



DEUTSCHE BÖRSE  
CASH MARKET

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# Designated Sponsor Guide

Version 11.0

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## **1 Designated Sponsor on Xetra in the market model “continuous trading in connection with auctions”**

Liquidity is one of the most important principles in an efficient capital market. The greater investors' confidence in their ability to buy and sell at any time, the greater their readiness to invest in assets. As a matter of fact, the tradability of less liquid assets is limited because of the temporary absence of a disposition to buy or sell. Therefore, trading needs active liquidity provision.

The core task of Designated Sponsors on the trading venue Xetra in the market model “Continuous trading in connection with auctions” is to offer binding bid- and ask prices (quotes), mainly for less liquid shares in continuous trading and auctions. The readiness of Designated Sponsors to enter quotes ensures that investors are able to buy or sell shares of the respective company at almost any time and thus enhances liquidity in these shares. This contributes to an improved trading, thereby increasing the attractiveness of shares based on the principle “liquidity attracts liquidity”.

This applies not only to equities but to other asset classes as well. In apart of equities Designated Sponsors provide liquidity in Exchange Traded Funds and Exchange Traded Products.

Designated Sponsors' quotes must satisfy certain quality criteria (minimum requirements) stipulated by FWB® Frankfurter Wertpapierbörse (the Frankfurt Stock Exchange). These minimum requirements include a minimum quote size (smallest permissible number of stocks on buy and sell side), maximum bid/ask spread of the quotes (largest permissible spread between bid- and ask limit) and minimum percentage of quoting in auctions and continuous trading. Transaction fees for Designated Sponsors' operations are reimbursed in full provided that the performance requirements set by FWB have been fulfilled.

Transparency of Designated Sponsors' performance in equities is increased by a quarterly rating. The rating is a quality signal for Designated Sponsors which comprises the average quoting time, the average spread and the trading volume of the Designated Sponsor. The rating is allocated based on the above-mentioned rating standards and is issued in the form of a letter combination from 'A' to 'D' (top rating 'AA').

As a consequence of their continuous presence and observation of supported instruments, Designated Sponsors have expert knowledge that enables them to offer listed companies additional services. Designated Sponsors enhance transparency and gain access to new investors by compiling research reports, preparing analyst presentations or through active investor relations.

In general, instruments may be supported by several Designated Sponsors and a Designated Sponsor may support several instruments at once.

## **2 Admission requirements for Designated Sponsors**

Trading members signs a contract about Designated Sponsoring with Deutsche Börse AG and commits to fulfil the minimum requirements stipulated by FWB® Frankfurter Wertpapierbörse (the Frankfurt Stock Exchange) in instruments they have applied for. Admission is available to all banks,

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broker firms and securities trading houses admitted to trading on Xetra®. Deutsche Börse AG can cancel the contract of admission as Designated Sponsor if trading duties are not fulfilled.

The regulatory requirements of MiFID II/MiFIR apply with effect from January 3, 2018. In this context, trading participants who pursue a market making strategy in at least one instrument on the Xetra trading platform must apply to the Frankfurt Stock Exchange for admission as a Market Maker in accordance with § 79 of the Exchange Rules for the Frankfurt Stock Exchange (FWB®).

In order to exercise the role of Designated Sponsor, an application for admission as Market Maker is mandatory. A Designated Sponsor is a Market Maker who, in a private-law contract with Deutsche Börse, undertakes to meet higher minimum requirements.

### 3 Designated Sponsor necessity for continuous trading

In general, at least one Designated Sponsor is required for continuous trading in each single Exchange Traded Fund and Exchange Traded Product. Subject to liquidity, an equity quoted in continuous trading may require the appointment of a Designated Sponsor. The level of liquidity is determined based on the Xetra Liquidity Measure (XLM) and average daily order book turnover.

High liquid equities in liquidity category A:

In the second month of each quarter (February, May, August and November) XLM and order book turnover are calculated for the period of the previous four months. An equity is considered sufficiently liquid if the XLM does not exceed 100 basis points and the order book turnover is higher than or equal to €2.5 m on a daily average. Equities that fulfill these criteria are assigned to liquidity category A and are continuously traded without a Designated Sponsor.

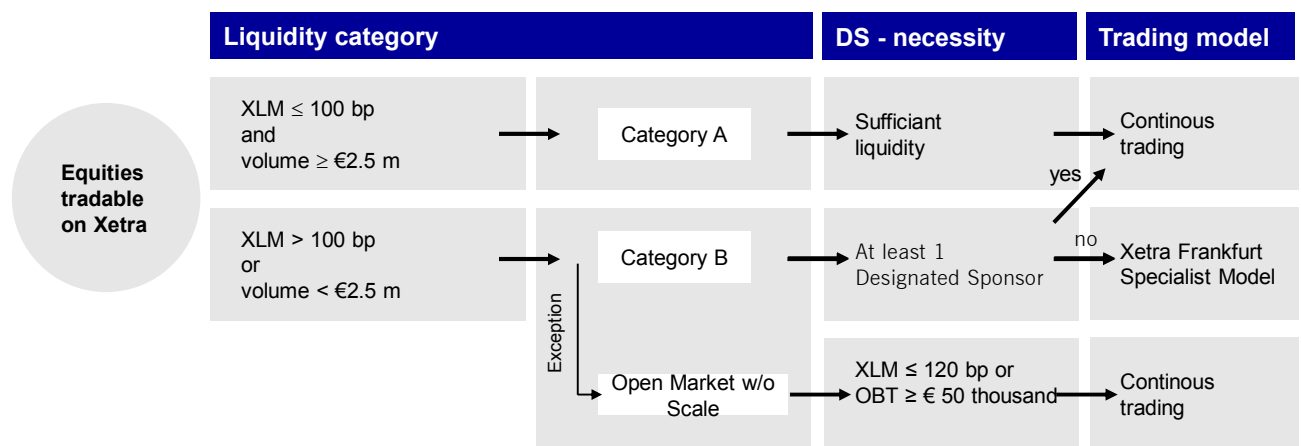
Equities in liquidity category B:

Other equities are assigned to liquidity category B. Equities admitted to trading in the Open Market excluding Scale Segment with reference market outside of Xetra and with sufficient liquidity i.e. average XLM lower than or equal to 120 basis points or average order book turnover higher or equal to €50 thousand of the previous month, are traded continuously independent of a Designated Sponsor. Equities with Xetra as reference market are traded continuously if supported by at least one Designated Sponsor otherwise in continuous auction in the Xetra Frankfurt Specialist Model only. New issues and securities that change to continuous trading because of a corresponding Designated Sponsor are assigned to liquidity category B until level of liquidity could be determined.

The Designated Sponsor necessity and assignments to liquidity categories are reviewed every three months and published at [www.xetra.com/ds\\_e](http://www.xetra.com/ds_e).

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## Designated Sponsor necessity



### 3.1 Xetra Liquidity Measure (XLM)

Liquidity is a central criterion of an efficient market. The higher liquidity in a single security, the higher the possibility for trading members to make transactions at any time at lowest transaction costs. The Xetra Liquidity Measure (XLM) comprises liquidity in one single figure, covering three liquidity dimensions: immediacy, breadth and depth. The impact of a theoretical order is analyzed by a continuous reconstruction of the order book in the form of a roundtrip (simultaneous buy and sell of a position) on a minute basis. The resulting average price is compared with the theoretical market price (mid-point between best-bid and best-ask): the higher this difference, the higher the XLM, the lower the liquidity<sup>1</sup>. XLM is stated in basis points (100 basis points = 1 percent) and facilitates comparison of liquidity between securities.

The rules for calculation of XLM are as follows:

Applying XLM:	Straight liquidity (Designated Sponsor quotes are not considered)
XLM-Result:	in basis points
Order volume:	€25,000
Point of time:	every three months
Calculation time:	daily average of the last four months

Further information about XLM is available at [www.xetra.com/xlm\\_e](http://www.xetra.com/xlm_e).

### 3.2 Average daily orderbook turnover

The calculation of orderbook turnover has to be done for each security taking the following rules into account:

<sup>1</sup> A security is considered illiquid if in at least 10 percent of all measuring times, the XLM could not be calculated.

Orderbook turnover: single counting in euro (Xetra only)  
Point of time: every three months  
Calculation time: average daily orderbook turnover of the last four months  
Calculation method: smoothing the result by deleting the three most and three least active trading days of each month

## 4 Minimum requirements

Designated Sponsors have to meet high requirements. The requirements concern the quality as well as the participation in a) continuous trading and in b) auctions. The following trading parameters have been defined in close cooperation with market participants:

- Maximum spread
  - Minimum quote size
  - Reaction time parameters
  - Participation rules
- } = quality criteria for valid quotes

The compliance with minimum requirements is verified on a daily basis with Deutsche Börse's performance measurement. Transaction fees for trades generated by Designated Sponsors' operations are reimbursed for each instrument, subject to full compliance with the performance requirements on a monthly basis. In case minimum requirements are not met continuously, the admission as Designated Sponsor in the respective instrument can be cancelled by DBAG.

### 4.1 Trading parameters defined by liquidity class

The trading parameters are different among equities and depend on liquidity (Xetra Liquidity Measure) of each instrument in Xetra. For determination of the trading parameters each instrument is assigned to a liquidity class depending on the XLM. A liquidity class comprises all equities with similar liquidity.

Liquidity category A equities that are traded continuously independent of a Designated Sponsor are assigned to liquidity class four.

Equities out of liquidity category B that in general need a Designated Sponsor to be traded continuously are assigned to liquidity class one up to three, depending on XLM.

The assignment of equities to the liquidity classes one up to three is reviewed on a monthly basis by taking the previous three months into account:

- Liquidity class 1: equities with  $XLM \leq 100$  basis points
- Liquidity class 2: equities with  $XLM \leq 500$  basis points
- Liquidity class 3: equities with  $XLM > 500$  basis points

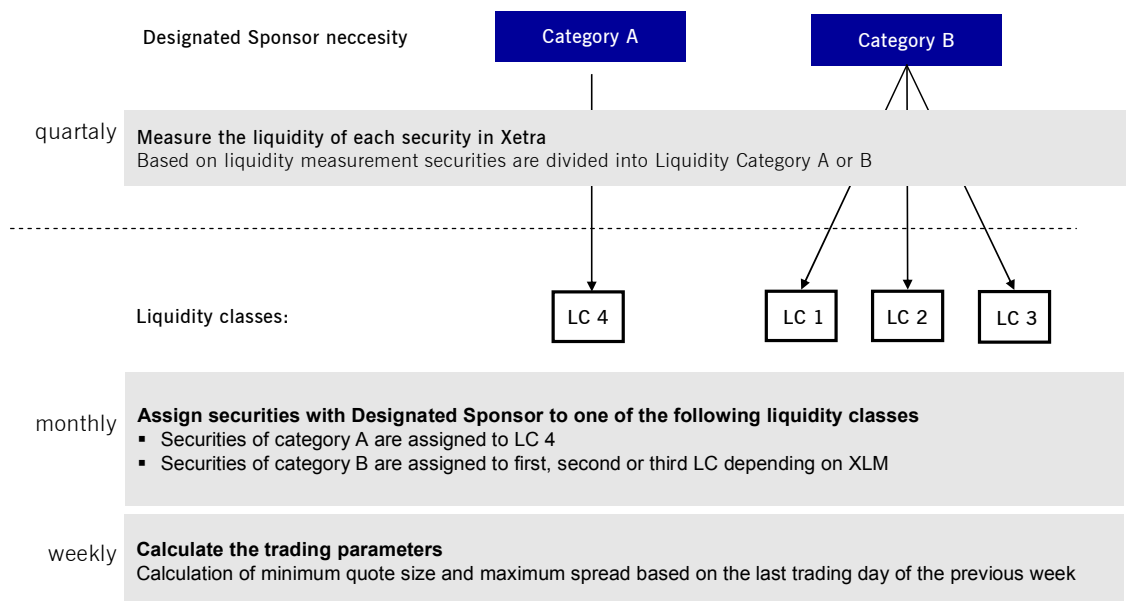
The rules for calculation of XLM are as follows:

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Applying XLM:	Straight liquidity (Designated Sponsor quotes are not considered)
XLM-Result:	in basis points
Order volume:	€10,000
Point of time:	monthly
Calculation time:	daily average of the last three months

The trading parameters (minimum quote size and maximum spread) depend on the liquidity class and are calculated weekly, based on the price of the last trading day of the previous week.

### Trading parameters depend on liquidity class



## 4.2 Maximum spread

The maximum spread indicates the largest permissible spread (on a percentage or absolute basis) between bid- and ask limit to be considered as a valid quote in the assessment of Designated Sponsor performance. The maximum spread is reviewed on a weekly basis.

The maximum spread for equities is defined as follows:

**Liquidity class**

	LC 1	LC 2	LC 3	LC 4
<b>price</b>				
≥ €8.00	2.50%	4.00%	5.00%	5.00%
≥ €5.60	€0.20	€0.32	€0.40	€0.40
≥ €4.00				
≥ €3.20				
≥ €2.00			10.00%	10.00%
≥ €1.20	10.00%	10.00%		
≥ €1.00				
< €1.00	€0.10	€0.10	€0.10	€0.10

The maximum spread for Exchange Traded Fund and Exchange Traded Product is determined by instrument.

### 4.3 Minimum quote volume

The minimum quote volume (MQV) is the smallest permissible number of stocks for shares or ETFs & ETPs to be considered as valid quote in the Designated Sponsor performance assessment. The minimum quote size is reviewed on a weekly basis.

In addition, the Ask volume and Bid volume may not diverge by more than 50%:  $ABS(Ask\ Vol - Bid\ Vol) / MAX(Ask\ Vol ; Bid\ Vol) \leq 0.5$

The minimum quote volume for equities is defined as follows:

Liquidity class	LC 1	LC 2	LC 3	LC 4
MQV in € <sup>1)</sup>	20,000	15,000	10,000	-

1) Conversion to the number of stocks is based on the week's closing price (rounded up to the nearest multiple of 100), but no more than 2,000 shares

Amounts listed in euro are converted into the number of stocks to be quoted by dividing the amount in euro by the stock price and rounding the resulting sum up to the nearest multiple of 100. However, quote size is limited to 2,000 stocks. A stock price of €210.50 for a liquidity class 2 instrument is, for



example, converted to a minimum quote size of 100 stocks. To reduce the risk for high-priced equities, a lower minimum quote size applies for equities traded on Xetra with Round Lot 1. Here, the following minimum quote sizes apply:

- 50 stocks, if the transaction value of 200 stocks exceeds four times the amount of the MQV defined by respective liquidity class
- 25 stocks, if the transaction value of 200 stocks exceeds eight times the amount of the MQV defined by respective liquidity class
- 10 stocks, if the transaction value of 200 stocks exceeds twenty times the amount of the MQV. defined by respective liquidity class

For example, if a stock is worth €610 in a liquidity class 3 instrument, the minimum quote size is converted to 25 shares.

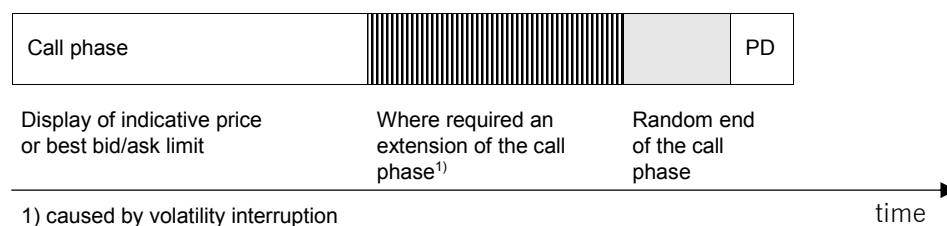
The minimum quote volume for Exchange Traded Funds and Exchange Traded Products is defined by instrument.

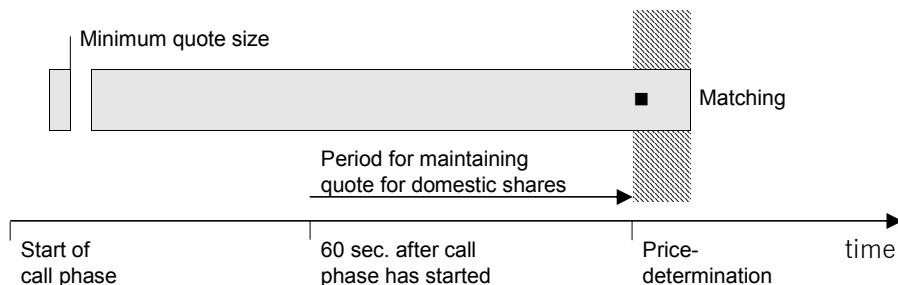
#### 4.4 Reaction time parameter

In auctions, Designated Sponsors have to enter a quote for domestic equities as well as for foreign Prime Standard equities within a certain period of time after the start of the call phase. A quote must be maintained until price determination takes place, to ensure that the quote counts as a valid auction participation in the Designated Sponsor assessment of performance. If the quote is deleted before price determination, it is not considered in the assessment of performance (quote modifications are possible if the two previous quote criteria are fulfilled).

There is no minimum quote entry time for other equities, Exchange Traded Funds (ETFs), Exchange Traded Commodities (ETCs) and Exchange Traded Notes (ETNs). The participation in an auction is registered as valid if a valid quote could be measured in the orderbook during the price determination phase.

An auction comprises several phases: the call phase, which is extended if volatility interruptions arise, and the price determination phase (PD), which follows a random end of the call phase.





#### Reaction time parameters

Latest point in time for quote entry for domestic instruments and foreign instruments of Prime Standard	60 seconds after call phase has started
Time for quote entry for other instruments, ETFs, ETCs and ETNs	Until time of price determination
Duration of quote entry in auctions for equities, ETFs, ETCs and ETNs	Until time of price determination

## 4.5 Participation rules

For the period of one month, Designated Sponsors have to participate in a minimum percentage of all planned auctions (opening auction, intraday auction and closing auction), opening auctions and volatility interruptions. Moreover, Designated Sponsors have to provide liquidity in continuous trading in at least 90% (in 80% for ETFs & ETPs) of effective trading time. The effective trading time is the time between the start of continuous trading and the start of the closing auction excluding the time of intraday auctions and volatility interruptions.

Participation rules are defined as follows:

Minimum participation rules	Percentage during the course of one month
Continuous trading	90%
Regular auctions	90%
Opening auctions	90%
Volatility interruptions	80%
Minimum response rate for quote requests	0%

## 4.6 Minimum requirements for equities

### General quoting requirements

Liquidity class	LC 1	LC 2	LC 3	LC 4
Minimum quote size in € <sup>1)</sup>	20,000	15,000	10,000	–
Comparable Size	Bid- and Ask volume may not diverge by more than 50%			
Maximum spread				
≥ €8.00	2.50%	4.00%	5.00%	5.00%
< €8.00	Min {€0.20; 10.00%}	Min {€0.32; 10.00%}	Min {€0.40; 10.00%}	Min {€0.40; 10.00%}
< €1.00	€0.10	€0.10	€0.10	€0.10
Entry time during auctions				
For domestic equities and foreign instruments in the Prime Standard	60 seconds after the start of the call phase; maintained until price determination			
For other equities	Until time of price determination			

### Minimum participation rates

Continuous trading	90%
Regular auctions	90%
Opening auctions	90%
Volatility interruptions	80%
Minimum response rate for quote requests	0%

1) Conversion to the number of stocks is based on the week's closing price (rounded up to the nearest multiple of 100), but no more than 2,000 shares. If the value of 100 shares exceeds 2-times, 10-times or 50 times the minimum quote size, it is restricted to 50, 10 or 2 shares.

## 4.7 Minimum requirements for Designated Sponsors in Exchange Traded Funds, Exchange Traded Commodities and Exchange Traded Notes

### General requirements for quotes

Minimum volume (units)	product-specific
Comparable Size	Bid- and Ask volume may not diverge by more than 50%
Maximum spread (percent)	product-specific
Entry time during auctions	until time of price determination

### Minimum participation rates<sup>1)</sup>

Continuous trading	80% (90%)
Regular auctions	80% (90%)
Opening auctions	80% (90%)
Volatility interruptions	70% (80%)
Minimum response rate for quote requests	0%

1) Requirements for transaction fee reimbursement are are stated in brackets

## 5 Rating

In order to present the Designated Sponsors responsible for equities in an intelligible manner and also to be able to make appropriate comparisons, Deutsche Börse has introduced a rating system – a kind of quality feature. The rating incorporates average quoting time, average spread and Designated Sponsor trading volume. It is issued as a letter combination ranging from ‘AA’ as the top rating to ‘BD’ as the lowest rating, to no classification, respectively. For Designated Sponsors, the rating is both an incentive and advertisement: issuers can more readily obtain information about their Designated Sponsors’ services and Designated Sponsors receive an effective argumentation aid when trying to win new customer relations.

As a prerequisite for allocating a rating per equity, a Designated Sponsor must always fulfill the minimum requirements of the Frankfurt Stock Exchange rules and regulations during the respective quarter. A total rating is only allocated when a Designated Sponsor has fulfilled the minimum requirements in at least 90% of supported equities if the following instruments are concerned.

The following supported instruments are included in a quarterly rating:

- regulated market equities
- Scale Segment and Basic Board equities

The following supported instruments are not included in a quarterly rating:

- Other unregulated market equities
- Exchange Traded Funds, Exchange Traded Commodities and Exchange Traded Notes

The rating is published once quarterly and is available at [www.xetra.com/ds-rating\\_e](http://www.xetra.com/ds-rating_e).

### 5.1 The rating concept

The rating is allocated on the basis of two rating standards and is issued as a letter combination from ‘A’ to ‘D’ (top rating ‘AA’). If the minimum requirements are not fulfilled in more than 10% of all supported equities, a total rating is not issued.

The first rating standard calculates the average quoting time in relation to effective trading time. The quoting time is the period in which the Designated Sponsor offers liquidity. Designated Sponsors who offer liquidity (enter valid quotes) in at least 90% of the effective trading time over a month receive an ‘A’. The effective trading time is the time between the start of continuous trading and the start of the closing auction, excluding the time of intraday auctions and volatility interruptions.

The second rating standard calculates the average time weighted spread in relation to maximum spread. The average spread is weighted and describes the absolute/percentage spread between a Designated Sponsor’s offer on the buyer’s and the seller’s side. Designated Sponsors receive an ‘A’ if the average spread is at least 25% better than the maximum spread.

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A bonus for both rating standards, quoting time and spread, is attained by the turnover achieved within the framework of Designated Sponsors' activities. The bonus size is calculated according to the relation between the transaction volume per supported share in the Designated Sponsor account (D-Account) and the minimum quotation volume per share. To obtain the quoting duration this bonus is multiplied by 30 minutes and a spread of 0% is assumed for the average time-weighted spread.

A total rating is calculated on the basis of the arithmetic average of both rating standards and includes all Designated Sponsors' supported equities mentioned above. Every quarter, an average rating of all Designated Sponsors is published. The following table shows the rating standards and divides them into rating classes.

AQTB <sup>1)</sup>	Rating class AQTB	ATWSBS <sup>2)</sup>	Rating class ATWSBS
AQTB $\geq$ 90% $\Rightarrow$	A	ATWSBS $\leq$ 75% $\Rightarrow$	A
		75% < ATWSBS $\leq$ 80% $\Rightarrow$	B
		80% < ATWSBS $\leq$ 85% $\Rightarrow$	C
		ATWSBS > 85% $\Rightarrow$	D

- 1) Average Quoting Time with Bonus in relation to effective trading time  
 2) Average Time Weighted Spread with Bonus in relation to Maximum Spread

## 5.2 Performance- and rating reports

Deutsche Börse regularly checks whether Designated Sponsors fulfill the minimum requirements. To track continuous information about Designated Sponsors' performance, daily performance and rating reports are provided via file transfer. The performance reports contain all scales needed for the fulfillment of the minimum requirements. The rating reports include further criteria for the assessment of performance. The rating report per instrument evaluates Designated Sponsors' performance and rating in the supported share. The rating report for all instruments informs about the performance of each share relevant for the quarterly rating and of a Designated Sponsor rating.

Further information about the Performance & Rating Scale is available at [www.xetra.com/ds-rating\\_e](http://www.xetra.com/ds-rating_e) as a PDF file.

## **6 Designated Sponsor on behalf of a third party**

Deutsche Börse AG offers all admitted Xetra members the possibility to act as a Designated Sponsor (agent) on behalf of another Xetra member (principal). The Frankfurt Stock Exchange has to be informed about this contractual relationship between principal and agent.

The offer refers to Xetra members who are specialized in liquidity provision as well as to Xetra members who offer their clients (issuers) a high-quality Designated Sponsoring. The trading participants can thus also meet their obligations to fulfill their Designated Sponsor requirements towards the issuers through a third trading participant.

The performance measurement is made for the Designated Sponsor whereas the rating is published on behalf of the principal. The rating is based on the result of the performance measurement for all stocks, where the agent acts himself or on behalf of the principal as Designated Sponsor.

An instrument can only be supported on behalf of a Designated Sponsor or on behalf of an agent. The explicit assignment of one Designated Sponsor and one instrument is necessary for performance and rating purposes.

## **7 Assignment as Designated Sponsor**

If a Xetra member decides to become a Designated Sponsor first time, an agreement on assignment as Designated Sponsor is necessary. Afterwards only an application for admission as Designated Sponsor in single instruments is to be signed. If the Designated Sponsor applies via eListing tool by 2:00 p.m. the assignment as Designated Sponsor in the respective instruments can be activated the next trading day already. The agreement on assignment as Designated Sponsor is available at [www.xetra.com/admissionforms](http://www.xetra.com/admissionforms).

The Designated Sponsor can anytime download the valid trading parameters by the list with all tradable instruments (ascii-File). Internally, the Designated Sponsor needs to be assigned to the respective instruments by his administrator. The quoting takes place via the Designated Sponsor Account (D-Account). In addition, the Designated Sponsor is required to flag all firm quotes with a Liquidity Provision Indicator.

The trading parameters are calculated weekly, based on the price of the last trading day of the previous week and distributed via circular to all Xetra members. The change of trading parameters becomes valid the day after the circular was sent.

## **8 Excerpt of the Exchange Rules for the Frankfurt Stock Exchange**

Sub-section: Market Maker

§ 79 Application for Admission

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- (1) Trading Participants may, for each security tradeable in Continuous Auction with Intra-Day Auctions, apply for an admission as market maker. For each security that, in Continuous Auction with Intra-Day Auctions, a Trading Participant includes in a market making strategy, an admission as market maker is required.
- (2) The Management Board decides on the application for admission.

### **§ 80 Duties of the Market Maker**

- (1) Market makers are required to continuously enter binding market maker quotes in at least one security and during 50% of the quote time on a monthly average. The relevant quote parameters are determined by the Management Board.
- (2) Market makers are obliged to flag market maker quotes that are entered within the scope of their Market Making Strategy (Liquidity Provision Flag).
- (3) Market makers must immediately notify the Management Board in the event of an occurrence or a termination of exceptional circumstances within the meaning of Article 3 of the Delegated Regulation (EU) 2017/578 and, if requested by the Management Board, give evidence to the Management Board.
- (4) Market makers must be constantly available during the trading hours.
- (5) Market makers are obliged to separately record all transactions and market maker quotes that they enter as market makers and to retain those records for at least five years.
- (6) Market makers must have efficient systems and control mechanisms available to ensure the fulfilment of their obligations pursuant to Paragraphs 1 to 5.

### **Sub-section: Designated Sponsors**

#### **§ 81 Commissioning and Supervision of Designated Sponsors**

- (1) Without prejudice to the regulations of Sub-section 3, in the Trading System, the companies commissioned by the responsible operating institution pursuant to Paragraph 2 (Designated Sponsors) shall undertake the duties pursuant to § 82. The Designated Sponsors shall accept the designated sponsoring in an agreement with the responsible operating institution. In this agreement, the securities for which a Designated Sponsor may undertake the designated sponsoring are listed. The Management shall define securities in which a designated sponsoring may take place.
- (2) The operating institution responsible under § 3 Paragraph 1 shall – on basis of a written agreement - commission at least one Designated Sponsor pursuant to § 82 for each security for which a designated sponsoring shall take place. Only admitted companies with access to the
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Trading System who

1. can guarantee an orderly performance of their duties under § 82 thanks to their personnel, technical and financial resources as well as their expertise and experience and to whom no legal provisions are opponent,
2. guarantee that the information disclosed to them and to the third persons acting on their behalf within the activity as Designated Sponsor are handled confidentially and are not disclosed to third parties,
3. give no cause for concern that the orderly performance of the duties incumbent upon them as Designated Sponsor oppose their other activity or their social circumstances,
4. carry out their activity in a way as to ensure a complete supervision by the Management Board.

The operating institution may define detailed requirements in the Agreement pursuant to Clause 1.

- (3) The Management Board collects and documents if and to which extent the Designated Sponsors perform their duties under § 82. It may publish the relevant data on the website of FWB ([www.deutsche-boerse.com](http://www.deutsche-boerse.com)) to the extent this is required for notification of the Trading Participants and issuers. The Management Board may interdict the activity of Designated Sponsors in whole or in part, also temporarily, provided that the prerequisites of their commissioning have not been fulfilled or have ceased to exist or if the Designated Sponsors do not perform the duties incumbent upon them under § 82 in an orderly way. The operating institution shall reserve the right to terminate the agreement pursuant to Paragraph 2 in case of such interdiction.
- (4) A Designated Sponsor may terminate its activity as Designated Sponsor in whole or for specific securities by termination of the agreement pursuant to Paragraph 2 Clause 1 with a ten exchange days' notice.
- (5) Before expiration of an adequate term, however, regularly not before expiration of 20 exchange days, an admitted company may not be re-commissioned as Designated Sponsor for the securities for which it has terminated the designated sponsoring pursuant to Paragraph 4.
- (6) Before expiration of an adequate term, however, regularly not before expiration of 60 exchange days, an admitted company may not be re-commissioned as Designated Sponsor for the securities for which the designated sponsoring pursuant to Paragraph 3 has been terminated by Deutsche Börse AG.

#### **§ 82 Duties of Designated Sponsors**

- (1) Designated sponsors shall, in a security for which they have assumed designated sponsoring and which is traded in Continuous Trading with Intra-Day Auctions, continuously supply binding market maker quotes and enter into transactions on such basis; in addition, the Designated Sponsors are obliged to provide binding market maker quotes throughout the auction. The Management Board shall determine the minimum quotation duration in the Continuous Trading
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and the minimum rate of participation in auctions. The Designated Sponsors shall be available at all times during trading hours.

- (2) The Management Board may, in the interests of ensuring orderly trading conditions, impose certain requirements on the performance of the Designated Sponsor function; in particular, they may establish a maximum Spread between the limits of the bid and the ask side, a minimum volume for bid and ask side, and a minimum period for entry ("Reaction Time Parameters") of binding market maker quotes in the Trading System.
  - (3) Binding market maker quotes may be entered during the pre-trading period and the main trading period.
  - (4) The quotation duty does not exist, if, due to special circumstances or due to a special Market Situation, the provision of binding market maker quotes is unacceptable for the Designated Sponsor.
  - (5) Designated Sponsors are, in the fulfilment of their tasks, obliged to flag binding market maker quotes (Liquidity Provision Flag).
-