X-pand into the Future

# e u r e x *circular 013/00*

Date: Frankfurt, 03 March 2000
Recipients: All Eurex members and vendors
Authorised by: Dr. Jörg Franke

⚠ **Action Required -** Return Fax -reply

## Introduction of Dutch and Italian Equity Options on 20 March 2000

**Related Eurex Circulars:** 009/00

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| **Content may be most important for:** | **Attachments:** |
|---|---|
| ➲ Front Office / Trading<br>➲ Middle + Back Office<br>➲ IT / System Administration<br>➲ Auditing / Security Administration | Full text of circular<br>1. Trading conditions German/English<br>2. Clearing conditions German/English<br>3. Extract of the Exchange Rules German/English<br>4. Mis-trade Regulations German/English<br>5. Price list German/English<br>6. Flow chart – Clearing process<br>7. Fax Reply - Underlying price procedure<br>8. Market maker application form |

Summary:

As announced in Circular 009/00, Eurex will introduce the Dutch and Italian equity options based on Dow Jones EURO STOXX 50 equities on 20 March 2000.
This circular provides the following details:

1. Dutch and Italian Equity Option products, system codes, position limits and Margin parameters
2. Trading hours (CET)
3. Data Vendor Symbols
4. Holiday Calendar
5. Clearing Procedure
6. Preparation for Start of Trading
7. Contract Specifications
8. Market Maker Scheme

**URGENT: If you intend to trade these products, and you have not already returned the Fax reply acknowledging the underlying price procedure, please do so urgently.**

Details on introduction of the French equity options on 22 May 2000 will be provided in April.

# Introduction of Equity Options on Dutch and Italian Dow Jones EURO STOXX 50 Equities

As already announced in the Circular 09/00 Eurex will introduce equity options based on Dow Jones EURO STOXX 50 equities from the Netherlands, Italy and France. All of the equity options will be introduced as planned, including corresponding LEPOs.

The French options will be introduced on **22 May 2000** and details concerning these will be provided in a separate circular at the end of April.

The Dutch and Italian options will be available for trading on the Eurex system on **20 March 2000** and this circular contains all outstanding information concerning their introduction.

Subject to the approval of the Exchange Council of Eurex Deutschland and the Administrative Council of Eurex Zürich, modifications to the Eurex Rules and Regulations concerning the new Dutch and Italian products, as contained in the following attachments, will come into force on 20 March 2000:

1. New sections of the Conditions for Trading
2. New sections of the Clearing Conditions
3. Amendments to the Exchange Rules
4. Amendments to the Mis-trade regulations
5. New sections of the Price List

As Attachment 6 you will find a flow chart of the clearing and settlement processes involving the Dutch and Italian Central Securities Depositories (CSDs) in case of a cross border transfer.

For those members intending to trade or act as a market maker in the new products who have not already returned the Fax reply or Market Maker Application attached to Circular 009/00, we attach further copies. **Please be aware that the signed Fax reply acknowledging your understanding of the underlying price procedure is a prerequisite for trading the new equity options.**

## 1. List of Products and Product Parameters

All of the Dutch and Italian equity options announced in Circular 009/00 will be introduced on 20 March 2000. The product details are as follows:

| Equity Option | Country | Eurex Code | WKN | ISIN | Position Limits | Position Limits MM | Margin Interval |
|---|---|---|---|---|---|---|---|
| **ENI** | **Italy** | **ENT** | **897791** | **IT0001009890** | **180,100** | **540,300** | **9%** |
| **Generali** | **Italy** | **ASG** | **850312** | **IT0000062072** | **153,900** | **461,700** | **8%** |
| **Telecom Italia** | **Italy** | **SET** | **852568** | **IT0001127429** | **79,000** | **237,000** | **12%** |
| **Aegon** | **NL** | **AEN** | **858185** | **NL0000301745** | **50,200** | **150,600** | **9%** |
| **Philips St.** | **NL** | **PHI** | **922241** | **NL0000009504** | **50,900** | **152,700** | **14%** |
| **Unilever** | **NL** | **UNI** | **860028** | **NL0000009348** | **64,400** | **193,200** | **10%** |
| **ABN Amro** | **NL** | **AAR** | **880026** | **NL0000301109** | **110,200** | **330,600** | **10%** |
| **ING** | **NL** | **INN** | **881111** | **NL0000303568** | **145,100** | **435,300** | **11%** |
| **Royal Dutch** | **NL** | **ROY** | **907505** | **NL0000009470** | **321,700** | **965,100** | **8%** |

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## 2. Trading Hours

| Equity Options | Pre-Trading | Trading | Exercise | Post-Trading |
|---|---|---|---|---|
| **Dutch Options** | 07.30 – 09.30 CET | 09.30 – 16.30 CET | 09.30 – 18.30 CET | 16.30 – 19.30 CET |
| **Italian Options** | 07.30 – 09.30 CET | 09.30 – 17.30 CET | 09.30 – 18.30 CET | 17.30 – 19.30 CET |

## 3. Data Vendor Symbols

| Equity Option | Reuters | Bloomberg | Bridge | Silverline | Datastream | Telekurs/b.i.s./ EAG/Fides |
|---|---|---|---|---|---|---|
| ENI | ENI*.EX | ENIS | IT;ENI M<strike> | 897791 | ENT/O.EX | ENT |
| Generali | GASI*.EX | ASG | IT;G M<strike> | 850312 | ASG/O.EX | ASG |
| Telecom Italia | TIT*.EX | TI | IT;TI M<strike> | 852568 | SET/O.EX | SET |
| Aegon | AEGN*.EX | AEGN | IT;AGN M<strike> | 858185 | AEN/O.EX | AEN |
| Philips St. | PHG*.EX | PHI | IT;PHI M<strike> | 922241 | PHI/O.EX | PHI |
| Unilever | UN*.EX | UNI | IT;UNI M<strike> | 860028 | UNI/O.EX | UNI |
| ABN Amro | AAH*.EX | AAR | IT;AAB M<strike> | 880026 | AAR/O.EX | AAR |
| ING | ING*.EX | INN | IT;ING.C M<strike> | 881111 | INN/O.EX | INN |
| Royal Dutch | RD*.EX | ROY | IT;RD M<strike> | 907505 | ROY/O.EX | ROY |

## 4. Holiday Calendar

The Eurex exchange holidays in 2000 for the new equity options correspond to the exchange holidays at the respective home exchange. These days are non-trading days, and non-value dates for the respective products at Eurex.

| Dutch Equity Options | Italian Equity Options |
|---|---|
| 21 April 2000 | 21 April 2000 |
| 24 April 2000 | 24 April 2000 |
| 01 June 2000 | 01 May 2000 |
| 12 June 2000 | 15 August 2000 |
| 25 December 2000 | 25 December 2000 |
| 26 December 2000 | 26 December 2000 |

## 5. Clearing Procedure

### Delivery

Physical delivery is carried out in basically the same way as for existing stock options via the CASCADE system of Clearstream (formerly DBC/Cedel). In order to ensure that Swiss clearing members are able to use their SIS accounts, all equities are included in the Clearstream/SIS CSD link.

The settlement periods for the options are T+3 for the Dutch and Italian options. French options will also be settled at T+3 when introduced. These settlement periods correspond to the settlement periods on the respective home spot markets. Borsa Italia will change their settlement period on the 28 March 2000 from T+5 to T+3. With regard to this we will have a mismatch concerning the settlement periods for the Italian options from 20 March until 28 March 2000. For cross border transfer, Clearstream has established “Free of Payment” links between itself and the respective CSDs of the home market (NECIGEF (NL), Monte Titoli (I) and SICOVAM (F)). All underlyings of the new equity options are transferable via these links. The transfer process is shown in Attachment 6.

Please be aware of the fact that in the case of a cross border delivery a certain time is necessary for the transfer of the stock from a local bank in the home country via the respective CSD to Clearstream.

In order to effect a delivery within the settlement periods defined, there are three alternatives:

1. Deposit of the stock on a Clearstream (DBC)/SIS account in Germany/Switzerland or at a local custodian bank in the Netherlands, Italy, or France. In case of a deposit at a local custodian bank a transfer of the underlying shares via the respective CSD link is necessary.
2. Security borrowing of the respective underlying at the Repo market after assignment.
3. Purchase of the underlying on Xetra or the FWB (Frankfurt Stock Exchange) after assignment in T+2.

**Back Office underlying price information**

Eurex will provide all members with the margin close underlying prices based on the prices of the home exchange for the internal margin calculations via BOF.

## 6. Preparation for Start of Trading

- On 16 March 2000 (Thursday) the new Dutch and Italian options will be set up in the Eurex system. Corresponding back office messages will be generated.

- On 17 March 2000 (Friday) settlement prices with a value of EUR 0.01 for the Dutch and Italian equity options will be sent after 19.00 h CET for all contract months in the relevant products. Additionally, transactions for the PMI file will be generated. Within the scope of the daily transmission of theoretical prices, prices will also be transmitted for these products. Please ignore them.

- On 20 March 2000 (Monday) trading in the Dutch and Italian equity options will commence. Orders may be entered into the Eurex system from 07.30. CET.

## 7. Contract Specifications

A change to the contract specifications for the Italian stock options has been made since the version published with Circular 009/00. Due to the announced change of the settlement period for equities in Italy on 28 March 2000 the settlement period for the Italian equity options has been changed from T+5 to T+3.

No changes have been made to the previously published version for Dutch options, but it is included below for completeness.

## *A. Stock Options on* Dutch 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.

**Minimum Price Movement**

Options prices have price gradations of EUR 0.01.

**Delivery**

Physical delivery of 100 shares of the underlying security.

**Delivery Day**

Three exchange trading days after the exercise (T+3).

**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.

**Expiration Months**

The three nearest calendar months, as well as the following three months within the cycle January, April, July and October thereafter, and the following two October expiration months (i.e. up to a maximum lifetime of three years).

**Exercise Prices**

Options series may have the following exercise prices:

| Exercise price in EUR | Exercise price gradation in EUR ** |
|---|---|
| 0 - 5 | 0.20 |
| 5.50 - 10 | 0.50 |
| 11 – 20 | 1.00 |
| 22 – 50 | 2.00 |
| 52.50 – 100* | 2.50 |
| 55 – 200 | 5.00 |
| >200 | 20.00 |

* only for the first and second expiration date in the at-the-money area

** for options within the annual October expiration cycle, the exercise price gradations are doubled

**Optionable Stocks**

The following equity options on Dutch stocks are tradable at Eurex:

| | |
|---|---|
| ABN Amro | AAR |
| Aegon | AEN |
| ING | INN |
| Phillips | PHI |
| Royal Dutch | ROY |
| Unilever | UNI |

**Trading hours**

9:30 a.m. until 4:30 p.m. CET.

**Option Premium**

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

## *B. Stock Options on* Italian 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. Telecom Italia and ENI have a contract size of 500 shares.

**Minimum Price Movement**

Options prices have price gradations of EUR 0.01.

**Delivery**

Physical delivery of 100 respectively 500 shares of the underlying security.

**Delivery Day**

Three exchange trading days after the exercise (T+3).

**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.

**Expiration Months**

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).

**Exercise Prices**

Options series may have the following exercise prices:

| Exercise price in EUR | Exercise price gradation in EUR |
|---|---|
| 0 - 5 | 0.20 |
| 5.50 - 10 | 0.50 |
| 11 – 20 | 1.00 |
| 22 – 50 | 2.00 |
| 52.50 – 100* | 2.50 |
| 55 – 200 | 5.00 |
| >200 | 20.00 |

* only for the first and second expiration date in the at-the-money area

**Optionable Stocks**

The following equity options on Italian stocks are tradable at Eurex:

| | |
|---|---|
| Assicurazioni Generali | ASG |
| ENI | ENT |
| Telecom Italia | SET |

**Trading hours**

9:30 a.m. until 5:30 p.m. CET.

**Option Premium**

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

## 8. Market Maker Scheme

Those members wishing to act as market makers for these options should complete and return the application form attached as the final attachment to this circular.

A change to the Market Maker scheme for Dutch stock options has been made since the version published with Circular 009/00. A spread of EUR 2.50 has been introduced for options with a remaining time to maturity exceeding 2 years.

No changes have been made to the published scheme for Italian options, but it is included below for completeness.

## A) Dutch Equity Options

### Quote Obligations

**Minimum Size:** 50 contracts on the bid and ask side in all option series.[1]

**Maximum Spread:**

| ***Bid up to*** | ***Spread*** |
|---|---|
| 1.33 | 0.20 EUR |
| 6.66 | 15 % |
| 999.80 | 1.00 EUR |

**Options with a maturity above 2 years** 2.50 EUR

**Response to quote requests:**

- At least 50 % of all Quote Requests have to be answered (up to a max. of 150 quote requests per day)
  - within 5 minutes
  - with a minimum holding time of 10 seconds

**Market Maker Fees:**

| | |
|---|---|
| Trade per contract | 0.04 EUR |
| Exercise per contract | 0.04 EUR |

## B) Italian Equity Options

### Quote Obligations

**Minimum Size:** 50 contracts on the bid and ask side in all option series.[1]

**Maximum Spread:**

| ***Bid up to*** | ***Spread*** |
|---|---|
| 1.33 | 0.20 EUR |
| 6.66 | 15 % |
| 999.80 | 1.00 EUR |

**Response to quote requests:**

- At least 50 % of all Quote Requests have to be answered (up to a max. of 150 quote requests per day)
- within 5 minutes
- with a minimum holding time of 10 seconds

**Market Maker Fees:**

| | |
|---|---|
| Trade per contract | 0.04 EUR |
| Exercise per contract | 0.04 EUR |

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Frankfurt 02 March 2000

[1] In the “Fast Market“ product state there is a reduced minimum size of 25 contracts.

**Eurex Trading Conditions**

## 2.2.19 Sub-Subpart

Specifications for Options Contracts on Stocks of Dutch Stock Corporations

(Dutch Stock Options)

### 2.2.19.1 Subject Matter of Contract

Each contract shall generally cover 100 shares unless the Boards of Management have determined otherwise. Subsection 2.2.19.7 shall remain unaffected.

### 2.2.19.2 Call Option (Call)

(1) The purchaser of a call option (Call) has the right to demand delivery of the shares underlying the contract at the stipulated exercise price.

(2) The writer of a call shall be required to deliver the underlying shares at the stipulated exercise price on the third Exchange day following the day on which the option was exercised vis-à-vis Eurex Clearing AG; this shall also apply if the exercise is first assigned to the writer on the Exchange day following the day of exercise.

### 2.2.19.3 Put Option (Put)

(1) The purchaser of a put option has the right to deliver the shares underlying the contract at the stipulated exercise price.

(2) The writer of a put shall be required to pay the stipulated exercise price on the third Exchange day following exercise of the contract vis-à-vis Eurex Clearing AG against delivery of the shares underlying the contract; this shall also apply if the exercise is first assigned to the writer on the Exchange day following the day of exercise.

### 2.2.19.4 Option Premiums

The purchaser of an contract is required to pay to the writer thereof the price for the purchase of the option right (the " Option Premium" ).

### 2.2.19.5 Term, Close of Trading, Expiration Day

(1) Options are available at the Eurex Exchanges with terms up to and including the next, the second and third succeeding expiration days as well as up to and including the next three succeeding quarterly expiration days (January, April, July and October) thereafter and up to the next two succeeding yearly expiration days (October). Depending on the time of the purchase of the option, the term may be up to three years.

(2) The last trading day of an option series shall be the last day on which such option series is available to Exchange Participants for trading and clearing through the EDP system of the Eurex Exchanges. The last trading day shall generally be the third Friday of the relevant month; provided that such Friday is an Exchange day, otherwise the Exchange day prior to such Friday. The expiration day of an option series shall generally be the Exchange day following the last trading day.

(3) An option series may not be cancelled so long as any Exchange Participant continues to hold open positions in such option series.

### 2.2.19.6 Exercise Prices

(1) Option series may have the following exercise prices:

| Exercise price in EUR | Exercise price intervals in EUR** |
|---|---|
| 0 – 5 | 0,20 |
| 5,5 – 10 | 0,50 |
| 11 – 20 | 1,00 |
| 22 – 50 | 2,00 |
| 52,50 – 100* | 2,50 |
| 55 – 200 | 5,00 |
| >200 | 20,00 |

* only for the next and second expiration date in the at the money area

** for options contracts with yearly expiration October, the intervals between the exercise prices double

(2) Upon the admission of a contract, at least three exercise prices shall be made available for each term for each call and put for every settlement date, such that at least one exercise price is " in the money" , one is " at the money" and one is " out of the money" .

(3) Option series with new exercise prices shall be introduced for an existing expiration month no later than at the beginning of the Pre-Trading Period of a given Exchange day in the event that the last price of the respective underlying security effected in the continuous trading in the electronic trading system of Amsterdam Exchanges (AEX) on the previous exchange day has reached, exceeded or fallen below the average of the two highest respectively two lowest exercise prices according to paragraph (1).

A new option series shall generally not be introduced if it would expire in fewer than five Exchange days, unless market conditions make such introduction necessary.

### 2.2.19.7 Alterations of Exercise Prices and Expiration Days

(1) Exercise prices shall not be adjusted upon the payment of any dividends.

(2) Extraordinarily high dividends, bonuses or other cash distributions shall not be deemed to be dividends within the meaning of paragraph (1). In the event of such distributions, the exercise price for stock options written prior to the day of such distributions shall be reduced by an amount that reflects the value of the distribution, as determined in accordance with a formula established by the Eurex Exchanges; correspondingly, the number of shares underlying the contract shall be increased in such a manner that the original value of the contract is maintained. Exercise prices shall only be adjusted pursuant to sentence 2, if such a distribution exceeds the amount determined by the Eurex Exchanges and announced to the Exchange Participants.

When an option is exercised, the Eurex Exchanges will provide cash settlement for any shares in excess of the standard contract size of 100 shares, to the extent that the Exchange Council of Eurex Deutschland or the Administrative Council of Eurex Zurich has not provided otherwise. The amount of such cash settlement shall be determined on the basis of the difference between the

reduced exercise price of the option and the last price of the respective underlying security effected during continuous trading of the electronic trading system at Amsterdam Exchanges (AEX). If more than 15 minutes have passed since such price was established, or if such price of the respective underlying security no longer corresponds to the current market conditions, it shall be determined by Eurex Clearing AG.

(3) If subscription rights are granted, the exercise price for stock options written prior to the first Exchange day of such subscription rights shall be reduced by an amount that reflects the value of the subscription right, as determined in accordance with a formula established by the Eurex Exchanges; correspondingly, the number of shares underlying the contract shall be increased such that the original value of the contract is maintained.

When an option is exercised, the Eurex Exchanges will provide cash settlement (pursuant to paragraph 2), for any shares in excess of the standard contract size of always 100 shares, to the extent that the Exchange Council of Eurex Deutschland or the Administrative Council of Eurex Zurich has not provided otherwise.

The amount of such cash settlement shall be determined on the basis of the difference between the reduced exercise price of the option and the last price of the respective underlying security effected during continuous trading of the electronic trading system at Amsterdam Exchanges (AEX).

If more than 15 minutes have passed since such price was established, or if such price no longer corresponds to the current market conditions, it shall be determined by Eurex Clearing AG.

(4) In the event of capital increases out of the company' s equity, the number of shares underlying a contract will be increased proportionally to maintain the proportion of the share capital represented by these shares. The exercise price shall be reduced by a value such that the original value of the contract remains unchanged.

When an option is exercised, the Eurex Exchanges shall provide cash settlement for any fractional shares the new contract size may cover, provided that the new shares are vested with the same rights as the old shares. In the case of divergent terms, there shall be a cash settlement for the portion exceeding the standard contract size; in all other respects, shares and other fractional interests, if any, shall be delivered based on the nex contract size. This shall also apply with respect to stock dividends, stock splits and similar events. Paragraph (3) sentence 3 and 4 shall apply to such cash settlements mutatis mutandis.

In case of capital reductions, the exercise price and the standard contract size of the options shall remain unchanged if the capital is reduced by decreasing the par value of the shares. If a reduction of capital is implemented by redeeming or consolidating shares, the number of shares covered by a contract shall be reduced proportionally to the proportion of the reduction of the share capital. The exercise price shall be simultaneously increased by a value such that the original value of the contract remains unchanged. Any remaining fractions of shares shall be settled in cash.

(5) In the event of any change of the contract size and the exercise price pursuant to paragraphs (2), (3) or (4), new option series shall be introduced in accordance with the provisions of subsections 2.2.19.1 and 2.2.19.6.

In the event of changes to the share capital (paragraphs (3) to (7) and all adjustments pursuant to paragraph (2) all orders and quotes contained in the order book with respect to the relevant option series shall be cancelled by the Eurex Exchanges. The Eurex Exchanges shall notify all Exchange Participants prior to any such cancellation.

(6) If, in the cases required by law (e.g. merger, consolidation, conversion of classes of shares by means of an amendment to the articles of association, collectively a " Merger" ), shareholders receive an offer to exchange their old shares for new shares or shares of another stock corporation, any options concerned which are due to expire after the discontinuation of trading in the old shares on a stock exchange (the " Reference Date" ) shall be adjusted:

The options shall be adjusted on the Exchange day immediately following the Reference Date. The old shares shall be replaced by the same number of new shares issued due to the Merger, or of the other shares offered by the stock corporation. In all other cases in which the exchange ratio is not 1:1 or the holders of old shares are also offered a cash compensation, the exercise prices and contract sizes of the options shall also be adjusted in such a manner that the original contract value is maintained. When an option is exercises after the Reference Date, the Eurex Exchanges shall provide a cash compensation for any fractional shares the new contract size may cover. The new underlying shall be delivered at the earliest from the day on which the stock corporation exchanged the old shares for new shares or shares of another stock corporation.

If, in the case of an exchange of old shares as required by law, shareholders are offered a cash compensation, securities other than shares or other rights (collectively the " Other Rights" ) instead of new shares, the term of the options shall expire as soon as the old shares are no longer admitted to trading on a securities exchange (the " Reference Date" ). The same shall apply if the Other rights offered cannot be delivered through the central depositories or other depositories recognised by Eurex Clearing AG, or if derivatives on the Other Rights offered cannot be traded on the Eurex Exchanges as a matter of law. If an option concerned is exercised on the Reference Date, the shares underlying the contract shall be replaced by the Other Rights. The Other Rights shall be delivered on the day on which they are transferred by the offering company. If this day is not an Exchange day, delivery shall be effected on the Exchange day immediately following the Reference Date. If the Other Rights offered cannot be delivered through the central depositories or other depositories recognised by Eurex Clearing AG, or if derivatives on the Other Rights offered cannot be traded on the Eurex Exchanges as a matter of law, the Eurex Exchanges shall provide a proportional cash compensation.

(7) If shareholders receive an offer to exchange old shares for new shares, shares of another stock corporation, securities other than shares, other rights or a cash compensation and in the event this capital market transaction is not stipulated by the provisions in accordance with paragraph (6), the Eurex Exchanges will adjust the options concerned in such manner that the original contract value is maintained to the extent possible, well-ordered market conditions are ensured and clearing and contract settlement are facilitated. The Eurex Exchanges shall inform the Exchange Participants of the intended measures.

### 2.2.19.8 Price Gradations

The price of an option shall have price gradations of 0.01 EUR, to the extent that the Boards of Management of the Eurex Exchanges have not provided otherwise.

### 2.2.19.9 Exercise

(1) Options may be exercises by the purchaser on any Exchange day until the end of the Post Trading Period (American style) provided that the Boards of Management of the Eurex Exchanges have not determined otherwise. The last day on which an option may be exercises shall generally be the last trading day (subsection 2.2.19.5 paragraph (2)).

(2) The Eurex Exchanges shall inform the Exchange Participants on each of the last ten Exchange days before the last trading day of an option series of options contracts then becoming due.

(3) Each Exchange Participant shall be responsible for exercising its options contracts. The Eurex Exchanges shall not automatically exercise any options contracts.

(4) In the event of an EDP failure, the Eurex Exchanges must receive a written exercise request from the Exchange Participant concerned (e.g., by letter or telefax) no later than the end of the Post-Trading Period on or before the last trading day of an options contract. Any such request transmitted to one of the Eurex Exchanges shall be deemed submitted to all Eurex Exchanges. The exercise request shall be entered by the Eurex Exchanges to the extent possible using reasonable efforts.

(5) The exercise of an option entered during the course of any day may be altered until the end of the Post-Trading Period on the date of entry.

**2.2.19.10 Assignment**

(1) All exercises shall be assigned to the writers of the exercised option series after the end of the Post-Trading Period. Assignments shall be binding. Exercises may be assigned to writers throughout the term of the option contract, including on the expiration day (subsection 2.2.19.5 paragraph (2) sentence 3).

(2) The Exchange Participants and Clearing Members affected by any such assignment shall be notified thereof during the morning of the following Exchange day.

(3) Assignments shall be made through the Eurex Exchanges by a random selection process conducted in accordance with detailed rules. The assignment method shall be communicated to the Exchange Participants. Any change of such method shall become effective only after notice thereof.

(4) All assignments made for the Agent Position Account of an Exchange Participant shall be assigned by such Exchange Participant to the positions of its customers, on the basis of a procedure that ensures the neutrality of the assignment process.

(5) All assignments made for the Principal Position Accounts or M-Positions Accounts of an Exchange Participant must be performed by that Exchange Participant and may not be transferred onward to customers.

**2.2.19.11 Performance, Delivery**

Deliveries resulting from the exercise and assignment of options shall occur between the relevant Clearing Members and Eurex Clearing AG. Each Clearing Member shall be responsible for handling deliveries to the Non-Clearing Members served by it and its own customers; the performance of deliveries by Non-Clearing Members to their customers is the responsibility of the Non-Clearing Members.

**2.2.20 Sub-Subpart**

Specifications for Low Exercise Price Options (LEPO) on Stocks of Dutch Stock Corporations

**2.2.20.1 Subject Matter of Contract**

Each contract shall generally cover 100 shares unless the Boards of Management of the Eurex Exchanges have determined otherwise. Subsection 2.2.20.6 shall remain unaffected.

**2.2.20.2 Call Option (Call)**

(1) The purchaser of a call option (Call) has the right to demand delivery of the shares underlying the contract at the stipulated exercise price.

(2) The writer of a call shall be required to deliver the underlying shares at the stipulated exercise price on the third Exchange day following the day on which the option was exercised vis-à-vis Eurex Clearing AG; this shall also apply if the exercise is first assigned to the writer on the Exchange day following the day of exercise.

**2.2.20.3 Option Premiums**

The purchaser of an options contract is required to pay to the writer thereof the price for the purchase of the option right, the " Option Premium" .

**2.2.20.4 Term, Close of Trading, Expiration Day**

(1) Options are available at the Eurex Exchanges with two terms up to and including the next two succeeding quarterly expiration days of the cycle (January, April, July, October) thereafter.

Depending on the time of the purchase of the option, the term may be up to three or six months. The Boards of Management of the Eurex Exchanges determine the term for each LEPO pursuant to sentence 1.

(2) The last trading day of an option series shall be the last day on which such option series is available to Exchange Participants for trading and clearing through the EDP system of the Eurex Exchanges. The last trading day shall generally be the third Friday of the relevant month; provided that such Friday is an Exchange day, otherwise the last trading day shall be the Exchange day prior to such Friday.

The expiration day of an option series shall generally be the Exchange day following the last trading day of the option series.

(3) An option series may not be cancelled so long as any Exchange Participant continues to hold open positions in such option series.

**2.2.20.5 Exercise Prices**

LEPO shall have an exercise price of 1 EUR.

**2.2.20.6 Alternations of Exercise Prices and Expiration Days**

The provisions of subsection 2.2.19.7 with respect to alterations in the exercise prices and expiration days of Dutch stock options shall also apply to LEPO subject to the following:

In the event of a change in the capital, the exercise price for LEPO on Dutch stocks shall in any case remain unaffected. To maintain the original contract value, the change in the capital shall be taken account of by determining new contract size.

### 2.2.20.7 Price Gradations

The price of an option shall have price gradations of 0.01 EUR, unless the Boards of Management of the Eurex Exchanges have provided otherwise.

### 2.2.20.8 Exercise

(1) LEPO may be exercised by the purchaser on any Exchange day until the end of the Post-Trading Period (American style) provided that the Boards of Management of the Eurex Exchanges have not determined otherwise. The last day on which an option may be exercised shall generally be the last trading day (subsection 2.2.20.4 paragraph (2)).

(2) The Eurex Exchanges shall inform the Exchange Participants on each of the last ten Exchange days before the last trading day of an option series of options contracts then becoming due.

(3) Each Exchange Participant shall be responsible for exercising its options contracts. The Eurex Exchanges shall not automatically exercise any options contracts.

(4) In the event of an EDP failure, the Eurex Exchanges must receive a written exercise request from the Exchange Participant concerned (e.g., by letter or telefax) no later than the end of the Post-Trading Period on or before the last trading day of an options contract. Any such request transmitted to one of the Eurex Exchanges shall be deemed submitted to all Eurex Exchanges. The exercise request shall be entered by the Eurex Exchanges to the extend possible using reasonable efforts.

(5) The exercise of an option entered during the course of any day may be altered until the end of the Post-Trading Period on the date of entry.

### 2.2.20.9 Assignment

(1) All exercises shall be assigned to the writers of the exercised option series after the end of the Post-Trading Period. Assignments shall be binding. Exercises may be assigned to writers throughout the term of the option contract, including on the last trading day.

(2) The Exchange Participants and Clearing Members affected by any such assignment shall be notified thereof during the morning of the following Exchange day.

(3) Assignments shall be made through the Eurex Exchanges by a random selection process conducted in accordance with detailed rules. The assignment method shall be communicated to the Exchange Participants. Any change of such method shall become effective only after notice thereof.

(4) All assignments made for the Agent Position Account of an Exchange Participant shall be assigned by such Exchange Participant to the positions of its customers, on the basis of a procedure that ensures the neutrality of the assignment process.

(5) All assignments made for the Principal Position Accounts or M-position Accounts of an Exchange Participant must be performed by that Exchange Participant and may not be transferred onward to its customers.

### 2.2.20.10 Performance, Delivery

Deliveries resulting from the exercise and assignment of options shall occur between the relevant Clearing Members and Eurex. Each Clearing Member shall be responsible for handling deliveries to the Non-Clearing Members served by it and its own customers; the performance of deliveries by Non-Clearing Members to their customers is the responsibility of the Non-Clearing Members.

### 2.2.21 Sub-Subpart

Specifications for Options Contracts on Stocks of Italian Stock Corporations

(Italian Stock Options)

### 2.2.21.1 Subject Matter of Contract

Each contract shall generally cover 100 shares unless the Boards of Management have determined otherwise. Stock options on ENI and Telecom Italia refer to 500 shares. Subsection 2.2.21.7 shall remain unaffected.

### 2.2.21.2 Call Option (Call)

(1) The purchaser of a call option (Call) has the right to demand delivery of the shares underlying the contract at the stipulated exercise price.

(2) The writer of a call shall be required to deliver the underlying shares at the stipulated exercise price on the third Exchange day following the day on which the option was exercised vis-à-vis Eurex Clearing AG; this shall also apply if the exercise is first assigned to the writer on the Exchange day following the day of exercise.

### 2.2.21.3 Put Option (Put)

(1) The purchaser of a put option has the right to deliver the shares underlying the contract at the stipulated exercise price.

(2) The writer of a put shall be required to pay the stipulated exercise price on the third Exchange day following exercise of the contract vis-à-vis Eurex Clearing AG against delivery of the shares underlying the contract; this shall also apply if the exercise is first assigned to the writer on the Exchange day following the day of exercise.

### 2.2.21.4 Option Premiums

The purchaser of an options contract is required to pay to the writer thereof the price for the purchase of the option right (the " Option Premium" ).

### 2.2.21.5 Term, Close of Trading, Expiration Day

(1) Options are available at the Eurex Exchanges with terms up to and including the next, the second and third succeeding expiration days as well as up to and including the next and second succeeding quarterly expiration days (March, June, September and December) thereafter and up to a term of not more than nine months.

(2) The last trading day of an option series shall be the last day on which such option series is available to Exchange Participants for trading and clearing through the EDP system of the Eurex Exchanges. The last trading day shall generally be the third Friday of the relevant month; provided that such Friday is an Exchange day, otherwise the Exchange day prior to such Friday.

The expiration day of an option series shall generally be the Exchange day following the last trading day.

(3) An option series may not be cancelled so long as any Exchange Participant continues to hold open positions in such option series.

### 2.2.21.6 Exercise Prices

(1) Option series may have the following exercise prices:

| Exercise price in EUR | Exercise price intervals in EUR |
|---|---|
| 0 – 5 | 0,20 |
| 5,5 – 10 | 0,50 |
| 11 – 20 | 1,00 |
| 22 – 50 | 2,00 |
| 52,50 – 100* | 2,50 |
| 55 – 200 | 5,00 |
| >200 | 20,00 |

* only for the next and second expiration date in the at the money area

(2) Upon the admission of a contract, at least three exercise prices for trading shall be made available for each term for each call and put for every settlement date, such that at least one exercise price is " in the money" , one is " at the money" and one is " out of the money" .

(3) Option series with new exercise prices shall be introduced for an existing expiration month no later than at the beginning of the Pre-Trading Period of a given Exchange day in the event that the last price of the respective underlying security effected in the continuous trading in the electronic trading system of Borsa Italia on the previous exchange day has reached, exceeded or fallen below the average of the two highest respectively two lowest exercise prices according to paragraph (1).

A new option series shall generally not be introduced if it would expire in fewer than five Exchange days, unless market conditions make such new introduction necessary.

### 2.2.21.7 Alterations of Exercise Prices and Expiration Days

(1) Exercise prices shall not be adjusted upon the payment of any dividends.

(2) Extraordinarily high dividends, bonuses or other cash distributions shall not be deemed to be dividends within the meaning of paragraph (1). In the event of such distributions, the exercise price for stock options written prior to the day of such distributions shall be reduced by an amount that reflects the value of the distribution, as determined in accordance with a formula established by the Eurex Exchanges; correspondingly, the number of shares underlying the contract shall be increased in such a manner that the original value of the contract is maintained. Exercise prices shall only be adjusted pursuant to sentence 2, if such a distribution exceeds the amount determined by the Eurex Exchanges and announced to the Exchange Participants.

When an option is exercised, the Eurex Exchanges will provide cash settlement for any shares in excess of the standard contract size of generally 100 shares, to the extent that the Exchange

Council of Eurex Deutschland or the Administrative Council of Eurex Zurich has not provided otherwise. The amount of such cash settlement shall be determined on the basis of the difference between the reduced exercise price of the option and the last price of the respective underlying security effected during continuous trading of the electronic trading system of Borsa Italia. If more than 15 minutes have passed since the last price was established, or if such price of the respective underlying security no longer corresponds to the current market conditions, it shall be determined by Eurex Clearing AG.

(3) If subscription rights are granted, the exercise price for stock options written prior to the first Exchange day of such subscription rights shall be reduced by an amount that reflects the value of the subscription right, as determined in accordance with a formula established by the Eurex Exchanges; correspondingly, the number of shares underlying the contract shall be increased such that the original value of the contract is maintained.

When an option is exercised, the Eurex Exchanges will provide cash settlement (pursuant to paragraph 2), for any shares in excess of the standard contract size of generally 100 shares, to the extent that the Exchange Council of Eurex Deutschland or the Administrative Council of Eurex Zurich has not provided otherwise.

The amount of such cash settlement shall be determined on the basis of the difference between the reduced exercise price of the option and the last price of the respective underlying security effected during continuous trading of the electronic trading system of Borsa Italia.

If more than 15 minutes have passed since such price was established, or if such price no longer corresponds to the current market conditions, it shall be determined by Eurex Clearing AG.

(4) In the event of capital increases out of the company's equity, the number of shares underlying a contract will be increased proportionally to maintain the proportion of the share capital represented by these shares. The exercise price shall be reduced by a value such that the original value of the contract remains unchanged.

When an option is exercised, the Eurex Exchanges shall provide cash settlement for any fractional shares the new contract size may cover, provided that the new shares are vested with the same rights as the old shares. In the case of divergent terms, there shall be a cash settlement for the portion exceeding the standard contract size; in all other respects, shares and other fractional interests, if any, shall be delivered based on the new contract size. This shall also apply with respect to stock dividends, stock splits and similar events. Paragraph (3) sentence 3 and 4 shall apply to such cash settlements mutatis mutandis.

In case of capital reductions, the exercise price and the standard contract size of the options shall remain unchanged if the capital is reduced by decreasing the par value of the shares. If a reduction of capital is implemented by redeeming or consolidating shares, the number of shares covered by a contract shall be reduced proportionally to the proportion of the reduction of the share capital. The exercise price shall be simultaneously increased by a value such that the original value of the contract remains unchanged. Any remaining fractions of shares shall be settled in cash.

(5) In the event of any change of the contract size and the exercise price pursuant to parag raphs (2), (3) or (4), new option series shall be introduced in accordance with the provisions of subsections 2.2.21.1 and 2.2.21.6.

In the event of changes to the share capital (paragraphs (3) to (7) and all adjustments pursuant to paragraph (2) all orders and quotes contained in the order book with respect to the relevant

option series shall be cancelled by the Eurex Exchanges. The Eurex Exchanges shall notify all Exchange Participants of any such cancellation.

(6) If, in the cases required by law (e.g. merger, consolidation, conversion of classes of shares by means of an amendment to the articles of association, collectively a " Merger" ), shareholders receive an offer to exchange their old shares for new shares or shares of another stock corporation, any options concerned which are due to expire after the discontinuation of trading in the old shares on a stock exchange (the " Reference Date" ) shall be adjusted as follows:

The options shall be adjusted on the Exchange day immediately following the Reference Date. The old shares shall be replaced by the same number of new shares issued due to the Merger, or of the other shares offered by the stock corporation. In all other cases in which the exchange ratio is not 1:1 or the holders of old shares are also offered a cash compensation, the exercise prices and contract sizes of the options shall in addition be adjusted in such a manner that the original contract value is maintained. When an option is exercised after the Reference Date, the Eurex Exchanges shall provide a cash compensation for any fractional shares the new contract size may cover. The new underlying security shall be delivered at the earliest from the day on which the stock corporation exchanged the old shares for new shares or shares of another stock corporation.

If, in the case of an exchange of old shares as required by law, shareholders are offered a cash compensation, securities other than shares or other rights (collectively the " Other Rights" ) instead of new shares, the term of the options shall expire as soon as the old shares are no longer admitted to trading on a securities exchange (the " Reference Date" ). The same shall apply if the Other rights offered cannot be delivered through the central depositories or other depositories recognised by Eurex Clearing AG, or if derivatives on the Other Rights offered cannot be traded on the Eurex Exchanges as a matter of law. If an option concerned is exercised on the Reference Date, the shares underlying the contract shall be replaced by the Other Rights. The Other Rights shall be delivered on the day on which they are transferred by the offering company. If this day is not an Exchange day, delivery shall be effected on the Exchange day immediately following the Reference Date. If the Other Rights offered cannot be delivered through the central depositories or other depositories recognised by Eurex Clearing AG, or if derivatives on the Other Rights offered cannot be traded on the Eurex Exchanges as a matter of law, the Eurex Exchanges shall provide a proportional cash compensation.

(7) If shareholders receive an offer to exchange old shares for new shares, shares of another stock corporation, securities other than shares, other rights or a cash compensation and in the event this capital market transaction is not stipulated by the provisions in accordance with paragraph (6), the Eurex Exchanges will adjust the options concerned in such manner that the original contract value is maintained to the extent possible, well-ordered market conditions are ensured and clearing and contract settlement are facilitated. The Eurex Exchanges shall inform the Exchange Participants of the intended measures.

### 2.2.21.8 Price Gradations

The price of an option shall have price gradations of 0.01 EUR, to the extent that the Boards of Management of the Eurex Exchanges have not provided otherwise.

### 2.2.21.9 Exercise

(1) Options may be exercised by the purchaser on any Exchange day until the end of the Post Trading Period (American style) provided that the Boards of Management of the Eurex

Exchanges have not determined otherwise. The last day on which an option may be exercised shall generally be the last trading day (subsection 2.2.21.5 paragraph (2)).

(2) The Eurex Exchanges shall inform the Exchange Participants on each of the last ten Exchange days before the last trading day of an option series of options contracts then becoming due.

(3) Each Exchange Participant shall be responsible for exercising the options contracts. The Eurex Exchanges shall not automatically exercise any options contracts.

(4) In the event of an EDP failure, the Eurex Exchanges must receive a written exercise request from the Exchange Participant concerned (e.g., by letter or telefax) no later than the end of the Post-Trading Period on or before the last trading day of an options contract. Any such request transmitted to one of the Eurex Exchanges shall be deemed submitted to all Eurex Exchanges. The exercise request shall be entered by the Eurex Exchanges to the extent possible using reasonable efforts.

(5) The exercise of an option entered during the course of any day may be altered until the end of the Post-Trading Period on the date of entry.

### 2.2.21.10 Assignment

(1) All exercises shall be assigned to the writers of the exercised option series after the end of the Post-Trading Period. Assignments shall be binding. Exercises may be assigned to writers throughout the term of the option contract, including on the expiration day (subsection 2.2.21.5 paragraph (2) sentence 3).

(2) The Exchange Participants and Clearing Members affected by any such assignment shall be notified thereof during the morning of the following Exchange day.

(3) Assignments shall be made through the Eurex Exchanges by a random selection process conducted in accordance with detailed rules. The assignment method shall be communicated to the Exchange Participants. Any change of such method shall become effective only after its announcement.

(4) All assignments made for the Agent Position Account of an Exchange Participant shall be assigned by such Exchange Participant to the positions of its customers, on the basis of a procedure that ensures the neutrality of the assignment process.

(5) All assignments made for the Principal Position Accounts or M-Positions Accounts of an Exchange Participant must be performed by that Exchange Participant and may not be transferred onward to customers.

### 2.2.21.11 Performance, Delivery

Deliveries resulting from the exercise and assignment of options shall occur between the relevant Clearing Members and Eurex Clearing AG. Each Clearing Member shall be responsible for handling deliveries to the Non-Clearing Members served by it and its own customers; the performance of deliveries by Non-Clearing Members to their customers is the responsibility of the Non-Clearing Members.

### 2.2.22 Sub-Subpart

Specifications for Low Exercise Price Options (LEPO) on Stocks of Italian Stock Corporations

### 2.2.22.1 Subject Matter of Contract

Each contract shall generally cover 100 shares unless the Boards of Management of the Eurex Exchanges have determined otherwise. Stock options on ENI and Telecom Italia refer to 500 shares. Subsection 2.2.22.6 shall remain unaffected.

### 2.2.22.2 Call Option (Call)

(1) The purchaser of a call option (Call) has the right to demand delivery of the shares underlying the contract at the stipulated exercise price.

(2) The writer of a call shall be required to deliver the shares underlying the contract at the stipulated exercise price on the third Exchange day following the day on which the option was exercised vis-à-vis Eurex Clearing AG; this shall also apply if the exercise is first assigned to the writer on the Exchange day following the day of exercise.

### 2.2.22.3 Option Premiums

The purchaser of an options contract is required to pay to the writer thereof the price for the purchase of the option right, the " Option Premium" .

### 2.2.22.4 Term, Close of Trading, Expiration Day

(1) Options are available at the Eurex Exchanges with two terms up to and including the next two succeeding quarterly expiration days of the cycle (March, June, September and December) thereafter.

Depending on the time of the purchase of the option, the terms may be up to three or six months. The Boards of Management of the Eurex Exchanges determine the term for each LEPO pursuant to sentence 1.

(2) The last trading day of an option series shall be the last day on which such option series is available to Exchange Participants for trading and clearing through the EDP system of the Eurex Exchanges. The last trading day shall generally be the third Friday of the relevant month; provided that such Friday is an Exchange day, otherwise the last trading day shall be the Exchange day prior to such Friday.

The expiration day of an option series shall generally be the Exchange day following the last trading day.

(3) An option series may not be cancelled so long as any Exchange Participant continues to hold open positions in such option series.

### 2.2.22.5 Exercise Prices

LEPO shall have an exercise price of 1 EUR.

### 2.2.22.6 Alterations of Exercise Prices and Expiration Days

The provisions of subsection 2.2.21.7 with respect to alterations in the exercise prices and expiration days of Italian stock options shall also apply to LEPO subject to the following:

In the event of a change in the capital, the exercise price for LEPO on Italian stocks shall in any case remain unaffected. To maintain the original contract value, the change in the capital shall be taken account of by determining new contract size.

### 2.2.22.7 Price Gradations

The price of an option shall have price gradations of 0.01 EUR, unless the Boards of Management of the Eurex Exchanges have provided otherwise.

### 2.2.22.8 Exercise

(1) LEPO may be exercised by the purchaser on any Exchange day until the end of the Post-Trading Period (American style) provided that the Boards of Management of the Eurex Exchanges have not determined otherwise. The last day on which an option may be exercised shall generally be the last trading day (subsection 2.2.22.4 paragraph (2)).

(2) The Eurex Exchanges shall inform the Exchange Participants on each of the last ten Exchange days before the last trading day of an option series on options contracts becoming due..

(3) Each Exchange Participant shall be responsible for exercising its options contracts. The Eurex Exchanges shall not automatically exercise any options contracts.

(4) In the event of an EDP failure, the Eurex Exchanges must receive a written exercise request from the Exchange Participant concerned (e.g., by letter or telefax) no later than the end of the Post-Trading Period on or before the last trading day of the options contract. Any such request transmitted to one of the Eurex Exchanges shall be deemed submitted to all Eurex Exchanges. The exercise request shall be entered by the Eurex Exchanges to the extend possible using reasonable efforts.

(5) The exercise of an option entered during the course of any day may be altered until the end of the Post-Trading Period on the date of entry.

### 2.2.22.9 Assignment

(1) All exercises shall be assigned to the writers of the exercised option series after the end of the Post-Trading Period. Assignments shall be binding. Exercises may be assigned to writers throughout the term of the option contract, including on the last trading day.

(2) The Exchange Participants and Clearing Members affected by any such assignment shall be notified thereof during the morning of the following Exchange day.

(3) Assignments shall be made through the Eurex Exchanges by a random selection process conducted in accordance with detailed rules. The assignment method shall be communicated to the Exchange Participants. Any change of such method shall become effective only after notice thereof.

(4) All assignments made for the Agent Position Account of an Exchange Participant shall be assigned by such Exchange Participant to the positions of its customers, on the basis of a procedure that ensures the neutrality of the assignment process.

(5) All assignments made for the Principal Position Accounts or M-position Accounts of an Exchange Participant must be performed by that Exchange Participant and may not be transferred onward to its customers.

### 2.2.22.10 Performance, Delivery

Deliveries resulting from the exercise and assignment of options shall occur between the relevant Clearing Members and Eurex. Each Clearing Member shall be responsible for handling deliveries to the Non-Clearing Members served by it and its own customers; the performance of deliveries by Non-Clearing Members to their customers is the responsibility of the Non-Clearing Members.

## 2.2.19 Sub-Subpart

**Settlement of Options Contracts on Stocks of Dutch Stock Corporations (Dutch Options)**

### 2.2.19.1 General Provisions

(1) Eurex Clearing AG shall be a contracting party to all deliveries and payments arising out of the exercise and assignment of options contracts.

(2) Clearing Members must, in accordance with instructions of Eurex Clearing AG, make deliveries and payments in respect of exercises and assignments of positions for the Clearing of which they are responsible.

(3) Eurex Clearing AG will inform each Clearing Member of the options contracts assigned to it on the morning of the Exchange day after exercise.

(4) The following provisions shall apply to the procedures for deliveries and payments pursuant to paragraph (1):

All physical deliveries of securities and payments shall be concurrently performed between the Clearing Members through Eurex Clearing AG on the third Exchange day after the exercise of the option; this shall also apply if the exercise is not assigned to the writer until the Exchange day following exercise. Physical deliveries of securities are to be made through CBF and payments shall be made through LZB.

Each Clearing Member and Eurex Clearing AG must ensure, through appropriate instruction to CBF or SIS, that transactions can be processed on the Exchange day on which the delivery notice is given. All Clearing Members must ensure their ability to effect deliveries and payments on the due date thereof through sufficient deposits in the securities account with CBF or SIS and credit balances in the Clearing Member' s account at LZB.

### 2.2.19.2 Option Premiums

The balance of the option premiums ("Net Premium") to be paid by the Clearing Members pursuant to subsection 2.2.19.4 of the Conditions for Trading at the Eurex Exchanges and to be reimbursed by Eurex Clearing AG shall be payable by the time specified by Eurex Clearing AG on the Exchange day following the conclusion of the transaction, but generally prior to the commencement of trading at the Eurex Exchanges on such Exchange day.

### 2.2.19.3 Margin Requirements

(1) The basic provisions for margin requirements are set forth in subsections 1.3.1 through 1.3.5. In addition thereto, the following conditions shall apply:

(2) Margin must generally be maintained to cover the costs of a potential closing of all positions at their daily settlement price ("Premium Margin"). The daily settlement

price of an option series is the price of the last transaction entered into in such option series during the final 15 minutes on an Exchange day. If no transactions are entered into in such option series during such period, or if the use of such daily settlement price would not result in a margin requirement that would be adequate to cover the risk assessment of Eurex Clearing AG, Eurex Clearing AG shall determine the daily settlement price.

(3) The difference between the last price of the respective underlying security effected in the continuous trading of the electronic trading system of Amsterdam Exchanges (AEX) and the exercise price shall be used for exercised and assigned positions in options contracts on shares of Dutch stock corporations.

If more than 15 minutes have passed since such price was established, the volume-weighted average of the last three prices effected during continuous trading of the electronic trading system at Amsterdam Exchanges (AEX) shall be used.

Eurex Clearing AG may deviate from a price so determined if the resulting margin requirements do not comply with the risk assessment of Eurex Clearing AG.

(4) For purposes of calculating the margin requirements for all option series, net long positions shall be treated as credit balances.

(5) In addition to the foregoing margin requirements ("Premium Margin"), a further margin requirement ("Additional Margin") shall be calculated in an amount sufficient to cover any change to the cost of closing all options positions assuming the least favourable price developments, as determined by Eurex Clearing AG, until the next calculation of margin.

**2.2.19.4 Dividends**

If a Netherlands stock option is exercised before the day on which a dividend resolution is passed, the new owner of the shares shall be entitled to the dividend.

**2.2.19.5 Default in Delivery or Payment**

(1) In the event that a Clearing Member which is obligated to deliver is in default and fails to deliver the shares assigned to it on the delivery day and pursuant to the instructions of Eurex Clearing AG, Eurex Clearing AG shall be entitled to take the following measures:

- Eurex Clearing AG is entitled to obtain by means of securities lending the assigned shares which are in default and deliver them to the Clearing Member which did not receive delivery in a timely manner.

- In the event that the shares to be delivered are not delivered to Eurex Clearing AG as part of the standard transfer arrangement of CBF by the sixth Exchange day after the delivery day, Eurex Clearing AG shall be entitled to make a replacement purchase with respect to the undelivered shares. The replacement purchase is to be carried out through a replacement transaction on a stock exchange on the sixth Exchange day after the delivery day. Eurex Clearing AG will deliver the shares acquired through such replacement transaction to the Clearing Member which did not receive delivery in a timely manner.

(2) Measures set forth in paragraph (1) are binding on the Clearing Member which did not receive delivery in a timely manner.

(3) Any costs arising from the measures taken in accordance with 2.2.15.5 paragraph (1) must be paid by the defaulting Clearing Member. Furthermore, Eurex Clearing AG will charge the defaulting Clearing Member a contractual penalty. Eurex Clearing AG may waive such penalty in cases where such default in delivery does not exceed one Exchange day. The contractual penalty shall be calculated as follows:

- Irrespective of whether Eurex Clearing AG has suffered any damage, the defaulting Clearing Member shall be obligated to pay a contractual penalty determined by Eurex Clearing AG per product per calendar day, plus a percentage of the outstanding amount to be announced by Eurex Clearing AG in advance. Such percentage shall be based on the money-market rates prevailing in the market.

(4) The right of Eurex Clearing AG and the Clearing Member which did not receive delivery in a timely manner to claim further damages shall remain unaffected.

Eurex Clearing AG has the right to charge a contractual penalty even if it accepts a delayed delivery or payment without explicitly reserving such right. The right to claim further damages shall remain unaffected.

(5) Defaults or technical defaults in payment shall be subject to the provisions of subsection 1.7.1 paragraph (4) or subsection 1.7.2 paragraph (5) respectively.

## 2.2.20 Sub-Subpart

**Settlement of Low Exercise Price Options (LEPO) on Dutch Stocks**

### 2.2.20.1 General Provisions

(1) Eurex Clearing AG shall be a contracting party to all deliveries and payments arising out of the exercise and assignment of options contracts.

(2) Clearing Members must, in accordance with instructions of Eurex Clearing AG, make deliveries and payments in respect of exercises and assignments of positions for the Clearing of which they are responsible.

(3) Eurex Clearing AG will inform each Clearing Member of the options contracts assigned to it on the morning of the Exchange day after exercise.

(4) The following provisions shall apply to the procedures for deliveries and payments pursuant to paragraph (1):

All physical deliveries of securities and payments shall be concurrently performed between the Clearing Members through Eurex Clearing AG on the third Exchange day after the exercise of the option; this shall also apply if the exercise is not assigned to the writer until the Exchange day following exercise. Physical deliveries of securities are to be made through CBF or SIS and payments shall be made through LZB.

Each Clearing Member and Eurex Clearing AG must ensure, through appropriate instruction to SIS or CBF, that transactions can be processed on the Exchange day

on which the delivery notice is given. All Clearing Members must ensure their ability to effect deliveries and payments on the due date thereof through sufficient deposits in the securities account with SIS or CBF and credit balances in the Clearing Member' s account at LZB.

### 2.2.20.2 Option Premiums

The balance of the option premiums ("Net Premium") to be paid by the Clearing Members pursuant to subsection 2.2.20.3 of the Conditions for Trading at the Eurex Exchanges and to be reimbursed by Eurex Clearing AG shall be payable by the time specified by Eurex Clearing AG on the Exchange day following the conclusion of the transaction, but generally prior to the commencement of trading at the Eurex Exchanges on such Exchange day.

### 2.2.20.3 Margin Requirements

(1) The basic provisions for margin requirements are set forth in subsections 1.3.1 through 1.3.5. In addition thereto, the following conditions shall apply:

(2) Margin must generally be maintained to cover the costs of a potential closing of all positions at their daily settlement price ("Premium Margin"). The daily settlement price of an option series is the price of the last transaction entered into in such option series during the final 15 minutes on an Exchange day. If no transactions are entered into in such option series during such period, or if the use of such daily settlement price would not result in a margin requirement that would be adequate to cover the risk assessment of Eurex Clearing AG, Eurex Clearing AG shall determine the daily settlement price.

(3) The difference between the last price of the respective underlying security effected in the electronic trading system of the Amsterdam Exchanges (AEX) and the exercise price shall be used for exercised and assigned positions in options contracts on shares of Dutch stock corporations.

If more than 15 minutes have passed since such price was established, the volume-weighted average of the last three prices effected during continuous trading of the electronic trading system of the Amsterdam Exchanges (AEX) shall be used.

Eurex Clearing AG may deviate from a price so determined if the resulting margin requirements do not comply with the risk assessment of Eurex Clearing AG.

(4) For purposes of calculating the margin requirements for all option series, net long positions shall be treated as credit balances.

(5) In addition to the foregoing margin requirements ("Premium Margin"), a further margin requirement ("Additional Margin") shall be calculated in an amount sufficient to cover any change to the cost of closing all options positions assuming the least favorable price developments, as determined by Eurex Clearing AG, until the next calculation of margin.

### 2.2.20.4 Dividends

If a LEPO on Swiss shares is exercised before the day on which a dividend resolution is passed, the new owner of the shares shall be entitled to the dividend.

**2.2.20.5 Default in Delivery or Payment**

(1) In the event that a Clearing Member which is obligated to deliver is in default and fails to deliver the shares assigned to it on the delivery day and pursuant to the instructions of Eurex Clearing AG, Eurex Clearing AG shall be entitled to take the following measures:

- Eurex Clearing AG is entitled to obtain by means of securities lending the assigned shares which are in default and deliver them to the Clearing Member which did not receive delivery in a timely manner.

- In the event that the shares to be delivered are not delivered to Eurex Clearing AG as part of the standard transfer arrangement of CBF by the fifth Exchange day after the delivery day, Eurex Clearing AG shall be entitled to make a replacement purchase with respect to the undelivered shares. The replacement purchase is to be carried out through a replacement transaction on a stock exchange on the fifth Exchange day after the delivery day. Eurex Clearing AG will deliver the shares acquired through such replacement transaction to the Clearing Member which did not receive delivery in a timely manner.

(2) Measures set forth in paragraph (1) are binding on the Clearing Member which did not receive delivery in a timely manner.

(3) Any costs arising from the measures taken in accordance with 2.2.20.5 paragraph (1) must be paid by the defaulting Clearing Member. Furthermore, Eurex Clearing AG will charge the defaulting Clearing Member a contractual penalty. Eurex Clearing AG may waive such penalty in cases where such default in delivery does not exceed one Exchange day. The contractual penalty shall be calculated as follows:

- Irrespective of whether Eurex Clearing AG has suffered any damage, the defaulting Clearing Member shall be obligated to pay a contractual penalty in the amount determined by Eurex Clearing AG per product per calendar day, plus a percentage of the outstanding amount to be announced by Eurex Clearing AG in advance. Such percentage shall be based on the money-market rates prevailing in the market.

(4) The right of Eurex Clearing AG and the Clearing Member which did not receive delivery in a timely manner to claim further damages shall remain unaffected.

Eurex Clearing AG has the right to charge a contractual penalty even if it accepts a delayed delivery or payment without explicitly reserving such right. The right to claim further damages shall remain unaffected.

(5) Defaults or technical defaults in payment shall be subject to the provisions of subsection 1.7.1 paragraph (4) or subsection 1.7.2 paragraph (5) respectively.

## 2.2.21 Sub-Subpart

**Settlement of Options Contracts on Stocks of Italian Stock Corporations (Italian Stock Options)**

### 2.2.21.1 General Provisions

(1) Eurex Clearing AG shall be a contracting party to all deliveries and payments arising out of the exercise and assignment of options contracts.

(2) Clearing Members must, in accordance with instructions of Eurex Clearing AG, make deliveries and payments in respect of exercises and assignments of positions for the Clearing of which they are responsible.

(3) Eurex Clearing AG will inform each Clearing Member of the options contracts assigned to it on the morning of the Exchange day after exercise.

(4) The following provisions shall apply to the procedures for deliveries and payments pursuant to paragraph (1):

All physical deliveries of securities and payments shall be concurrently performed between the Clearing Members through Eurex Clearing AG on the third Exchange day after the exercise of the option; this shall also apply if the exercise is not assigned to the writer until the Exchange day following exercise. Physical deliveries of securities are to be made through CBF and payments shall be made through LZB.

Each Clearing Member and Eurex Clearing AG must ensure, through appropriate instruction to CBF or SIS, that transactions can be processed on the Exchange day on which the delivery notice is given. All Clearing Members must ensure their ability to effect deliveries and payments on the due date thereof through sufficient deposits in the securities account with CBF or SIS and credit balances in the Clearing Member' s account at LZB.

### 2.2.21.2 Option Premiums

The balance of the option premiums ("Net Premium") to be paid by the Clearing Members pursuant to subsection 2.2.21.4 of the Conditions for Trading at the Eurex Exchanges and to be reimbursed by Eurex Clearing AG shall be payable by the time specified by Eurex Clearing AG on the Exchange day following the conclusion of the transaction, but generally prior to the commencement of trading at the Eurex Exchanges on such Exchange day.

### 2.2.21.3 Margin Requirements

(1) The basic provisions for margin requirements are set forth in subsections 1.3.1 through 1.3.5. In addition thereto, the following conditions shall apply:

(2) Margin must generally be maintained to cover the costs of a potential closing of all positions at their daily settlement price ("Premium Margin"). The daily settlement price of an option series is the price of the last transaction entered into in such option series during the final 15 minutes on an Exchange day. If no transactions are entered into in such option series during such period, or if the use of such daily settlement price would not result in a margin requirement that would be adequate to

cover the risk assessment of Eurex Clearing AG, Eurex Clearing AG shall determine the daily settlement price.

(4) The difference between the last price of the respective underlying security effected in the continuous trading of the electronic trading system of Borsa Italia and the exercise price shall be used for exercised and assigned positions in options contracts on shares of Italian stock corporations.

If more than 15 minutes have passed since such price was established, the volume-weighted average of the last three prices effected during continuous trading of the electronic trading system of Borsa Italia shall be used.

Eurex Clearing AG may deviate from a price so determined if the resulting margin requirements do not comply with the risk assessment of Eurex Clearing AG.

(4) For purposes of calculating the margin requirements for all option series, net long positions shall be treated as credit balances.

(5) In addition to the foregoing margin requirements ("Premium Margin"), a further margin requirement ("Additional Margin") shall be calculated in an amount sufficient to cover any change to the cost of closing all options positions assuming the least favourable price developments, as determined by Eurex Clearing AG, until the next calculation of margin.

**2.2.21.4 Dividends**

If a Italian stock option is exercised before the day on which a dividend resolution is passed, the new owner of the shares shall be entitled to the dividend.

**2.2.21.5 Default in Delivery or Payment**

(1) In the event that a Clearing Member which is obligated to deliver is in default and fails to deliver the shares assigned to it on the delivery day and pursuant to the instructions of Eurex Clearing AG, Eurex Clearing AG shall be entitled to take the following measures:

- Eurex Clearing AG is entitled to obtain by means of securities lending the assigned shares which are in default and deliver them to the Clearing Member which did not receive delivery in a timely manner.

- In the event that the shares to be delivered are not delivered to Eurex Clearing AG as part of the standard transfer arrangement of CBF by the fifth Exchange day after the delivery day, Eurex Clearing AG shall be entitled to make a replacement purchase with respect to the undelivered shares. The replacement purchase is to be carried out through a replacement transaction on a stock exchange on the fifth Exchange day after the delivery day. Eurex Clearing AG will deliver the shares acquired through such replacement transaction to the Clearing Member which did not receive delivery in a timely manner.

(2) Measures set forth in paragraph (1) are binding on the Clearing Member which did not receive delivery in a timely manner.

(3) Any costs arising from the measures taken in accordance with 2.2.21.5 paragraph (1) must be paid by the defaulting Clearing Member. Furthermore, Eurex Clearing

AG will charge the defaulting Clearing Member a contractual penalty. Eurex Clearing AG may waive such penalty in cases where such default in delivery does not exceed one Exchange day. The contractual penalty shall be calculated as follows:

- Irrespective of whether Eurex Clearing AG has suffered any damage, the defaulting Clearing Member shall be obligated to pay a contractual penalty determined by Eurex Clearing AG per product per calendar day, plus a percentage of the outstanding amount to be announced by Eurex Clearing AG in advance. Such percentage shall be based on the money-market rates prevailing in the market.

(4) The right of Eurex Clearing AG and the Clearing Member which did not receive delivery in a timely manner to claim further damages shall remain unaffected.

Eurex Clearing AG has the right to charge a contractual penalty even if it accepts a delayed delivery or payment without explicitly reserving such right. The right to claim further damages shall remain unaffected.

(5) Defaults or technical defaults in payment shall be subject to the provisions of subsection 1.7.1 paragraph (4) or subsection 1.7.2 paragraph (5) respectively.

## 2.2.22 Sub-Subpart

Settlement of Low Exercise Price Options (LEPO) on Italian Stocks

### 2.2.22.1 General Provisions

(1) Eurex Clearing AG shall be a contracting party to all deliveries and payments arising out of the exercise and assignment of options contracts.

(2) Clearing Members must, in accordance with instructions of Eurex Clearing AG, make deliveries and payments in respect of exercises and assignments of positions for the Clearing of which they are responsible.

(3) Eurex Clearing AG will inform each Clearing Member of the options contracts assigned to it on the morning of the Exchange day after exercise.

(4) The following provisions shall apply to the procedures for deliveries and payments pursuant to paragraph (1):

All physical deliveries of securities and payments shall be concurrently performed between the Clearing Members through Eurex Clearing AG on the third Exchange day after the exercise of the option; this shall also apply if the exercise is not assigned to the writer until the Exchange day following exercise. Physical deliveries of securities are to be made through CBF or SIS and payments shall be made through LZB.

Each Clearing Member and Eurex Clearing AG must ensure, through appropriate instruction to SIS or CBF, that transactions can be processed on the Exchange day on which the delivery notice is given. All Clearing Members must ensure their ability to effect deliveries and payments on the due date thereof through sufficient deposits in the securities account with SIS or CBF and credit balances in the Clearing Member' s account at LZB.

### 2.2.22.2 Option Premiums

The balance of the option premiums ("Net Premium") to be paid by the Clearing Members pursuant to subsection 2.2.22.3 of the Conditions for Trading at the Eurex Exchanges and to be reimbursed by Eurex Clearing AG shall be payable by the time specified by Eurex Clearing AG on the Exchange day following the conclusion of the transaction, but generally prior to the commencement of trading at the Eurex Exchanges on such Exchange day.

### 2.2.22.3 Margin Requirements

(1) The basic provisions for margin requirements are set forth in subsections 1.3.1 through 1.3.5. In addition thereto, the following conditions shall apply:

(2) Margin must generally be maintained to cover the costs of a potential closing of all positions at their daily settlement price ("Premium Margin"). The daily settlement price of an option series is the price of the last transaction entered into in such option series during the final 15 minutes on an Exchange day. If no transactions are entered into in such option series during such period, or if the use of such daily settlement price would not result in a margin requirement that would be adequate to cover the risk assessment of Eurex Clearing AG, Eurex Clearing AG shall determine the daily settlement price.

(4) The difference between the last price of the respective underlying security effected in the electronic trading system of Borsa Italia and the exercise price shall be used for exercised and assigned positions in options contracts on shares of Italian stock corporations.

If more than 15 minutes have passed since such price was established, the volume-weighted average of the last three prices effected during continuous trading of the electronic trading system of Borsa Italia shall be used.

Eurex Clearing AG may deviate from a price so determined if the resulting margin requirements do not comply with the risk assessment of Eurex Clearing AG.

(4) For purposes of calculating the margin requirements for all option series, net long positions shall be treated as credit balances.

(5) In addition to the foregoing margin requirements ("Premium Margin"), a further margin requirement ("Additional Margin") shall be calculated in an amount sufficient to cover any change to the cost of closing all options positions assuming the least favourable price developments, as determined by Eurex Clearing AG, until the next calculation of margin.

### 2.2.22.4 Dividends

If a LEPO on Italian shares is exercised before the day on which a dividend resolution is passed, the new owner of the shares shall be entitled to the dividend.

**2.2.22.5 Default in Delivery or Payment**

(1) In the event that a Clearing Member which is obligated to deliver is in default and fails to deliver the shares assigned to it on the delivery day and pursuant to the instructions of Eurex Clearing AG, Eurex Clearing AG shall be entitled to take the following measures:

- Eurex Clearing AG is entitled to obtain by means of securities lending the assigned shares which are in default and deliver them to the Clearing Member which did not receive delivery in a timely manner.

- In the event that the shares to be delivered are not delivered to Eurex Clearing AG as part of the standard transfer arrangement of SIS by the fifth Exchange day after the delivery day, Eurex Clearing AG shall be entitled to make a replacement purchase with respect to the undelivered shares. The replacement purchase is to be carried out through a replacement transaction on a stock exchange on the fifth Exchange day after the delivery day. Eurex Clearing AG will deliver the shares acquired through such replacement transaction to the Clearing Member which did not receive delivery in a timely manner.

(2) Measures set forth in paragraph (1) are binding on the Clearing Member which did not receive delivery in a timely manner.

(3) Any costs arising from the measures taken in accordance with 2.2.22.5 paragraph (1) must be paid by the defaulting Clearing Member. Furthermore, Eurex Clearing AG will charge the defaulting Clearing Member a contractual penalty. Eurex Clearing AG may waive such penalty in cases where such default in delivery does not exceed one Exchange day. The contractual penalty shall be calculated as follows:

- Irrespective of whether Eurex Clearing AG has suffered any damage, the defaulting Clearing Member shall be obligated to pay a contractual penalty in the amount determined by Eurex Clearing AG per product per calendar day, plus a percentage of the outstanding amount to be announced by Eurex Clearing AG in advance. Such percentage shall be based on the money-market rates prevailing in the market.

(4) The right of Eurex Clearing AG and the Clearing Member which did not receive delivery in a timely manner to claim further damages shall remain unaffected.

Eurex Clearing AG has the right to charge a contractual penalty even if it accepts a delayed delivery or payment without explicitly reserving such right. The right to claim further damages shall remain unaffected.

(5) Defaults or technical defaults in payment shall be subject to the provisions of subsection 1.7.1 paragraph (4) or subsection 1.7.2 paragraph (5) respectively.

# Exchange Rules for Eurex Deutschland and Eurex Zürich

## 4.3.2 Option Contracts

In order to maintain orderly trading conditions, the Board of Management of Eurex Deutschland or Eurex Zürich may issue instructions ordering settlement in cash rather than by physical delivery upon the exercise of stock options. The share price decisive for the amount of cash settlement shall be calculated on the basis of the average of all share prices established by the close of trading of the respective stock option on the relevant spot market (Kassamarkt) according to the Conditions for Trading at the Eurex Exchanges. The amount of cash settlement is determined by the difference between the relevant share price and the price of the underlying share multiplied by the number of shares underlying the options contract.

If the quotation of a share underlying an options contract that is traded on the Eurex Exchanges is discontinued by the relevant spot market (Kassamarkt), Exchange Participants may exercise their contracts within a period of five exchange days after the date on which trading in the related option series is discontinued. Any option that is so exercised shall be settled in cash. The Board of Management shall fix the price of the underlying share for purposes of such cash settlement. Upon expiration of the above period, open positions in the discontinued option series may no longer be exercised.

# Implementation Regulations for the Handling of Erroneous Entries (Fehleingaben) at Eurex Deutschland and Eurex Zürich

## 1.1 Pursuant to Subsection 1.2.5 Paragraph (2) of the Conditions for Trading at Eurex Deutschland and Eurex Zürich

### 1.1.1 Scope of Application

The following Implementation Regulations under subsection 1.2.5 paragraph (2) of the Conditions for Trading (Handelsbedingungen) relate to erroneous entries in the trading of options contracts on stocks and stock indices.

### 1.1.2 Conditions

The Management Boards of the Eurex Exchanges shall cancel a transaction in order to ensure orderly and fair market conditions if

a. the price of the transaction effected by the erroneous entry deviates significantly from the market price -- hereinafter referred to as the "Reference Price" – and

b. the Exchange Participant which entered the erroneous entry asserts to the Eurex Exchanges without delay that it mistakenly entered the order or quote incorrectly into the System of the Eurex Exchanges.

The assertion of any further rights shall remain unaffected.

In order to determine if the price of the transaction deviates significantly from the Reference Price, such prices shall be set in proportion to one another in accordance with the following provisions:

The Reference Price shall generally be established as the average of the prices of the transaction effected immediately before and the transaction effected immediately following the erroneous entry. If only one of these prices is available, such price shall be used as the Reference Price.

If a Reference Price cannot be determined pursuant to the foregoing provision or if the Reference Price so determined does not correspond to fair market conditions, the Eurex Exchanges, with the assistance of the option price model (Optionspreismodell) employed by them, shall determine a "theoretically fair" price and use such price as the Reference Price. Alternatively, the Eurex Exchanges shall select, from among the group of Exchange Participants admitted to trading on the Eurex Exchanges which do not have an interest in the transaction, three competent individuals (chief traders), each of whom shall calculate a market price for the option series concerned; the average of the prices determined by these three individuals shall then be the Reference Price.

In determining whether the price of the transaction deviates significantly from the Reference Price, a distinction shall be made in the following manner between options contracts on stocks in German joint stock corporations (German stock options) or on German stock indices, the Dow Jones STOXX 50-Index and the Dow Jones EURO STOXX 50-Index, options contracts on stocks of Swiss joint stock corporations (Swiss stock options) or on Swiss stock indices, and

options contracts on stocks of Finnish joint stock corporations (Finnish stock options) or Finnish/Nordic stock indices, options contracts on Dutch joint stock corporations (Dutch stock options), options contracts on Italian joint stock corporations (Italian stock options) and options contracts on French joint stock corporations (French stock options:

A significant deviation of the price of the transaction from the Reference Price in the case of options contracts on stocks in German joint stock corporations (German stock options) or on German stock indices, in the case of option contracts on stocks in Finnish joint stock corporations (Finnish stock options) or Finnish/Nordic stock indices, or in the case of options contracts on the Dow Jones STOXX50 Index as well as on the Dow Jones EURO STOXX 50 Index, in the case of options contracts on Dutch joint stock corporations (Dutch stock options), options contracts on Italian joint stock corporations (Italian stock options) and options contracts on French joint stock corporations (French stock options) is to be presumed when the amount of the deviation

- exceeds 1 EUR[1] or 20 points[2]
- if not in excess of 1 EUR[1] or 20 points[2,] exceeds 20 per cent of the Reference Price and is at least 0,3 EUR[1] or 3 points [1;3 4]

[1] In case of options on Dutch stocks with a term > 2 years 2,50 EUR

[2] Options on German stock indices or options contracts on Finnish/Nordic stock indices and options on the Dow Jones STOXX 50-Index as well as the Dow Jones EURO STOXX 50-Index.

[3] This shall not apply to options the underlying security of which are Allianz AG stocks: A significant deviation of the price of the transaction from the Reference Price in the case of options contracts on Allianz AG stocks is only given when the deviation exceeds the amount of 2 EUR.

[4] This shall not apply to options the underlying security of which are L' Oreal stocks: A significant deviation of the price of the transaction from the Reference Price in the case of options contracts on Allianz AG stocks is only given when the deviation exceeds the maximum spread valid at that time.

A significant deviation of the price of the transaction from the Reference Price in the case of options contracts on stocks in Swiss joint stock corporations (Swiss stock options) or on Swiss stock indices is to be presumed when:

- the deviation exceeds an amount of 37.50 CHF [1] or 37.50 points [2] or
- if not in excess of 37.50 CHF [1] or 37.50 points [2] exceeds 15 per cent of the Reference Price and is at least 4.50 CHF [1] or 4.50 points [2. 3]

[1] Options on stocks in Swiss joint stock corporations.

[2] Options on Swiss stock indices.

[3] This shall not apply to options the underlying security of which are Roche Holding AG stocks: a significant deviation of the price of the transaction from the Reference Price in the case of options contracts on Roche Holding AG stocks is only given when

- the deviation exceeds the amount of 75.00 CHF or

- if not in excess of 75.00 CHF exceeds 15 per cent of the Reference Price and is at least 7.5 CHF.

Exceptions:

- The foregoing provision for determining a significant deviation from the Reference Price in the case of transactions pertaining to options contracts on Swiss stocks (Swiss stock options) or Swiss stock indices shall not apply to Low Exercise Price Options on Swiss stocks (LEPO). In the case of LEPO transactions, a significant deviation in the price of a transaction from the Reference Price is to be presumed when the deviation

  - exceeds 0.75 per cent of the Reference Price and is at least 3.00 CHF. [1]

  [1] This shall not apply to options for which the underlying security is Rentenanstalt: a significant deviation of the price of the transaction from the Reference Price is only given when the deviation

  - exceeds 1.5 per cent of the Reference Price and is at least 3.00 CHF.

- The foregoing provision for determining a significant deviation from the Reference Price in the case of transactions pertaining to options contracts on Finnish stocks (Finnish stock options) or Finnish/Nordic stock indices, options contracts on Dutch stocks (Dutch stock options), options contracts on Italian stocks (Italian stock options), options contracts on French stocks (French stock options) shall not apply to Low Exercise Price Options on Finnish, Dutch, Italian and French stocks (LEPO). In the case of LEPO transactions, a significant deviation in the price of a transaction from the Reference Price is to be presumed when the deviation

  - exceeds 1.5 per cent of the Reference Price and is at least 0,50 EUR.

- The foregoing provision for determining a significant deviation from the Reference Price in the case of transactions pertaining to options contracts on German stocks (German stock options) or German stock indices shall not apply to Low Exercise Price Options on German stocks (German LEPO). In the case of German LEPO transactions a significant deviation from the Reference Price is to be presumed when the deviation corresponds to the values defined in the Mistrade Regulation applicable to the cash market "Implementation Regulation for § 40 of the Conditions for Transactions on the Frankfurt Stock Exchange - (Xetra Mistrade Rule)".

  The provisions of subsection 1.1.2 shall apply *mutatis mutandis* to a combination order pursuant to subsection 1.3.1 paragraph (1) item c of the Conditions for Trading at Eurex Deutschland and Eurex Zürich that has been mistakenly entered into the System of the Eurex Exchanges incorrectly and has been matched with two limit orders (subsection 1.3.1 paragraph (1) item b of the Conditions for Trading at Eurex Deutschland and Eurex Zürich). However, in respect of the two resulting transactions, whether the price of one of the transactions or of both the transactions deviates significantly from the market price (" Reference Price" ) is to be determined separately. If the price of only one of the two

transactions deviates significantly from the market price (“ Reference Price” ) within the meaning of the foregoing provisions, only such transaction shall be cancelled. The remaining transaction, the price whereof corresponds to the market price (“ Reference Price” ), shall not be cancelled.

The Implementation Regulations for the Handling of Erroneous Entries set forth in subsection 1.3 shall apply to a combination order pursuant to subsection 1.3.1 paragraph (1) item c of the Conditions for Trading at Eurex Deutschland and Eurex Zürich that has been mistakenly entered into the System of the Eurex Exchanges incorrectly and has been matched with a combination order.

2.2.19 Dutch Stock Options

with respect to Dutch Stock Options, fees for:

| | | | |
|---|---|---|---|
| a. | order matching | | |
| | - trade | per contract | EUR 0,20 |
| | - trade (Market Maker) | per contract | EUR 0,04 |
| b. | trade administration | | |
| | - trade separation | per transaction | EUR 0,00 |
| | - trade transfer | per transaction | EUR 0,00 |
| | - adjustment of an opening/closing transaction | per transaction | EUR 0,00 |
| c. | position administration | | |
| | - position closing transaction | per transaction | EUR 0,00 |
| | - position transfer | per transaction | EUR 0,00 |
| | - position transfer from Market Maker account | per contract | EUR 0,16 |
| d. | settlement of trades and positions | | |
| | - exercise | per contract | EUR 0,20 |
| | - exercise (Market Maker) | per contract | EUR 0,04 |
| | - exercise adjustment | per transaction | EUR 0,00 |

2.2.20 LEPO on Stocks of Dutch Stock Corporations

with respect to LEPOs on Stocks of Dutch Stock Corporations, fees for:

| | | | |
|---|---|---|---|
| a. | order matching | | |
| | - trade | per contract | EUR 0,20 |
| | - trade (Market Maker) | per contract | EUR 0,04 |
| b. | trade administration | | |
| | - trade separation | per transaction | EUR 0,00 |
| | - trade transfer | per transaction | EUR 0,00 |
| | - adjustment of an opening/closing transaction | per transaction | EUR 0,00 |
| c. | position administration | | |
| | - position closing transaction | per transaction | EUR 0,00 |
| | - position transfer | per transaction | EUR 0,00 |
| | - position transfer from Market Maker account | per contract | EUR 0,16 |
| d. | settlement of trades and positions | | |
| | - exercise | per contract | EUR 0,20 |
| | - exercise (Market Maker) | per contract | EUR 0,04 |
| | - exercise adjustment | per transaction | EUR 0,00 |

2.2.21 Italian Stock Options

with respect to Italian Stock Options, fees for:

| | | | |
|---|---|---|---|
| a. | order matching | | |
| | - trade | per contract | EUR 0,20 |
| | - trade (Market Maker) | per contract | EUR 0,04 |
| b. | trade administration | | |
| | - trade separation | per transaction | EUR 0,00 |
| | - trade transfer | per transaction | EUR 0,00 |
| | - adjustment of an opening/closing transaction | per transaction | EUR 0,00 |
| c. | position administration | | |
| | - position closing transaction | per transaction | EUR 0,00 |
| | - position transfer | per transaction | EUR 0,00 |
| | - position transfer from Market Maker account | per contract | EUR 0,16 |
| d. | settlement of trades and positions | | |
| | - exercise | per contract | EUR 0,20 |
| | - exercise (Market Maker) | per contract | EUR 0,04 |
| | - exercise adjustment | per transaction | EUR 0,00 |

2.2.22 LEPO on Stocks of Italian Stock Corporations

with respect to LEPOs on Stocks of Italian Stock Corporations, fees for:

| | | | |
|---|---|---|---|
| a. | order matching | | |
| | - trade | per contract | EUR 0,20 |
| | - trade (Market Maker) | per contract | EUR 0,04 |
| b. | trade administration | | |
| | - trade separation | per transaction | EUR 0,00 |
| | - trade transfer | per transaction | EUR 0,00 |
| | - adjustment of an opening/closing transaction | per transaction | EUR 0,00 |
| c. | position administration | | |
| | - position closing transaction | per transaction | EUR 0,00 |
| | - position transfer | per transaction | EUR 0,00 |
| | - position transfer from Market Maker account | per contract | EUR 0,16 |
| d. | settlement of trades and positions | | |
| | - exercise | per contract | EUR 0,20 |
| | - exercise (Market Maker) | per contract | EUR 0,04 |
| | - exercise adjustment | per transaction | EUR 0,00 |

2.2.23 French Stock Options

with respect to French Stock Options, fees for:

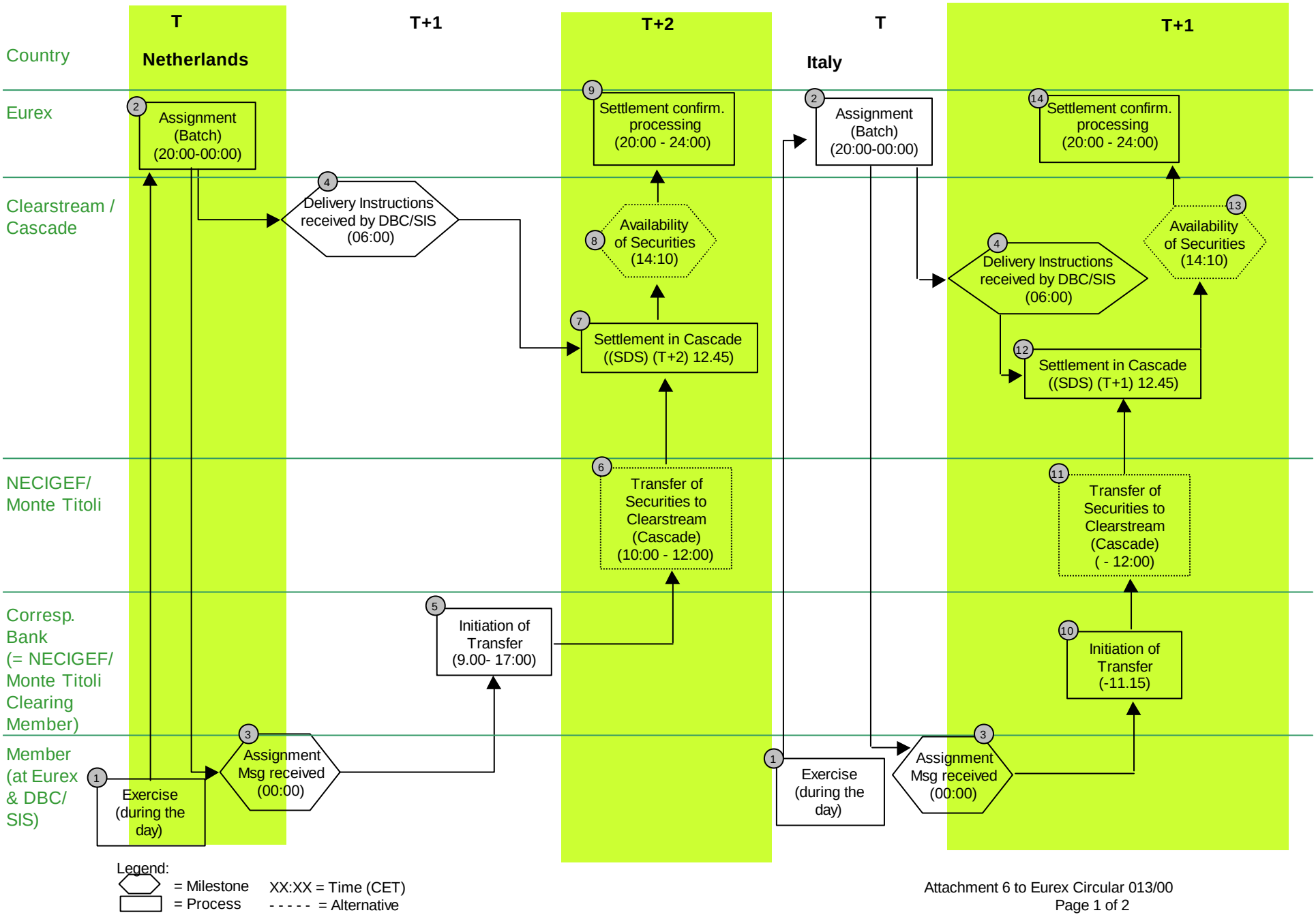
| | | | |
|---|---|---|---|
| a. | order matching | | |
| | - trade | per contract | EUR 0,20 |
| | - trade (Market Maker) | per contract | EUR 0,04 |
| b. | trade administration | | |
| | - trade separation | per transaction | EUR 0,00 |
| | - trade transfer | per transaction | EUR 0,00 |
| | - adjustment of an opening/closing transaction | per transaction | EUR 0,00 |
| c. | position administration | | |
| | - position closing transaction | per transaction | EUR 0,00 |
| | - position transfer | per transaction | EUR 0,00 |
| | - position transfer from Market Maker account | per contract | EUR 0,16 |
| d. | settlement of trades and positions | | |
| | - exercise | per contract | EUR 0,20 |
| | - exercise (Market Maker) | per contract | EUR 0,04 |
| | - exercise adjustment | per transaction | EUR 0,00 |

2.2.24 LEPO on Stocks of French Stock Corporations

with respect to LEPOs of French Stock Corporations, fees for:

| | | | |
|---|---|---|---|
| a. | order matching | | |
| | - trade | per contract | EUR 0,20 |
| | - trade (Market Maker) | per contract | EUR 0,04 |
| b. | trade administration | | |
| | - trade separation | per transaction | EUR 0,00 |
| | - trade transfer | per transaction | EUR 0,00 |
| | - adjustment of an opening/closing transaction | per transaction | EUR 0,00 |
| c. | position administration | | |
| | - position closing transaction | per transaction | EUR 0,00 |
| | - position transfer | per transaction | EUR 0,00 |
| | - position transfer from Market Maker account | per contract | EUR 0,16 |
| d. | settlement of trades and positions | | |
| | - exercise | per contract | EUR 0,20 |
| | - exercise (Market Maker) | per contract | EUR 0,04 |
| | - exercise adjustment | per transaction | EUR 0,00 |

# Cross Border Transfer of Dutch and Italian Stock Options via Clearstream/Monte Titoli/NECIGEF link



# Detailed description of steps

1. Member (any NCM or DCM/GCM) exercises positions in a Dutch or Italian stock option.
2. The Eurex Batch randomly assigns long positions to the exercised short positions and sends assignment messages to the members (if an NCM is affected also to its GCM) and delivery instructions to Deutsche Börse Clearing/SIS.
3. The assignment messages are received by the members (incl. their GCM where applicable) who need to deliver/will receive securities.
4. The delivery instruction is received by Clearstream/SIS.
5. An assigned member has the securities on his correspondent bank' s account (covered short call position), the correspondent bank initiates the transfer of the securities via NECIGEF to Clearstream (triggered by the member).
6. The securities are transferred from NECIGEF to Clearstream/Cascade.
7. The transfer of the securities is completed within the second SDS- they are available at Clearstream/Cascade. If the transfer relates to a Swiss member the booking is forwarded to SIS immediately (real time), i.e. the securities are available at SIS for further processing at 16:00 CET.
8. The proprietory transfer is done at 14.10 CET, this means that the position is available for the owner of the exercised long call (For a Swiss member at 16.00 CET). In a case of a not simultaneous transfer of the securities to the GCM account of the owner of the long call within the second SDS, the transfer can be finished by using the Real Time Settlement System (RTS) of Clearstream from 14.10 CET until 16.00 within the same day.
9. The settlement confirmations are processed during the Eurex Batch.
10. An assigned member has the securities on his correspondent bank' s account (covered short call position), the correspondent bank initiates the transfer of the securities via Monte Titoli to Clearstream (triggered by the member).
11. The securities are transferred from Monte Titoli to Clearstream/Cascade.
12. The transfer of the securities is completed within the second SDS- they are available at Clearstream/Cascade. If the transfer relates to a Swiss member the booking is forwarded to SIS immediately (real time), i.e. the securities are available at SIS for further processing at 16:00 CET.
13. The proprietory transfer is done at 14.10 CET, this means that the position is available for the owner of the exercised long call (For a Swiss member at 16.00 CET). In a case of a not simultaneous transfer of the securities to the GCM account of the owner of the long call within the second SDS, the transfer can be finished by using the Real Time Settlement System (RTS) of Clearstream from 14.10 CET until 16.00 within the same day.
14. The settlement confirmations are processed during the Eurex Batch.

It is expected that both CSD links will become automatic links by the end of the second quarter 2000. A transfer of the equities will then be possible for Italian and Dutch equities in one day via RTS.

X-pand into the **Future**

Attachment 7 to Eurex Circular 013/00

Before trading Eurex options on Dutch, Italian, and French equities it is prerequisite for you to sign and return this form.
Please send it back to Eurex to Mr. David Parr, Member Readiness Fax: +49 (0)69 2101 1701.
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## Underlying Price Data Feed for Dutch, Italian, and French Equity Options on Eurex

We confirm that we have taken notice and that we acknowledge by signing this form that Eurex will not publish the underlying prices from the respective home exchange for the Dutch, Italian and French equity options in the Eurex system (e.g. in the 'underlying' zone of the C100 Screen). The price source for publication of underlying prices for these equity options is the FWB (Frankfurt Stock Exchange).

We are aware that these prices are only relevant for the price validation for block trades and understand that all Eurex option price calculations such as settlement prices or mis-trade reference prices will be based on the prices of the respective home exchange.

We are conscious of the fact that this procedure is different from the procedure for the existing German, Swiss, and Finnish equity options on Eurex.

We accept and acknowledge by signing and returning this form that being aware of the above-acknowledged facts is an absolute prerequisite for trading the above-mentioned equity options.

Date: _____

Company: _____

Name and Signature: _____

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Application for the Granting of Market Maker Licences at Eurex

Eurex

Product Development/Products

60284 Frankfurt am Main

(Fax: ++49 (0)69 2101-4461)

Applicant

Name of applying exchange participant

Address

Name of contact

Phone No. Fax No.

## 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 an exchange participant at Eurex Zürich, this application also applies to Eurex Zürich.

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

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

| | | | |
|---|---|---|---|
| ☐ AAR (ABN Amro) | ☐ CAR (Carrefour) | ☐ ETV (EM. TV & Merchand.) | ☐ KAR (Karstadt) |
| ☐ ABBN (ABB) | ☐ CBK (Commerzbank) | ☐ FME (Fresenius Med.Care) | ☐ LHA (Lufthansa) |
| ☐ ADEN (Adecco) | ☐ CIBN (Ciba Spezialitäten) | ☐ FTE (France Telecom) | ☐ LIN (Linde) |
| ☐ ADS (Adidas) | ☐ CLN (Clariant) | ☐ FOT (Fortum Corporation) | ☐ LONN (Lonza) |
| ☐ AEN (Aegon) | ☐ CSGN (Credit Suisse Gr.) | ☐ GEX (Vivendi) | ☐ LOR (L'Oreal) |
| ☐ ALUB (Algroup) | ☐ CSO (Consors) | ☐ HEN3 (Henkel Vz.) | ☐ MAN (MAN) |
| ☐ ALV (Allianz) | ☐ DBK (Deutsche Bank) | ☐ HEPE (Helsinki Tel. Corp.) | ☐ MEO (Metro) |
| ☐ ASG (Generali) | ☐ DCX (Daimler Chrysler) | ☐ HOEC (Hoechst) | ☐ MMN (Mannesmann) |
| ☐ AVE (Aventis) | ☐ DHA (Degussa Hüls) | ☐ HOL (Holderbank) | ☐ MOB (Mobilcom AG) |
| ☐ AXA (AXA-UAP) | ☐ DRB (Dresdner Bank) | ☐ HUKI (Huhtamäki I) | ☐ MSRB (Metsä-Serla Corp.B) |
| ☐ BAS (BASF) | ☐ DTE (Deutsche Telekom) | ☐ HVM (Bayer.Hypo-.Vereinsb.) | ☐ MUV2 (Münchner Rück.) |
| ☐ BAY (Bayer) | ☐ ENT (ENI) | ☐ INN (ING) | ☐ NESN (Nestlé) |
| ☐ BMW (BMW) | ☐ ENUR (StoraEnso R) | ☐ IFX (Infineon Technologies AG) | ☐ NOA3 (Nokia Corporation A) |
| ☐ BNP (BNP Paribas) | ☐ EPC (Epcos AG) | ☐ ISH (Intershop Comm. AG) | ☐ NOVN (Novartis) |

| | | | |
|---|---|---|---|
| ☐ PHI (Philips St.) | ☐ RWE (RWE) | ☐ SOY (Sonera Corporation) | ☐ UHRN (The Swatch Group) |
| ☐ PRS (Preussag) | ☐ SAP3 (SAP Vz.) | ☐ SRN (SAir Group) | ☐ UNI (Unilever) |
| ☐ RAN (Rentenanstalt) | ☐ SCH (Schering) | ☐ SUN (Sulzer) | ☐ VEB (Veba) |
| ☐ ROG (Roche Holding) | ☐ SCMN (Swisscom) | ☐ TKA (Thyssen Krupp) | ☐ VIA (VIAG) |
| ☐ ROY (Royal Dutch) | ☐ SET (Tele. Italia) | ☐ TOTB (Total Fina) | ☐ VLM (Metso Corporation) |
| ☐ RPL (UPM-Kymmene Corp.) | ☐ SIE (Siemens) | ☐ TTEB (TietoEnator Corp.) | ☐ VOW (Volkswagen) |
| ☐ RUKN (Schweiz. Rückv.) | ☐ SMPA (Sampo Insurance) | ☐ UBSN (UBS AG) | ☐ ZUAN (Zurich Allied) |

☐ ODAX
Option contracts on the German Stock Index (DAX®)

☐ OFOX
Option contracts on the Finnish Stock Index (FOX®)

☐ OEU3
Option contracts on the Three-Month Euribor Future

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

☐ OGBL
Option contracts on Euro-BUND Futures

☐ OGBM
Option contracts on Euro-BOBL Futures

☐ OGBS
Option contracts on Euro-Schatz Futures

☐ ONOR
Option contracts on the Dow Jones Nordic STOXX 30

☐ OSTX
Option contracts on the Dow Jones STOXX 50

☐ OESX
Option contracts on the Dow Jones Euro STOXX 50

**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 |

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

**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 authorized Signature