X-pand into the Future

e u r e x *circular 047/00*

Date: Frankfurt, 08 June 2000
Recipients: All Eurex members and vendors
Authorised by: Jürg Spillmann

⚠ **Action Required** - Return Market Maker Application

Introduction of NEMAX® 50 Options and NEMAX® 50 Futures

Related Eurex Circular: 037/00

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Content may be most important for:

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

Attachments:

1. Contract specifications
2. Trading Conditions
3. Clearing Conditions
4. Mistrade Regulations
5. Price List
6. Market-Maker Obligations
7. Market-Maker Application – Options
8. Designated Market-Maker Application – Futures

Summary:

On **19 June 2000** Eurex will introduce options and futures on the NEMAX 50 Performance Index. In addition to Regular Market Making in the options, Eurex will offer Designated Market Making for the first six trading months of the NEMAX 50 Future.

The options and futures Market-maker application forms are attached to the circular, and interested members are requested to complete and return the forms to Eurex before **13 June 2000**.

The circular contains detailed information under the following headings:

1. **Product**
2. **Contract Specifications**
3. **Transaction limits and Trading hours**
4. **Trading and Clearing Conditions**
5. **Mistrades**
6. **Block Trades**
7. **Fees**
8. **Market Making**
9. **Data Vendor symbols**
10. **Simulation**
11. **Preparation for Start of Trading**

Introduction of NEMAX® 50 Options and NEMAX® 50 Futures

On 26 April 2000 the Management Boards of the Eurex Exchanges made the decision to introduce options and futures on the NEMAX 50 Performance Index from **19 June 2000**.

In addition to regular Market Making in the options, Eurex will offer Designated Market Making for the first six months of trading of the NEMAX 50 Futures. The options and futures Market-maker application forms are attached to the circular, and interested members are requested to complete and return the forms to Eurex before **13 June 2000**.

The NEMAX 50 Blue Chip Index introduced on 01 July 1999 has received strong interest from institutional as well as private investors. With the option and future on the NEMAX 50, from19 June 2000 Eurex will offer two index products on the Blue Chip Index of the Neuer Markt, in addition to the five Neuer Markt equity options already listed.

The contract size of EUR 1 has been chosen deliberately to meet the growing demand from private investors, and to encourage commitment to both products.

1. Product

Eurex Product	Eurex Symbol	WKN	ISIN	Margin Class	Margin Parameters
NEMAX 50 Option	ON50	968311	DE0009683110	NMAX	700 points
NEMAX 50 Future	FN50	968312	DE0009683128	NMAX	700 points

Eurex Product	Minimum order size for Cross- and Pre-arranged Trades	Market Order Matching Range
NEMAX 50 Option	500	-
NEMAX 50 Future	500	20

2. Contract Specifications

The NEMAX 50 Option and Future follow essentially the same structure as the DAX Option and DAX Future. The detailed specifications can be found in Attachment 1.

3. Transaction limits

The transaction limits are the same as those for the DAX Option and Future. The table of transaction limits and excess fees is published on the Eurex web-site “www.eurexchange.com” under “Info for members / Manuals / Implementation Regulations”.

4. Trading and Clearing Conditions

The Trading Conditions and the Clearing Conditions can be found in Attachments 2 and 3 respectively.

5. Mistrades

For trades in the NEMAX 50 Options a Mistrade occurs when the deviation from the reference price

- exceeds 50 points, or
- if not in excess of 50 points, exceeds the reference price by at least 20%, but at least 5 points.

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Management Board:
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For trades in the NEMAX 50 Futures, a Mistrade occurs when the deviation from the reference price is at least 20 % of the margin parameter.
The relevant “Implementation Regulations for the Handling of Erroneous Entries” are in Attachment 4.

6. Block Trades

Currently, no Block Trade facilities will be offered In the NEMAX 50 Option or Future.

7. Fees

Fees in the NEMAX 50 Option are EUR 0.20 per traded contract on the A and P Accounts, and EUR 0.10 per traded contract on the M Account.

Fees in the NEMAX 50 Future are EUR 0.20 per traded contract. Additionally Designated Market-makers in the NEMAX 50 Futures who fulfil the quotation obligations will receive a full refund for all contracts traded on the M Account until 30 September 2000 and a 50% refund for all contracts traded on the M Account from 01 October until 29 December 2000. A complete overview of applicable fees can be found in Attachment 5.

8. Market Making

Eurex offers interested Market Makers the possibility to participate in Regular Market Making for NEMAX 50 Options, and Designated Market Making for the NEMAX 50 Futures. The Market Maker conditions and obligations for Regular and Designated Market Making can be found in Attachment 6.

Attachment 7 is the application form for participation as a Regular Market Maker in the options. The application form for participation in Designated Market Making in the futures can be found as Attachment 8. If you decide to participate in Market Making, please complete the corresponding form(s) and return it (them) before 13 June 2000 to Eurex, c/o Olaf Hummels, Fax: +49 (0)69-2101-4461.

Market Makers already registered are as follows:

NEMAX 50 Option	Deutsche Bank (DBKFR)
	Hull Trading (HULLO)
	Westdeutsche Landesbank (WLBDU)
NEMAX 50 Future	Deutsche Bank (DBKFR)
	HF Trading (HFTFR)

9. Data Vendor Symbols

Eurex Code	Reuters	Bloomberg	Bridge	Silverline	FIDES
ON50	0#FN50*.d	NMPX<index>	de;NMKXX<m><strike>	968311	-O,ON50
FN50	0#FN50:	NJA<index>	xe@NMAX<yy><m>	968312	-F,FN50

Eurex Code	Primark	GIS GmbH	Telekurs	VWD
ON50	ON50/O.EX*	NM01; NM31	ON50	6111-6120
FN50	FN50/F.EX*	MMX1	FN50	2701; 2705

Data vendor symbols not given above have not yet been advised to us. You will find the full list of those received before introduction of the product on our web-site “www.eurexchange.com” under ‘entrance hall / products / product news’.

10. Simulation

The NEMAX 50 Options (ON50) and Futures (FN50) have been available for testing in the simulation environment since 22 May 2000 and will continue to be available in future.

11. Preparation for Start of Trading

- On 15 June 2000 (Thursday) the NEMAX 50 Options and Futures (ON50, FN50) as well as the Margin Class (NMAX) will be set up in the Eurex system. Corresponding back-office transactions will be transmitted electronically.

- On 16 June 2000 (Friday) after close of trading, settlement prices for all tradable contract months of both derivatives will be transmitted with a value of 0.10 points for ON50 and 1.0 points for FN50. In addition, transactions for the PMI file will be generated. Within the scope of the end of day processing theoretical prices will be transmitted for both derivatives after 21.00 CET. These prices should be ignored.

- Trading in the NEMAX 50 Options and Futures will start on Monday 19 June 2000. Orders may be entered into the Eurex system from 07.30 CET.

If you have any general questions please contact the appropriate help-desk below:

Technical Help-desk	Tel. +49(0)69-2101-1200
Functional Help-desk (Index Products)	Tel. +49(0)69-2101-1220
Functional Help-desk (Clearing)	Tel. +49(0)69-2101-1250

If you have any questions relating to the content of this circular, please contact Olaf Hummels on Tel: +49 (0)69-2101-5254 (Olaf_Hummels@exchange.de).

Frankfurt, 08 June 2000

Contract Specifications[1]

NEMAX® 50 Futures

(FN50)

Contract Standard

The NEMAX 50 (Performance) Index.

Contract Value

EUR 1 per NEMAX 50 index point.

Settlement

Cash settlement based on the Final Settlement Price, payable on the first exchange trading day following the Last Trading Day.

Price Determination

In points, with no decimal places.

Minimum Price Change

1 point, equivalent to a value of EUR 1.

Maturity Months

The three successive quarterly months within the cycle March, June, September and December.

Last Trading Day

The third Friday of each maturity month, if this is an exchange trading day; otherwise, the exchange trading day immediately preceding that Friday. Trading ceases at the start of the call phase of the Intraday Auction on the electronic trading system of the Frankfurt Stock Exchange (Xetra®), at 1:10:30 p.m. CET.

Daily Settlement Price

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

Final Settlement Price

The value of the NEMAX 50, determined on the basis of the aggregate prices of the NEMAX 50 component shares on the Last Trading Day, as determined in the Intraday Auction on the electronic trading system of the Frankfurt Stock Exchange (Xetra®), at 1:10:30 p.m. CET.

[1] Valid as of 19 June, 2000

NEMAX® 50 Options

(ON50)

Contract Standard

The NEMAX 50 (Performance) Index.

Contract Value

EUR 1 per NEMAX 50 index point.

Settlement

Cash settlement, payable on the first exchange trading day following the Last Trading Day.

Price Determination

In points, with one decimal places.

Minimum Price Change

0.1 of a point, equivalent to a value of EUR 0.10.

Last Trading Day

The third Friday of each maturity month, if this is an exchange trading day; otherwise, the exchange trading day immediately preceding that Friday. Trading ceases at the start of the call phase of the Intraday Auction on the electronic trading system of the Frankfurt Stock Exchange (Xetra®), at 1:10:30 p.m. CET.

Daily Settlement Price

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

Final Settlement Price

The value of the NEMAX 50, determined on the basis of the aggregate prices of the NEMAX 50 component shares on the Last Trading Day, as determined in the Intraday Auction on the electronic trading system of the Frankfurt Stock Exchange (Xetra®), at 1:10:30 p.m. CET.

Exercise

European style, i.e. an option may only be exercised on the Last Trading Day of the respective option series, up to the end of the Post-Trading Period.

Expiration Months

The three nearest calendar months, the three following months within the cycle March, June, September and December thereafter, as well as the two following months of the cycle June and December thereafter; i.e. options contracts are available with a lifetime of 1, 2, 3, max 6, max 9, max 12, as well as max 18 and max 24 months.

Exercise Prices

Exercise Price intervals for NEMAX 50 Options are as follows:

Expiration Months with a remaining term up to	Number of Exercise Prices	Exercise Price Intervals, in Index Points
9 months	9	50
12 months	5	100
24 months	5	200

At least five Exercise Prices are introduced initially for each expiration month.

Option Premium

The EUR equivalent of the premium in points is payable in full, on the first exchange trading day following the trade date.

[2] Valid as of 19 June, 2000

Conditions for Trading at Eurex Deutschland and Eurex Zürich

2 Part
Contract Specifications

2.1 Subpart
Contract Specifications for Futures Contracts

2.1.4 Sub-Subpart

Specifications for Futures Contracts on the NEMAX 50 (NEMAX 50-Futures)

2.1.4.1 Subject Matter of Contract

(1) A NEMAX 50 Future is a futures contract on the NEMAX 50 (Performance Index). The publications of the Frankfurt Stock Exchange shall determine the composition, weighting and calculation of the NEMAX 50. The value of a contract shall be EUR 1 per index point.

(2) After the close of trading in the contract, the seller of a NEMAX 50 Future shall pay in cash any difference between the agreed price and the higher final settlement price. The purchaser of a NEMAX 50 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 on the final settlement day for a contract (subsection 2.1.4.2 paragraph (2) sentence 2) according to the value of the NEMAX 50 based on the auction prices for the securities included in the NEMAX 50 fixed by the electronic trading system of the Frankfurt Stock Exchange (Xetra) during an intra-day auction determined by the Boards of Management of the Eurex Exchanges.

(3) If any changes are made in the calculation of the NEMAX 50 or its composition or weighting such that the concept of the NEMAX 50 appears to be no longer comparable with the concept that applied when a futures contract was admitted to trading, the Boards of Management of the Eurex Exchanges may order the termination of trading in such contract as of the last trading day prior to the change in the NEMAX 50. Open positions shall be settled in cash upon the termination of trading. The final value of the NEMAX 50, calculated on the basis of the auction prices for the securities included in the NEMAX 50 fixed by the electronic trading system of the Frankfurt Stock Exchange (Xetra) during an intra-day auction determined by the Boards of Management of the Eurex Exchanges, shall be used. New contracts shall be introduced in accordance with subsection 2.1.4.2.

2.1.4.2 Term, Close of Trading

(1) Terms expiring on the final settlement day of the next, the second succeeding and the third succeeding quarter-end months (March, June, September, December) are available for trading at the Eurex Exchanges. The longest term of a contract is thus nine months.

(2) The last trading day of a contract shall be the final settlement day. The final settlement day shall be the third Friday of the relevant quarter-end month; provided, however, that if such Friday is not an Exchange day, the last trading day prior to such Friday shall be the final settlement day. Trading

Conditions for Trading at Eurex Deutschland and Eurex Zürich

shall close upon the start of the call phase of the intra-day auction in the electronic trading system of the Frankfurt Stock Exchange (Xetra) as determined by the Boards of Management of the Eurex Exchanges.

2.1.4.3 Price Gradations

The prices of the contracts shall be quoted in index points without decimal place. The minimum change in price ("Tick") shall be 1 index point (EUR 1).

2.1.4.4 Performance, Cash Settlement

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

(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.

2.2.8 Sub-Subpart

Specifications for Options Contracts on the NEMAX 50 (NEMAX 50 Options)

2.2.8.1 Subject Matter of Contract

(1) The option contract relates to the NEMAX 50 (performance index). The publications of the Frankfurt Stock Exchange shall determine the composition, weighting and calculation of the NEMAX 50. The value of an option contract shall be EUR 1 per index point.

(2) If any changes are made in the calculation of the NEMAX 50 or its composition and weighting such that the concept of the NEMAX 50 appears to be no longer comparable with the concept that applied when the option was admitted to trading, the Boards of Management of the Eurex Exchanges may order the termination of trading in such option as of the last trading day prior to the change in the NEMAX 50. Open positions shall be settled in cash upon the close of trading. The final value of the NEMAX 50, on the basis of the auction prices for the securities included in the NEMAX 50 fixed by the electronic trading system of the Frankfurt Stock Exchange (Xetra) in an intra-day auction determined by the Boards of Management of the Eurex Exchanges, shall be used. New contracts shall be introduced in accordance with subsection 2.2.8.6.

2.2.8.2 Call Option (Call)

(1) The purchaser of a call option ("Call") has the right to demand a payment equivalent to the difference between the exercise price of the option and any higher final settlement price of the option series ("Cash Settlement").

(2) The writer of a call shall be required to pay in cash, on the Exchange day after the exercise of the option, the difference between the exercise price of the option and any higher final settlement price of the option series; this shall also apply if the exercise is first assigned to the writer on the Exchange day following the day of exercise.

(3) The final settlement price shall be determined by the Eurex Exchanges on the exercise day of the contract on the basis of the value of the NEMAX 50 based on the auction prices of the securities included in the NEMAX 50 fixed by the electronic trading system of the Frankfurt Stock Exchange (Xetra) in an intra-day auction determined by the Boards of Management of the Eurex Exchanges.

2.2.8.3 Put Option (Put)

(1) The purchaser of a put option ("Put") has the right to demand payment of an amount equivalent to the difference between the exercise price of the option and any lower final settlement price of the option series ("Cash Settlement").

(2) The writer of a put is required to pay in cash, on the Exchange day after the exercise of the option, the difference between the exercise price of the option and any lower final settlement price of the

option series; this shall also apply if the exercise is first assigned to the writer on the Exchange day following the day of exercise.

(3) Subsection 2.2.8.2 paragraph (3) shall apply in respect of the determination of the final settlement price.

2.2.8.4 Option Premiums

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

2.2.8.5 Term, Close of Trading, Expiration Day

(1) Options are available at the Eurex Exchanges with terms up to and including the next, the second and the third succeeding expiration days as well as up to and including the next three succeeding quarterly expiration days (March, June, September, December) thereafter and up to the next two half-year expiration days (June, December). Depending on the time of the purchase of the option, the term may be up to 24 months and six Exchange days.

(2) The last trading day of an option series shall be the last day on which such option series is available to the Exchange Participants for trading and clearing through the EDP system of the Eurex Exchanges; such day shall be the third Friday of the relevant month; provided, however, that if such Friday is not an Exchange day, the last trading day shall be the Exchange day prior to such Friday. Trading shall close on the last trading day upon the start of the call phase of the intra-day auction in the electronic trading system of the Frankfurt Stock Exchange (Xetra) as determined by the Boards of Management of the Eurex Exchanges. The expiration day for an option series shall be the Exchange day following the last trading day.

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

2.2.8.6 Exercise Prices

(1) Option series can have exercise prices with price gradations of 50, 100, or 200 points. A point has a value EUR 1 and represents 10 ticks in the EDP system.

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

(3) Option series with new exercise prices shall be introduced for an existing expiration month no later than at the beginning of the Pre-Trading Period of a given Exchange day in the event that the last determination of the NEMAX 50 on the Frankfurt Stock Exchange at the close of trading of the NEMAX 50 options on the Eurex Exchanges on the two preceding Exchange days has exceeded or fallen below the average of the third- and second-highest or the third- and second-lowest then-existing exercise prices, as the case may be. In the event that no NEMAX 50 is available at the

close of trading of the NEMAX 50 options on the Eurex Exchanges, the reference price shall be determined by the Eurex Exchanges. A new option series shall generally not be introduced if it would expire in fewer than five Exchange days, unless market conditions make such introduction necessary.

2.2.8.7 Price Gradations

The prices of the options contracts will be quoted with one decimal place. The smallest price change shall be 0.1 points (EUR 0.10).

2.2.8.8 Exercise

(1) The holder of an option purchased on the Eurex Exchanges may only exercise such option up to the end of the Post-Trading-Period on the last trading day (subsection 2.2.8.5 paragraph (2)) thereof (European style).

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

(3) Each Exchange Participant is responsible for exercising its options contracts. Subject to subsection 2.2.8.8 paragraph (4), the Eurex Exchanges shall not automatically exercise any options contracts.

(4) With respect to the principal accounts of Exchange Participants (M- and P-accounts), the Boards of Management of the Eurex Exchanges may order an automatic exercise in accordance with the criteria set by the Boards of Management of the Eurex Exchanges.

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

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

2.2.8.9 Assignment

(1) All exercises shall be assigned to the writers of the exercised option series after the end of the Post-Trading Period on the exercise day. Assignments shall be binding.

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

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

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

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

2.2.8.10 Performance, Cash Settlement

(1) The settlement day is the Exchange day after the exercise day.

(2) The performance of contracts shall be effected through cash settlement between the 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 such Non-Clearing Members.

2 Part
Settlement of Transactions

2.1 Subpart
Settlement of Futures Contracts

2.1.4 Sub-Subpart
Settlement of Futures Contracts on the NEMAX 50 (NEMAX 50-Futures)

2.1.4.1 General Provisions

(1) Eurex Clearing AG shall be a contracting party to all payments arising out of the settlement of NEMAX 50 futures contracts.

(2) Clearing Members must fulfil their payment obligations in accordance with the instructions of Eurex Clearing AG.

(3) The following shall apply to the procedures for payment pursuant to paragraph (1): All payments shall be made directly between the Clearing Members through LZB on the Exchange day following the final settlement day. All Clearing Members must ensure their ability to effect payments on the due date thereof by having sufficient credit balances in their account at LZB.

2.1.4.2 Daily Settlement

(1) For each contract, profits and losses arising out of open positions on any Exchange day will be determined at the end of the Post-Trading Period and credited to or debited from the internal cash clearing account. For open positions from the previous Exchange day, the amount to be credited or debited shall equal the difference between the daily settlement prices of the contract in question on the relevant Exchange day and the previous Exchange day. For transactions on the relevant Exchange day, the amount to be credited or debited shall equal the difference between the price at which the transaction was concluded and the daily settlement price for such Exchange day.

(2) The daily settlement price shall be determined on the basis of the price of the last transaction entered into during the final 15 minutes of trading on an Exchange day. If it is not possible to determine a price pursuant to the above provision, or if the price so deter-mined does not reflect the true market conditions, Eurex Clearing AG shall determine the settlement price.

(3) Paragraph (1) shall apply to the legal relationship between General Clearing Members or Direct Clearing Members and the Non-Clearing Members represented by them mutatis mutandis.

2.1.4.3 Margin Requirements

(1) The basic provisions for the margin requirements are set forth in subsections 1.3.1 to 1.3.5.

(2) The provisions of subsection 2.1.1.3 shall apply mutatis mutandis.

2.1.4.4 Performance

(1) Open positions from the last trading day of a contract shall be balanced on the final settlement day by means of a net payment credited to or debited from the internal cash clearing account of the Clearing Member. Such payment shall equal the difference between the final settlement price of such contract and such contract's daily settlement price (subsection 2.1.4.2) on the Exchange day preceding the last trading day.

(2) The final settlement price shall be determined by Eurex Clearing AG on the final settlement day for a contract based on the value of the NEMAX 50 on such day, which will be calculated on the basis of the auction prices for the securities included in the NEMAX 50 in the intra-day auction determined by Eurex Clearing AG fixed by the electronic trading system of the Frankfurt Stock Exchange (Xetra).

2.1.4.5 Default in Payment

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

2.2 Subpart
Settlement of Options Contracts

2.2.8 Sub-Subpart
Settlement of Options Contracts on the NEMAX 50 (NEMAX 50 Options)

2.2.8.1 General Provisions

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

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

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

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

All payments shall be made directly between the Clearing Members through LZB on the Exchange day following the exercise day; this shall also apply if the exercise is not assigned to the writer until the Exchange day following the exercise day. All Clearing Members must ensure their ability to effect payments on the due date thereof through sufficient credit balances in their account at LZB.

2.2.8.2 Option Premiums

The balance of the option premiums ("Net Premium") to be paid by the Clearing Members pursuant to subsection 2.2.8.4 of the Conditions for Trading at the Eurex Exchanges and to be reimbursed by Eurex Clearing AG shall be payable by the time specified by Eurex Clearing AG on the Exchange day following the conclusion of the transaction, but generally prior to the commencement of trading on the Eurex Exchanges on such Exchange day.

2.2.8.3 Margin Requirements

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

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

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

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

2.2.8.4 Cash Settlement

(1) Exercised and assigned options positions shall be settled by means of a compensating payment credited to or debited from the internal cash clearing account of the Clearing Member.

(2) The cash settlement shall be equal to the difference between the exercise price of the option series and its final settlement price. The final settlement price shall be determined by Eurex Clearing AG on the exercise day of the option series. The value of the NEMAX 50, the basis of which are the auction prices of the intra-day auction determined by Eurex Clearing AG fixed by the electronic trading system of the Frankfurt Stock Exchange (Xetra) of the securities included in the NEMAX 50, shall be used.

2.2.8.5 Default in Payment

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

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

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

1.1.2 Conditions

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

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

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

The assertion of any further rights shall remain unaffected.

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

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

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

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

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

- exceeds 1 EUR [1) 3) 4)] or 20 points [2) 5)] or
- if not in excess of 1 EUR [1) 3) 4)] or 20 points [2) 5)] exceeds 20 per cent of the Reference Price but at least 0.3 EUR [1) 3) 4)] or 3 points [2) 5)]

1) In case of options on Dutch stocks with a term > 2 years 2.50 EUR

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

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

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

5) This shall not apply to options on the NEMAX 50: A significant deviation of the price of the transaction from the Reference Price in the case of options contracts on the NEMAX 50 is only given when the deviation exceeds 50 points or, if not in excess of 50 points, exceeds 20 per cent of the Reference Price, but at least 5 points.

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

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

1) Options on stocks in Swiss joint stock corporations.

2) Options on Swiss stock indices.

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

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

Exceptions:

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

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

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

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

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

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

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

The provisions of subsection 1.1.2 shall apply *mutatis mutandis* to a combination order pursuant to subsection 1.3.1 paragraph (1) item c of the Conditions for Trading at Eurex Deutschland and Eurex Zürich that has been mistakenly entered into the System of the Eurex Exchanges incorrectly and has been matched with two limit orders (subsection 1.3.1 paragraph (1) item b of the Conditions for Trading at Eurex Deutschland and Eurex Zürich). However, in respect of the two resulting transactions, whether the price of one of the transactions or of both the transactions deviates significantly from the market price ("Reference Price") is to be determined separately. If the price of only one of the two transactions deviates significantly from the market price ("Reference Price") within the meaning of the foregoing provisions, only such transaction shall be canceled. The remaining transaction, the price whereof corresponds to the market price ("Reference Price"), shall not be canceled.

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

2.1.4 NEMAX 50 Future

with respect to NEMAX Futures, fees for:

a. order matching		
- trade	per contract	0.20 EUR
b. trade administration		
- trade separation	per transaction	0.00 EUR
- trade adjustment	per transaction	0.00 EUR
- trade transfer	per transaction	0.00 EUR
c. position administration		
- position closing adjustment if these do not take place between 1:30 p.m. on the day of trade and before 1:30 p.m. of the following trading day	per transaction	0.40 EUR
- position transfer	per transaction	0.00 EUR
d. settlement of trades and positions		
- cash settlement	per contract	0.20 EUR

2.2.8 Options on the NEMAX 50

with respect to Options on the NEMAX 50, fees for:

a. order matching		
- trade	per contract	0.20 EUR
- trade (Market Maker)	per contract	0.10 EUR
b. trade administration		
- trade separation	per transaction	0.00 EUR
- trade adjustment	per transaction	0.00 EUR
- trade transfer	per transaction	0.00 EUR
c. position administration		
- position closing transaction	per transaction	0.00 EUR
- position transfer	per transaction	0.00 EUR
- position transfer from Market Maker account	per contract	0.00 EUR
d. settlement of trades and positions		
- exercise	per contract	0.20 EUR
- exercise (Market Maker)	per contract	0.10 EUR
- exercise adjustment	per transaction	0.00 EUR

Market Maker Scheme

Nemax 50 Options (Regular Market Making)

Quote Obligations

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

Maximum Spread:

Bid up to	Spread
24.9	5.0
249.9	20%
9999.8	50.0

Response to quote requests:

- At least 50% of all Quote Requests have to be answered (up to a max. of 150 quote requests per day)
- within 1 minute
- with a minimum holding time of 10 seconds

Market Maker Fees:

Trade per contract	EUR 0.10
Exercise per contract	EUR 0.10

Nemax 50 Futures (Designated Market Making)

Quote Obligations

Minimum Size: 20 contracts on the bid and ask side, only in the series with the nearest expiration (Front Month)

Maximum Spread: 20 index points

Quotation Period: 50 percent of the total daily trading period on a monthly average

Designated Market Maker Fees:

June 19, 2000 up to September 30, 2000:
Total refund of trading and clearing fees for contracts traded on M accounts

October 1, 2000 up to December 30, 2000:
50% refund of trading and clearing fees for contracts traded on M accounts

Application for the Granting of Market Maker Licences
at Eurex

Eurex

Product Development

60284 Frankfurt

(Fax: ++49 69 2101-3802)

Applicant

Name of applying exchange participant

Address

Name of contact

Phone No. Fax No.

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

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

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

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

on equities with the following underlying(s):

☐ AAR (ABN Amro)	☐ CSGN (Credit Suisse Gr.)	☐ HEN3 (Henkel VZ)	☐ MEO (Metro)
☐ ABBN (ABB)	☐ CSO (Consors)	☐ HEPE (Helsinki Tel. Corp.)	☐ MMN (Mannesmann)
☐ ADEN (Adecco)	☐ DBK (Deutsche Bank)	☐ HOEC (Hoechst)	☐ MOB (Mobilcom AG)
☐ ADS (Adidas)	☐ DCX (Daimler Chrysler)	☐ HOL (Holderbank)	☐ MSRB (Metsä-Serla Corp.B)
☐ AEN (Aegon)	☐ DHA (Degussa Hüls)	☐ HUKI (Huhtamäki I)	☐ MUV2 (Münchner Rück.)
☐ ALUB (Algroup)	☐ DRB (Dresdner Bank)	☐ HVM (Bayer. Hypo-.Vereinsb.)	☐ NESN (Nestlé)
☐ ALV (Allianz)	☐ DTE (Deutsche Telekom)	☐ INN (ING)	☐ NOA3 (Nokia Corporation A)
☐ ASG (Generali)	☐ ENT (ENI)	☐ IFX (Infineon Technologies AG)	☐ NOVN (Novartis)
☐ BAS (BASF)	☐ ENUR (StoraEnso R)	☐ ISH (Intershop Comm. AG)	☐ PHI (Philips St.)
☐ BAY (Bayer)	☐ EPC (Epcos AG)	☐ KAR (Karstadt)	☐ PRS (Preussag)
☐ BMW (BMW)	☐ ETV (EM. TV & Merchand.)	☐ LHA (Lufthansa)	☐ RAN (Rentenanstalt)
☐ CBK (Commerzbank)	☐ FME (Fresenius Med. Care)	☐ LIN (Linde)	☐ ROG (Roche Holding)
☐ CIBN (Ciba Spezialitäten)	☐ FOT (Fortum Corporation)	☐ LONN (Lonza)	☐ ROY (Royal Dutch)
☐ CLN (Clariant)	☐ GIVN (Givaudan)	☐ MAN (MAN)	☐ RPL (UPM-Kymmene Corp.)

☐ RUKN (Schweiz. Rückv.)	☐ SIE (Siemens)	☐ TOI (T-Online)	☐ VIA (VIAG)
☐ RWE (RWE)	☐ SMPA (Sampo Insurance)	☐ TTEB (TietoEnator Corp.)	☐ VLM (Metso Corporation)
☐ SAP3 (SAP VZ.)	☐ SOY (Sonera Corporation)	☐ UBSN (UBSAG)	☐ VOW (Volkswagen)
☐ SCH (Schering)	☐ SRN (Sair Group)	☐ UHRN (The Swatch Group)	☐ ZUAN (Zurich Allied)
☐ SCMN (Swisscom)	☐ SUN (Sulzer)	☐ UNI (Unilever)	
☐ SET (Tele. Italia)	☐ TKA (Thyssen Krupp)	☐ VEB (Veba)	

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

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

☐ ON50
Option contracts on Nemax® 50

☐ OEU3
Option contracts on the Three-Month Euribor Future

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

☐ OGBL
Option contracts on Euro-BUND Futures

☐ OGBM
Option contracts on Euro-BOBL Futures

☐ OGBS
Option contracts on Euro-Schatz Futures

☐ ONOR
Option contracts on the Dow Jones Nordic STOXX℠ 30

☐ OSTX
Option contracts on the Dow Jones STOXX® 50

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

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

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

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

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

Place and Date	Company Stamp and authorized Signature

Application form Designated Market Making Scheme

To Eurex
Product Development
Olaf Hummels
60284 Frankfurt am Main

Fax no.: +49-69-2101-4461

Application for the Status of Designated Market Maker in Nemax 50 Futures contract (FN50)

1. We _____
(name of member)

herewith apply for the status of Designated Market Maker in the Nemax 50 Futures contract for the period from June 19, 2000 until December 30, 2000 in accordance with the terms and conditions stated in the Quote obligations (Attachment 6).

2. As a Designated Market Maker

a) we will provide bid and ask quotes on both sides of the market

- for the minimum number of contracts specified in the quote obligation
- in compliance with the Maximum Spreads (see quote obligation); and
- for the period of time specified in the quote obligation (also, and in particular, on a daily basis at the beginning of trading and at the end of trading in the contract and in response to quote requests)

b) we will give you the name of a manager who has the authorization and expertise necessary to make decisions and act as the co-ordinator in our firm, who will be available for Eurex with respect to this agreement;

c) we will ensure that a Eurex trading screen and a qualified trader are available for Designated Market Making; and

d) we will inform Eurex within one business day in the event that we find ourselves no longer in a position to fulfil these obligations.

3. Eurex will in return

a) mention the name of the Eurex member with the Designated Market Maker status in advertising and informative material in connection with the contracts;

b) make Eurex spokesmen and printed material available for seminars organized by the Designated Market Makers regarding the Nemax 50 Future; and

c) refund all trading and clearing fees for the contracts traded by the Designated Market Makers on M accounts up to September 30, 2000 and to refund 50% of trading and clearing fees for the contracts traded by the Designated Market Makers on M accounts from October 1, 2000 up to December, 30 2000. The refund for the respective month will be calculated at the beginning of the subsequent month. No refunds will be made if Nemax 50 Futures are traded on A or P accounts or if the quote obligations are not fulfilled.

4. Compliance with the obligations stated under No. 2 shall be monitored by Eurex.

   In the event that the obligations stated under No. 2 are not met by us, Eurex shall have the right to:

   - terminate the agreement and to publicly disclose the termination of the Designated Market Maker status at Eurex's discretion. In this case, Eurex shall be released from its obligations pursuant to No. 3 with immediate effect.

5. In the event of a significant change in the Contract Specifications for the contract or due to a revision of the law or rules with respect to the contract, we as well as Eurex have the right to terminate this agreement with immediate effect or to renegotiate the requirements indicated in paragraph 2 and/or in the Enclosure.

6. Eurex shall have the right to amend or expand one or more of the conditions laid down in this agreement for limited periods of time at its sole discretion with validity for all Designated Market Makers, if it deems this appropriate (for example, in circumstances which lead to high market volatility or if such amendments or expansion is not expected to have an adverse effect on market quality). In the event that Eurex amends or expands one or more conditions, the Designated Market Makers must, for their part, ensure that the Designated Market Makers can also be promptly advised that this situation has ceased to exist.

7. Since the number of Designated Market Makers for the Nemax 50 Future is limited, we grant Eurex the right to make the final selection of Designated Market Makers from the applicants.

8. Other than the aforementioned measures, no special status at Eurex shall be accorded to the participant in conjunction with the Designated Market Maker status, which expires on December 30, 2000. After that time, the title "Designated Market Maker" can no longer be used unless otherwise agreed with Eurex.

9. The "Quote Obligation" is an integral part of this application.

SHOULD BE FILLED OUT BY THE PERSON SPECIFIED IN PARAGRAPH 2. b)

_____
Place, date

_____ _____
Name Position

_____ _____
Phone Fax

_____ _____
(Signature / Stamp of the firm) E-mail address

Please send the completed application for the status of Designated Market Maker to the indicated fax number no later than June 13, 2000.