X-pand into the Future

e u r e x *circular 001/00*

Date: Frankfurt, 4th January, 2000
Recipients: All Eurex members and vendors
Authorised by: Dr. Jörg Franke

High Priority

Update of 'Exchange Rules for Eurex Deutschland and Eurex Zürich'

Related Eurex Circulars: 61/99, 78/99 (para. 3.4.1) ; 105/99 (paras. 3.4.2, 3.7)

Contact: Legal Department: Tel. +49 (0)69-2101-5133

Content may be most important for:

- Front Office / Trading
- Middle + Back Office
- IT / System Administration
- Auditing / Security Administration

Attachments:

1. **Summary of modifications**

(Deletions are struck through, additions are underlined)

Modified sections: 2.1.3.1, 2.3, 3.4, 3.7, 4.7.3

New sections: 2.2.5, 3.4.1, 3.4.2, 3.4.3 (part of old 3.4), 4.9, 4.10 (old 4.9)

2. **Updated Exchange Rules**

Summary:

A revision of the Exchange Rules for Eurex Deutschland and Eurex Zürich has been carried out in order to bring them up-to-date with recent developments and decisions.

Following the approval of the Exchange Council of Eurex Deutschland, the Administrative Council of Eurex Zürich and the Exchange Supervisory Authorities of the Eurex Exchanges, the revised regulations are effective as of 16th December, 1999.

The Exchange Rules will also be published shortly on the Eurex web-site (www.eurexchange.com) under 'Market Place/Rules and Regulations/Exchange Regulations'.

Eurex Deutschland
Börsenplatz 7 - 11
D-60313 Frankfurt am Main
www.eurexchange.com

Eurex Member Readiness
Tel. +49 (0)69-2101-1700
Fax +49 (0)69-2101-1701

Alternative
Tel. +49 (0)69-9770-1700
Fax +49 (0)69-9770-1701

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

2 Exchange Bodies of the Eurex Exchanges

2.1 Eurex Deutschland

2.1.3 Trading Surveillance Office

2.1.3.1 Responsibilities of the Trading Surveillance Office

The Trading Surveillance Office must fulfill the responsibilities conferred upon it under the Exchange Act.

In particular, it shall

1. monitor options and futures trading at Eurex Deutschland and the settlement of exchange transactions (i.e. the recording of the transactions and positions of an Exchange Participant, including customer positions),

2. systematically and completely collect all data regarding options and futures trading and the settlement of exchange transactions and evaluate such data.

If the Trading Surveillance Office, in connection with its activities, establishes facts justifying the conclusion that violations of exchange laws and orders are occurring or that other irregularities exist which may impair the orderly conduct of trading at Eurex Deutschland or the settlement of exchange transactions, it shall promptly notify the Board of Management of Eurex Deutschland and the Exchange Supervisory Authority thereof.

The head of the Trading Surveillance Office and his or her deputy shall be appointed and removed by the Exchange Council at the recommendation of the Board of Management and in agreement with the Exchange Supervisory Authority.

The personnel of the Trading Surveillance Office may, to the extent necessary for the discharge of their duties, demand information and the production of documents from the Trading Participants (§ 1a paragraph (1) of the Exchange Act), conduct inspections and, during normal working hours, enter the property and business premises of Eurex Deutschland and the Trading Participants. In particular, they may require that Eurex Deutschland and the Trading Participants provide all data from the EDP system relating to trading or settlement. § 1a paragraph (1) sentences 3, 6 and 7 and § 1a paragraph (3) of the Exchange Act shall apply in all other respects.

In addition, subsection 1.3 ~~paragraph (2)~~ sentence 4 shall apply mutatis mutandis.

The Exchange Supervisory Authority may give instructions to the Trading Surveillance Office of Eurex Deutschland and assume responsibility for investigations. The Board of Management of Eurex Deutschland may delegate the conduct of investigations to the Trading Surveillance Office within its area of responsibility.

The Board of Management of Eurex Deutschland may, with the consent of the Exchange Supervisory Authority, also transfer other duties to Trading Surveillance Office personnel entrusted with monitoring responsibilities.

2.2 Eurex Zürich

2.2.5 Reporting Office

The reporting office within the meaning of Article 15 of the Swiss Law on Stock Exchange and Securities Trading (*Gesetz über die Börsen und den Effektenhandel*, BEHG) in connection with Article 7 et seq. of the Ordinance of the Swiss Banking Commission (EBK) on Stock Exchange and Securities Trading (*Verordnung über die Börsen und den Effektenhandel*, BEHV) shall be the Swiss Stock Exchange SWX.

2.3 Joint Arbitration Tribunal

Any disputes arising out of options and futures transactions on the Eurex Exchanges and any disputes between participants and/or Exchange Traders on the one hand and Eurex Zürich on the other shall be settled by an Arbitration Tribunal comprising three members at the exclusion of any recourse to the general courts of law. German law shall apply, unless the matter under dispute concerns the admission to options and futures trading at Eurex Zürich. Each party shall appoint an arbitrator, to be selected from a list of competent persons compiled jointly by the Boards of Management of the two Eurex Exchanges. In exceptional cases, the Boards of Management of the two Eurex Exchanges may permit the appointment of an arbitrator who is not on such list. The two arbitrators shall appoint an umpire, who must be selected from the aforementioned list of experts. The Arbitration Tribunal shall adopt rules of procedure. The Arbitration Tribunal shall be located in ~~the country of the registered office of the accused party. Should~~ Germany provided that the registered office of the accused party ~~be~~ is not in Switzerland or in the Principality of Liechtenstein~~,~~. In those cases, the Arbitration Tribunal shall be located in Switzerland. ~~If the registered office is in neither of the aforementioned countries,~~ One or several members of the Boards of Management of the Eurex Exchanges may participate in the negotiations of the Arbitration Tribunal. ~~shall be located in Germany.~~ The Boards of Management of the Eurex Exchanges may also authorize a third person each to participate in the session.

3 Admission to Trading at Eurex Deutschland and Eurex Zürich

3.4 Orderly Settlement of Options and Futures Transactions; Technical Equipment~~; Order Routing Systems~~

The admission of an enterprise to options and futures trading requires that the orderly settlement of options and futures transactions is ensured, particularly through participation in the clearing process of Eurex Clearing AG, and that the technical requirements for connection to the EDP system of the Eurex Exchanges are satisfied. The orderly settlement of transactions requires the provision of adequate technical equipment and the necessary staff (back office).

3.4.1 Back-Office Personnel

The orderly settlement of transactions requires, in addition to the provision of adequate technical equipment pursuant to subsection 3.4, the engagement of the necessary staff (back office). Every Exchange Participant is required to employ at least one qualified staff member in the back office for the orderly fulfillment of its back office obligations. A sufficient qualification of the back office staff members for the fulfillment of these obligations shall be presumed if the aptitude test for back office

staff members ("Clearer Test") offered by the Eurex clearing house has been passed successfully. It is required that at least one qualified staff member is present at any time during the Exchange day and that he or she is available by telephone or fax.

3.4.2 Technical Requirements

The technical requirements for connection to the EDP system of the Eurex Exchanges are observed if the Participant has available the EDP equipment which fulfils the requirements of the Implementation Regulations of Eurex Deutschland and Eurex Zürich Concerning Technical Equipment. Upon application by an Exchange Participant or by an applicant for Exchange admission, the Boards of Management of the Eurex Exchanges may permit the installation of Participant Front End Systems in locations of the Participant outside the country in which the enterprise admitted to exchange trading or the enterprise applying for admission, as the case may be, has its registered office, if the application of and compliance with the provisions of the rules and regulations of the Eurex Exchanges and the supplemental conditions thereto are also ensured in the country in which the additional location is situated.

3.4.3 Order Routing Systems

If the Boards of Management of the Eurex Exchanges permit a Trading Participant to use order routing systems to input orders in accordance with the Implementation Regulations, such Trading Participant shall be responsible for ensuring that the order routing facility is used properly, for the designated purpose and in accordance with the provisions of exchange law. This also applies to any orders which are entered in the trading system via order routing by third parties who are not admitted to the exchange. Should the Trading Participant fail to comply with these requirements, the Boards of Management of the Eurex Exchanges shall restrict or revoke the permission to use an order routing system.

3.7 Obligation to Cooperate

Each Exchange Participant which participates directly in options and futures trading at the Eurex Exchanges through its ~~user device~~ Participant Front End System located outside the Federal Republic of Germany or Switzerland must - to the extent permitted by law - ensure that all installations operated outside the Federal Republic of Germany or Switzerland (~~user devices~~Participant Front End System, input devices, etc.), as well as the activities of such Exchange Participant conducted within the scope of the use of such devices, may be subject to inspection pursuant to the provisions of the Eurex Exchange Rules and the Implementation Regulations of the Eurex Exchanges Concerning Technical Equipment. The same shall apply if an Exchange Participant participates in options and futures trading at one of the Eurex Exchanges by means of input devices outside the Federal Republic of Germany or Switzerland which are connected to ~~user devices~~ Participant Front End System within the Federal Republic of Germany or Switzerland.

4 General Provisions

4.7 Position Limits

4.7.3 Monitoring of Position Limits

The Trading Surveillance Office of Eurex Deutschland and the Surveillance Office of Eurex Zürich examine all positions of an Exchange Participant, including Agent Position Accounts, to verify compliance with the position limits. For this purpose, the Board of Management ~~shall~~ may use the services of a suitable auditor. Subsection ~~3.8.1~~1.3 sentence 4 shall apply mutatis mutandis in all other respects.

4.9 Evaluation of Data and Publication of Turnover

Data and Information received from the EDP system of the Eurex Exchanges shall only be used by the Exchange Participants for own purposes of trade and settlement. A transmission of such data to third parties or a processing of the data received shall, to the extent that this is not necessary for trading at the Eurex Exchanges, not be permitted without the prior consent by the Boards of Management of the Eurex Exchanges; this shall also apply to any kind of commercial use of such data.

Any data entered by the Exchange Participants into the EDP system of the Eurex Exchanges as well as reports and information received by the Eurex Exchanges from the Exchange Participants shall be treated confidentially.

The Boards of Management of the Eurex Exchanges are authorized to publish turnover figures from options and futures trading or have these published. In addition thereto, they are authorized to make publications that serve the purpose of properly informing the public about market news. The identity of the individual Exchange Participants shall not be disclosed without its prior consent.

The provisions of subsection 4.10 shall remain unaffected thereby.

4.~~9~~10 Announcements

Unless otherwise provided, announcements by any of the Exchange Bodies of Eurex Deutschland and Eurex Zürich shall be published by suitable means, generally in electronic media. The respective Boards of Management of the Eurex Exchanges shall determine the electronic medium.

Exchange Rules for Eurex Deutschland and Eurex Zürich

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1 Organization

1.1 Areas of Business

These Exchange Rules regulate the organization of the options and futures exchange approved under German law with registered office in Frankfurt, hereafter referred to as “Eurex Deutschland”, and the options and futures exchange approved under Swiss law with registered office in Zürich, hereafter referred to as “Eurex Zürich”. The Eurex Exchanges provide a fully automated trading platform for the conclusion of options and futures transactions, in particular standardized options and futures contracts. The orders and quotes entered in the EDP system of Eurex shall be automatically allocated to and matched with one another. Transactions which are effected via this trading platform shall be deemed transactions at Eurex Deutschland and, if both parties to any such transaction are admitted to trading at Eurex Zürich, also at Eurex Zürich. Eurex Clearing AG shall be a contracting party to every options and futures transaction effected via the EDP system of the Eurex Exchanges.

1.2 Administrating and Operating Institutions of Eurex Deutschland and Eurex Zürich

The administrating and operating institution of Eurex Deutschland is Eurex Frankfurt AG, with registered office in Frankfurt am Main. The administrating and operating institution provides the staff, the facilities and premises, and the financial resources for the operation of Eurex Deutschland.

Eurex Zürich AG, with registered office in Zürich, provides the staff, the facilities and premises, and the financial resources for the operation of Eurex Zürich.

1.3 Exchange Supervisory Authorities

Supervision of the operations of Eurex Deutschland shall be the responsibility of the competent highest state authority in the State of Hesse (hereafter the “Exchange Supervisory Authority”).

Supervision of the operations of Eurex Zürich shall be the responsibility of the Swiss Banking Commission (*Eidgenössische Bankenkommission*) (hereafter “EBK”). The Eurex Exchanges shall thus be supervised by the supervisory authorities of both countries, to the extent of their respective jurisdiction.

Should the above authorities have to take supervisory measures abroad, such measures shall be implemented by means of administrative or legal cooperation, unless international agreements provide otherwise; insofar as the Exchange Supervisory Authority is concerned, such measures shall be implemented via the Federal Securities Supervisory Office (*Bundesaufsichtsamt für den Wertpapierhandel*).

1.4 Clearing

Clearing in respect of all transactions effected at the Eurex Exchanges shall be handled exclusively by Eurex Clearing AG in its capacity as clearing house.

2 Exchange Bodies of the Eurex Exchanges

2.1 Eurex Deutschland

2.1.1 Exchange Council

The Exchange Council of Eurex Deutschland shall have the following responsibilities pursuant to the Exchange Act (*Börsengesetz*):

1. the adoption of the Exchange Rules (*Börsenordnung*) and the Fee Regulations (*Gebührenordnung*) for Eurex Deutschland,
2. the adoption of Conditions for Trading (*Bedingungen für den Handel*) at Eurex Deutschland,
3. the adoption of Examination Regulations for Eurex Deutschland concerning the professional qualification to act as an Exchange Trader,
4. the adoption of Rules of Procedure for the Board of Management,
5. the appointment and removal of the members of the Board of Management of Eurex Deutschland in consultation with the Hessian Exchange Supervisory Authority,
6. the supervision of the Board of Management of Eurex Deutschland,
7. the appointment, re-appointment and removal of the head of the Trading Surveillance Office and his or her deputy at Eurex Deutschland upon the recommendation of the Board of Management of Eurex Deutschland and in agreement with the Exchange Supervisory Authority.

When fulfilling its responsibilities, the Exchange Council shall endeavor to achieve agreement between Eurex Deutschland and Eurex Zürich in the decision-making process.

Decisions by the Board of Management of Eurex Deutschland with respect to the introduction of technical systems for trading or settlement of exchange transactions shall require the approval of the Exchange Council. Further details shall be specified in the Rules of Procedure for the Board of Management of Eurex Deutschland.

2.1.2 Exchange Management

The Board of Management shall be responsible for the management of Eurex Deutschland.

The Board of Management shall represent Eurex Deutschland in and out of court, to the extent that the administrating and operating institution of Eurex Deutschland is not charged with such responsibility.

2.1.2.1 Representation by the Board of Management

Eurex Deutschland shall generally be represented jointly by two members of the Board of Management. In urgent cases when a second member of the Board of Management cannot be contacted, one member of the Board of Management may represent Eurex Deutschland alone.

The Board of Management may also authorize other persons to act as representatives. The details shall be specified in the Rules of Procedure for the Board of Management.

2.1.2.2 Responsibilities of the Board of Management

The Board of Management of Eurex Deutschland shall fulfill all responsibilities which have not expressly been assigned to other Exchange Bodies of Eurex Deutschland. Its responsibilities shall include, in particular,

1. admitting enterprises and individuals to options and futures trading at Eurex Deutschland or excluding them from options and futures trading,

2. regulating the organization and business operations of Eurex Deutschland and setting the time of exchange sessions,

3. without prejudice to the competence of the Trading Surveillance Office, monitoring and examining compliance with all laws, regulations, terms and conditions and other rules governing trading at Eurex Deutschland; subsection 3.8.1 shall remain unaffected,

4. adopting rules for the determination, monitoring, documentation and publication of the prices of Eurex Deutschland,

5. adopting the Implementation Regulations Concerning Technical Equipment at Eurex Deutschland (*Durchführungsbestimmungen der Eurex Deutschland über Technische Einrichtungen*),

6. deciding on the admission of options and futures contracts to options and futures trading at Eurex Deutschland and deciding on the commencement, suspension or discontinuation of options and futures trading at Eurex Deutschland,

7. ruling that no physical delivery shall be effected if this is necessary for the maintenance of orderly market conditions at Eurex Deutschland,

8. determining position limits for options and futures positions held by enterprises admitted to trading (Exchange Participants) at Eurex Deutschland.

The Board of Management of Eurex Deutschland may commission other persons to fulfill certain responsibilities.

2.1.3 Trading Surveillance Office

2.1.3.1 Responsibilities of the Trading Surveillance Office

The Trading Surveillance Office must fulfill the responsibilities conferred upon it under the Exchange Act.

In particular, it shall

1. monitor options and futures trading at Eurex Deutschland and the settlement of exchange transactions (i.e. the recording of the transactions and positions of an Exchange Participant, including customer positions),

2. systematically and completely collect all data regarding options and futures trading and the settlement of exchange transactions and evaluate such data.

If the Trading Surveillance Office, in connection with its activities, establishes facts justifying the conclusion that violations of exchange laws and orders are occurring or that other irregularities exist which may impair the orderly conduct of trading at Eurex Deutschland or the settlement of exchange transactions, it shall promptly notify the Board of Management of Eurex Deutschland and the Exchange Supervisory Authority thereof.

The head of the Trading Surveillance Office and his or her deputy shall be appointed and removed by the Exchange Council at the recommendation of the Board of Management and in agreement with the Exchange Supervisory Authority.

The personnel of the Trading Surveillance Office may, to the extent necessary for the discharge of their duties, demand information and the production of documents from the Trading Participants (§ 1a paragraph (1) of the Exchange Act), conduct inspections and, during normal working hours, enter the property and business premises of Eurex Deutschland and the Trading Participants. In particular, they may require that Eurex Deutschland and the Trading Participants provide all data from the EDP system relating to trading or settlement. § 1a paragraph (1) sentences 3, 6 and 7 and § 1a paragraph (3) of the Exchange Act shall apply in all other respects.

In addition, subsection 1.3 sentence 4 shall apply mutatis mutandis.

The Exchange Supervisory Authority may give instructions to the Trading Surveillance Office of Eurex Deutschland and assume responsibility for investigations. The Board of Management of Eurex Deutschland may delegate the conduct of investigations to the Trading Surveillance Office within its area of responsibility.

The Board of Management of Eurex Deutschland may, with the consent of the Exchange Supervisory Authority, also transfer other duties to Trading Surveillance Office personnel entrusted with monitoring responsibilities.

2.2 Eurex Zürich

2.2.1 Administrative Council

The Administrative Council is the body which is responsible for the overall management, supervision and control of Eurex Zürich and which must fulfill the following responsibilities, in addition to those conferred upon it by law:

1. the adoption of the Exchange Rules (*Börsenreglemente*) required for the operation of Eurex Zürich;
2. the appointment and removal of the members of the Board of Management of Eurex Zürich;
3. the establishment of an internal Surveillance Office which must be independent of the Board of Management of Eurex Zürich in terms of both personnel and organization;
4. the establishment of an independent Appeals Board for Eurex Zürich;
5. the adoption of Rules for Organization and Operation (*Organisations- und Geschäftsreglement*).

When fulfilling its responsibilities, the Administrative Council shall endeavor to achieve agreement between Eurex Zürich and Eurex Deutschland in the decision-making process.

Decisions by the Board of Management of Eurex Zürich with respect to the introduction of technical systems for trading or settlement of exchange transactions shall require the approval of the Administrative Council.

2.2.2 Board of Management

The Board of Management shall be responsible for the management of Eurex Zürich pursuant to the Rules for Organization.

2.2.2.1 Representation by the Board of Management

Eurex Zürich shall generally be represented jointly by two members of the Board of Management. In urgent cases when a second member of the Board of Management cannot be contacted, one member of the Board of Management may represent Eurex Zürich alone.

2.2.2.2 Responsibilities of the Board of Management

The Board of Management of Eurex Zürich shall fulfill all responsibilities which have not expressly been assigned to other Exchange Bodies of Eurex Zürich. Its responsibilities shall include, in particular,

1. admitting enterprises and individuals to options and futures trading at Eurex Zürich or excluding them from options and futures trading,
2. regulating the organization and business operations of Eurex Zürich and setting the time of exchange sessions,

3. without prejudice to the competence of the Surveillance Office, monitoring and examining compliance with all laws, regulations, terms and conditions and other rules governing trading at Eurex Zürich,

4. adopting rules for the determination, monitoring, documentation and publication of prices of Eurex Zürich,

5. adopting the Implementation Regulations Concerning Technical Equipment at Eurex Zürich (*Durchführungsbestimmungen der Eurex Zürich über Technische Einrichtungen*),

6. deciding on the admission of options and futures contracts to options and futures trading at Eurex Zürich and deciding on the commencement, suspension or discontinuation of options and futures trading at Eurex Zürich,

7. ruling that no physical delivery shall be effected if this is necessary for the maintenance of orderly market conditions at Eurex Zürich,

8. determining position limits for options and futures positions held by enterprises admitted to trading (Exchange Participants) at Eurex Zürich.

The Board of Management of Eurex Zürich may commission other persons to fulfill certain responsibilities.

2.2.3 Surveillance Office

Eurex Zürich shall establish its own Surveillance Office which shall be independent of the Board of Management in terms of both personnel and organization. Eurex Zürich shall provide such Surveillance Office with adequate facilities and staff.

The selection of the head of the Surveillance Office of Eurex Zürich shall require the approval of the Swiss Banking Commission.

2.2.3.1 Responsibilities of the Surveillance Office

The Surveillance Office shall monitor the determination of prices and the conclusion and settlement of transactions in such a way that any exploitation of the knowledge of confidential information, any price manipulation and any other breaches of law can be detected. In particular, it shall

a) verify compliance with the provisions of the relevant laws, statutes and rules,

b) monitor the activities of Eurex Zürich in controlling its members,

c) follow up any information from other Exchange Bodies or third parties concerning possible violations of insider trading prohibitions and the relevant provisions of exchange law,

d) be the contact for members and third parties should they have complaints concerning Eurex Zürich or the members or traders of Eurex Zürich.

Upon suspicion of violations of law or other irregularities, the Surveillance Office shall inform the Board of Management of Eurex Zürich and the supervisory authority (Swiss Banking Commission). The supervisory authority shall then order the necessary investigations.

2.2.4 Appeals Board

If the admission to trading as a securities trader or Exchange Trader is refused, or if a securities trader or Exchange Trader is excluded from trading by Eurex Zürich, recourse may be taken to the independent Appeals Board. The Administrative Board shall set forth provisions governing the organization and the proceedings in rules which shall require the approval of the supervisory authority. This shall not affect the right, after completion of the appeal proceedings, to take recourse to the Arbitration Tribunal, where Swiss law shall apply in such cases.

2.2.5 Reporting Office

The reporting office within the meaning of Article 15 of the Swiss Law on Stock Exchange and Securities Trading (*Gesetz über die Börsen und den Effektenhandel*, BEHG) in connection with Article 7 et seq. of the Ordinance of the Swiss Banking Commission (EBK) on Stock Exchange and Securities Trading (*Verordnung über die Börsen und den Effektenhandel*, BEHV) shall be the Swiss Stock Exchange SWX.

2.3 Joint Arbitration Tribunal

Any disputes arising out of options and futures transactions on the Eurex Exchanges and any disputes between participants and/or Exchange Traders on the one hand and Eurex Zürich on the other shall be settled by an Arbitration Tribunal comprising three members at the exclusion of any recourse to the general courts of law. German law shall apply, unless the matter under dispute concerns the admission to options and futures trading at Eurex Zürich. Each party shall appoint an arbitrator, to be selected from a list of competent persons compiled jointly by the Boards of Management of the two Eurex Exchanges. In exceptional cases, the Boards of Management of the two Eurex Exchanges may permit the appointment of an arbitrator who is not on such list. The two arbitrators shall appoint an umpire, who must be selected from the aforementioned list of experts. The Arbitration Tribunal shall adopt rules of procedure. The Arbitration Tribunal shall be located in Germany provided that the registered office of the accused party is not in Switzerland or in the Principality of Liechtenstein. In those cases, the Arbitration Tribunal shall be located in Switzerland. One or several members of the Boards of Management of the Eurex Exchanges may participate in the negotiations of the Arbitration Tribunal. The Boards of Management of the Eurex Exchanges may also authorize a third person each to participate in the session.

2.4 Right to Issue Orders and Exclude from Trading

The persons and enterprises admitted to options and futures trading must comply with the orders of the Board of Management of the respective Eurex Exchange or its authorized representatives. Members of the Boards of Management of the Eurex Exchanges or their authorized representatives are authorized to temporarily exclude enterprises or individual persons that are admitted to options and futures trading from such options and futures trading if and for so long as they disturb the orderly conduct of trading, violate applicable rules or fail to comply with orders issued by the Board of Management.

3 Admission to Trading at Eurex Deutschland and Eurex Zürich

To participate in options and futures trading, enterprises and Exchange Traders must be admitted to Eurex Deutschland, or to Eurex Zurich and in addition Eurex Deutschland. Applications for admission to options and futures trading are to be submitted in writing in the prescribed form to Eurex Deutschland or Eurex Zürich, as applicable.

The Board of Management of Eurex Deutschland or Eurex Zürich, as applicable, shall decide on the admission.

3.1 Admission of Enterprises (Exchange Participants)

Notwithstanding the provisions below, an enterprise is to be admitted to trading if it has a clearing license or has concluded a NCM-GCM agreement or a NCM-DCM agreement with a Clearing Member as prescribed by Eurex Clearing AG.

3.1.1 Admission to Eurex Deutschland

Enterprises which have their registered offices within or outside the Federal Republic of Germany are entitled to apply for admission provided that the exchange of information between the competent exchange supervisory authorities in Germany and abroad is possible in order to supervise the Exchange Participants, and provided further that such enterprises are subject to banking or exchange supervision in their home country. The applicant must name in its application for admission the persons who are, by law, articles of association or shareholders' agreement, entrusted with the management of the business of the applicant and are authorized to represent it. The applicant must at the same time name at least one person who is to be authorized to enter into options and futures contracts at Eurex Deutschland (Exchange Trader).

3.1.1.1 Minimum Capital Requirements for Admission

Only those who conclude options and futures transactions for their own account (proprietary transactions) or in their own name for the account of third parties (customer transactions) on a

commercial basis and whose business operations are of such nature and scale as to require a commercially organized business establishment may be admitted to options and futures trading.

The applicant must provide evidence of equity capital of at least 100,000 Deutsche Marks * unless it is a credit institution, a financial services institution or an enterprise within the meaning of § 53 paragraph (1) sentence 1 or § 53 b paragraph (1) sentence 1 of the Banking Act and is authorized to engage in financial commission business within the meaning of § 1 paragraph (1) sentence 2 number 4 or to render a financial service within the meaning of § 1 paragraph (1a) sentence 2 numbers 1 to 4 of the Banking Act. The paid-in capital and the reserves after deduction of withdrawals by the proprietor or the personally liable shareholder, of credit extended to such persons and of any excess of indebtedness with respect to the free assets of the proprietor shall be considered to be part of the equity capital.

With respect to applicants that are obliged to provide evidence of equity capital, no facts may exist justifying the assumption that the applicant, taking into account the proven equity capital, does not have the necessary economic capacity to participate in an orderly manner in options and futures trading.

* The respective amount in euro is 51,129.19 EUR on the basis of the official conversion factor.

3.1.2 Admission to Eurex Zürich

Only institutions which have received approval within the meaning of Article 10 of the Law on Stock Exchange and Securities Trading (*Gesetz über die Börsen und den Effektenhandel*, BEHG) (approval as securities traders for enterprises with registered office in Switzerland) or within the meaning of Article 53 of the Ordinance on Stock Exchange and Securities Trading (*Verordnung über die Börsen und den Effektenhandel*, BEHV) (approval as securities traders for enterprises with registered office outside Switzerland) may be admitted to options and futures trading at Eurex Zürich. Enterprises with registered office in Germany shall be granted admission to Eurex Zürich without any further action at the same time as receiving admission to Eurex Deutschland after they have been granted approval as securities traders by the EBK pursuant to Article 53 of the Ordinance on Stock Exchange and Securities Trading.

3.2 Admission as Exchange Trader

Persons who are to be authorized to enter into options and futures transactions at the Eurex Exchanges on behalf of an admitted enterprise (Exchange Traders) shall be admitted upon application by the respective Eurex Exchange if they are reliable and have the necessary professional qualifications. The professional qualifications shall be presumed if evidence of the necessary technical knowledge and experience is provided which qualifies the applicant for options and futures trading at the respective Eurex Exchange. In particular, the passing of an Eurex Exchange Trader examination shall constitute evidence of the necessary technical knowledge. Persons may only be admitted as Exchange Traders at Eurex Deutschland or Eurex Zürich on behalf of one enterprise.

3.3 Admission as Market Maker

An Exchange Participant may also apply for admission as a Market Maker for one or more products if the Board of Management of the respective Eurex Exchange has decided to conduct market making with respect to the trading of such product or products. Each product as to which an applicant seeks admission as a Market Maker must be specified in the application.

A Market Maker Admission entitles the holder to engage, for its own account, in the trading of those products with respect to which such Market Maker has accepted the obligation to supply bid and ask quotes promptly upon request at any time during exchange hours and to do business on the basis of such quotes.

The Board of Management of the respective Eurex Exchange will grant the applicant a Market Maker Admission if the persons named in the application for such form of trading (Exchange Traders) have the requisite trading knowledge to act as Market Makers. The Market Maker Admission shall list all products to which such admission shall relate. Evidence of the requisite technical knowledge must be furnished by the applicant.

The Market Maker Admission shall depend on the effectiveness of the admission as an Exchange Participant.

3.3.1 Resignation, Cancellation, Withdrawal, Revocation and Suspension of Market Maker Admission

A Market Maker may by written notice to the respective Eurex Exchange at any time resign its Market Maker Admission as a whole or with respect to specified products. As of the exchange day following the date of receipt of such notice, such Market Maker shall no longer be authorized or obliged to enter quotes for options contracts in the products with respect to which it has resigned.

If an application is made for a Market Maker Admission for underlying values with respect to which the Market Maker had previously resigned, the respective Eurex Exchange may prescribe a waiting period of at least ten exchange days.

The Board of Management of the respective Eurex Exchange may revoke the Market Maker Admission if the Market Maker repeatedly fails to perform its obligation to supply quotes after prior notice.

Subsection 3.12.2 sentence 4 shall apply mutatis mutandis.

3.3.2 Rights and Obligations of Market Makers

A Market Maker is authorized and, upon receipt of a request for a quote for any options contract with respect to any product included in its admission, obliged promptly to supply bid and ask quotes for such options contract and to enter into transactions in such options contract. A Market Maker must be available at all times during exchange hours. A Market Maker is obliged to enter bid and ask quotes to the extent determined by the Board of Management of Eurex Deutschland or Eurex Zürich.

The Board of Management of the respective Eurex Exchange may, in the interest of ensuring orderly trading conditions, impose additional duties on Market Makers. In particular, it may establish a maximum or minimum spread between the bid and the ask prices, minimum contract sizes for both bid and ask quotes, and a minimum period for maintaining quotes in the EDP system of the Eurex Exchanges.

Quotes may be entered during the Pre-Trading Period, the Pre-Opening Period, the Trading Period and the Post-Trading Period. Quotes shall be held in the order book overnight by the system of the Eurex Exchanges and, after clearance by the Market Maker, they shall be noted again for the next day's trading, to the extent that they have not been rescinded by the Market Maker.

3.3.3 Position Limits for Market Makers

The Board of Management of Eurex Deutschland or Eurex Zürich may determine special position limits for Exchange Participants holding Market Maker Admissions. In such a case, an enterprise may, notwithstanding subsection 4.7, hold no more than the sum of the position limits allowed for one Market Maker and for two Exchange Participants without a Market Maker Admission.

A Market Maker may, in the course of a Trading Period, temporarily exceed the position limits with respect to contracts for which it is obligated to provide quotes. However, the Market Maker must be in compliance with the position limits by the end of the Trading Period.

3.4 Orderly Settlement of Options and Futures Transactions; Technical Equipment

The admission of an enterprise to options and futures trading requires that the orderly settlement of options and futures transactions is ensured, particularly through participation in the clearing process of Eurex Clearing AG, and that the technical requirements for connection to the EDP system of the Eurex Exchanges are satisfied. The orderly settlement of transactions requires the provision of adequate technical equipment and the necessary staff (back office).

3.4.1 Back-Office Personnel

The orderly settlement of transactions requires, in addition to the provision of adequate technical equipment pursuant to subsection 3.4, the engagement of the necessary staff (back office). Every Exchange Participant is required to employ at least one qualified staff member in the back office for the orderly fulfillment of its back office obligations. A sufficient qualification of the back office staff members for the fulfillment of these obligations shall be presumed if the aptitude test for back office staff members ("Clearer Test") offered by the Eurex clearing house has been passed successfully. It is required that at least one qualified staff member is present at any time during the Exchange day and that he or she is available by telephone or fax.

3.4.2 Technical Requirements

The technical requirements for connection to the EDP system of the Eurex Exchanges are observed if the Participant has available the EDP equipment which fulfils the requirements of the Implementation Regulations of Eurex Deutschland and Eurex Zürich Concerning Technical Equipment. Upon application by an Exchange Participant or by an applicant for Exchange admission, the Boards of Management of the Eurex Exchanges may permit the installation of Participant Front End Systems in locations of the Participant outside the country in which the enterprise admitted to exchange trading or the enterprise applying for admission, as the case may be, has its registered office, if the application of and compliance with the provisions of the rules and regulations of the Eurex Exchanges and the supplemental conditions thereto are also ensured in the country in which the additional location is situated.

3.4.3 Order Routing Systems

If the Boards of Management of the Eurex Exchanges permit a Trading Participant to use order routing systems to input orders in accordance with the Implementation Regulations, such Trading Participant shall be responsible for ensuring that the order routing facility is used properly, for the designated purpose and in accordance with the provisions of exchange law. This also applies to any orders which are entered in the trading system via order routing by third parties who are not admitted to the exchange. Should the Trading Participant fail to comply with these requirements, the Boards of Management of the Eurex Exchanges shall restrict or revoke the permission to use an order routing system.

3.5 Disclosure of the Assignment Method

If the applicant for admission to exchange trading engages in options and futures trading in its own name for the account of third parties, the applicant must state the method pursuant to which it will assign to its customers, in a manner that ensures the neutrality of the assignment process, the drawings allocable to its agent position account.

3.6 Application for Access Codes

Every Trading Participant is obliged to apply for a personal access code (user code), with the respective system entitlement, for every person who is to be authorized to effect options and futures transactions via the EDP system of the Eurex Exchanges (Exchange Traders) and for every person who needs access to the EDP system of the Eurex Exchanges for other reasons (system management, back-office responsibilities).

3.7 Obligation to Cooperate

Each Exchange Participant which participates directly in options and futures trading at the Eurex Exchanges through its Participant Front End System located outside the Federal Republic of Germany or Switzerland must - to the extent permitted by law - ensure that all installations operated outside the Federal Republic of Germany or Switzerland (Participant Front End Systems, input devices, etc.), as well as the activities of such Exchange Participant conducted within the scope of the use of such devices, may be subject to inspection pursuant to the provisions of the Eurex Exchange Rules and the Implementation Regulations of the Eurex Exchanges Concerning Technical Equipment. The same shall apply if an Exchange Participant participates in options and futures trading at one of the Eurex Exchanges by means of input devices outside the Federal Republic of Germany or Switzerland which are connected to a Participant Front End System within the Federal Republic of Germany or Switzerland.

3.8 Market Surveillance

3.8.1 Examinations Abroad

The Boards of Management of the Eurex Exchanges may avail themselves, pursuant to the rules of private law, of the services of the administrating and operating institution of Eurex Deutschland or Eurex Zürich in the fulfillment of their responsibility to monitor compliance with the Rules and Regulations of the Eurex Exchanges with respect to foreign Exchange Participants. The respective administrating and operating institutions of Eurex Deutschland and Eurex Zürich may at any time require any Exchange Participant to provide information and evidence necessary for the purpose of conducting its supervisory activities. The respective administrating and operating institutions of Eurex Deutschland and Eurex Zürich must ensure in a suitable manner, in particular through contractual arrangements to be entered into by them, that they may, either themselves or through suitable agents appointed by them (e.g., auditors), examine any or all business activities of an Exchange Participant with regard to compliance with the Rules and Regulations of the Eurex organization on the Eurex Exchanges.

The Board of Management of Eurex Deutschland or the administrating and operating institution of Eurex Deutschland shall use Eurex Zürich for the examination of any or all business activities of any Exchange Participant whose registered office is located in Switzerland and which is admitted to trading at Eurex Zürich with regard to compliance with the Eurex Rules and Regulations. The Board of Management of Eurex Zürich shall use Eurex Deutschland or the administrating and operating institution of Eurex Deutschland for the examination of any or all business activities of any Exchange Participant whose registered office is located in Germany and which is admitted to trading at Eurex Deutschland with regard to compliance with the Eurex Rules and Regulations.

3.8.2 Reporting

The respective administrating and operating institutions of Eurex Deutschland or Eurex Zürich shall inform the Board of Management of the Eurex Exchange which requested the examination compliance with the Eurex Rules and Regulations of the results of such examination in accordance with any

special instructions of the Board of Management. If Eurex Deutschland requested the examination, the Exchange Participant concerned may request that the report of such examination be presented in the first instance to the Exchange Supervisory Authority. The Exchange Supervisory Authority shall determine in its duly exercised discretion the nature and scope of the information to be passed on to the Board of Management of Eurex Deutschland. Notwithstanding the foregoing, the administrating and operating institution of Eurex Deutschland or Eurex Zürich, as applicable, shall in all cases promptly inform the Board of Management of the Eurex Exchange which requested the examination of the result of such examination.

3.9 Agent for Service of Process

Each Exchange Participant must in a suitable manner ensure that any service of process from the Exchange Bodies of the Eurex Exchanges, the administrating and operating institutions or the supervisory authorities, insofar as it is to be effected upon persons who work or worked outside Federal Republic of Germany or Switzerland for the Exchange Participant, can be effected upon an agent for service of process in the country in which the registered office of the respective Eurex Exchange is located. In addition, each Exchange Participant must obtain the consent of the persons affected hereby, particularly that of the Exchange Traders working for it, that the Exchange Participant is authorized to appoint an agent for service of process within the meaning of sentence 1 in their name.

3.10 Evidence of the Conditions for Admission

Evidence that the conditions for the admission of enterprises, Exchange Traders and Market Makers have been fulfilled must be furnished by the applicant. The Boards of Management of the Eurex Exchanges shall satisfy themselves in an appropriate manner that the necessary conditions for admission to the respective Eurex Exchange are met. The Boards of Management may, either themselves or through an authorized agent, undertake a pertinent examination of the applicant at the applicant’s expense and require the applicant to submit such statements and documents as they may deem appropriate. They may also request information from third parties, after prior notice thereof to the applicant.

3.11 Reporting Obligation

After the granting of admission, the admitted applicant shall be required to notify the Board of Management of the respective Eurex Exchange promptly of any changes of a factual or legal nature as a result of which the conditions for admission pursuant to section 3 may cease to be met. The admitted applicant shall, in particular, be obliged to inform the Board of Management of the respective Eurex Exchange in the event that it becomes aware of a criminal proceeding against it on suspicion of property or tax law violations. Furthermore, it is obliged to inform the Board of Management of the respective Eurex Exchange if it becomes aware that such a proceeding is initiated or is pending against a person acting on behalf of its enterprise who, by law, articles of association or shareholders' agreement is entrusted with the management of the business of the admitted applicant and who is authorized to represent it.

3.12 Resignation, Cancellation, Withdrawal, Revocation and Suspension of Admission to Trading

3.12.1 Resignation and Cancellation of Admission to Trading

The admission of an enterprise or Exchange Trader at one of the Eurex Exchanges shall terminate upon written notice to the Board of Management of the respective Eurex Exchange. Any resignation of the admission of an enterprise or an Exchange Trader to trading at one of the Eurex Exchanges shall be deemed resignation of the admission to both Eurex Exchanges.

The admission of an enterprise to Eurex Deutschland shall terminate if the persons notified to Eurex Deutschland as the persons who, by law, articles of association or shareholders' agreement, are entrusted with the management of the business of the enterprise and are authorized to represent it (subsection 3.1.1) resign and are not replaced. However, the admission shall terminate in all cases only after the conditions of subsection 3.12.5 have been satisfied.

Subsection 3.12.2 sentence 4 shall apply mutatis mutandis.

3.12.2 Withdrawal and Revocation of Admission to Trading

The respective Board of Management may withdraw the admission to trading at Eurex Deutschland or Eurex Zürich if any of the conditions set forth in the Exchange Rules was not satisfied at the time admission was granted.

It may revoke the admission if any of these conditions subsequently has ceased to be satisfied. Subsection 3.8.1 shall apply mutatis mutandis; the costs of any investigation required in this respect shall be borne by the enterprise concerned.

If the Board of Management of one of the Eurex Exchanges wishes to withdraw or revoke the admission of an enterprise, and if such enterprise is admitted to both Eurex Exchanges, the Boards of Management of the Eurex Exchanges shall agree to the extent legally permissible, on a uniform decision.

3.12.3 Disciplinary Committee

3.12.3.1 Responsibilities of the Disciplinary Committee

The Disciplinary Committee shall have the responsibilities for Eurex Deutschland set forth in § 9 of the Exchange Act. To the extent that Exchange Participants whose registered office is located in Switzerland are deemed a group within the meaning of § 2 paragraph (4) in connection with § 3 No. 2 of the Disciplinary Committee Regulation (*Sanktionsausschußverordnung*), the Disciplinary Committee shall also fulfill the responsibilities incumbent upon it for Eurex Zürich. § 9 of the Exchange Act shall apply mutatis mutandis. With respect to Exchange Participants whose registered office is not located in the Federal Republic of Germany, the provisions concerning administrative cooperation shall apply to the taking of any necessary evidence.

3.12.3.2 Transfer of Proceedings

Should facts emerge in a proceeding before the Disciplinary Committee which justify the withdrawal or revocation of the admission, the proceeding shall be transferred pursuant to § 7 paragraph (9) of the Exchange Act to the Board of Management of the respective Eurex Exchange. At any stage of the proceeding, the Board of Management of the respective Eurex Exchange shall be entitled to request reports from the Disciplinary Committee and to assume the conduct of the proceeding. If the Board of Management of the respective Eurex Exchange assumes the conduct of the proceeding and establishes that the admission should not be withdrawn or revoked, it shall return the proceeding to the Disciplinary Committee.

3.12.4 Suspension and Revocation of Admission to Trading

If a justified suspicion exists that any of the conditions for admission specified in the Exchange Rules was not satisfied or has subsequently ceased to be satisfied, the Board of Management of the respective Eurex Exchange may order the suspension of the admission of the enterprise or of the persons admitted to options and futures trading for a period of not more than six months. The suspension of admission of an enterprise may also be ordered for the duration of any default in the payment of fees assessed in accordance with the Fee Regulations.

In the case of Trading Participants at Eurex Deutschland with their registered office in a state which is not a member state of the European Union or a contracting state to the Treaty for the European Economic Area (EEA), the Board of Management of Eurex Deutschland may order that the admission be suspended for six months or revoked entirely if it appears that the fulfillment of the reporting obligations pursuant to § 9 of the Securities Trading Act (*Wertpapierhandelsgesetz*) or the exchange of information with the competent authorities in such state for the purpose of monitoring compliance with the prohibition of insider trading is not ensured.

Subsection 3.12.2 sentence 4 shall apply mutatis mutandis.

For the duration of the suspension of the admission of an enterprise, the right of persons admitted to options and futures trading on behalf of such enterprise (Exchange Traders) pursuant to subsection

3.2 to participate in options and futures trading at the respective Eurex Exchange will also be suspended; such trading rights terminate if the admission of the enterprise or Exchange Participant is canceled. The Exchange Participant concerned must cancel its orders and quotes, may not open any new positions, and must close or transfer its positions under the supervision of the respective Eurex Exchange.

3.12.4.1 Exclusion from Trading due to Default by DCMs and GCMs

If an enterprise that has been admitted to Eurex Deutschland or Eurex Zürich and is a Direct Clearing Member of Eurex Clearing AG fails to provide any margin or daily settlement payment required to be provided by it within the period prescribed therefor, the admitted enterprise may be excluded from options and futures trading at the respective Eurex Exchange by the Board of Management of the respective Eurex Exchange for the duration of such failure.

If an enterprise that has been admitted to Eurex Deutschland or Eurex Zürich and is a General Clearing Member of Eurex Clearing AG fails to provide any margin or daily settlement payment required to be provided by it within the period prescribed therefor, the admitted enterprise and all Non-Clearing Members for which such General Clearing Member acts may be excluded from options and futures trading at the respective Eurex Exchange by the Board of Management for the duration of such failure.

If an enterprise that has been admitted to Eurex Deutschland or Eurex Zürich and is a General Clearing Member of Eurex Clearing AG fails to make any payment or delivery to Eurex Clearing AG when due, the Board of Management of the respective Eurex Exchange may suspend such General Clearing Member as well as all Non-Clearing Members for which such General Clearing Member acts from options and futures trading on the respective Eurex Exchange for the period of such failure. Sentence 3 shall apply mutatis mutandis to Direct Clearing Members.

Subsection 3.12.2 sentence 4 shall apply mutatis mutandis.

3.12.4.2 Exclusion from Trading due to Default by NCMs

If an enterprise that has been admitted to Eurex Deutschland or Eurex Zürich and is a Non-Clearing Member of Eurex Clearing AG fails to provide any margin or daily settlement payment required to be provided by it within the period prescribed therefor, subsection 3.12.4.1 sentence 1 shall apply mutatis mutandis. If a Non-Clearing Member fails to make any deliveries or payments, or fails to pay any premiums or fees that may be due to its General Clearing Member within the prescribed period as set out in the Conditions for Trading at Eurex Deutschland and Eurex Zürich or in the Clearing Conditions for Trading at Eurex Deutschland and Eurex Zürich, the Board of Management of the respective Eurex Exchange may, at the request of such General Clearing Member, suspend such Non-Clearing Member from options and futures trading at the respective Eurex Exchange for the duration of such failure.

Subsection 3.12.2 sentence 4 shall apply mutatis mutandis.

3.12.4.3 Consequences of Exclusion from Trading

During the duration of its exclusion, a suspended Exchange Participant may, under the supervision of the Board of Management of the respective Eurex Exchange, close or transfer its positions. If a Non-Clearing Member is excluded from options and futures trading, the General Clearing Member representing such Member may request of the Board of Management of the respective Eurex Exchange that the positions of such Non-Clearing Member be closed. If a General Clearing Member is excluded from options and futures trading pursuant to the provisions of this paragraph, the Non-Clearing Members for which such General Clearing Member acts shall only be excluded from options and futures trading until they are able to engage in options and futures trading at the respective Eurex Exchange through another General Clearing Member. The right to revoke the admission to options and futures trading shall remain unaffected.

3.12.5 Consequences of Resignation, Withdrawal and Revocation of Admission to Trading

If an Exchange Participant's admission to trading is resigned, withdrawn or revoked by the Board of Management of the respective Eurex Exchange, such Exchange Participant shall be obliged to close its positions or transfer them to other Exchange Participants within a period prescribed by the Board of Management of the respective Exchange; furthermore, such Exchange Participant must cancel all its orders and quotes in the Eurex Exchange system and may not open any new positions. Such Exchange Participant shall ensure that its customers are able to transfer their positions to another Exchange Participant. If such Exchange Participant fails to meet these requirements within the prescribed period, the Board of Management of the respective Eurex Exchange shall be entitled to cancel the orders and quotes and to close the positions of such Eurex Participant. The admission to trading of such Exchange Participant shall terminate only after the fulfillment of the requirements provided for in this paragraph and of all obligations owed to Eurex Clearing AG and/or the relevant Clearing Member.

3.12.6 Reporting Obligation

If options and futures trading commences prior to the time when margin is required to be provided or a daily settlement payment is required to be made, an Exchange Participant shall not be permitted to commence options and futures trading if there is any risk that such margin or daily settlement payment might not be provided or made when due. Such Exchange Participant shall promptly notify the Board of Management of the respective Eurex Exchange of any such situation.

4 General Provisions

4.1 Admission of Options and Futures Contracts

The Board of Management of the respective Eurex Exchange shall determine which options and futures contracts shall be admitted to trading at Eurex Deutschland or Eurex Zürich. Admission of a specific product to trading shall not be permitted unless the maintenance of orderly options

and futures trading and adequate performance of any market-making function can be anticipated. Products are the respective options and futures contracts that have been admitted to trading at the Exchange. The underlying value is the point of reference for the product.

Resolutions of the respective Board of Management concerning the admission of options and futures contracts to options and futures trading at Eurex Deutschland or Eurex Zürich must be published.

4.2 Revocation of Admission; Suspension of Trading

The respective Boards of Management of the Eurex Exchanges may revoke the admission to trading of options and futures contracts or suspend the trading thereof at Eurex Deutschland or Eurex Zürich if such action appears to be necessary for the protection of the public, particularly if the quotation of an underlying security on a stock exchange designated by Eurex Deutschland or Eurex Zürich for this purpose has been suspended.

Any revocation of an admission of a contract or any suspension of options and futures trading in a contract must be made public.

If trading in any options or futures contract admitted to Eurex Deutschland or Eurex Zürich is suspended, in whole or in part, no new orders and quotes may be entered and no open positions may be closed respecting such contract for the duration of the suspension, nor, if exercise is possible under the terms of such contract, may any open positions be exercised during this period. All existing orders and quotes will be canceled. The resumption of options and futures trading in suspended contracts shall commence with a Pre-Trading Period. The Board of Management of Eurex Deutschland or Eurex Zürich may, in the event of a suspension of trading, issue different instructions on a case-by-case basis.

4.3 Exclusion of Physical Delivery

4.3.1 Futures Contracts

In order to maintain orderly trading conditions, the Board of Management of Eurex Deutschland or Eurex Zürich may issue instructions prohibiting physical delivery upon the expiration of futures contracts. In such a case, all mutual rights and obligations under such contracts shall be deemed to be performed upon the last daily settlement payment.

4.3.2 Options 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 amount of the cash settlement shall be the difference between the average of the opening, spot (*Kassakurs*) and closing prices, or, alternatively, the average of all prices of the underlying share determined on the Frankfurt Stock Exchange or the Swiss Stock Exchange SWX on or before the day of exercise and the strike

price of the call or put, as the case may be, multiplied by the number of shares underlying the contract.

If the quotation of a share underlying an options contract that is traded on the Eurex Exchanges is discontinued by the Frankfurt Stock Exchange or the Swiss Stock Exchange SWX, 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.

4.4 Exchange Hours, Trading Periods

Exchange hours include four consecutive periods: the Pre-Trading Period, the Opening Period, the Trading Period and the Post-Trading Period. The Exchange hours as well as the commencement and the end of the individual periods shall be determined by the Board of Management of Eurex Deutschland or Eurex Zürich for each options or futures contract admitted pursuant to subsection 4.1. The Board of Management of Eurex Deutschland or Eurex Zürich may extend the Exchange hours and postpone the commencement of the individual periods on any particular exchange day to the extent necessary to maintain orderly trading conditions or for reasons relating to the Eurex Exchange system.

4.4.1 Pre-Trading Period

Prior to the opening of options and futures trading at Eurex Deutschland and Eurex Zürich, orders and quotes may be entered into the EDP system of the Eurex Exchanges (the "Pre-Trading Period").

4.4.2 Opening Period

The Opening Period is composed of the Pre-Opening Period and the netting process. Directly before the transition from the Pre-Opening Period to the netting process, the Eurex Exchanges may, in order to ensure an orderly netting process, suspend the entry of additional orders and quotes or the change or cancellation of previously entered orders and quotes (“freeze situation”). The purpose of the Pre-Opening Period is to afford the Exchange Participants an opportunity to develop an adequate overview of the market and to react in a preliminary manner to the market situation. To the extent possible, taking into account the orders and quotes contained in the EDP system, the Pre-Opening Period shall end with the display of an opening price for each contract. During the netting process, existing orders and quotes shall be matched at such price. Alternatively, the Opening Period can end without an opening price having been established.

4.4.3 Trading Period

After the end of the Opening Period with respect to a product, contracts shall be traded on a continuous basis (the "Trading Period").

4.4.4 Post-Trading Period

After the end of the Trading Period, the EDP system of the Eurex Exchanges will remain available to Exchange Participants for data entry (the "Post-Trading Period").

4.5 Determination of Prices

4.5.1 Exchange Prices

Exchange prices shall be determined through the EDP system of the Eurex Exchanges. The Trading Surveillance Office of Eurex Deutschland and the Surveillance Office of Eurex Zürich shall ensure that the exchange prices are determined in an orderly manner. No official exchange price determination shall take place.

4.5.2 Opening Price

The opening price shall be determined, as of a time to be determined by the Board of Management of Eurex Deutschland or Eurex Zürich, on the basis of both limited orders and market orders and quotes contained in the EDP system of the Eurex Exchanges and shall be the price at which the largest possible number of such orders and quotes may be executed.

4.5.3 Matching

4.5.3.1 General Rules

During the Trading Period, prices will be determined through the matching of orders and quotes at the respective best bid and ask prices; in the event that prices are identical, orders and quotes will be matched in the order in which they were entered into the EDP system of the Eurex Exchanges. Market orders will be given priority. In the case of market orders for options contracts, the price may not be higher or lower, as the case may be, than the least favorable quote for the relevant option series. Market orders for futures contracts will only be executed within a price range to be determined by the Board of Management of Eurex Deutschland or Eurex Zürich. The EDP system of the Eurex Exchanges does not fix any closing prices. The details for the determination of prices shall be set forth in the Conditions for Trading at the Eurex Exchanges. The Conditions shall take into account the interests of the public and the trading operations.

4.5.3.2 Pro Rata Matching Principle

In deviation from subsection 4.5.3.1, the prices for the products specifically identified for this purpose in part 2 of the Conditions for Trading at the Eurex Exchanges will be determined through the matching of orders and quotes at the respective best bid and ask prices but solely by means of priority accorded on the basis of price (Pro Rata Matching Principle). Under Pro Rata Matching, all orders entered in the order book with the same price limit will be executed on the basis of the percentage share that they represent of the total order volume available at such limit. Details pertaining to the Pro Rata Matching Principle are set forth in subsection 1.2.2 paragraph (5) of the Conditions for Trading at the Eurex Exchanges. Subsection 4.5.3.1 sentences 4 through 7 apply accordingly.

4.6 Publication of Prices and Turnover

The Board of Management of Eurex Deutschland or Eurex Zürich shall publish the exchange prices and the underlying turnover in electronic media. The manner and scope of the publication of prices shall be determined by the Board of Management of Eurex Deutschland or Eurex Zürich.

4.7 Position Limits

4.7.1 Determination of Position Limits

The Board of Management of Eurex Deutschland or Eurex Zürich may set position limits in order to ensure orderly options and futures trading and to avoid risks for the spot markets (*Kassamärkte*). A position limit is a maximum number of contracts that may be held by one Exchange Participant or one customer for its own account.

Positions held on the basis of arrangements with third parties for a common purpose shall be included in any determination of compliance with position limits.

An Exchange Participant may not for its own account or for the account of any customer engage in any transactions at the Eurex Exchanges if there is any indication that, as a consequence of such transactions, such Exchange Participant or its customer, whether alone or jointly with others, would hold or control a total position in excess of the position limits set by the Board of Management of Eurex Deutschland or Eurex Zürich, as the case may be.

4.7.1.1 Futures Trading

For purposes of futures trading, the position limits for each product shall be defined in terms of a maximum total number of contracts purchased and sold.

4.7.1.2 Stock Options Trading

For purposes of trading in stock options, the position limits for each product that is not cash-settled shall be fixed as a fraction of the capital freely available for trading, as determined on the basis of the publications prescribed by law. The number of positions requiring delivery (put contracts purchased and call contracts sold), on the one hand, and the number of positions entitling to subscription (call contracts purchased and put contracts sold), on the other hand, shall be considered separately.

4.7.1.3 Trading in Options on Interest Rate Futures

For purposes of trading in options on interest rate futures, the position limits for each product shall be defined in terms of a maximum total number of positions requiring delivery (put contracts purchased and call contracts sold) and of positions entitling to subscription (call contracts purchased and put contracts sold). The maximum total number determined in such manner may not exceed the position limits fixed for the underlying value of the respective option; in addition, the positions in the options contract plus the positions in the futures contract underlying the option, calculated in accordance with the foregoing criteria, may not exceed the position limits for the respective futures contract.

4.7.2 Changes in Position Limits

The Board of Management of Eurex Deutschland or Eurex Zürich may change position limits in order to maintain an orderly market. New limits shall become effective no earlier than the sixth exchange day following the date of their announcement to the Exchange Participants.

4.7.3 Monitoring of Position Limits

The Trading Surveillance Office of Eurex Deutschland and the Surveillance Office of Eurex Zürich examine all positions of an Exchange Participant, including Agent Position Accounts, to verify compliance with the position limits. For this purpose, the Board of Management may use the services of a suitable auditor. Subsection 1.3 sentence 4 shall apply mutatis mutandis in all other respects.

4.8 Margin Requirements; Daily Settlement Payments

Each Exchange Participant is required to provide the margin required of it in cash or securities or book-entry securities accepted by the Eurex Clearing AG, and to effect any daily settlement payments within the specified period. The method applied by the Clearing Members to calculate such margin shall be disclosed to its affiliated Exchange Participants at their request. Exchange Participants must require margin and daily settlement payments from their customers in an amount which is at least equal to the amount determined on the basis of the formula applied by Eurex Clearing AG. Sentence 2 shall apply mutatis mutandis to the relationship between the Exchange Participants and their customers.

Exchange Participants who are also General Clearing Members are required to immediately notify the Board of Management of Eurex Deutschland or Eurex Zürich, as applicable, if a Non-Clearing Member for which they act fails to meet any margin requirement or fails to effect any daily settlement payments when due.

4.9 Evaluation of Data and Publication of Turnover

Data and Information received from the EDP system of the Eurex Exchanges shall only be used by the Exchange Participants for own purposes of trade and settlement. A transmission of such data to third parties or a processing of the data received shall, to the extent that this is not necessary for trading at the Eurex Exchanges, not be permitted without the prior consent by the Boards of Management of the Eurex Exchanges; this shall also apply to any kind of commercial use of such data.

Any data entered by the Exchange Participants into the EDP system of the Eurex Exchanges as well as reports and information received by the Eurex Exchanges from the Exchange Participants shall be treated confidentially.

The Boards of Management of the Eurex Exchanges are authorized to publish turnover figures from options and futures trading or have these published. In addition thereto, they are authorized to make publications that serve the purpose of properly informing the public about market news. The identity of the individual Exchange Participants shall not be disclosed without its prior consent.

The provisions of subsection 4.10 shall remain unaffected thereby.

4.10 Announcements

Unless otherwise provided, announcements by any of the Exchange Bodies of Eurex Deutschland and Eurex Zürich shall be published by suitable means, generally in electronic media. The respective Boards of Management of the Eurex Exchanges shall determine the electronic medium.