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eurex circular 220/11

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Recipients: All Trading Members of Eurex Deutschland and Eurex Zürich and Vendors
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Equity Options: Introduction of an Equity Option on Shares of Burberry Group PLC

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Content may be most important for:

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

Attachments:

Updated sections of Annex B of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich

Summary:

The Management Boards of the Eurex Exchanges and the Executive Board of Eurex Clearing AG took the decision to introduce an equity option on shares of Burberry Group PLC, effective **September 12, 2011**.

Equity Options: Introduction of an Equity Option on Burberry Group PLC

The Management Boards of the Eurex Exchanges and the Executive Board of Eurex Clearing AG took the decision to introduce one new equity option on shares of Burberry Group PLC, effective September 12, 2011.

1. Contract Specifications and Product Parameters

Detailed product parameters for the new equity option will be available on the Eurex website under the following path as of start of trading:

www.eurexchange.com > Trading & Products > Products > Equity Derivatives > Equity Options

For direct access to the document click on the following link:
http://www.eurexchange.com/trading/products/EQU/OPT/products_en.html

The following table contains all essential contract specifications and product parameters of the new equity option:

Eurex: UK Equity Options - Launch on September 12, 2011								
	Underlying Instrument	**Underlying ISIN**	**Product ISIN**	**Eurex Code**	**Contract Size**	**Maximum Maturity in Months**	**Minimum price change**	**Currency**
	Burberry Group PLC	GB0031743007	GB0031743007	BRBY	1000	24	0.50	GBp

The **currency** for quoting, trading and clearing of the new British equity option will be GBp (British pence).

The following **expiration months** will be available: The next three consecutive calendar months, the following three quarterly expiration months of the March, June, September and December cycle and the following two expiration months of the June and December cycle.

The **last trading day** will be the third Friday of each expiration month. Exercises are possible on any trading day until the end of the Post-Trading period (20:00 CET).

Final Settlement will take place in the form of physical delivery of the underlying shares in CREST upon exercise on the fourth business day (T+4) after the exercise has taken place.

The complete contract specifications will be available on the Eurex website as of start of trading under the following path:

www.eurexchange.com > Documents > Rules & Regulations > Contract Specifications

For direct access to the document click on the following link:
http://www.eurexchange.com/documents/regulations/contract_specifications_en.html

2. Product Group

The new equity option will be assigned to the following product group:

Eurex: UK Equity Options - Launch on September 12, 2011					FLEX Product Code			
	Underlying Instrument	**Underlying ISIN**	**Product ID**	**Product Group**	**Cash Settlement / European Style**	**Physical Delivery / European Style**	**Cash Settlement / American Style**	**Physical Delivery / American Style**
	Burberry Group PLC	GB0031743007	BRBY	CNSOEG	BRB6	BRB7	BRB8	BRB9

For further information on the assignment of products and product groups, please refer to Eurex circular 232/07, section 1.6.

In order to be able to trade and settle these products, Members need to have the following infrastructure in place for the settlement of British equities:

- A Clearing Member needs to have a direct connection to Euroclear UK & Ireland (EUI) or a contract with a settlement services provider (Settlement Participant) for EUI.
- Each Clearing Member must be a "CM Undertaking" at EUI or use a Sponsored CM Undertaking.

For direct connection to EUI, please contact the EUI Client Contact Centre.

Members already set up for Eurex UK equity options do not need to make any further adjustments to their current set-up.

For personal assistance regarding the set-up, please contact your Key Account Manager at Member Services & Admission, tel. +49-69-211-1 17 00.

3. Market-Making

The new equity option will be assigned to group ID **GB 11** and will be part of the Advanced Market-Making package. For the new equity option, Permanent Market-Making (PMM) will be offered as well.
Please note that the number of exceptions in the UK Market-Making package will increase by one.

The equity option will be assigned to the Eurex spread class 13 with a minimum quote size obligation of 5 contracts:

Spread Class 13		
bid up to	≤ 24 months	> 24 months
0 - 75.00	**15.00**	**15.00**
75.25 - 300.00	**20%**	**20%**
> 300.00	**60.00**	**60.00**

Main criteria for allocating an option to a spread class are the underlying share price and its historical volatility.

Product	**Product ID**	**Spread Class**	**Minimum Quote Size (Contracts)**		**Number of expirations to be quoted for PMM/AMM;** the first	**AMM Package ID**
			RMM	**AMM/ PMM**		
Options on						
Other Equities						
(...)						
Burberry Group PLC	BRBY	13	N/A	5	6	UK
(...)						

Market Maker Obligations will also be available on the Eurex website as of start of trading under the following path:

www.eurexchange.com > Trading & Products > Market Model > Market-Making

For direct access to the document click on the following link:
http://www.eurexchange.com/trading/market_model/market_making/obligations_en.html

4. Risk Parameters

Risk parameters will be published on the Eurex website under the path:

www.eurexchange.com > Clearing > Risk & Margining > Risk Parameters & Initial Margins

For direct access to the document click on the following link:
http://www.eurexchange.com/clearing/risk/parameters_en.html

5. Trading Hours (all times CET)

Trading hours valid for the group ID GB11 are listed below:

Product	Pre-Trading	Continuous Trading	OTC Block-Trading	Post-Trading Late
Eurex UK equity options	07:30-09:00	09:00-17:30	09:00-18:30	18:30-20:00

6. Mistrade Parameters & Position Limits

Mistrade ranges and position limits for the new equity option will be published on the Eurex website as of start of trading under the following path:

www.eurexchange.com > Trading & Products > Products > Equity Derivatives > Equity Options

For direct access to the document click on the following link:
http://www.eurexchange.com/trading/products/EQU/OPT/products_en.html

7. Data Vendor Codes

As of start of trading, data vendor codes for the new product will be published on the Eurex website under the path:

www.eurexchange.com > Trading & Products > Products > Vendor Product Code Search

For direct access to the document click on the following link:
http://www.eurexchange.com/trading/products/vendor_product_code_search_en.html

8. Trading Calendar

The existing trading calendars for the respective country segments apply. They can be found on the Eurex website under the path:

www.eurexchange.com > Trading & Products > Trading Calendar

For direct access to the document click on the following link:
http://www.eurexchange.com/trading/calendar/2011_en.html

9. Transaction Limits, Minimum Size for Cross- and Pre-arranged Trades

The same values apply as for the already existing euro-denominated equity options. For details, please see under the following path:

www.eurexchange.com > Technology > Transaction Limits

For direct access to the document click on the following link:
http://www.eurexchange.com/technology/transaction_limits_en.html

10. Transaction Fees

Fees for trading, clearing and settlement of the new British option will be in line with the pricing for existing British Eurex equity options and will be charged in Pound sterling. For further details, please see the Price List for Eurex Clearing AG under the path:

www.eurexchange.com > Documents > Rules & Regulations > Price List

For direct access to the document click on the following link:
http://www.eurexchange.com/documents/regulations/price_list_en.html

11. OTC Trade Entry Facilities

For the new equity option the minimum amount of tradable contracts by means of the Block Trade and Flexible Options facilities is **100 contracts**.

Members who are already registered for Block Trading and/or Vola Trading may use the Block Trade Facility for the new equity option without any further action.

Members wishing to participate in the OTC Trade Entry facilities for the first time should confirm their acceptance of the General Participation Conditions of the OTC Trade Entry Facilities by signing the appropriate form and returning it to Eurex. In addition, where the Member firm is a Non-Clearing Member, its General Clearer must sign and return the General Clearer's Declaration Agreement at the same time.

The necessary forms can be found on the Eurex website under the following path:

www.eurexchange.com > Documents > Forms > Trading Derivatives > Single Forms > OTC Trade Entry

For direct access to the document click on the following link:
http://www.eurexchange.com/documents/forms/trading_derivatives/single/otc_en.html

An overview of the OTC Trade Entry facilities available for the products and detailed information on all equity options on single product basis with regard to their availability, utilization possibilities and minimum contract sizes for the various OTC Trade Entry facilities can be found under the path:

www.eurexchange.com > Trading & Products > Wholesale Trading > Wholesale Trading Parameters

For direct access to the document click on the following link:
http://www.eurexchange.com/trading/wholesale/otc_en.html

Upon acceptance of the General Conditions of Participation, the Flexible Options facility will be available.

September 8, 2011

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MODIFICATIONS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

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Annex B in relation to subsection 2.6 of the Contract Specifications:

Options on Shares of	Product-ID	Group ID*	Cash Market ID*	Contract Size	Maximum Term (Months)	Minimum Price Change	Currency **
[…]							
Burberry Group PLC	BRBY	GB11	XLON	1000	24	0.50	GBX
[…]							

* The group ID as well as the cash market ID shall be assigned by the Eurex Exchanges according to the following table and shall, amongst other things, serve the purpose of determining a market place for the price of the share underlying the contract.

** GBX: Pence Sterling

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