



e u r e x *circular 295/11*

Date: December 12, 2011
Recipients: All Trading Members of Eurex Deutschland and Eurex Zürich, all Clearing Members of Eurex Clearing AG and Vendors
Authorized by: Thomas Book



Options: Adjustment of Default Parameters for Automatic Exercise

Related Eurex Circulars: 007/02, 019/02, 006/08

Contact: Functional Helpdesk Eurex Clearing, tel. +49-69-211-1 12 50

e-mail: clearing@eurexexchange.com

Content may be most important for:

- Ü Front Office/Trading
- Ü Middle + Backoffice
- Ü Auditing/Security Coordination

Attachments:

none

Summary:

Exercise of open positions in any Eurex option takes place automatically on expiration day provided the single position is in the money by an amount equal to or greater than the individual Automatic Exercise Parameter, defined on single product level.

The following default exercise parameters will be adjusted by Eurex Clearing for all position accounts, effective **December 13, 2011**:

- 1) For index options, all unmodified Automatic Exercise Parameters on single option level will be set to the currently valid exercise fee amount.
- 2) For all other options, all unmodified Automatic Exercise Parameters on product group and on single product level will be set to 0.01 absolute.

The change will be applied to all default values of all Eurex Members, unless own Automatic Exercise Parameters have been defined by the Eurex Member. Automatic Exercise Parameters which already have been changed by the Eurex Member remain unchanged and are not affected by this update.



Options: Adjustment of Default Parameters for Automatic Exercise

Exercise of open positions in any Eurex option takes place automatically on expiration day provided the single position is in the money by an amount equal to or greater than the individual Automatic Exercise Parameter, defined on single product level.

Through the **Automatic Exercise Parameter Maintenance** window in Eurex Clearing's @X-tract clearing GUI, Eurex Members are able to define for each position account individual minimum in-the-money parameters per product and product type. The parameter can be defined either as an absolute or a percentage value. If an Eurex Member has not set individual minimum in-the-money parameters, the default Automatic Exercise Parameters defined by Eurex are displayed in this window and will be used for determination of automatic exercises for options on expiration day.

The following default exercise parameters will be adjusted by Eurex Clearing for all position accounts, effective December 13, 2011:

- 1) For index options, all unmodified Automatic Exercise Parameters on single option level will be set to the currently valid exercise fee amount.
- 2) For all other options, all unmodified Automatic Exercise Parameters on product group and on single product level will be set to 0.01 absolute.

Please note: The change will be applied to all default values of all Eurex Members, unless own Automatic Exercise Parameters have been defined by the Eurex Member. Automatic Exercise Parameters which already have been changed by the Eurex Member remain unchanged and are not affected by this update.

In addition please be advised that the online help available in Eurex Clearing's @X-tract clearing GUI will still show the current Eurex default parameters which will no longer be valid with the change announced in this circular and will be updated with a future Eurex GUI release.

December 12, 2011