X-pand into the Future

e u r e x *circular 007/03*

Date: Frankfurt, January 22, 2003
Recipients: All Eurex members and vendors
Authorized by: Peter Reitz

⚠ **Action Required** ⚠ **High Priority**

Further Details on Introduction of Futures on the Average of Effective Interest Rates for Overnight Inter-bank Deposits, EONIA (One Month EONIA Futures)

Related Eurex Circulars: 003/03, 107/02

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Content may be most important for:

➲ All Departments

Attachments:

1. Contract Specifications – One Month EONIA Future
2. Final Settlement Price Calculation
3. Addition to Conditions for Trading at Eurex Deutschland and Eurex Zürich (Draft)
4. Conditions for Utilization of the OTC Trade Entry Facilities (General Conditions for Participation)
5. Acceptance of the General Conditions for Utilization of the OTC Trade Entry Facilities
6. Declaration - Agreement of the General Clearer for Utilization of the OTC Trade Entry Facilities

Summary:

As announced in Circular 003/03, Eurex will introduce One Month EONIA futures on January 27, 2003. This Circular includes additional information under the following headings:

1. **Introduction Date**
2. **Product**
3. **Revenue Distribution**
4. **Trading Conditions**
5. **Margin Parameters, Margin Class and Margin Group**
6. **Mistrade Regulation**
7. **Transaction limits**
8. **Public Broadcast Stream Group Assignment**
9. **Introduction to Block Trading**
10. **Vendor Codes**
11. **Preparation for Start of Trading**

Further Details on Introduction of Futures on the Average of Effective Interest Rates for Overnight Inter-bank Deposits, EONIA (One Month EONIA Futures)

As announced in Circular 003/03, at their meeting on December 4, 2002 the Eurex Management Boards made the decision to introduce One Month EONIA Futures.

As a complement to the information provided in Circular 003/03 you will find below additional important information concerning the introduction of the new products

1. Introduction Date

The One Month EONIA Futures will be introduced on Monday, January 27, 2003. On that date, expirations for the calendar months February, 2003 until January, 2004 will be available.

2. Product

Product	Code	ISIN
One Month EONIA Future	FEO1	DE0007201535

3. Revenue Distribution

As already announced in Circular 003/03, no transaction fees will be levied on the One Month EONIA Future until the end of June, 2003. For a period from July, 2003 Eurex will distribute to its members 50% of the net revenues from transaction fees in this product (trading and clearing fees). Details and duration of the distribution scheme will be announced in good time.

4. Trading Conditions

The English language draft of the corresponding regulations of the Trading Conditions can be found in Attachment 3. The final version will be available on our web-site under 'Market Place > Rules and Regulations > Trading Conditions' by January 27, 2003.

5. Margin Parameters, Margin Class and Margin Group

Product	Margin Class	Margin Group	Margin Parameter	Spread-Rates	
				Back-Month	Front-Month
FEO1	FEO1	LIBO	0.08 Points EUR 200 (=16*12.50)	EUR 100.00	EUR 100.00

The One Month EONIA Future will be placed in the same margin group (LIBO) as the One-month and Three-month Euribor Futures. The offset factor for margin group LIBO will be changed to 90% as shown in the table below.

Margin Group	Margin Classes in Group	Offset Factor
LIBO	FEU1, FEU3, OEU3, FEO1	90%

Compensating risks in these products are taken into account, and raising the LIBO Margin Group Offset Factor from 25% to 90% provides further potential for a considerable reduction of margin requirements in the group.

6. Mistrade Regulation

In accordance with subsection 1.4.2 of the Mistrade Regulations a significant deviation from the Reference Price is to be presumed when the price of the transaction deviates by more than eight ticks (i.e. more than four basis points).

7. Transaction limits

The transaction limits, at 12,000 transactions per day, and the excess transaction fees for One Month EONIA Futures are the same as for all existing Eurex Futures products (see Circular 107/02).

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8. Public Broadcast Stream Group Assignment

The FEO1 product has been assigned to **Group Z** (Futures Products) of the VALUES API Public Broadcast Stream.

9. Introduction to Block Trading

The Management Board of Eurex Clearing AG has taken the decision to admit One Month EONIA Futures to the Block Trade facility with effect from January 27, 2003 with a minimum block trade size of 100 contracts. Attachment 4 contains the General Participation Conditions for the use of the OTC Trade Entry facilities at Eurex. Members who are already participants in Block Trading may use the facility for the One Month EONIA Future without further action.

Members wishing to participate in the OTC Trade Entry Facilities should register their acceptance of Attachment 4 by signing Attachment 5 and returning it to Eurex. In addition, where the member is a Non-Clearing Member, we would ask their General Clearing Member to sign and return the General Clearer's Acceptance (Attachment 6) at the same time.

10. Vendor Codes

The following vendor codes have been communicated to us to date:

Company	Vendor Code
Bloomberg L.P.	Exmy <Comdty>
CQG	FEO1
Reuters	O#FEO1:
Telekurs Finanzinformationen	FEO1
VWD	720153
Thomson Financial	FEO1/F.EX*

A full list of those available will be published on our website "www.eurexchange.com" under "market place > products > vendor codes" before the start of trading.

11. Preparation for Start of Trading

1) On January 21, 2003 (Tuesday) the One Month EONIA Futures, including the margin class, will be set up in the Eurex system. Corresponding back-office messages will be transmitted.

2) From January 22, until January 24, 2003 after close of trading, settlement prices for all contract months of the One Month EONIA Futures will be transmitted with a value of 0.005. In addition, transactions for the PMI file will be generated. Theoretical prices generated as part of the end of day processing on these days should be ignored

3) On January 27, 2003 trading in One Month EONIA Futures will be started. Orders and quotes can be entered into the Eurex system from 07:30 CET.

From that date, One Month EONIA Futures expirations for the calendar months February, 2003 to January, 2004 will be set up. The maximum lifetime of a One Month EONIA Future is therefore twelve months. The smallest price gradation is 0.005 points. For complete information on the product, please see the contract specifications (Attachment 1) and the example of the determination of the final settlement price (Attachment 2) which are reissued with small amendments for clarification.

Frankfurt, January 22, 2003

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Contract Specifications for:

One Month EONIA Future

Contract Standard
Compounded average rate of the effective overnight reference rate for the euro (EONIA – Euro OverNight Index Average) - determined by the European Central Bank - for a period of one calendar month

Contract Value
EUR 3,000,000

Price Quotation
In percent, with three decimal places, expressed as 100 minus the traded rate of interest

Minimum Price Change
0.005 percent, equivalent to a value of EUR 12.50

Contract Months
The current calendar month and the eleven subsequent calendar months

Settlement
Cash settlement, payable on the first exchange trading day following the final settlement day

Last Trading Day – Final Settlement Day
Last exchange trading day of the respective contract month, provided that on that day the daily effective overnight reference rate for the euro (EONIA) is determined by the European Central Bank; otherwise the preceding exchange trading day. Trading in the maturing contract month ceases at 7:00 p.m. CET.

Daily Settlement Price
The volume-weighted average price of the last five trades of the day, provided that these are not older than 15 minutes; or, if more than five trades have occurred during the final minute of trading, the volume-weighted average price of all trades that occurred during that period. If such a price cannot be determined, or if the price so determined does not reasonably reflect the prevailing market conditions, Eurex will establish the official settlement price.

Final Settlement Price

Eurex establishes the Final Settlement Price after 7 p.m. on the last trading day on the basis of the compounded average of the effective overnight reference rate for the euro (EONIA) as determined by the European Central Bank on a daily basis for the period of the contract. The calculation includes the rates from the first calendar day until the last calendar day of the respective contract month. For Saturdays, Sundays and bank holidays on which the European Central Bank does not calculate an EONIA rate, the rate from the previous day on which an EONIA rate was determined by the European Central Bank will be taken as a basis. The following formula will be used. :

$$r = \left[\frac{360 \times \left(\prod_{i=te}^{tp} (1 + ri \times di/360) - 1 \right)}{n} \right] \times 100$$

r	Compounded average of the effective overnight reference rate for the Euro (EONIA)
t_e	First calendar day of contract month
t_p	Last day in the One Month EONIA Future Front Month on which an EONIA rate is determined by the European Central Bank
r_i	EONIA Rate as determined by the European Central Bank; as a percentage divided by 100
d_i	Number of calendar days in the contract month that the value ri is valid (normally one day; two, three or more days on Saturdays, Sundays and bank holidays)
n	Period of One Month EONIA Future Front Month in actual calendar days

To fix the final settlement price the compounded EONIA average rate (r) will be arithmetically rounded to the nearest price interval (0.005, 0.01 or a multiple thereof) and then subtracted from 100.

Trading Hours

8:00 a.m. until 7:00 p.m. CET

Matching of Trades (Pro Rata Matching)

Orders and quotes in One Month EONIA Futures are matched according to the pro rata matching principle.

Final Settlement Price Calculation

Determination of Final Settlement Price for One Month EONIA Futures – Fictitious example: Contract Month November 2002:

Contract Month: NOV 02
Last Trading Day/Final Settlement Day: November 29, 2002
Underlying Period Contract Month: November 1, 2002 until November 30, 2002
First Accrual Date: November 1, 2002
Last Accrual Date: November 30, 2002

EONIA Rates as determined by the European Central Bank:

Day	Date	Official EONIA Rate in %	Day	Date	Official EONIA Rate in %
Friday	11/1	3.30	Wednesday	11/20	3.29
Monday	11/4	3.29	Thursday	11/21	3.30
Tuesday	11/5	3.29	Friday	11/22	3.49
Wednesday	11/6	3.28	Monday	11/25	3.30
Thursday	11/7	3.25	Tuesday	11/26	3.30
Friday	11/8	3.29	Wednesday	11/27	3.30
Monday	11/11	3.29	Thursday	11/28	3.30
Tuesday	11/12	3.29	Friday	11/29	3.38
Wednesday	11/13	3.29	Monday	12/2	3.36
Thursday	11/14	3.29	Tuesday	12/3	3.32
Friday	11/15	3.29	Wednesday	12/4	3.01
Monday	11/18	3.29	Thursday	12/5	2.94
Tuesday	11/19	3.29	Friday	12/6	2.90

Formula for calculation of the final settlement price:

$$r = \left[\frac{360 \times \left(\prod_{i=te}^{tp} (1 + ri \times di/360) - 1 \right)}{n} \right] \times 100$$

- r Compounded average of the effective overnight reference rate for the Euro (EONIA)
- t_e First calendar day of contract month
- t_p Last day in the One Month EONIA Future Front Month on which an EONIA rate is determined by the European Central Bank
- r_i EONIA Rate as determined by the European Central Bank; as a percentage divided by 100
- d_i Number of calendar days in the contract month that the value ri is valid (normally one day; two, three or more days on Saturdays, Sundays and bank holidays)
- n Period of One Month EONIA Future Front Month in actual calendar days

The final settlement price is determined as:

$$r = \left[\frac{360 \times \left[\left(\begin{array}{l} (1+0.033\times 3/360)\times(1+0.0329/360)\times(1+0.0329/360)\times(1+0.0328/360)\times \\ (1+0.0325/360)\times(1+0.0329\times 3/360)\times(1+0.0329/360)\times(1+0.0329/360)\times \\ (1+0.0329/360)\times(1+0.0329/360)\times(1+0.0329\times 3/360)\times(1+0.0329/360)\times \\ (1+0.0329/360)\times(1+0.0329/360)\times(1+0.033/360)\times(1+0.0349\times 3/360)\times \\ (1+0.033/360)\times(1+0.033/360)\times(1+0.033/360)\times(1+0.033/360)\times \\ (1+0.0338\times 2/360) \end{array} \right) - 1 \right]}{30} \right] \times 100$$

The values in the innermost brackets are rounded to 8 decimal places.

$$r = \left[\frac{360 \times \left[\left(\begin{array}{l} 1.00027500\times 1.00009139\times 1.00009139\times 1.00009111\times 1.00009028\times \\ 1.00027417\times 1.00009139\times 1.00009139\times 1.00009139\times 1.00009139\times \\ 1.00027417\times 1.00009139\times 1.00009139\times 1.00009139\times 1.00009167\times \\ 1.00029083\times 1.00009167\times 1.00009167\times 1.00009167\times 1.00009167\times \\ 1.00018778 \end{array} \right) - 1 \right]}{30} \right] \times 100 = 3.321340$$

EONIA average rate rounded to the nearest price interval = 3.320%

Final Settlement Price NOV 02: 96.680 (100 minus 3.320)

For the determination of the final settlement price, the last official EONIA reference rate, determined on November 29, 2002 is taken into consideration for 2 days only (rates up to and including Saturday, November 30, 2002).

The first EONIA reference rate valid for the DEC 02 contract is the rate of December 1, 2002 (= Sunday). But, as no EONIA reference rate is determined by the European Central Bank on Sundays, the rate from the previous business day applies and will be considered for one day; i.e. 3.38% determined on November 29, 2002 is the first EONIA reference rate for the DEC 02 contract.

Conditions for Trading at Eurex Deutschland and Eurex Zürich

2 Part: Contract Specifications

2.1 Subpart: Contract Specifications for Futures Contracts

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2.1.17 Sub-Subpart: Specifications for Futures Contracts on the Monthly Average of Effective Interest Rates for Overnight Inter-bank Deposits, EONIA (One Month EONIA Futures)

2.1.17.1. Subject Matter of Contract

(1) A One Month EONIA Future is a futures contract on the compounded average of the effective overnight reference rate for the euro (EONIA) determined by the European Central Bank - for a period of one calendar month. The value of a contract shall be 3,000,000 EUR.

(2) After the close of trading in the contract, the seller of a One Month EONIA Future shall pay in cash any difference between the agreed price and the higher final settlement price. The purchaser of a One Month EONIA Future shall pay in cash any difference between the agreed price and the lower final settlement price.

The final settlement price shall be determined by the Eurex Exchanges after 19:00 CET on the final settlement day for a contract (subsection 2.1.17.2 paragraph (2) sentence 1) on the basis of the monthly average reference interest rate for overnight deposits in euro, EONIA, determined by the European Central Bank for the respective calendar month.

The monthly average calculation is a compounded rate. The calculation includes all EONIA reference rates as determined by the European Central Bank from the first calendar day until the last calendar day of the month of the respective futures contract. For Saturdays, Sundays and bank holidays on which the European Central Bank does not calculate an EONIA rate, the rate from the previous day on which an EONIA rate was determined by the European Central Bank will be taken as a basis.

To fix the final settlement price the compounded EONIA average rate will be arithmetically rounded to the nearest price interval (0.005, 0.01 or a multiple thereof) and then subtracted from 100.

2.1.17.2 Term, Close of Trading

(1) Terms expiring on the final settlement day of the current calendar month and the eleven succeeding calendar months are available for trading at the Eurex Exchanges.

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(2) The last trading day and final settlement day of a contract shall be the last Exchange day of the relevant performance month (calendar month pursuant to paragraph (1)) - provided that on this day the European Central Bank has determined the reference interest rate for overnight inter-bank deposits, EONIA, otherwise the preceding Exchange day. The close of trading for the expiring contract is 19:00 CET.

2.1.17.3 Price Gradations

The prices of the contracts shall be quoted as a percentage with three decimal places on a basis of 100 less the interest rate traded.

The minimum change in price ("Tick") shall be 0.005 percentage points (12.50 EUR).

2.1.17.4 Performance, Cash Settlement

(1) The performance day shall be the Exchange day after the last trading day.

(2) Contracts shall be performed by cash settlement between Clearing Members and Eurex Clearing AG. Each Clearing Member shall be responsible for handling the cash settlements with the Non-Clearing Members served by it and its own customers; the handling of cash settlements by Non-Clearing Members to their customers is the responsibility of the Non-Clearing Members.

2.1.17.5 Consummation of Transactions (Pro Rata Matching)

The matching of orders and quotes relating to the One Month EONIA Future shall take place on the basis of the Pro Rata Matching Principle in accordance with subsection 1.2.2 paragraph (5).

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Eurex Clearing AG
Conditions for Utilization of the OTC Trade Entry Facilities (General Conditions for Participation)

1 Scope of Application

Eurex Clearing AG provides the following OTC Trade Entry Facilities, pursuant to the conditions in their respective valid version as set out below, to companies which, pursuant to the provisions of the Exchange Rules for Eurex Deutschland and Eurex, are admitted to options and futures trading at the Eurex Exchanges and which participate, directly or indirectly, in the clearing procedure for transactions on the Eurex Exchanges ("Participants"):

- Basis Trade Facility
- Block Trade Facility
- Vola Trade Facility

2 Subject Matter

2.1 Basis Trades

2.1.1 Within the scope of transactions concluded off-exchange concerning the simultaneous purchase of a debt security as defined in section 10 and the sale of futures contracts, or vice versa, the Basis Trade Facility provides Participants, for their own account or on behalf of a customer, with the possibility to enter, pursuant to the provisions set out below, the futures contracts into the Eurex® clearing system of Eurex Clearing AG (hereinafter, "Eurex Clearing System") by means of a request to be sent to the respective Participant's interface, and to have them cleared. In future, Eurex Clearing AG may include additional contracts in the Basis Trade Facility, or may exclude previously included contracts.

2.1.2 A "Basis Trade" within the meaning of these Conditions shall have occurred if a Participant, for its own account or on behalf of a customer, has agreed, off-exchange, with another Participant or with another customer, on the purchase/sale of futures contracts and, simultaneously, on the sale/purchase of debt securities as defined in section 10, provided that the specifications of such futures contracts are identical to the contract specifications set forth in the Conditions for Trading at Eurex Deutschland and Eurex Zürich (hereinafter "Eurex Trading Conditions"), and provided that Eurex Clearing AG has admitted these futures contracts to the Basis Trade Facility pursuant to section 9.1 of these Conditions. Furthermore, the contract price of Basis Trades must fulfil the requirements set out in section 5 of these Conditions.

2.2 Block Trades

2.2.1 The Block Trade Facility provides Participants, for their own account or on behalf of a customer, with the possibility to enter, pursuant to the provisions set out below, transactions concluded off-exchange concerning futures and options contracts which are tradable on Eurex and which are admitted to the Block Trade Facility pursuant to section 9.2, into the Eurex Clearing System by means of a request to be sent to the respective Participant's interface, and to have them cleared. In future, Eurex Clearing AG may include additional contracts in the Block Trade Facility, or may exclude previously included contracts.

2.2.2 A "Block Trade" within the meaning of these Conditions shall have occurred if a Participant, for its own account or on behalf of a customer, has agreed, off-exchange, with another Participant or another customer, on the purchase/sale of one or more of the products set out in section 9.2, provided that the number of contracts is not less than the minimum number specified in section 9.2, and provided further that the specifications of such contracts correspond to the contract specifications for these products pursuant to the Eurex Trading Conditions. Furthermore, the contract price of Block Trades must fulfil the requirements set out in section 5 of these Conditions.

2.3 Vola Trades

2.3.1 After conclusion of an options transaction which exists in the Eurex Clearing System with a transaction number, the Vola Trade Facility provides Participants, for their own account or on behalf of customers, with the possibility to enter, pursuant to the provisions set out below, transactions concluded off-exchange concerning futures contracts pursuant to the combinations defined in section 9.3, into the Eurex Clearing System by means of a request to be sent to the respective Participant's interface, and to have them cleared. In future, Eurex Clearing AG may include additional contracts in the Vola Trade Facility, as well as exclude previously included contracts.

2.3.2 A "Vola Trade" within the meaning of these Conditions shall have occurred if, in a first step, a Participant, for its own account or on behalf of a customer, has concluded an on-exchange or off-exchange options transaction with another Participant or another customer, and such transaction has been entered into the Eurex Clearing System, and if, simultaneously or in a second step, such parties have agreed on the off-exchange purchase/sale of the futures contract underlying the options transaction or of the futures contracts of the underlying instrument underlying the options contract pursuant to the combinations defined in section 9.3, and the characteristics of such contracts correspond to the relevant contract specifications of the Eurex Trading Conditions. Furthermore, the contract price of Vola Trades must fulfil the requirements set out in section 5 of these Conditions.

3 Clearing of OTC Trades

3.1 Provided that the prerequisites of these General Conditions for Participation have been fulfilled Participants may, to the extent that they or their customers have agreed on one of the OTC Trades defined above, utilize the OTC Trade Entry Facilities of Eurex Clearing AG for the processing, collateralisation and settlement (“Clearing”) of the futures or options contracts contained in such OTC Trades.

3.2 With the entry of an OTC Trade into the Eurex Clearing System using one of the OTC Trade Entry Facilities defined above, the provisions of the Clearing Conditions for Eurex Clearing AG (hereinafter “Eurex Clearing Conditions”) in their then valid version concerning the conclusion of transactions shall apply to the contractual relationships between Eurex Clearing AG and the Participants in an OTC Trade, or their clearing

institutions, as the case may be. Consequently, in the case of each OTC Trade, Eurex Clearing AG shall be the contractual counterparty of the relevant Participants or their clearing institutions, as the case may be.

3.3 Furthermore, the Eurex Clearing Conditions in their then valid version shall apply accordingly for the clearing of any futures and options contracts entered using one of the OTC Trade Entry Facilities.

3.4 OTC Trades entered into the Eurex Clearing System may be transferred via the system to another Participant which has acknowledged these Conditions, by means of the give-up facility within the meaning of subsection 1.4.5 paragraph (7) of the Eurex Trading Conditions to the extent that the transfer of the transaction was notified to the other Participant and this Participant has confirmed the acceptance of the transaction; subsection 1.2.2 paragraph (3) of the Eurex Clearing Conditions shall apply accordingly.

3.5 If OTC Trades do not correspond to the specifications and requirements defined in these General Conditions for Participation, or if Participants do not comply with the general conditions for utilization pursuant to section 6 of these General Conditions for Participation, Eurex Clearing AG can refuse to clear such OTC Trades.

4 Evidence of Cash Transactions in the Case of Utilization of the Basis Trade Facility

4.1 Participants using the Basis Trade Facility are obliged to provide evidence to Eurex Clearing AG that, for futures contracts cleared on their behalf, there is an underlying, offsetting cash transaction in one of the debt securities defined in accordance with section 10.

4.2 Participants shall be deemed to have fulfilled their obligation to provide evidence pursuant to 4.1 above, provided that they authorize Eurex Clearing AG to gain knowledge of the underlying cash transaction or the completed delivery, as the case may be, by means of respective authorizations. By means of a written declaration, the following institutions can be authorized to provide information to Eurex Clearing AG, on request, concerning the cash transaction which is the subject of a Basis Trade according to section 2.1 of these General Conditions:

- Clearstream Banking Frankfurt and/or
- Clearstream Banking Luxembourg and/or
- Isma, Zürich and/or
- SIS SegaInterSettle AG Zürich

4.3 Regardless of section 4.2 above, such proof must be effected on demand of Eurex Clearing AG by means of presentation of the corresponding confirmation of delivery within one week of the value date of such cash transaction. The transaction reference number and the transaction date of the futures transaction related to such cash transaction must be evident in such confirmation of delivery.

4.4 If a transaction in futures contracts is transferred to another Participant pursuant to section 3.4 of these Conditions, the obligation to provide evidence of the cash transaction shall also be transferred to the other Participant.

5 Contract Price of OTC Trades

5.1 The contract price of OTC Trades entered into the Eurex Clearing System using one of the OTC Trade Entry Facilities must lie within an interval determined by Eurex Clearing AG as set out below:

5.2 For futures contracts, the interval is between the daily high and low prices of the respective futures contracts recorded on the Eurex Exchanges on the respective exchange trading day , up to the time of entry of an OTC Trade.

5.3 For options contracts, theoretical maximum and minimum values for the option price of a Block Trade are determined during the trading day on the basis of the daily high and low prices of the respective underlying instrument, as recorded up to the time of entry of the Block Trade, and the respective implied volatilities established within the options market of the Eurex Exchanges. The interval thus determined is extended at its extreme values by 50 per cent of the maximum Market Maker Quote Spread permissible for the respective product, resulting in the range of permissible option prices for Block Trades.

6 General Conditions of Utilization

6.1 The utilization of at least one of the OTC Trade Facilities requires that Participants have accepted, in writing, the General Conditions for Participation. In the case of Participants not admitted to clearing pursuant to the Eurex Clearing Conditions, such Participants must provide a declaration of their clearing institution by which such clearing institution guarantees to Eurex Clearing AG the fulfillment of transactions entered into the Eurex Clearing System using the corresponding OTC Trade Facility, pursuant to the Eurex Clearing Conditions, and to undertake any and all obligations for the collateralisation of transactions resulting therefrom.

6.2 Eurex Clearing AG may exclude Participants from the utilization of one or more OTC Trade Facilities if such Participants have not complied with their obligations pursuant to these Conditions for Participation or if the prerequisites for participation have not been fulfilled initially, or have subsequently ceased to exist. In this case, such Participants shall have no claims towards the refund of costs, charges or any other damages.

6.3 Participants are permitted to utilize the OTC Trade Entry Facilities for futures and options contracts which are admitted to the OTC Trade Entry Facilities during the respective trading periods at the Eurex Exchanges.

6.4 Participants must be available by telephone or fax at any time during the business hours of OTC Trade Entry Facilities. The business hours shall correspond to the trading hours of the products underlying the respective OTC Trade Entry Facilities.

7 Technical Features

7.1 The entry of Basis or Block Trades into the Eurex Clearing System is carried out by the buyer of the futures or options contracts in the context of the Basis and Block Trade Entry Facility. The seller of the futures or options contracts must confirm the buyer's entry.

7.2 The entry of Vola Trades into the Eurex Clearing System in the context of the Vola Trade Entry Facility is carried out by the buyer or seller of the Vola Trade (the "Initiator"). The counterparty must confirm the entries of the Initiator.

7.3 OTC Trades may be entered onto Principal, Agent and M-position Accounts.

8 Mandatory Data Entries

8.1 Basis Trade Facility (OTC Basis Trade Entry window)

8.1.1 When entering a Basis Trade into the Eurex Clearing System, using the Basis Trade Entry Facility, the buyer must enter the following data:

- ISIN, nominal value, gross basis and settlement date of the debt security traded
- the future contract traded (Instrument, delivery month and year)
- the contract price;
- the number of contracts;
- the Eurex exchange system user identification code of the trader of the buyer;
- the open/close indicator;
- the position account
- the hedging method
- the settlement institution
- the seller's Participant ID code for the Eurex exchange system

Depending on the chosen hedging method, the number of contracts of the Basis Trade Future must be in a defined proportion to the nominal value of the debt security. The relation between the futures and the debt security is defined according to the chosen Nominal, Duration, or Price Factor hedging method.

8.1.2 After the buyer has entered data into the Eurex Clearing System using the Basis Trade Entry Facility, pursuant to section 8.1.1, the seller of futures contracts must enter the following data in order to confirm such Basis Trade:

- the OTC transaction reference number;
- the Eurex exchange system user identification code of the trader of the seller
- the open/close indicator; and
- the position account.

8.2 Block Trade Facility (OTC Block Trade Entry window)

8.2.1 When entering a Block Trade into the clearing system of Eurex Clearing AG, using the Block Trade Facility, the buyer must enter the following data:

- the future contract traded (instrument, delivery month and year) or the option contract traded (instrument, expiration month and year, exercise price, C/P-flag and version number)
- the contract price;
- the number of contracts;
- the Eurex system user identification code of the trader of the buyer;
- the open/close indicator;
- the position account; and
- the Eurex exchange system Participant ID code of the seller.

The number of contracts of the futures or options contracts traded may not be below the minimum number of contracts to be traded, as defined in section 9.2 of these General Conditions.

8.2.2 After the buyer has entered data into the Eurex Clearing System using the Block Trade Facility, pursuant to section 8.2.1, the seller of a Block Trade must enter the following data in order to confirm such Block Trade:

- the OTC transaction reference number;
- the Eurex exchange system user identification code of the trader of the seller;
- the open/close indicator; and
- the position account.

8.3 Vola Trade Facility (OTC Vola Trade Entry window)

8.3.1 When entering a Vola Trade into the clearing system of Eurex Clearing AG, using the Vola Trade Facility, the Initiator must enter the following data:

- the transaction number of the referring option trade
- number of the option contracts of the vola trade (not exceeding the maximum number of options contracts of the underlying options transaction)
- details of the future contract traded (instrument, delivery month and year) as well as the number of contracts and the contract price;
- the Eurex exchange system user identification code of the trader of the Initiator;
- the buy/sell flag;
- the open/close indicator;
- the position account; and
- the Eurex exchange system Participant ID code of the counterparty.

The number of futures contracts traded may not deviate by more than 10% from the number of futures contracts required to achieve a delta-neutral position in relation to the number of options contracts entered in the Vola trade, as calculated by the system.

8.3.2 After the Initiator's data entry into the clearing system using the Vola Trade Facility pursuant to section 8.3.1 above, the counterparty to the Vola Trade must enter the following data in order to confirm such Vola Trade:

- the OTC transaction reference number;
- the Eurex exchange system user identification code of the trader of the counterparty;
- the open/close indicator; and
- the position account.

9 Admitted Products

9.1 Eurex Clearing AG has admitted the following products to the Basis Trade Facility:

- Futures Contracts on a Notional Extra Long-Term Debt Security of the Federal Republic of Germany ("FGBX Futures")
- Futures Contracts on a Notional Long-Term Debt Security of the Federal Republic of Germany ("FGBL Futures")
- Futures Contracts on a Notional Medium-Term Debt Security of the Federal Republic of Germany ("FGBM Futures")
- Futures Contracts on a Notional Short-Term Debt Security of the Federal Republic of Germany or the Treuhandanstalt ("FGBS Futures")
- Futures Contracts on a Notional Long-Term Debt Security of the Swiss Confederation ("CONF Futures")

9.2 Eurex Clearing AG has admitted the following products to the Block Trade Facility:

Product	**Minimum number of tradable contracts**
Options Contracts on the DAX® (ODAX)	500
Options Contracts on the SMI® (OSMI)	500
Options Contracts on the HEX25® (OFOX)	250
Options Contracts on the Dow Jones EURO STOXX® 50 (OESX)	1,000
Options Contracts on the Dow Jones STOXX® 50 (OSTX)	1,000
Options Contracts on the Dow Jones Global Titans 50SM (OGTI)	1,000

Product	Minimum number of tradable contracts
Options Contracts on the Dow Jones EURO STOXX® Sector Indices:- Automobiles (OESA), Banks (OESB), Energy (OESE), Financial Services (OESF), Healthcare (OESH), Insurance (OESI), Media (OESM), Telecommunications (OEST), Technology (OESY), Utilities (OESU).	1,000
Options Contracts on the Dow Jones STOXX® 600 Market Sector Indices:- Banks (OSTB), Healthcare (OSTH), Telecommunications (OSTT),Technology (OSTY).	1,000
Options Contracts on the Exchange Traded Funds:- DAX EX (EXS1), DJ EURO STOXX 50 EX (EXW1), DJ EURO STOXX 50 LDRS (EUN2), Fresco DJ EURO STOXX 50 (FRC1), XMTCH on SMI (XMT)	1,000
Options Contracts on the NEMAX® 50 (ON50)	500
Options Contracts on a Euro BUND Future (OGBL)	50
Options Contracts on a Euro BOBL Future (OGBM)	50
Options Contracts on a Euro SCHATZ Future (OGBS)	50
Options Contracts on Stocks of German Stock Corporations (OSTK)	250
Options Contracts on Stocks of Swiss Stock Corporations (OSTK)	250
Options Contracts on Stocks of Finnish Stock Corporations (OSTK)	250
Options Contracts on Stocks of Dutch Stock Corporations (OSTK)	250
Options Contracts on Stocks of Italian Stock Corporations (OSTK)	250
Options Contracts on Stocks of French Stock Corporations (OSTK)	250
Options Contracts on Stocks of Corporations listed on the Neuer Markt of the Frankfurter Stock Exchange	250
Options Contracts on Stocks of US-American Stock Corporations (OSTK)	250

Product	Minimum number of tradable contracts
Futures Contracts on a Notional Particularly Long-Term Bond of the Federal Republic of Germany (Euro BUXL Futures; FGBX)	100
Futures Contracts on a Notional Long-Term Debt Security of the Federal Republic of Germany (Euro BUND Futures; FGBL)	2,000
Futures Contracts on a Notional Medium-Term Debt Security of the Federal Republic of Germany (Euro BOBL Futures; FGBM)	3,000
Futures Contracts on a Notional Short-Term Debt Security of the Federal Republic of Germany or the Treuhandanstalt (Euro SCHATZ Futures; FGBS)	4,000
Futures Contracts on the Interest Rate for Three-Month Cash Deposits in Euro (Three-Month Euribor Future; FEU3)	100
Futures Contracts on the Monthly Average of Effective Interest Rates for Overnight Deposits in the Inter-bank Euro Market, EONIA (One Month EONIA Future; FEO1)	**100**

9.3 Eurex Clearing AG has admitted the following product combinations to the Vola Trade Facility:

Options Contract	Futures Contract
Options Contracts on the DAX® (ODAX)	Futures contracts on the DAX® (FDAX)
Options Contracts on the SMI® (OSMI)	Futures Contracts on the SMI® (FSMI)
Options Contracts on the HEX25® (OFOX)	Futures Contracts on the HEX25® (FFOX)
Options Contracts on the Dow Jones Euro STOXX® 50 (OESX)	Futures Contracts on the Dow Jones Euro STOXX® 50 (FESX)
Options Contracts on the Dow Jones STOXX® 50 (OSTX)	Futures Contracts on the Dow Jones STOXX® 50 (FSTX)

Options Contract	Futures Contract
Options Contracts on the Dow Jones EURO STOXX® Market Sector Indexes: Automobiles (OESA), Banks (OESB), Energy (OESE), Financial Services (OESF), Healthcare (OESH), Insurance (OESI), Media (OESM), Telecommunications (OEST), Technology (OESY), Utilities (OESU).	Respective Futures Contracts on the Dow Jones EURO STOXX® Market Sector Indexes: Automobiles (FESA), Banks (FESB), Energy (FESE), Financial Services (FESF), Healthcare (FESH), Insurance (FESI), Media (FESM), Telecommunications (FEST), Technology (FESY), Utilities (FESU).
Options Contracts on the Dow Jones STOXX® 600 Market Sector Indexes: Banks (OSTB), Healthcare (OSTH), Telecommunications (OSTT), Technology (OSTY).	Respective Futures Contracts on the Dow Jones STOXX® 600 Market Sector Indexes: Banks (FSTB), Healthcare (FSTH), Telecommunications (FSTT), Technology (FSTY).
Options Contracts on the Dow Jones Global Titans 50SM (OGTI)	Futures Contracts on the Dow Jones Global Titans 50SM (FGTI)
Options Contracts on the NEMAX® 50 (ON50)	Futures Contracts on the NEMAX® 50 (FN50)
Options Contracts on a Euro-BUND-Future (OGBL)	Futures Contracts on a Notional Long-Term Debt Security of the Federal Republic of Germany (Euro BUND Futures; FGBL)
Options Contracts on a Euro-BOBL-Future (OGBM)	Futures Contracts on a Notional Medium-Term Debt Security of the Federal Republic of Germany (Euro BOBL Futures; FGBM)
Options Contracts on a Euro-SCHATZ-Future (OGBS)	Futures Contracts on a Notional Short-Term Debt Security of the Federal Republic of Germany or the Treuhandanstalt (Euro SCHATZ Futures; FGBS

10 Cash Transactions

Eurex Clearing AG has determined that cash transactions in:

- Debt Securities of the Federal Republic of Germany or the Treuhandanstalt with a remaining term of no less than one year at the maturity date of the future and a term of no more than 30.5 years can be components of a Basis Trade according to section 2.1.2. Cash transactions in such debt securities can be carried out for the corresponding futures contracts according to the following rule:

	Remaining term in years		Maximum term in years	Futures Contract
>	10.5	<	30.5	FGBL and FGBX
³	8.5	£	10.5	FGBL
>	5.5	<	8.5	FGBL and FGBM
³	4.5	£	5.5	FGBM
>	2.25	<	4.5	FGBM and FGBS
³	1	£	2.25	FGBS

- Debt securities of the Swiss Confederation with a remaining term of between 8 and 13 years can be components of a Basis Trade according to section 2.1.2 using the CONF Future as the future component .

11 Liability

11.1 Eurex Clearing AG will be liable to the Participant, regardless of the legal grounds, for damages caused by intentional misconduct or gross negligence.

11.2 Eurex Clearing AG (including third parties assisting in its performance) shall, in the event of slight negligence, only be liable for damages caused by violation of its principal duties. In such a case, the liability for untypical damages and for lost profits is excluded. The liability shall, in such a case, be limited to the damages typical and foreseeable at the time of execution of the agreement.

11.3 In the event of data losses, Eurex Clearing AG shall, provided that backup copies exist, only be liable for the costs in connection with the reconstruction of such data.

12 General Provisions

12.1 The OTC Trades entered by Participants into the clearing system of Eurex Clearing AG using the OTC Trade Entry Facilities, are not made anonymous for the counterparties involved. Other Participants (third parties) cannot view via the EDP system OTC Trades in which they are not involved.

12.2 After the entry of an OTC Trade, Participants receive a "Trade Confirmation", produced by the Eurex Clearing System. All OTC Trades are expressly shown as "OTC-TRADE" on such "Trade Confirmation", since OTC Trades are off-exchange transactions.

12.3 OTC Trades are shown in the reports CB010 (Position Detail) and TC810 (Daily Trade Confirmation), produced by the Eurex Clearing System on a daily basis, and are marked as off-exchange transactions. In addition, a report recording all OTC transactions (TC545 OTC-Order Maintenance) is provided electronically, in which all OTC Transactions (Add, Change, Ratify) are indicated.

12.4 Eurex Clearing AG will report all cleared OTC Trades, marked as off-exchange transactions, to the German Financial Supervisory Authority (*Bundesaufsichtsamt für Finanzdienstleistungaufsicht "BAFin"* on a daily basis, pursuant to paragraph 9 of the Securities Trading Act (*Wertpapierhandelsgesetz - "WpHG"*). Furthermore, each Participant will report separately and on a daily basis to the *BAFin*, its transactions cleared using the OTC Trade Entry Facility, marked accordingly.

12.5 The General Conditions for Participation have been issued by Eurex Clearing AG. Eurex Clearing AG has the right to change or extend these Conditions for Participation from time to time, to the extent that this may appear necessary in the light of market conditions. Participants of the OTC Trade Entry Facilities shall be notified of any changes at least ten trading days before they are to take binding effect. Changes and additions to these Conditions shall be announced by Eurex Clearing AG by means of circular letters sent electronically via e-mail.

13 Termination

13.1 Eurex Clearing AG and the Participant are entitled to terminate the utilization agreement in whole or in part by giving six months' prior written notice to the end of a year.

13.2 This agreement may, at any time, be terminated by either party in writing without notice for cause. (i) Cause exists for both parties, in particular, if a Participant is no longer admitted to options and futures trading at the Eurex Exchanges. (ii) Cause exists for Eurex Clearing, in particular, if a clearing institution has revoked its declaration vis-à-vis a Participant pursuant to section 6.1 of these General Conditions for Participation. (iii) Cause exists for the Participant, in particular, if such Participant does not agree on a change regarding the General Conditions for Participation pursuant to section 12.5 of these General Conditions for Participation.

13.3 The notice period in the event of an extraordinary termination pursuant to section 13.2 (iii) of these General Conditions for Participation shall, in such a case, be five (5) trading days. Furthermore, such termination must be received by Eurex Clearing AG before the respective change of the General Conditions for Participation becomes effective. Otherwise, the agreement may only be terminated pursuant to section 13.1 hereof. In the event of an extraordinary termination pursuant to section 13.2 (i) and (ii), the termination is made without notice.

14 Saving Clause

Should individual provisions be invalid in whole or in part, this shall not affect the validity of the remaining provisions.

15 Place of Jurisdiction; Applicable Law

The place of jurisdiction for all disputes in connection with these Conditions shall, to the extent permissible by law, be Frankfurt/Main. These Conditions shall exclusively be governed by, and construed in accordance with, the laws of the Federal Republic of Germany.

Acceptance of the Conditions for the Utilization of the OTC Trade Entry Facilities



Eurex Clearing AG
Market Supervision/Clearing

D-60485 Frankfurt am Main

Fax: +49 (0) 69 – 2101 4334

Member's Details

Name of Member

Eurex Member ID

Address

Name of contact

Phone No. Fax No.

Participation in the following OTC Trade Entry Facility(ies) of Eurex Clearing AG

- ☐ Basis Trade Facility
- ☐ Block Trade Facility
- ☐ Vola Trade Facility

We herewith accept the Conditions for Utilization of the OTC Trade Entry Facilities in their current version.

The currently available version of the Conditions for Utilization of the OTC Trade Entry Facilities are known to us and are accessible by us at any time at the Internet address: http://www.eurexchange.com under "entrance hall/access to Eurex".

We will participate in the operation of the OTC Trade Entry Facility(ies) ticked above, in accordance with the conditions, and ask you to grant access for our institution to the corresponding OTC Trade Entry Facility(ies).

Date Company Stamp and Signature

Declaration – Agreement of the General Clearer OTC Trade Entry Facilities



Eurex Clearing AG
Market Supervision/Clearing

D-60485 Frankfurt am Main

Fax: +49-69- 21 01-43 34

Clearing Member's Details

Name of Member

Eurex Member ID _____ _____ _____ _____ _____

Address

Name of contact

Phone No. Fax No.

Participation of our Non-Clearing Member ("NCM") in the following OTC Trade Entry Facility(ies) of Eurex Clearing AG

☐ Basis Trade Facility

☐ Block Trade Facility

☐ Vola Trade Facility

Name of NCM

Eurex Member ID _____ _____ _____ _____ _____

has informed us that they wish to participate in the OTC Trade Entry Facility(ies) of Eurex Clearing AG ticked above.

We, therefore, declare in our function as General Clearer for our NCM, and pursuant to Section 6.1 of the Conditions for Utilization of the OTC Trade Entry Facilities, that we will guarantee to Eurex Clearing AG the fulfillment of obligations resulting from OTC Trade transactions of the aforementioned NCM, pursuant to the Clearing Conditions for Eurex Clearing AG, and will honor any and all obligations for the settlement and collateralization of transactions resulting therefrom. We herewith accept the Conditions for Utilization of the OTC Trade Entry Facilities in their current version.

The currently available version of the Conditions for Utilization of the OTC Trade Entry Facilities are known to us and are accessible by us at any time at the Internet address: http://www.eurexchange.com under "entrance hall/access to Eurex".

Date Company Stamp and Signature