X-pand into the Future

e u r e x *circular 116/04*

Date: Frankfurt, August 26, 2004
Recipients: All Eurex members and vendors
Authorized by: Peter Reitz

⚠ **High Priority**

Introduction of Options Contracts on Registered Shares of Synthes Inc.

Contact: Dr. Weiwei Wang (Product Design Equity & Indices): Tel. +49-69-211-1 72 62,
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Content may be most important for:

➲ All Departments

Attachments:

1. Contract Specifications for Swiss Stock Options
2. Implementation Regulations for the Handling of Erroneous Entries at Eurex Deutschland and Eurex Zürich (Mistrade Regulations)
3. Market Maker Application
4. Market Maker Obligations and Quote Spread Classification
5. Permanent Market Making Agreement For Swiss Stock Options

Summary:

In their session on August 11, 2004 the Management Boards of the Eurex Exchanges decided to introduce options, including LEPOs, on the registered shares of Synthes Inc. with effect from **September 20, 2004**. The registered shares of Synthes Inc. will be included in the SMI® Index as of October 1, 2004.

The contract specifications of the new options and all other product parameter will follow the market concept for Swiss stock options.

This circular contains important information on the following subjects:

1. Product and Product Parameter
2. Trading Phases
3. Market Making
4. Data Vendor Codes
5. Minimum Block Trade Size, minimum size for Cross Trades and Pre-arranged Trades, Trading Calendar and Transaction Fees
6. Preparations for Start of Trading

Introduction of Options Contracts on Registered Shares of Synthes Inc.

The registered shares of Synthes Inc. will be included in the SMI® Index as of October 1, 2004. In their session on August 11, 2004 the Management Boards of the Eurex Exchanges decided to introduce options, including LEPOs, on the registered shares of Synthes Inc. The introduction will take place on September 20, 2004. On that date Eurex will set up for this product the expiration months of October, November, December 2004, March, June, September, December 2005 and June 2006 (this means, up to a maximum maturity of 24 months). A contract will consist of 10 shares.

1. Product and Product Parameter

Stock Option	Eurex Code	ISIN	Position Limit	Contract Size	Margin Parameter
Synthes Inc.	SRH1	US87162M4096	1.087.584	10	12%

2. Trading Phases (CET)

Pre-Trading	Trading (PO. + Trad.)	Post-Trading Full	OTC Block Trading	Last Trading Day	
				Trading until	Exercise/Notify until
07:30-8:52	08:52-17:20	17:20-19:00	09:00-18:30	17:20	21:00

3. Market-Making

Market Maker in Swiss stock options can either fulfill their quote obligations by continuous quotation (Permanent Quotation) or by responding to quote requests (Quotation on Request). The quote obligations for both market models are contained in Attachment 4. If you are interested in fulfilling the Market Maker function for these stock options, please complete and return the Market Maker Application Form (Attachment 3) to Eurex before September 15, 2004 for the attention of **Dr. Weiwei Wang** at **fax no. +49-69-1 44 61**.

Participants who wish to fulfill Permanent Quote Obligations are requested to complete Attachment 5 and send it back to the above fax number. For those market makers who comply with the obligations, transaction fees will be reduced for the corresponding products.

Please note that for permanent quotation in Swiss stock options you need to hold a license for regular market making for the product concerned or should apply for the required license by means of Attachment 3.

4. Data Vendor Codes

Data vendor codes will be published on the Eurex website **www.eurexchange.com** at “Products > Vendor Product Codes”.

5. Minimum Block Trade Size, Minimum Size for Cross- and Pre-arranged Trades, Trading Calendar and Transaction Fees

The same values which currently relate to the existing Swiss stock options will apply, as appropriate.

6. Preparations for Start of Trading

- On September 14, 2004 (Tuesday) the new option as well as its associated Margin Class will be set up in the Eurex system. Corresponding back office transactions will be transmitted electronically.

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D-60485 Frankfurt am Main
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Management Board:
Rudolf Ferscha (CEO), Jürg Spillmann,
Daniel Gisler, Thomas Lenz,
Peter Reitz, Michael Widmer

- From September 15, 2004 (Wednesday) to September 17, 2004 (Friday) after close of trading, settlement prices for all tradable contract months of the option will be transmitted. In addition, transactions for the PMI file will be generated. The theoretical prices for the option, transmitted within the scope of the end of day processing after 21:00 CET, should be ignored.

Trading in options on registered shares on Synthes Inc. will start on September 20, 2004. Orders and quotes may be entered into the Eurex system from 07:30 CET onwards.

Frankfurt, August 26, 2004

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Contract Specifications for:
Stock Options on Swiss Shares

Contract Size

Each contract is generally based on 100 shares of the underlying instrument.

Options on Ciba Spezialitätenchemie Holding N, Givaudan N, Julius Bär, Nestlé N, Swiss Life Holding N, Swiss Re N, Serono, SGS Surveillance Holding N, Sulzer, Swisscom N, Syngenta N, Synthes N, Unaxis Holding and Zurich Financial Services N have a contract size of ten shares.

Minimum Price Movement

The minimum price change for options is CHF 0.01.

Settlement

Physical delivery of 100 shares or ten shares, respectively, of the underlying instrument.

Settlement Day

Three exchange trading days after exercise (T + 3).

Last Trading Day

The third Friday of each contract month, if this is an exchange trading day; otherwise, the exchange trading day immediately preceding 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, Eurex will establish the official settlement price.

Exercise

American style, i.e. an option can be exercised until the end of the Post-Trading Period (19:00 CET) on any exchange trading day during the lifetime of the option, or until the end of the Post-Trading Full Period (21:00 CET) on the Last Trading Day.

Expiration Months

Up to 24 months: The three nearest calendar months, the three following quarterly months of the March, June, September and December cycle thereafter, and the two following semi-annual months of the June and December cycle there-after (i.e. up to a maximum lifetime of 24 months).

Up to 60 months: The three nearest calendar months, the three following quarterly months of the March, June, September and December cycle thereafter, the four following semi-annual months of the June and December cycle thereafter and the two following annual months of the December cycle thereafter.

Exercise Prices

Options series may have the following exercise prices:

Exercise Prices in CHF	Exercise Price Intervals* in CHF
0 - 5	0.20
5.50 - 10	0.50
11 - 20	1
22 - 50	2
*52.50 - 100***	*2.50*
55 - 200	5
*210 - 400***	*10*
220 - 400	20
*425 – 1,000***	*25*
450 – 1,000	50
*1,050 – 2,000***	*50*
1,100 – 2,000	100

*The exercise price intervals are doubled for option contracts with maturities of more than 18 months.

**only for the at-the-money series with maturities of up to six months.

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

Underlying Instruments

The following stock options on Swiss shares are available for trading at Eurex:

Up to 24 Months

Adecco N (ADEN)
Bâloise Holding N (BALN)
Ciba Spezialitätenchemie Holding N (CIBN)
Cie Financière Richemont (CFR)
Clariant N (CLN))
Givaudan N (GIVN)
Holcim N (HOLN)
Julius Bär Holding (BAER)
Kudelski (KUD)
Lonza Group N (LONN)
Serono (SEO)
SGS Surveillance Holding N (SGSN)
Sulzer (SUN)
Swatch Group N (UHRN)
Swiss Life Holding N (SLHN)
Swisscom N (SCMN)
Syngenta N (SYNN)
Synthes N (SRH1)
Unaxis (UNAX)

Up to 60 Months

ABB N (ABBN)
Credit Suisse Group N (CSGN)
Nestlé N (NESN)
Novartis N (NOVN)
Roche Holding (ROG)
Swiss Re N (RUKN)
UBS N (UBSN)
Zurich Financial Services N (ZURN)

Option Premium

The CHF equivalent is payable in full on the exchange trading day immediately following the trade date.

Trading Hours

08:50 to 17:20 CET.

6 Appendices: Mistrade Range

[...]

6.2 Option Contracts

[...]

6.2.1.3 Other option contracts on stocks and option contracts on exchange-traded shares on index funds

5. Swiss Stock Options					
Class I		**Class II**		**Class III**	
ABB N	ABBN	Givaudan N	GIVN	Serono	SEO
Adecco N	ADEN	Julius Bär Holding	BAER	SGS Surveillance N	SGSN
Bâloise Holding N	BALN	Nestlé N	NESN		
Ciba Spezialitätenchemie Holding N	CIBN	Schweizerische Rückversicherung N	RUKN		
Cie Financière Richemont	CFR	Sulzer	SUN		
Clariant N	CLN	Synthes N	SRH1		
Credit Suisse Group N	CSGN	Swisscom	SCMN		
Holcim N	HOLN	Swiss Life Holding	SLHN		
Kudelski	KUD	Unaxis	UNAX		
Lonza Group N	LONN	Zurich Fin. Services N	ZURN		
Novartis N	NOVN				
Roche Holding	ROG				
Syngenta N	SYNN				
Swatch Group N	UHRN				
UBS N	UBSN				

Attachment 3 to Eurex Circular 116/04

Application for the Granting of Market Maker Licenses at Eurex

Eurex

Product Design

60485 Frankfurt

(Fax: +49-69-211-1 44 61)

Applicant

Name of applying exchange participant

Address

Name of contact

Phone No. Fax No.

Application for the Granting of Market Maker Licenses pursuant to Subsection 3.3 of the Eurex Exchange Regulations

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

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

The granting of a Market Maker License is applied for regarding the trading in:

Equity Option contracts with the following underlying(s):

☐ AAR (ABN Amro)	☐ ALV (Allianz)	☐ BMW (BMW)	☐ CGM (Cap Gemini)
☐ ABBN (ABB)	☐ AOL (Time Warner)	☐ BNP (BNP Paribas)	☐ CGM5 (Cap Gemini)
☐ ACR (Accor)	☐ AOP5 (Autostrade)	☐ BNP5 (BNP Paribas)	☐ CIBN (Ciba Spezialitätenchemie Holding N)
☐ ACR5 (Accor)	☐ ASG (Assicurazioni Generali)	☐ BSN (Danone)	☐ CIL (Lafarge)
☐ ADEN (Adecco N)	☐ ASG5 (Assicurazioni Gen.)	☐ BSN5 (Danone)	☐ CIL5 (Lafarge)
☐ ADS (Adidas)	☐ ASM (ASML Holding)	☐ BYG (Bouygues)	☐ CIS (Cisco Systems)
☐ AEN (Aegon)	☐ AVE (Aventis)	☐ BYG5 (Bouygues)	☐ CLN (Clariant N)
☐ AGF (AGF)	☐ AVE5 (Aventis)	☐ CAJ (Casino Guichard)	☐ CON (Continental AG)
☐ AGF5 (AGF)	☐ AXA (AXA)	☐ CAJ5 (Casino Guichard)	☐ CRI5 (UniCredito Italiano)
☐ AHO (Ahold)	☐ AXA5 (AXA)	☐ CAR (Carrefour)	☐ CSF (Thales)
☐ AIR (Air Liquide)	☐ BAER (Julius Bär)	☐ CAR5 (Carrefour)	☐ CSF5 (Thales)
☐ AIR5 (Air Liquide)	☐ BEI (Beiersdorf)	☐ CBK (Commerzbank)	☐ CSGN (Credit Suisse Group N)
☐ AIX (Aixtron)	☐ BALN (Bâloise Holding N)	☐ CFR (Richemont)	☐ DBK (Deutsche Bank)
☐ AKU (Akzo Nobel)	☐ BAS (BASF)	☐ CGE (Alcatel)	☐ DB1 (Deutsche Börse AG)
☐ ALT (Altana)	☐ BAY (Bayer)	☐ CGE5 (Alcatel)	☐ DCX (Daimler Chrysler)

Application for the Granting of Market Maker Licenses at Eurex

☐ DEP (Depfa Bank Plc)	☐ GOB5 (Saint Gobain)	☐ MOH (LVMH)	☐ SGE (Société Générale-A)
☐ DGX (Degussa AG)	☐ GTO (Getronics)	☐ MOH5 (LVMH)	☐ SGE5 (Société Generale-A)
☐ DPB (Deutsche Postbank)	☐ HEN3 (Henkel VZ)	☐ MSF (Microsoft)	☐ SGM (STMicroelectronics)
☐ DPW (Deutsche Post)	☐ HMY (Hagemeyer)	☐ MUV2 (Münchener Rück.)	☐ SGM5 (STMicroelectronics)
☐ DSM (DSM)	☐ HNK (Heineken)	☐ NESN (Nestlé N)	☐ SGSN (SGS Surveillance N)
☐ DTE (Deutsche Telekom)	☐ HOLN (Holcim Ltd N)	☐ NOA3 (Nokia Corporation A)	☐ SIE (Siemens)
☐ DXB (Dexia)	☐ HRX (Hypo Real Estate Hold.)	☐ NOVN (Novartis N)	☐ SJ7 (Sodexho Alliance)
☐ DXB5 (Dexia)	☐ HVM (HypoVereinsbank)	☐ NUT (Numico)	☐ SJ75 (Sodexho Alliance)
☐ EAD (EADS)	☐ IBM (IBM)	☐ OAG (Orange)	☐ SLHN (Swiss Life Holding N)
☐ EAD5 (EADS)	☐ IES5 (Banca Intesa)	☐ ORC (Oracle)	☐ SND (Schneider Electric)
☐ EIA (Elisa Communications)	☐ IFX (Infineon Technologies)	☐ PAO5 (Sanpaolo IMI)	☐ SND5 (Schneider Electric)
☐ ELV (Elsevier)	☐ IHC (IHC Caland)	☐ PEU (Peugeot)	☐ SNW (Sanofi-Synthelabo)
☐ EMP (EMC)	☐ INL (Intel)	☐ PEU5 (Peugeot)	☐ SNW5 (Sanofi-Synthelabo)
☐ ENL5 (Enel)	☐ INN (ING)	☐ PHI1 (Philips St.)	☐ SQU (Vinci)
☐ ENT (ENI)	☐ KAR (Karstadt)	☐ POR3 (Porsche AG)	☐ SQU5 (Vinci)
☐ ENT5 (ENI)	☐ KNP (Buhrmann)	☐ PPX (Pinault Printemps)	☐ **SRH1 (Synthes Inc. N)**
☐ ENUR (StoraEnso R)	☐ KPN (KPN)	☐ PPX5 (Pinault Printemps)	☐ SSY (Sun Microsystems)
☐ EOA (E.ON)	☐ KUD (Kudelski)	☐ PUM (Puma)	☐ SUN (Sulzer AG)
☐ EPC (Epcos)	☐ LHA (Lufthansa)	☐ QIA (Qiagen)	☐ SYNN (Syngenta N)
☐ ETV (EM.TV AG)	☐ LIN (Linde)	☐ RNL (Renault)	☐ TIM5 (TIM)
☐ FIA5 (Fiat)	☐ LONN (Lonza Group N)	☐ RNL5 (Renault)	☐ TKA (Thyssen Krupp)
☐ FME (Fresenius Med.Care)	☐ LOR (L'Oréal)	☐ ROG (Roche Holding)	☐ TLSN (Telia)
☐ FO4 (Fortis AG)	☐ LOR5 (L'Oréal)	☐ ROY (Royal Dutch)	☐ TNM (Thomson)
☐ FSE (TF1)	☐ LYO (Suez)	☐ RPL(UPM-Kymmene Corp)	☐ TNM5 (Thomson)
☐ FSE5 (TF1)	☐ LYO5 (Suez)	☐ RUKN (Swiss Re N)	☐ TOI (T-Online)
☐ FTE (France Télécom)	☐ MAN (MAN)	☐ RWE (RWE)	☐ TOTB (Total)
☐ FTE5 (France Télécom)	☐ MDS5 (Mediaset)	☐ SAP (SAP)	☐ TOT5 (Total)
☐ GEC (General Electric)	☐ MEO (Metro)	☐ SCH (Schering)	☐ TQI (Telecom Italia)
☐ GIVN (Givaudan N)	☐ MLP (MLP)	☐ SCMN (Swisscom N)	☐ TQI5 (Telecom Italia)
☐ GOB (Saint Gobain)	☐ MOB (Mobilcom)	☐ SEO (Serono)	☐ TQIR (Telecom Italia RNC)

☐ TPG (TPG)	☐ UNAX (Unaxis)	☐ VVD5 (Veolia Environnement)	☐ ZURN (Zurich Financial N)
☐ TRV (Citigroup)	☐ UNI (Unilever)	☐ VVU (Vivendi Universal)	
☐ TTEB (TietoEnator Corp.)	☐ VMH (Van d. Moolen Holding)	☐ VVU5 (Vivendi Universal)	
☐ TUI (TUI)	☐ VNU (VNU)	☐ WOS (Wolters Kluwer)	
☐ UBSN (UBS N)	☐ VOW (Volkswagen)	☐ XCA (Crédit Agricole)	
☐ UHRN (The Swatch Group N)	☐ VVD (Veolia Environnement)	☐ XCA5 (Crédit Agricole)	

Option contracts on exchange traded shares of Index funds (EXTF-Options):

☐ EXS1 (DAX® EX)	☐ XMT (XMTCH on SMI)
☐ EXW1 (DJ EURO STOXX^{SM} 50 EX)	☐ EUN2 (iShares DJ EURO STOXX^{SM} 50)

Option contracts on Interest Rate Futures:

☐ OGBS Option contracts on Euro-Schatz Futures	☐ OGBL Option contracts on Euro-BUND Futures
☐ OEU3 Option contracts on the Three-Month Euribor Future	☐ OGBM Option contracts on Euro-BOBL Futures

Option contracts on stock indices:

☐ O1TA Option contracts on the Dow Jones Italy Titans 30^{SM} Index	☐ OESG Option contracts on the Dow Jones EURO STOXX^{SM} Industrial Goods and Services Index
☐ ODAX Option contracts on the German Stock Index (DAX®)	☐ OESH Option contracts on the Dow Jones EURO STOXX^{SM} Healthcare Index
☐ OESA Option contracts on the Dow Jones EURO STOXX^{SM} Automobiles Index	☐ OESI Option contracts on the Dow Jones EURO STOXX^{SM} Insurance Index
☐ OESB Option contracts on the Dow Jones EURO STOXX^{SM} Banks Index	☐ OESM Option contracts on the Dow Jones EURO STOXX^{SM} Media Index
☐ OESC Option contracts on the Dow Jones EURO STOXX^{SM} Chemicals Index	☐ OESN Option contracts on the Dow Jones EURO STOXX^{SM} Construction Index
☐ OESE Option contracts on the Dow Jones EURO STOXX^{SM} Energy Index	☐ OESO Option contracts on the Dow Jones EURO STOXX^{SM} Food and Beverage Index
☐ OESF Option contracts on the Dow Jones EURO STOXX^{SM} Financial Services Index	☐ OESR Option contracts on the Dow Jones EURO STOXX^{SM} Retail Index



☐ OESS Option contracts on the Dow Jones EURO STOXX^{SM} Basic Resources Index	☐ OESU Option contracts on the Dow Jones EURO STOXX^{SM} Utilities Index
☐ OEST Option contracts on the Dow Jones Euro STOXX^{SM} Telecommunications Index	☐ OSTG Option contracts on the Dow Jones STOXX^{SM} 600 Industrial Goods and Services Index
☐ OESV Option contracts on the Dow Jones EURO STOXX^{SM} Cyclical Goods and Services Index	☐ OSTH Option contracts on the Dow Jones STOXX^{SM} 600 Healthcare Index
☐ OESX Option contracts on the Dow Jones EURO STOXX^{SM} 50	☐ OSTI Option contracts on the Dow Jones STOXX^{SM} 600 Insurance Index
☐ OESY Option contracts on the Dow Jones EURO STOXX^{SM} Technology Index	☐ OSTM Option contracts on the Dow Jones STOXX^{SM} 600 Media Index
☐ OESZ Option contracts on the Dow Jones EURO STOXX^{SM} Non-Cyclical Goods and Services Index	☐ OSTO Option contracts on the Dow Jones STOXX^{SM} 600 Food and Beverage Index
☐ OFOX Option contracts on the Finnish Stock Index (HEX25®)	☐ OSTS Option contracts on the Dow Jones STOXX^{SM} 600 Basic Resources Index
☐ OGTI Option contracts on the Dow Jones Global Titans 50^{SM}	☐ OSTT Option contracts on the Dow Jones STOXX^{SM} 600 Telecommunications Index
☐ ON50 Option contracts on the Nemax® 50	☐ OSTU Option contracts on the Dow Jones STOXX^{SM} 600 Utilities Index
☐ OSMI Option contracts on the Swiss Market Index (SMI®)	☐ OSTX Option contracts on the Dow Jones STOXX 50^{SM}
☐ OSTB Option contracts on the Dow Jones STOXX^{SM} 600 Banks Index	☐ OSTY Option contracts on the Dow Jones STOXX^{SM} 600 Technology Index
☐ OSTE Option contracts on the Dow Jones STOXX^{SM} 600 Energy Index	☐ OTDX Option contracts on the TecDAX®
☐ OSTF Option contracts on the Dow Jones STOXX^{SM} 600 Financial Services Index	

DNTP Index Products:

☐ DDAX Components ODAX FDAX on the German Stock Index (DAX®)	☐ DEXX Components OESX FESX on the Dow Jones Euro STOXX^{SM} 50
☐ DSOX Components OSTX FSTX on the Dow Jones STOXX^{SM} 50	☐ DLTS Components OSMI FSMI on the Swiss Market Index (SMI®)

DNTP Fixed-Income Products:

Application for the Granting of Market Maker Licenses at Eurex

☐ DSHZ
Components OGBS FGBS (Euro-Schatz)

☐ DBOB
Components OGBM FGBM (Euro-BOBL)

☐ DBUN
Components OGBL FGBL (Euro-BUND)

II. We herewith declare that the persons who have already been admitted for trading at Eurex, who are responsible for the Market Maker functions, 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

Market Maker Quote Obligations

And Quote Spread Classification of Stock and EXTF Options

1. Obligations for Quotation on Request on Stock and EXTF Options

Minimum Size: 20 contracts on the bid and ask side in all option series, except for the following which have a minimum size of 50 contracts:

Options on German Stocks

- Allianz, BASF, Bayer, BMW, DaimlerChrysler, Deutsche Bank, Deutsche Telekom, E.ON, Hypo-Vereinsbank, Metro, Münchener Rückversicherung, RWE, SAP, Siemens, ThyssenKrupp, VW.

Options on Finnish Stocks

- Nokia

Options on Swiss Stocks

- Credit Suisse Group N, Nestlé N, Novartis N, Swisscom N, Schweizerische Rückversicherung N, UBS N, Roche Holding

Options on French Stocks

- Minimum size for all options is 50, except Air Liquide, Danone and Total for which it is 20.

Maximum Spread:

Stock and EXTF Options quoted in EUR

Class I		**Class II**		**Class III**	
Bid up to	*Spread*	*Bid up to*	*Spread*	*Bid up to*	*Spread*
0 - 1.00	0.20	0 - 2.00	0.40	0 - 5.00	1.00
1.01 - 15.00	20%	2.01 - 30.00	20%	5.01 - 50.00	20%
> 15.00	3.00	> 30.00	6.00	> 50.00	10.00

Italian Stock Options quoted in EUR

Bid up to	*Spread*
0 – 0.50	0.10
0.51-15.00	20%
>15.00	3.00

Stock and EXTF Options quoted in CHF

Class I		**Class II**		**Class III**	
Bid up to	*Spread*	*Bid up to*	*Spread*	*Bid up to*	*Spread*
0 - 2.00	0.40	0 - 5.00	1.00	0 - 15.00	3.00
2.01-15.00	20%	5.01-30.00	20%	15.01 - 75.00	20%
>15.00	3.00	> 30.00	6.00	> 75.00	15.00

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

- within one minute

- with a minimum holding time of ten seconds.

Market Maker Fees: See Price List.

Fast Market: In the Fast Market state, the maximum spreads will increase by 50 percent, and the minimum quote size will be reduced by 50 percent

[...]

3. Permanent Quotation Obligations for Swiss, Italian, US and French Stock Options and the SMI® Option

Committed Quotation Time: Six hours and 40 minutes of the trading period calculated on a daily average on exchange trading days for six of the first seven expirations.

Calls and puts for four of seven strikes around the current underlying price must be quoted. Asymmetrical quoting is allowed, meaning that the strike prices chosen for calls and puts need not be identical.

Exemption from Obligation: Three trading days per month; the shortfall must be compensated for from additional coverage on the remaining trading days of the month so that an average coverage equal to or greater than the committed quotation time is achieved over the month.

Minimum Quote Sizes and Maximum Spreads for Stock Options: In line with market making obligations for quotation on request.

Minimum Quote Sizes and Maximum Spreads for SMI® Options:

Maturity	Bid up to (index points)	Maximum spread (index points)
≤ 24 months	0 - 26,6	4,0
	26,7 - 266,6	15%
	266,7 - 9.999,8	40,0
25 – 60 months	0 - 26,6	8,0
	26,7 - 266,6	30%
	266,7 - 9.999,8	80,0

Market Maker Fees: See Price List

Fast Market State: In the Fast Market state, the maximum spreads will increase by 50 percent for equity options and 100 percent for index options; the minimum quote size will be reduced by 50 percent.

4. Quote Spread Classification – Non-Dutch Stock and EXTF Options Quoted in Euro

[…]

5. Quote Spread Classification – Options Quoted in CHF

Swiss Stock Options

Class I		**Class II**		**Class III**	
ABB N	ABBN	Givaudan N	GIVN	Serono	SEO
Adecco N	ADEN	Julius Bär Holding	BAER	SGS Surveillance Holding N	SGSN
Bâloise N	BALN	Nestlé N	NESN		
Ciba Spezialitätenchemie Holding N	CIBN	Schweizerische Rückversicherung N	RUKN		
Cie Financière Richemont	CFR	Sulzer	SUN		
Clariant N	CLN	Swiss Life Holding N	SLHN		
Credit Suisse Group N	CSGN	Swisscom N	SCMN		
Holcim N	HOLN	Synthes N	SRH1		
Kudelski	KUD	Unaxis Holding	UNAX		
Lonza Group N	LONN	Zurich Fin. Services N	ZURN		
Novartis N	NOVN				
Roche Holding	ROG				
Swatch Group N	UHRN				
Syngenta N	SYNN				
UBS N	UBSN				

[…]

Permanent Market Making Agreement For Swiss Stock Options

1. Preface

Eurex addresses the following proposal to all market participants interested in the status of Permanent Market Maker (hereafter denoted as PMM) in the Swiss stock options listed at Eurex.

Permanent quotation will be permitted in all Swiss stock option classes.

PMMs are at liberty to choose the stock options in which they wish to make a Permanent Market. However, the stock options chosen must also be subject to a regular market making license agreement between Eurex and the member. This agreement therefore supplements the regular Market Maker agreement undertaken between Eurex and market making member firms in relation to Swiss stock options.

Resignation from the responsibilities is subject to the general rules for Eurex Market Making. In the table below, members are requested to indicate the options in which they wish to make a permanent market in accordance with this agreement and to sign and return the document to **Dr. Weiwei Wang by fax at +49-69-211-1 44 61.**

2. Permanent Market Maker Quotation Obligations and Trading Parameters

The quotation obligations and trading parameters of a PMM in Swiss stockoptions are detailed in the document Quote Obligations and Quote Spread Classification (Attachment 4 to this circular).

3. Stock Options

PMM will provide liquidity as Market Maker in Swiss stock options on a near-continuous basis. Currently, the following options are included and we kindly ask you to tick the appropriate boxes:

Option on	Eurex Code	PMM	Option on	Eurex Code	PMM
ABB N	ABBN		Roche Holding	ROG	
Adecco N	ADEN		Serono	SEO	
Bâloise Holding N	BALN		SGS Surveillance Holding N	SGSN	
Ciba Spezialitätenchemie Holding N	CIBN		Sulzer	SUN	
Cie Financière Richemont	CFR		Swatch Group N	UHRN	
Clariant N	CLN		Swiss Life Holding N	SLHN	
Credit Suisse Group N	CSGN		Swiss Re N	RUKN	
Givaudan N	GIVN		Swisscom N	SCMN	
Holcim N	HOLN		Syngenta N	SYNN	
Julius Bär	BAER		**Synthes N**	**SRH1**	
Kudelski	KUD		UBS N	UBSN	
Lonza Group N	LONN		Unaxis	UNAX	
Nestlé N	NESN		Zurich Financial Services N	ZURN	
Novartis N	NOVN				

Fees

Eurex PMMs in Swiss stock options will receive a refund of related fees defined in the Price List valid at the time, subject to fulfillment of the obligations set out in Attachment 4 to this circular (116/04) .

4. Promotion of PMMs

Eurex will promote the PMMs and the permanent market making concept via the following measures:

- Publicizing the PMM concept via circular, internet publications, direct mailings and further marketing and promotional initiatives
- Eurex media releases with a general representation and promotion of the PMM concept
- Direct calls to Eurex members to generate the necessary awareness and trading commitment among the relevant market participants (banks/online banks, brokers, trading houses etc.)
- Communication and marketing initiatives to retail customers.

5. Measures for non-Fulfillment of Minimum Requirements

Should the minimum requirements for PMMs not be fulfilled, the following measures will be taken:

- The member will revert from PMM to standard Market Maker status
- Promotion as a PMM will be discontinued

The reimbursement of exchange fees as described in Section 4 will not be granted unless the market maker obligations for PMMs are fulfilled.

For resignation, cancellation or revocation of PMM status, the current rules for Eurex Market Makers apply.

Commitment to PMM status in Swiss stock options

We declare that we will quote in Swiss Stock options as a Permanent Market Maker on Eurex as set out in Attachment 4 to Eurex Circular 116/04.

Company _____ Name _____ Date/Signature _____

We agree to Eurex publishing our name within the Permanent Market Maker concept.

Company _____ Name _____ Date/Signature _____

Please return this document by fax to **Dr. Weiwei Wang at +49-69-211-1 44 61**