X-pand into the Future

e u r e x *circular 117/04*

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

EXTF Initiative

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Content may be most important for:

- Front Office / Trading
- Middle + Back Office

Attachments:

1. Market Maker Application
2. Market Making Quote Obligations – EXTF Options
3. Permanent Market Making Agreement for EXTF Options
4. Designated Market Maker Application Form EXTF Futures
5. Designated Market Maker Quote Obligations – EXTF Futures

Summary:

On September 1, 2004 Eurex will start an initiative to augment sustainably name recognition and trading volume of EXTF options and futures:

- Fee holiday from September 1, 2004 until June 30, 2005,
- Program for Permanent Market Making for EXTF options as of September 1, 2004 as well as program for Designated Market Making for EXTF futures
- Free information package with real-time data of all futures and options on the Exchanged Traded Funds traded at Eurex, complemented by the respective underlying ETFs traded on Xetra® and indicative Net Asset Values (iNAV®).
- Further marketing activities

EXTF Initiative

On September 1, 2004 Eurex will start an initiative to increase sustainably name recognition and trading volume of EXTF options and futures.

EXTF derivatives are based on exchange-traded index fund shares, the so-called Exchange Traded Funds, and, due to their equivalent of 1.00 euro per index point, are particularly suited for the risk management of private investors' portfolios.

The EXTF initiative comprises the following measures:

- From September 1, 2004 until December 31, 2005, Eurex will offer a fee holiday for options and futures on Exchange Traded Funds. This will apply to all transactions on Market Maker accounts, Agent Position accounts and Principal Position accounts.
- Programs to increase liquidity will be introduced in parallel: In addition to the already existing regular market making, a Permanent Market Making Program will be offered as well from September 1, 2004, which is aimed at raising liquidity in EXTF options. In order to augment liquidity on the futures side, a Designated Market Making Program will be launched at the same time. For a detailed description of these programs and the pertinent quote obligations and parameters for market makers please see Attachments 2, 4 and 5.
- Between September 1, 2004 and June 30, 2005, Deutsche Börse – Information Services will make available free of charge the real-time data of all futures and options on the Exchanged Traded Funds traded at Eurex, complemented by the respective underlying ETFs traded on Xetra®. These data, together with the available indicative Net Asset Values (iNAV®), will be offered in the free information package "Eurex® EXTF Special". For further information as to subscribe to these data, please call phone number +49-69-211-1 34 40 or send an e-mail to: "IS.Streaming@deutsche-boerse.com".
- Furthermore, the following marketing activities will be organized:
  - Integration of real-time prices on the Eurex web-site in the MyEurex section
  - Internet presence with regard to the EXTF initiative naming the brokers and banks (and showing their logos) which support Eurex under **www.eurexchange.com/extf**
  - Positioning of advertisement banners on Frankfurt floor
  - Publication of articles (among others, in the September/October issue of X-pand)
  - Press releases
  - Reporting in publications for retail customers
  - Extensive online advertising on retail portals over the initiative period

Brokers and banks interested in supporting Eurex in this EXTF initiative are kindly requested to contact Holger Stürtz, Product Design Equity Index, Tel. +49-69-211-1 72 51, E-Mail: Holger.stuertz@eurexchange.com, or Harald Patt, Sales, Tel. +49-69-211-1 59 21, E-Mail: Harald.patt@eurexchange.com.

Frankfurt, August 26, 2004

Attachment 1 to Eurex Circular 117/04

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 Spezialitäten)
☐ ACR5 (Accor)	☐ ASG (Assicurazioni Generali)	☐ BSN (Danone)	☐ CIL (Lafarge)
☐ ADEN (Adecco)	☐ 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)
☐ 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 Gr.)
☐ AIX (Aixtron)	☐ BALN (Bâloise Holding)	☐ 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)	☐ SGSN (SGS Surveillance)
☐ DTE (Deutsche Telekom)	☐ HOLN (Holcim Ltd)	☐ NOA3 (Nokia Corporation A)	☐ SIE (Siemens)
☐ DXB (Dexia)	☐ HRX (Hypo Real Estate Hold.)	☐ NOVN (Novartis)	☐ SJ7 (Sodexho Alliance)
☐ DXB5 (Dexia)	☐ HVM (HypoVereinsbank)	☐ NUT (Numico)	☐ SJ75 (Sodexho Alliance)
☐ EAD (EADS)	☐ IBM (IBM)	☐ OAG (Orange)	☐ SLHN (Swiss Life Holding)
☐ 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)	☐ SSY (Sun Microsystems)
☐ ENUR (StoraEnso R)	☐ KPN (KPN)	☐ PPX5 (Pinault Printemps)	☐ SUN (Sulzer AG)
☐ EOA (E.ON)	☐ KUD (Kudelski)	☐ PUM (Puma)	☐ SYNN (Syngenta)
☐ EPC (Epcos)	☐ LHA (Lufthansa)	☐ QIA (Qiagen)	☐ TIM5 (TIM)
☐ ETV (EM.TV AG)	☐ LIN (Linde)	☐ RNL (Renault)	☐ TKA (Thyssen Krupp)
☐ FIA5 (Fiat)	☐ LONN (Lonza)	☐ RNL5 (Renault)	☐ TLSN (Telia)
☐ FME (Fresenius Med.Care)	☐ LOR (L'Oréal)	☐ ROG (Roche Holding)	☐ TNM (Thomson)
☐ FO4 (Fortis AG)	☐ LOR5 (L'Oréal)	☐ ROY (Royal Dutch)	☐ TNM5 (Thomson)
☐ FSE (TF1)	☐ LYO (Suez)	☐ RPL(UPM-Kymmene Corp)	☐ TOI (T-Online)
☐ FSE5 (TF1)	☐ LYO5 (Suez)	☐ RUKN (Swiss Re N)	☐ TOTB (Total)
☐ FTE (France Télécom)	☐ MAN (MAN)	☐ RWE (RWE)	☐ TOT5 (Total)
☐ FTE5 (France Télécom)	☐ MDS5 (Mediaset)	☐ SAP (SAP)	☐ TQI (Telecom Italia)
☐ GEC (General Electric)	☐ MEO (Metro)	☐ SCH (Schering)	☐ TQI5 (Telecom Italia)
☐ GIVN (Givaudan)	☐ MLP (MLP)	☐ SCMN (Swisscom)	☐ TQIR (Telecom Italia RNC)
☐ GOB (Saint Gobain)	☐ MOB (Mobilcom)	☐ SEO (Serono)	☐ TPG (TPG)

☐ 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)	☐ VOW (Volkswagen)	☐ XCA (Crédit Agricole)
☐ UHRN (The Swatch Group)	☐ VVD (Veolia Environnement)	☐ XCA5 (Crédit Agricole)
☐ UNAX (Unaxis)	☐ VVD5 (Veolia Environnement)	☐ ZURN (Zurich Financial)

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:

☐ 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
☐ OESG Option contracts on the Dow Jones EURO STOXX^{SM} Industrial Goods and Services Index	☐ OESS Option contracts on the Dow Jones EURO STOXX^{SM} Basic Resources Index



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

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:

☐ 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

Attachment 2 to Eurex Circular 117/04

Market Maker Quote Obligations

And Quote Spread Classification of EXTF-Options

1. Quote Obligations for EXTF-Options

Products:

Class I*	
DAX® EX	EXS1
DJ EURO STOXX^{SM} 50 EX	EXW1
iShares DJ EURO STOXX^{SM} 50	EUN2
XMTCH on SMI®	XMT

* Quote spread classification: All products are allocated to Class 1

Maximum Spread:

Options quoted in EUR		Options quoted in CHF	
Bid up to	*Spread*	*Bid up to*	*Spread*
0 - 1.00	0.20	0 - 2.00	0.20
1.01 - 15.00	20%	2.01 - 15.00	20%
> 15.00	3.00	> 15.00	3.00

The maximum spreads apply to both Quotation on Request and Permanent Quotation.

QUOTATION ON REQUEST

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 1 minute

- with a minimum holding time of 10 seconds.

Minimum Size:

20 contracts on the bid and ask side in all option series.

Market Maker Fees:

Options on DAX® EX, DJ EURO STOXX^{SM} 50 EX, iShares DJ EURO STOXX^{SM} 50:
a) Regular trade: EUR 0.20
b) Block trade: EUR 0.30

Options on XMTCH on SMI®
a) Regular trade: CHF 0.30
b) Block trade: CHF 0.50

Market Maker fees will be suspended from September 1, 2004 until June 30, 2005.

Fast Market:

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

Market Maker Quote Obligations

And Quote Spread Classification of EXTF-Options

PERMANENT QUOTATION

Committed Quotation Time:	Average of 70 percent of the trading period between 09:00 and 17:30 CET on Exchange Trading days per calendar month for the three nearest calendar months as well as two further expiry months of the March, June, September and December cycle. PMMs will be obliged to quote Calls and Puts in the respective maturities for all at-the-money strikes. Additionally quotes are required on three in-the-money or out-of-the-money strike prices on either side (asymmetrical quoting is allowed) such that a total of eight quotes is maintained.
Minimum Size:	30 contracts on the bid and ask side in all option series.
Market Maker Fees:	Permanent Market Maker fees will be suspended from September 1, 2004 until June 30, 2005. Eurex PMMs in EXTF-Options will receive a full refund of related fees between July 1, 2005 until December 31, 2006, subject to fulfillment of the obligations.* * Eurex reserves the right to modify or discontinue the fee refund program in the event that the Eurex EXTF Initiative fails to develop positively.
Fast Market:	In the Fast Market state, the maximum spreads will increase by 50 percent, the minimum quote size will be reduced by 50 percent.

Permanent Market Making Agreement For Exchange Traded Funds Options (EXTF-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 EXTF-Options listed at Eurex.

Permanent quotation will be permitted in all EXTF-Options listed by Eurex.

PMMs are at liberty to choose the EXTF Options in which they wish to make a Permanent Market. However, the 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 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 **Holger Stürtz** by **August 30, 2004 Fax at +49-69-211-1 44 61.**

2. EXTF-Options

PMM will provide liquidity as Market Maker in EXTF-Options on a near-continuous basis. Currently, the following ETFs are included:

Company Name	Eurex Code	PMM
DAX® EX	EXS1	
DJ EURO STOXX^{SM} 50 EX	EXW1	
iShares DJ EURO STOXX^{SM} 50	EUN2	
XMTCH on SMI	XMT	

3. Trading Parameters for Permanent Market Makers

The trading parameters of PMMs in EXTF-Options are outlined in Attachment 4 to Eurex Circular 0xx/04. Fulfillment of Permanent quotation obligations are required for the three nearest calendar months as well as two further expiry months of the March, June, September and December cycle. PMMs will be obliged to quote Calls and Puts in the respective maturities for all at-the-money strikes. Additionally quotes are required on three in-the-money or out-of-the-money strike prices on either side (asymmetrical quoting is allowed) such that a total of eight quotes is maintained.

4. Fees

Fees for Permanent Market Maker will suspended from September 1, 2004 until June 30, 2005.
Eurex PMMs in EXTF-Options will receive a full refund of related fees between July 1, 2005 until December 31, 2006, subject to fulfillment of the obligations set out in Attachment 4 to Eurex Circular 117/04.*

*Eurex reserves the right to modify or discontinue the fee refund program in the event that the Eurex EXTF-Initiative fails to develop positively.

5. 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.

6. 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 EXTF-Options

We declare that we will quote in EXTF -Options as a Permanent Market Maker on Eurex as set out in Attachment 4 to Eurex Circular 117/04.

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 **Holger Stürtz at +49-69-211-1 44 61**

Application Form - Designated Market Making Scheme

To Eurex
Product Design Equity Index
Holger Stürtz
Neue Börsenstraße 1

60487 Frankfurt am Main

Fax no.: +49-69-211-61 4461

Application for the Status of Designated Market Maker in Futures on Exchange Traded Funds (EXTF-Futures)

1. We _____
(name of member)

herewith apply for the status of Designated Market Maker in the following contract

Product	Eurex Code	Please tick your interest ✓
DAX® EX Futures	EXSF	☐ yes
Dow Jones EURO STOXX^{SM} 50 EX Futures	EXWF	☐ yes
iShares Dow Jones EURO STOXX^{SM} 50 Futures	EUNF	☐ yes
XMTCH on SMI® Futures	XMTF	☐ yes

for the period from September 1, 2004 until December 31, 2006 in accordance with the terms and conditions stated in the Quote Obligations (Attachment 5).

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 obligations
- in compliance with the Maximum Spreads (see Quote Obligations); and
- for the period of time specified in the Quote Obligations (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 coordinator 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 fulfill 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 EXTF-Futures; and

c) refund all trading and clearing fees for the contracts traded by the Designated Market Makers on M accounts up to December 31, 2006. The refund for the respective month will be calculated at the beginning of the subsequent month. No refunds will be made if EXTF Futures are traded on A or P accounts or if the Quote Obligations are not fulfilled. Eurex reserves the right to modify or discontinue the fee refund program in the event that the Eurex EXTF Initiative fails to develop positively.

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' 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 associated Quote Obligations.

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 are 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. 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 31, 2006. After that time, the title "Designated Market Maker" can no longer be used unless otherwise agreed with Eurex.

9. The associated Quote Obligations (Attachment 5) are an integral part of this application.

SHOULD BE FILLED OUT BY THE PERSON DESIGNATED IN ACCORDANCE WITH 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.

Designated Market Maker Scheme for EXTF Futures

Quote Obligations

Eurex Code:	**EXSF, EXWF, EUNF, XMTF**
Minimum Size:	50 contracts on the bid and ask side, only in the nearest expiration (Front Month); 20 contracts on the bid and ask side for all other expirations (back months)
Maximum Spread:	EUR 0.10 in the nearest expiration of in Euro-denominated EXTF Futures (EXSF, EXWF, EUNF); CHF 0.10 in the nearest expiration of in CHF-denominated EXTF Futures (XMTF) EUR 0.30 in the back months of in Euro-denominated EXTF Futures (EXSF, EXWF, EUNF); CHF 0.30 in the back months of in CHF-denominated EXTF Futures (XMTF) The spread classification will be reviewed on a monthly basis.
Quotation Period:	70 percent of the total daily trading period on a monthly average in the nearest expiration (Front Month); 60 percent of the total daily trading period on a monthly average in back months;
Designated Market Maker Fees:	No trading and clearing fees will be charged between September 1, 2004 and June 30, 2005. Eurex DMM in EXTF Futures will receive a full refund of related trading and clearing fees between July 1, 2005 and December 31, 2006 subject to fulfilment of the obligations.*

* Eurex reserves the right to modify or discontinue the fee refund program in the event that the Eurex EXTF Initiative fails to develop positively.