X-pand into the Future

e u r e x *circular 046/00*

Date: Frankfurt, 06 June 2000
Recipients: All Eurex members and vendors
Authorised by: Jürg Spillmann

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

1. Further Details on Roche / Givaudan Spin-off
2. Introduction of Givaudan Stock Option

Related Eurex Circulars: 036/00

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Content may be most important for:

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

Attachments:

1. Contract Specifications - Stock Options on Swiss Shares
2. Contract Specifications - LEPOs on Swiss Shares
3. Market-Maker Obligations
4. Market-Maker Application - Fax-reply

Summary:

1. Givaudan shares will begin trading on SWX on 08 June 2000 and will be a component of the SMI from that date. The ISINs, WKNs and Eurex codes used during the procedures at Eurex to manage the Roche / Givaudan spin-off are provided. The timetable of operations on Eurex is also given.

2. Eurex will introduce an option on Givaudan shares on 19 June 2000 according to the normal concept for trading Swiss stock options. A pre-requisite for the introduction is that at least three Market Makers have agreed to the quote obligations.

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1. Further details on the Roche / Givaudan Spin-off Procedure

Further to the information in Eurex Circular 036/00, details of the ISIN codes, WKNs, and exchange symbols applicable during the spin-off procedure are provided below. The information has already been published on the Eurex Newsboard.

Date	Action	Eurex Symbol	ISIN	WKN
06 June 2000	Set up Dummy Roche NES (Non-voting Equity Security)	ROGD	CH0010875265	938717
06 June 2000	Set up Givaudan Share	GIVN	CH0010645932	938427
07 June 2000	After Closing, the Symbol, WKN, and ISIN of the Roche option (ROG) and Roche underlying will be converted to those of the Basket	ROGC	CH0010875257	938718
07 June 2000	After Closing, ROGD will be re-named to the original Roche NES	ROG	CH0002241815	855167
08 June 2000	Set up new Roche option NES	ROG	CH0002241815	855167
09 June 2000	Start of Trading Roche option NES	ROG	CH0002241815	855167

2. Introduction of Givaudan Stock Options (GIVN)

On 31 May 2000, the Boards of Management of Eurex Deutschland and Eurex Zürich made the decision to introduce stock options and LEPOs on the Swiss shares of Givaudan AG. The introduction will take place on 19 June 2000 provided that at least three Market-makers have agreed to quote them.

Product Parameters

Stock Option	Eurex Symbol	WKN	ISIN	Position limit	Position limit M-M	Margin Interval
Givaudan	GIVN	938427	CH0010645932	13,000	39,000	14%

Contract Specifications

The Givaudan options and LEPOs will be introduced according to the current concept for Group A Swiss stock options. Detailed specifications can be found in Attachments 1 and 2.

Market-making

Market-making will be carried out within the scope of regular Market-making at Eurex with the quote obligations and validity conditions defined in Attachment 3. If you are interested in fulfilling a Market-maker function for these stock options, please complete the attached application form (Attachment 4) and return it by 14 June 2000 to Frau Kilian on Fax. +49 (0)69-2101-3802.

Preparation for Start of Trading

- On 15 June 2000 (Thursday) the Givaudan AG stock options and margin classes will be set up in the Eurex system. Corresponding back-office transactions will be transmitted electronically.

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

- On 16 June 2000 (Friday) after close of trading, settlement prices for all tradable contract months of the stock option will be transmitted. In addition, transactions for the PMI file will be generated. Theoretical prices transmitted within the scope of the end of day processing should be ignored.

- Trading in the Givaudan option will start on Monday 19 June 2000. Orders may be entered into the Eurex system from 07.30 CET

Frankfurt, 06 June 2000

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Contract Specifications for:

Stock Options on Swiss Shares

(OSTK)

Contract Size

Contracts are generally based on 10 shares of the underlying instrument. As an exception, options contracts on Roche Holding GS are for 1 share of the underlying security.

Minimum Price Change

Option price	Minimum Price Change
CHF 0.10 to CHF 9.90	CHF 0.10
CHF 10.00 to CHF 19.80	CHF 0.20
CHF 20.00 to CHF 299.50	CHF 0.50
CHF 300.00 and above	CHF 1.00

Delivery

Physical delivery of 10 shares, or 1 share, respectively, of the underlying security.

Delivery Day

Three exchange trading days after exercise.

Last Trading Day

The third Friday of the expiration month, if that is an exchange trading day; otherwise, the exchange trading day immediately prior to that Friday.

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.

Exercise

American style, i.e. an option can be exercised up to the end of the Post-Trading Period on any exchange trading day during the lifetime of the option.

Expiration Months

Options are available with lifetimes up to and including:

Group A shares: the three nearest calendar months, as well as the following two months within the cycle March, June, September and December thereafter (i.e. up to a maximum lifetime of 9 months).

Group C shares: the three nearest calendar months, as well as the following three months within the cycle March, June, September and December thereafter, and the following two months within the cycle June and December thereafter (i.e. up to a maximum lifetime of 24 months).

For each expiration month, there are at least three call and three put series, providing an in-the-money, at-the-money and out-of-the-money exercise price.

Exercise Prices

Options series may have the following exercise prices:

For remaining terms of 1 and 2 months

Exercise Prices	Exercise Price intervals
CHF 5 to CHF 195	CHF 5
CHF 200 to CHF 390	CHF 10
CHF 400 to CHF 975	CHF 25
CHF 1,000 to CHF 1,950	CHF 50
CHF 2,000 to CHF 4,900	CHF 100
CHF 5,000 and above	CHF 200

For remaining terms of 3 to 12 months

Exercise Prices	Exercise Price intervals
CHF 10 to CHF 190	CHF 10
CHF 200 to CHF 380	CHF 20
CHF 400 to CHF 950	CHF 50
CHF 1,000 to CHF 1,900	CHF 100
CHF 2,000 to CHF 4,800	CHF 200
CHF 5,000 and above	CHF 400

For remaining terms of 13 to 24 months

Exercise prices	Exercise Price intervals
CHF 20 to CHF 180	CHF 20
CHF 200 to CHF 360	CHF 40
CHF 400 to CHF 900	CHF 100
CHF 1,000 to CHF 1,800	CHF 200
CHF 2,000 to CHF 5,200	CHF 400
CHF 5,600 to CHF 11,200	CHF 800
CHF 12,000 and above	CHF 1,000

Underlying Instruments

Eurex options on Swiss stocks are traded in the following groups according to their expiration months:

Group A	**Group B**	**Group C**
1, 2, 3, 6 and 9 months	**1, 2, 3, 6, 9 & 12 months**	**1, 2, 3, 6, 9, 12, 18 and 24 months**
Adecco N (ADEN)	None	ABB N (ABBN)
Givaudan N (GIVN)		Algroup N (ALUB)
Holderbank I (HOL)		Ciba Spezialitätenchemie Holding N (CIBN)
Rentenanstalt / Swiss Life N (RAN)		Clariant N (CLN)
SAir Group N (SRN)		Credit Suisse Group N (CSGN)
Sulzer N (SUN)		Lonza Group AG (LONN)
The Swatch Group N (UHRN)		Nestle N (NESN)
		Novartis N (NOVN)
		Roche Holding GS (ROG)
		Schweiz. Rückversicherung N (RUKN)
		Swisscom (SCMN)
		UBS AG N (UBSN)
		Zürich Allied N (ZUAN)

All options on Swiss stocks are subject to mandatory market making.

Option Premium

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

Trading Hours

9:00 a.m. until 4:55 p.m. CET.

Low Exercise Price Options (LEPOs) on Swiss Shares

Underlying Shares with LEPO Contracts

ABB N (ABBN)
Adecco N (ADEN)
Algroup N (ALUB)
Ciba Spezialitätenchemie Holding N (CIBN)
Clariant N (CLN)
Credit Suisse Group N (CSGN)
Givaudan N (GIVN)
Holderbank I (HOL)
Lonza Group AG (LONN)
Nestlé N (NESN)
Novartis N (NOVN)
Rentenanstalt/Swiss Life N (RAN)
SAir Group N (SRN)
Schweiz. Rückversicherung N (RUKN)
Sulzer N (SUN)
The Swatch Group N (UHRN)
Swisscom N (SCMN)
UBS AG N (UBSN)
Zürich Allied N (ZUAN)

Contract Size

Each LEPO contract is based on 10 shares of the underlying security.

Minimum Price Movement

Option Price	Minimum Price Movement
CHF 0.10 to CHF 9.90	CHF 0.10
CHF 10.00 to CHF 19.80	CHF 0.20
CHF 20.00 to CHF 299.50	CHF 0.50
CHF 300.00 and above	CHF 1.00

Delivery

Physical delivery of 10 shares of the underlying security.

Delivery Day

Three exchange trading days after the exercise.

Last Trading Day

The third Friday of the expiration month, if that is an exchange trading day; otherwise, the exchange trading day immediately prior to that Friday.

Daily Settlement Price

CHF 1 below the last traded price of the underlying security.

Exercise

American style, i.e. an option can be exercised up to the end of the Post-Trading Period on any exchange trading day during the lifetime of the option.

Expiration Months

The two nearest months within the cycle March, June, September, December.

Exercise Price

All LEPO contracts have an exercise price of CHF 1.

Option Premium

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

Trading Hours

9:00 a.m. until 4:55 p.m. CET.

Market Making

Swiss Equity Options

Quote Obligations

Minimum Size:

5 contracts on the bid and ask side in all option series and for all Swiss equity options[1]

Maximum Spread:

Group A:

Adecco N, Givaudan N, Holderbank I, Rentenanstalt/Swiss Life N, Sair Group N, Sulzer N, The Swatch Group N

Group C
ABB N, Algroup N, Ciba N, Clariant N, Credit Suisse Group N, Lonza AG, Nestle N, Novartis N, Swisscom N, Schw. Rückvers. N, UBS AG N, Zurich Allied N

Bid up to	***Spread***
29.50	6.00 CHF
249.00	20 %
9999.80	50.00 CHF

Exception:

Roche Holding GS

Bid up to	***Spread***
49.50	10.00 CHF
449.00	20 %
9999.80	100.00 CHF

Response to quote requests:

At least 50 % of all Quote Requests have to be answered (up to a max. of 150 quote requests per day)

- within 5 minutes
- with a minimum holding time of 10 seconds.

Market Maker Fees

Trade per contract	CHF 0.08
Exercise per contract	CHF 0.08

[1] In the “Fast Market” product status there is a reduced Minimum Size of 3 contracts

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