e u r e x *circular 04/99*

To: All Eurex members and vendors

Date: Frankfurt, 27th January 1999

Charges arising from default in delivery of stocks

Dear Sir or Madam,

We would like to remind you of the procedure established since 28.09.98 associated with default in settlement of stock options and LEPOs. This is described in sub-sections 2.2.1.5, 2.2.15.5, and 2.2.16.5 (Default in Delivery or Payment) of the Clearing Conditions for Trading at Eurex.

The currently applicable contractual penalty levied by the Clearing House on the defaulting Clearing Member is defined in paragraph (3) of the sub-sections referred to above as follows:

"..... 0,5 % of the overdue delivery per product per calendar day, but no less than EUR 500 or CHF 850, plus a percentage of the outstanding amount to be announced by Eurex Clearing AG in advance. Such percentage shall be based on the money-market rates prevailing in the market..... "

(This is currently the Marginal lending facility rate of the European Central Bank, plus 1%.)

The costs incurred by the Clearing house, including the costs of stock-lending will be charged to the account of the defaulting Clearing Member. Eurex Clearing AG has the right to charge a contractual penalty even if it accepts a delayed delivery or payment without explicitly reserving such right. The right to claim further damages remains unaffected.

If you have further questions, please contact the Clearing help-desk on Tel. +49-(0)69-2101-1250.

Yours sincerely,

Otto E. Nägeli

Hartmut Klein

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