# **e u r e x** *c i r c u l a r 2 4 / 9 9*

To: All Eurex members and vendors

Date: Frankfurt, 18th March 1999

**1. Introduction of Stock Options on the Shares of Thyssen Krupp at Eurex**
**2. Halt to Dealings in Options on the Shares of Thyssen AG**

Dear Sir or Madam,

The Eurex executive board has decided to introduce options on the Shares of Thyssen Krupp AG on Eurex immediately after its exchange listing (See Eurex Circular 52/98).

The following conditions apply to the introduction of these share options:

**1. Introduction of Stock Options on the Shares of Thyssen Krupp**
**(WKN: 750 000; ISIN: DE000750 0001; Eurex exchange symbol: TKA**

The exchange listing of Thyssen Krupp shares on the Frankfurt Stock Exchange is foreseen for 2nd March 1999. Subject to the introduction of Thyssen Krupp shares as planned, trading in Thyssen Krupp options will commence at the same time on Eurex.

The options on Thyssen Krupp shares are based on the same contract specification as the currently tradable Thyssen share options at Eurex. However, due to the fact that the new Thyssen Krupp AG will issue shares with a par value of 5 DM, the contract size will be 100 shares (Thyssen AG options were for 10 shares). The detailed specifications can be found in Attachment 1.

Just as for Thyssen options, trading in Thyssen Krupp options will be subject to mandatory market making. The formal application form for Market Maker licences can be found in Attachment 2. For quotations, the minimum quote quantity is 50 contracts, and the maximum quote spreads are as follows:

| Bid up to | Spread |
|---|---|
| 1,33 | 0,20 EUR |
| 6,66 | 15% |
| 999,80 | 1.00 EUR |

The following expirations will be made available for trading on the day of introduction: **MAR99, APR99, MAY99, JUN99, SEP99, DEC99**. The **Position Limit** for trading in Thyssen Krupp options will be **77,200** contracts (231,600 for Market Makers). The **Margin Interval** will be **9%**.

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Executive Board:
Dr. Jörg Franke, Otto E. Nägeli
Andreas Preuß, Jürg Spillmann

**Preparation for Start of Trading**

- Two exchange trading days before the start of trading, the Thyssen Krupp options (Eurex exchange code "TKA" ) as well as the Margin Class, will be set up in the Eurex system. Corresponding Back-office transactions will be transmitted.
- One exchange trading day before the start of trading, at the close of trading, settlement prices with a value of 0.01EUR will be sent for all series of Thyssen Krupp options. In addition, transactions for the PMI file will be generated. Along with the daily transmission of theoretical prices, prices will also be transmitted for Thyssen Krupp options. We would ask you to ignore these.

  On the same day, Eurex will also publish the new series of Thyssen Krupp options on the Eurex Newsboard and Reuters.

- With the start of trading of Thyssen Krupp shares on March 25th 1999, trading in Thyssen Krupp share options will begin. Orders can be entered into the Eurex system from 07.30h CET.

**2. Halt to Dealings in Options on the Shares of Thyssen AG**

Trading in the existing options on Thyssen AG shares will end with the expiry on 19th March, 1999. The delivery against exercised contracts will be through Thyssen AG shares with the addition 'Claim on delivery on Thyssen Krupp Shares' (WKN 748 500).

If you have any questions, our functional Help-desks for stock products (+49-(0)69-2101-1210) or clearing (+49-(0)69-2101-1250) will be pleased to assist you.

Yours sincerely,

Jürg Spillmann

Hartmut Klein

Attachments

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*Stock Options on*

# German Shares

*(OSTK)*

**Contract Size**

Generally, an options contract gives the buyer of a call the right to buy - or, in the case of a put, the right to sell - 100 shares of the underlying security. However, for those stocks with a par value of DEM 50 or the corresponding value in Euro, the contract size is 10 shares. Münchener Rückversicherung and Allianz have a contract size of 50 shares.

**Minimum Price Movement**

Options prices have price gradations of EUR 0.01. In the case of options on stocks with a par value of DEM 50 or the respective value in Euro, price movements of EUR 0.1 are possible.

**Delivery**

Physical delivery of 10, 50, respectively 100 shares of the underlying security.

**Delivery Day**

Two exchange trading days after the exercise.

**Last Trading Day**

The third Friday of the expiration month, if that is an exchange trading day; otherwise, on the exchange trading day immediately prior to that Friday.

**Daily Settlement Price**

The last-paid price of the trading day; or, if the last-paid price is older than 15 minutes or does not reasonably reflect actual market conditions, then Eurex will establish the official settlement price.

**Exercise Period**

American style, i.e. an option can be exercised up to 6:30 p.m. CET on any exchange trading day during the life of the option, except on the dividend declaration date of the underlying security.

**Expiration Months**

**Group A shares**: the three nearest calendar months, as well as the following two months within the cycle March, June, September and December thereafter (i.e. up to a maximum of 9 months).

**Group B shares**: the three nearest calendar months, as well as the following three months within the cycle March, June, September and December thereafter (i.e. up to a maximum of 12 months).

**Group C shares**: the three nearest calendar months, as well as the following three months within the cycle March, June, September and December thereafter, and the following two months within the cycle June and December thereafter (i.e. up to a maximum of 24 months).

**Exercise Prices**

Options series may have the following exercise prices:

## For stocks with a par value of DEM 50 or the corresponding value in Euro

| Exercise prices | Exercise price gradation | |
|---|---|---|
| EUR 1 to EUR 20 | EUR 1 | |
| EUR 22 to EUR 50 | EUR 2 | |
| EUR 52.50 to EUR 100 | EUR 2.50 | only for the two next expiration months |
| EUR 55 to EUR 100 | EUR 5 | |
| EUR 110 to EUR 200 | EUR 10 | |
| EUR 220 to EUR 500 | EUR 20 | |
| EUR 525 to EUR 1,000 | EUR 25 | only for the two next expiration months |
| EUR 550 to EUR 2,000 | EUR 50 | |
| EUR 2,100 and above | EUR 100 | |

## For stocks with a nominal or notional value of DEM 5 or the corresponding value in Euro

| Exercise prices | Exercise price gradation | |
|---|---|---|
| EUR 1 to EUR 20 | EUR 1 | |
| EUR 22 to EUR 50 | EUR 2 | |
| EUR 52.50 to EUR 100 | EUR 2.50 | only for the two next expiration months |
| EUR 55 to EUR 200 | EUR 5 | |
| EUR 210 and above | EUR 10 | |

For each expiration month, there are at least three call and three put series, each with an in-the-money, at-the-money and out-of-the-money strike price. For options contracts with 18- and 24-month durations, the exercise price gradations are doubled.

## Optionable Stocks

Eurex stock options on German stocks are traded in the following groups according to their expiration months:

| Group A | Group B | Group C |
|---|---|---|
| 1, 2, 3, 6 and 9 months | 1, 2, 3, 6, 9 And 12 months | 1, 2, 3, 6, 9, 12, 18 and 24 months |

## Stocks with a nominal or notional value of DM 5 or the corresponding value in Euro

| | | |
|---|---|---|
| Adidas (ADS) | Bay. Hypo. Und Vereinsbank (HVM) | Allianz-Holding (ALV) |
| Degussa-Hüls (DHA) | Dresdner Bank (DRB) | BASF (BAS) |
| Henkel Vz. (HEN3) | Lufthansa (LHA) | Bayer (BAY) |
| Metro (MEO) | RWE (RWE) | Commerzbank (CBK) |
| Muenchener Rueckversicherung (MUV2) | Mannesmann (MMN) | Daimler Chrysler (DCX) |
| SAP Vz. (SAP3) | Thyssen Krupp AG (TKA)[1] | Deutsche Bank (DBK) |
| Schering (SCH) | | Deutsche Telekom (DTE) |
| | | Hoechst (HOE) |
| | | Siemens (SIE) |
| | | VEBA (VEB) |
| | | VW (VOW) |

[1] With the planned start of trading in Thyssen Krupp stocks as of March 2, 1999 the option on these stocks will be launched on Eurex.

**Stocks with a par value of DEM 50* or the corresponding value in Euro**

| | |
|---|---|
| Karstadt | BMW |
| (KAR) | (BMW) |
| Linde | Preussag |
| (LIN) | (PRS) |
| MAN | Thyssen** |
| (MAN) | (THY) |
| | VIAG |
| | (VIA) |

**Trading hours (CET)**

9:00 a.m. until 5:00 p.m.

All Stock options are traded with mandatory market-making.

**Option Premium**

Payable in full on the exchange trading day immediately following the trade date.

* A change in par value may be possible if such a resolution were to be adopted at the annual shareholder meetings of the respective companies.

** Thyssen options will cease trading after the March 99 expiry.

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Application for the Granting of Market Maker Licences at Eurex



Applicant

Name of applying exchange participant

Address

Name of contact

Phone No. Fax No.

Eurex

Membership Unit

60284 Frankfurt

(Fax: + +49 (0)69 2101-3802)

Application for the Granting of Market Maker Licences
pursuant to Subsection 3.3 of the Eurex Exchange Rules

**I.** We herewith apply for admission as Market Maker pursuant to Subsection 3.3 of the Eurex Exchange Rules.

Provided that the applying company is admitted as exchange participant at Eurex Zürich, this application applies to Eurex Zürich as well.

The granting of a Market Maker Licence is applied for regarding the trading in

Option contracts on equities with the following underlying(s):

| | | | |
|---|---|---|---|
| ☐ ADS | ☐ DHA | ☐ LIN | ☐ SCH |
| ☐ ALV | ☐ DRB | ☐ MAN | ☐ SIE |
| ☐ BAS | ☐ DTE | ☐ MEO | ☐ TKA |
| ☐ BAY | ☐ HEN3 | ☐ MMN | ☐ VEB |
| ☐ BMW | ☐ HOE | ☐ MUV2 | ☐ VIA |
| ☐ CBK | ☐ HVM | ☐ PRS | ☐ VOW |
| ☐ DBK | ☐ KAR | ☐ RWE | ☐ UBSN |
| ☐ DCX | ☐ LHA | ☐ SAP3 | ☐ UHRN |
| ☐ ABB | ☐ HOL | ☐ RUKN | ☐ ZUAN |
| ☐ ALUN | ☐ NESN | ☐ SBVN | |
| ☐ CIBN | ☐ NOVN | ☐ SRN | |
| ☐ CLN | ☐ RA | ☐ SUN | |
| ☐ CSGN | ☐ ROG | ☐ SCMN | |

Application for the Granting of Market Maker Licences at Eurex



☐ OEU3
Option contracts on Three-Month-Euribor-Futures

☐ OGBS
Option contracts on Euro-Schatz-Futures

☐ OGBM
Option contracts on Euro-BOBL-Futures

☐ OGBL
Option contracts on Euro-BUND-Futures

☐ OCNF
Option contracts on the CONF-Future

☐ OSTX
Option contracts on the Dow Jones STOXX® 50 Index

☐ OESX
Option contracts on the Dow Jones Euro STOXX® 50 Index

☐ ODAX
Option contracts on the German Stock Index - DAX®

☐ OSMI
Option contracts on the Swiss Market Index (SMI ®)

**II.** The functions associated with such Market Maker Licences will be carried out by the following persons who have already been admitted for trading at Eurex:

| Name, first name | Product to be covered |
|---|---|
| Name, first name | Product to be covered |
| Name, first name | Product to be covered |
| Name, first name | Product to be covered |
| Name, first name | Product to be covered |
| Name, first name | Product to be covered |

We herewith declare that the persons listed above have the necessary professional and personal qualification to fulfil the Market Maker functions pursuant to Subsection 3.3 of the Eurex Exchange Rules.

**III.** We confirm that we know the Eurex Rules and Regulations and declare that we will comply with these provisions in their relevant current version.

Place and Date

Company Stamp and authorised Signature