X-pand into the Future

e u r e x *circular 134/03*

Date: Frankfurt, December 19, 2003
Recipients: All Eurex members and vendors
Authorized by: Peter Reitz

Extension of Designated Market Making in Sector Index Futures

Related Eurex Circulars: 053/03

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Content may be most important for:

- Front Office / Trading
- Middle + Back Office

Attachments:

1. Designated Market Maker Quote Obligations
2. Designated Market Maker Application

Against the background of increasing liquidity in sector index futures the Management Boards of Eurex Deutschland and Eurex Zürich decided in their session on December 17, 2003 to extend the Designated Market Maker program in sector index futures until June 30, 2004. For details and parameter of this program please see the attachments as well as circular 053/03.

Existing Designated Market Maker licenses will be extended automatically. Members interested in obtaining a new license, should fill in the attached Designated Market Maker Application and return it to Eurex, attention Daniel Koller, fax +49-69-211-61 32 24.

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Management Board:
Rudolf Ferscha (CEO), Jürg Spillmann,
Daniel Gisler, Thomas Lenz,
Peter Reitz, Michael Widmer

Designated Market Maker Scheme for the Future on Sector Indices

Quote Obligations

Minimum Size: 50 contracts on the bid and ask side, only in the series with the nearest expiration (Front Month)

Maximum Spread:

Product	Eurex Code	Maximum Spread in Indexpoints
DJ EURO STOXX^{SM} Automobiles	FESA	1,5
DJ EURO STOXX^{SM} Banks	FESB	1,5
DJ EURO STOXX^{SM} Basic Resources	FESS	1,5
DJ EURO STOXX^{SM} Chemicals	FESC	1,5
DJ EURO STOXX^{SM} Construction	FESN	1,5
DJ EURO STOXX^{SM} Cyclical G+S	FESV	1,5
DJ EURO STOXX^{SM} Energy	FESE	1,5
DJ EURO STOXX^{SM} Financial Services	FESF	1,5
DJ EURO STOXX^{SM} Food and Beverages	FESO	1,5
DJ EURO STOXX^{SM} Healthcare	FESH	1,5
DJ EURO STOXX^{SM} Industrial Goods	FESG	1,5
DJ EURO STOXX^{SM} Insurance	FESI	1,5
DJ EURO STOXX^{SM} Media	FESM	1,5
DJ EURO STOXX^{SM} Non Cyclicals	FESZ	1,5
DJ EURO STOXX^{SM} Retail	FESR	1,5
DJ EURO STOXX^{SM} Technology	FESY	1,5
DJ EURO STOXX^{SM} Telecommunications	FEST	1,5
DJ EURO STOXX^{SM} Utilities	FESU	1,5
DJ STOXX^{SM} Banks	FSTB	1,5
DJ STOXX^{SM} Healthcare	FSTH	1,5
DJ STOXX^{SM} Insurance	FSTI	1,5
DJ STOXX^{SM} Technology	FSTY	1,5
DJ STOXX^{SM} Telecommunications	FSTT	1,5
DJ STOXX^{SM} Utilities	FSTU	1,5

The spread classification will be reviewed on a monthly basis.

Quotation Period: 65 percent of the total daily trading period on a monthly average

Designated Market Maker Fees: January 1, 2004 up to the June 30, 2004
Total refund of trading and clearing fees for contracts traded on M accounts

Revenue Sharing: EUR 0,15 per contract of the total volume generated by OTC Block Trades in sector futures is distributed on a monthly pro-rata basis to the Designated Market Makers.

Application Form - Designated Market Making Scheme

To Eurex
Product Design Equity/Index
Daniel Koller
Neue Börsenstraße 1

60487 Frankfurt am Main

Fax no.: +49-69-211-61 32 24

Application for the Status of Designated Market Maker in Futures on Sector Indices

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 ✓**	
DJ EURO STOXX^{SM} Automobiles	FESA	☐ yes	☐ no
DJ EURO STOXX^{SM} Banks	FESB	☐ yes	☐ no
DJ EURO STOXX^{SM} Basic Resources	FESS	☐ yes	☐ no
DJ EURO STOXX^{SM} Cyclical G+S	FESV	☐ yes	☐ no
DJ EURO STOXX^{SM} Energy	FESE	☐ yes	☐ no
DJ EURO STOXX^{SM} Financial Services	FESF	☐ yes	☐ no
DJ EURO STOXX^{SM} Food and Beverages	FESO	☐ yes	☐ no
DJ EURO STOXX^{SM} Healthcare	FESH	☐ yes	☐ no
DJ EURO STOXX^{SM} Industrial Goods	FESG	☐ yes	☐ no
DJ EURO STOXX^{SM} Insurance	FESI	☐ yes	☐ no
DJ EURO STOXX^{SM} Media	FESM	☐ yes	☐ no
DJ EURO STOXX^{SM} Non Cyclicals	FESZ	☐ yes	☐ no
DJ EURO STOXX^{SM} Retail	FESR	☐ yes	☐ no
DJ EURO STOXX^{SM} Technology	FESY	☐ yes	☐ no
DJ EURO STOXX^{SM} Telecommunications	FEST	☐ yes	☐ no
DJ EURO STOXX^{SM} Utilities	FESU	☐ yes	☐ no
DJ STOXX^{SM} Banks	FSTB	☐ yes	☐ no
DJ STOXX^{SM} Healthcare	FSTH	☐ yes	☐ no
DJ STOXX^{SM} Insurance	FSTI	☐ yes	☐ no
DJ STOXX^{SM} Technology	FSTY	☐ yes	☐ no
DJ STOXX^{SM} Telecommunications	FSTT	☐ yes	☐ no
DJ STOXX^{SM} Utilities	FSTU	☐ yes	☐ no

for the period from January 1, 2004 until June 30, 2004 in accordance with the terms and conditions stated in the Quote obligations (Attachment 1).

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 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 Sector Index Futures; and

   c) refund all trading and clearing fees for the contracts traded by the Designated Market Makers on M accounts up to June 30, 2004. The refund for the respective month will be calculated at the beginning of the subsequent month. No refunds will be made if Sector Index Futures are traded on A or P accounts or if the quote obligations are not fulfilled.

   a) distribute EUR 0,15 per contract on a monthly pro-rata basis of the total volume generated by OTC Block Trades in sector index futures

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 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 Sector Index Futures 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 30th June 2004. After that time, the title "Designated Market Maker" can no longer be used unless otherwise agreed with Eurex.

9. The associated Quote Obligations (Attachment 1) 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.