange (Mistrade Rule)

1. Scope

This Implementation Regulation sets forth the details concerning the cancellation of transactions in the electronic trading system by the Management Board pursuant to § 27 of the Conditions for Transactions on the Frankfurt Stock Exchange.

2. Mistrades

2.1 Occurrence of Mistrades

- (1) The Management Board shall cancel transactions and delete them from the electronic trading system Xetra if a substantiated application for the cancellation of the transactions is made
- due to a failure in the technical system of the Exchange,
 - due to an objectively detectable gross error in the entry of the order limit or a quote or
 - due to a quote of a quote provider apparently not provided at a price in line with the market, such quote underlying the transaction

In the second case (error in the entry of the order limit or a quote), the transaction shall not be cancelled, if the limit order has been executed at a price which is in line with market conditions pursuant to 2.4 or 2.5 below, irrespective of the error in the entry of the order limit.

- (2) An erroneous entry of volume shall not justify the submission of a mistrade application.
- (3) In case of a permitted mistrade application, the a transaction in structured products shall only be cancelled by the Management Board if the price complained and determined for the concerned transaction is not in line with the market and if a minimum damage in the amount of EUR 1000 (traded volume x (actually determined price ./ price in line with the market)) in case of a non-cancellation of the transaction would incur to one of the parties. The minimum amount of damage according to Clause 1 shall not be relevant for the assertion of a mistrade application if indications for utilization of the minimum damage limit by the party benefiting from the erroneous price determination of the respective transaction or the underlying customer through placing of one or more respective orders exist. The number of orders placed by the same addressee, the order volume and order limit shall particularly be considered.

2.2 Form of Application

- (1) A mistrade application may only be submitted by the parties to the transaction concerned, the respective specialist and the respective quote provider. The application shall immediately be made to the Management Board without delay.
- (2) An application is made without delay if, in the case of structured products in the trading form of Continuous Auction, the Management Board represented by Market Supervision Xetra® has received the respective telephone call (+49 (0) 69 - 211 - 1 14 00) until two trading hours after determination of the Exchange price underlying the execution (determined by the Management Board, represented by the Market Supervision Floor/Scoach (Tel.: +49 (0) 69 - 211- 1 38 70) and, in the case of all other instruments, within 10 minutes after the determination of the execution price. The aforementioned announcement via telephone shall be made in writing via e-mail (mistrade@deutsche-boerse.com) or via fax (Market Supervision Floor/Scoach: +49 (0) 69 - 211 - 1 44 19, Market Supervision Xetra: +49 (0) 69 - 211 - 1 14 01) within an adequate period. Paragraph 3 Clause 3 shall remain unaffected.
- (3) In case of transactions in structured products, the written mistrade application shall contain reasons why an erroneous price determination in the concerned transaction exists. Furthermore, the written mistrade application shall at least include:

security designation (name, ISIN), number and time of conclusion of the concerned transactions with the respective trading volumes as well as details on the price in line with the market and its calculation (calculation formula and applying factors).

If a written mistrade application in case of transactions in structured products including the details required pursuant to Clause 1 to 3 is not submitted via e-mail or fax within one hour after the end of application period pursuant to Paragraph 2, the mistrade application is deemed to have been withdrawn.

2.3 Examination of Mistrade Application, Information Duty

After the Management Board has examined the mistrade application made by one of the parties of the transaction vis-à-vis the Management Board, the latter shall immediately notify the specialist having initiated the price determination for the respective transaction thereof.

2.4 Determination of a Corridor of Prices in Line with Market Conditions for Securities traded in continuous trading or exclusively in an intra-day Auction

- (1) The price in line with market conditions shall be the average price of the last three transactions in Xetra® directly preceding the transaction concerned. If only one price has been established directly before the transaction, this shall be taken as the average price.
 - (2) Where no average price can be determined pursuant to Paragraph 1 or where there is doubt as to whether the average price determined in this manner is in line with fair market conditions, an
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average price shall be determined by the Management Board. This price shall be determined on the basis of

- § prices which have been established on the same day in floor trading at the Frankfurt Stock Exchange,
- § the last available prices established at another stock Exchange or Exchange trading platform in Germany or abroad which is to be determined case-by-case by the Management Board,
- § by asking three competent persons ("chief dealer procedure") or
- § on the basis of offers disseminated in information services.

If the "chief dealer procedure" is chosen, the Exchange shall mandate three competent persons, randomly selected from those Exchange participants who are not involved in the transaction concerned, to quote one market price or the mean of a spread each for the instrument concerned. The arithmetic mean of these prices shall be taken as the average price.

- (3) A price shall not be deemed to be in line with the market if,
- in case of bonds, the yield for the concluded transaction deviates by 20 basis points (according to ISMA), in the case of zero bonds, stripped bonds and bonds with a remaining term of less than 2 years by 30 basis points (according to ISMA), but at least by 0.10 percentage points in the price from the yield of the average price or the average price, as the case may be
 - in case of other securities, the price for the transaction in question deviates from the yield of the average price or the average price by more than two times the dynamic price range (at least, however, by 5% and at least by EUR 0.50),

2.5 Determination of the Price in Line with the Market for Securities (Structured Products) traded in the Trading Model of Continuous Auctions

- (1) The Management Board shall support the parties in finding a mutually consent with regard to the mistrade application.
- (2) In case no mutual consent is reached pursuant to Paragraph 1, the Management Board shall question three competent persons incidentally chosen from amongst the trading participants, whether the price determined for the concerned transaction is a price in line with the market; the asked persons may not be authorized to participate in exchange trading on behalf of a company which is entitled for an application pursuant to No. 2.2 Paragraph 1 either for the concerned transaction for a transaction concluded as a result of the same price determination or a price determination being influenced by the same error pursuant to No. 2.1 Paragraph 1. The Management Board may question up to five persons, provided one of the three persons initially questioned does not render a valuation. If a simple majority of the persons negates the question whether the price determined for the concerned transaction is in line with the market, the price shall not be in line with the market; if a simple majority confirms aforementioned question, the determined price shall be in line with the market.
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- (3) In case of Paragraph 2 Clause 3 item 1, respectively one theoretical price in line with the market at the time of conclusion of the concerned transaction shall be determined by at least a simple majority of the questioned persons according to appropriate criteria; the average of the prices determined in this way shall equal the price in line with the market.
- (4) The competent persons questioned by the Management Board shall immediately render their valuation whether the price is in line with the market or not. If such competent person cannot determine a price in line with the market due to the complexity of a security, the result of the valuation of the price as in line /not in line with the market shall be justified in detail vis-à-vis the Management Board.
- (5) If, in case up to five persons are questioned by the Management Board, no valuation by at least three of them as to whether the price determined for the concerned price is in line with the market can be gained, the Management Board shall – according to adequate criteria – decide if the price determined for the concerned transaction is a price in line with the market and shall – provided it is not in line with the market – determine such a price according to adequate criteria.

2.6 Deletion

The Management Board shall delete from the electronic trading system Xetra® the respective transaction executed at a price not in line with the market conditions. If necessary, the indices shall be adjusted accordingly.

3. Rejection of Mistrade Applications

If a mistrade application is not recognised pursuant to the principles set out above, and if the parties to the transaction do not wish to uphold such transaction, they may enter a corresponding offsetting transaction in the EDP system of the Exchange. The Management Board shall not delete the transaction, nor will it adjust the indices.

4. Cancellation of Orders Ex Officio

The Management Board may cancel orders in the electronic trading system ex officio, particularly if it becomes aware of an order which, were it to be executed, would fulfil the conditions for a mistrade and the party which entered such order cannot be contacted.

5. Cancellation of Transactions Ex Officio

The Management Board may cancel transactions ex officio, particularly if no application for the cancellation of such transactions has been submitted and the price of such transactions fulfils the conditions for a mistrade as set out above. Sentence 1 shall apply even if, in the Block Trading segment, a transaction was

executed at a midpoint that had significantly been influenced by circumstances which fulfil the conditions for a mistrade.

6. Further Rights

The assertion of further rights between the parties to the transaction shall remain unaffected.

7. Management Board

The Management Board of the Frankfurt Stock Exchange shall be represented

- for transactions in the electronic trading system in the continuous trading and intra-day auction by the Market Supervision Xetra® in all matters relating to the above (Xetra® Trading Helpline), Tel.: +49 (0) 69 - 211 - 1 14 00, and
- for transactions in structured products in the electronic trading system by the Market Supervision Scoach (Trading Helpline), Tel.: +49 (0) 69 - 211 - 1 38 70.