e u r e x *circular 124/99*

To: All Eurex members and vendors

Date: Frankfurt, 17th December 1999

Introduction of Additional Finnish Stock Options on Eurex on 24th January 2000

Dear Sir or Madam,

On 8th December 1999 the Executive Boards of the Eurex Exchanges made the decision, dependent on the receipt of the corresponding Market Maker applications, to introduce further options on Finnish stocks. The planned date of introduction is **24th January 2000**.

1. List of Additional Products

Product name	ISIN Code	WKN	Eurex System Code
Stora Enso Oyj R	FI0009005961	871004	ENUR
TietoEnator Corporation	FI0009000277	870798	TTEB
Pohjola Group Insurance Corporation B	FI0009000145	870368	POHB
Helsinki Telephone Corporation	FI0009006621	911777	HEP
Orion Corporation B	FI0009800346	886008	OROB
Raisio Group plc.	FI0009002943	899738	RATV
Sampo Insurance Company plc	FI0009003305	881463	SMPA
Metso Corporation	FI0009007835	923876	VLM
Metsä-Serla Corporation B	FI0009000665	876917	MSRB
Fortum Corporation	FI0009007132	916660	FUM
Huhtamäki Van Leer Oyj	FI0009000459	870740	HUKI

2. Transfer of Open Interest from HEX to Eurex

Between 3rd January and 14th January 2000, HEX/Eurex members can close their positions in the existing Eurex Finnish products without transaction costs, and re-open them on Eurex on the same day, also without transaction costs. For this purpose the HEX/Eurex member concerned must report both trades to HEX (see HEX Release No. 325/99). Both transactions must be carried out on the electronic systems of both exchanges, and must be executed by the same HEX/Eurex member. For the new stock options to be introduced on 24th January 2000, the liquidity transfer can take place between 24th January 2000 and 4th February 2000, following the same concept.

3. Contract Specifications

The contract specifications for Finnish Stock options including LEPOs can be found in Appendices 1 and 2.

Eurex Deutschland
Börsenplatz 7 - 11
D-60313 Frankfurt am Main
www.eurexchange.com

Eurex Member Readiness
Tel. +49 (0)69-2101-1700
Fax +49 (0)69-2101-1701

Alternative
Tel. +49 (0)69-9770-1700
Fax +49 (0)69-9770-1701

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

4. Trading and Transaction Fees

Trade and transaction fees can be found in the Price List attached as Appendix 3. Transaction fees for Market Makers will be waived up to and including 17th March 2000 (March 2000 expiration).

5. Market Maker Application Form

Appendix 4 is the application form for Market Making in the additional Finnish stock options. In order to allow the options to be admitted to trading on time, please complete the Market Maker Application and return it to Peter Sack in Eurex Product Development on Fax +49-(0)69 2101 4461.

6. Quote Obligations for Market Makers

50% of quote requests must be answered, up to a maximum of 150 quote requests per day.

For the stock options, the underlying stocks have been subdivided into three term-dependent groups

Group A:	all stocks not listed under B or C (up to 9 months)
Group B:	Sonera, UPM-Kymmene, Stora Enso and TietoEnator (up to 12 months)
Group C:	Nokia (up to 24 months)

Market Maker Obligations to Quote Requests:

Groups A and B:

20 Contracts for both “Bid” and “Ask” sides
“Bid” up to 1.50 euro = Spread 0.30 euro
“Bid” from 1.50 euro to 15 euro = Spread 20%
“Bid” over 15 euro = Spread 3.00 euro

Group C:

50 Contracts for both “Bid” and “Ask” sides
“Bid” up to 1.33 euro = Spread 0.20 euro
“Bid” from 1.33 euro to 13.33 euro = Spread 15%
“Bid” over 13.33 euro = Spread 2.00 euro

7. Information on ‘Package’ Market Making

In order to ensure a liquid market in the products introduced by the HEX/Eurex co-operation, Eurex is offering the possibility for interested members to become ‘Package’ Market Makers. Members may apply to become a traditional Market Maker for one or more HEX products, and/or to become a ‘Package’ Market Maker.

A ‘Package’ consists of 6 HEX products, with the following three products included in all packages:

FOX Option (OFOX)
Nokia Corporation A (NOA3)
Sonera Corporation (SOY)

A package is completed through the choice of one of the four following packets:

Packet 1:	UPM-Kymmene Corporation (RPL) TietoEnator Corporation (TTEB) Metso Corporation (VLM)
Packet 2:	Stora Enso Oyj R (ENUR) Huhtamäki Van Leer Oyj (HUKI) Fortum Corporation (FUM)
Packet 3:	Helsinki Telephone Corporation (HEP) Sampo Insurance Company plc (SMPA) Metsä-Serla Corporation B (MSRB)
Packet 4:	Raisio Group plc (RATV) Pohjola Group Insurance Corporation B (POHB) Orion Corporation B (OROB)

Market Makers who elect to become 'Package' Market Makers and who fulfil the quote obligations will receive a refund of one half of the Market Maker fees. This means that a Package Market Maker will only pay one third of the normal transaction fees.

We would ask those members who are interested in becoming 'Packag' Market Makers to return the attached application form (Appendix 5) by 5th January 2000. Obviously, this extended Market Making proposal also applies for existing Market Makers in the current Finnish products . However if you are interested in the offer it is necessary to return the 'Package' Market Maker application form explicitly.

If you have any questions, please contact Peter Sack at Eurex on Tel. +49 (0)69 2101-5316, or Vesa Heikkilä at HEX on +358 9-6166-7214.

Yours sincerely,

Jörg Franke

Hartmut Klein

Attachments

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Börsenplatz 7 - 11
D-60313 Frankfurt am Main
www.eurexchange.com

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Fax +49 (0)69-2101-1701

Alternative
Tel. +49 (0)69-9770-1700
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NORDIC Equity Options on

Nordic Shares

(OSTK)

Contract Size

Each contract generally covers 100 shares of the underlying stock.
As an exception, option contracts on

Stora Enso Oyj R (ENUR)
Raisio Group plc (RATV)
Metso Corporation (VLM)
Metsä-Serla Corporation B (MSRB)
Fortum Corporation (FUM)

are based on 500 shares of the underlying security.

Minimum Price Movement

Options prices have price gradations of EUR 0.01.

Delivery

Physical delivery of 100 shares (or 500 shares) of the underlying security.

Delivery Day

Four exchange trading days after the exercise (t + 4).

Last Trading Day

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

Daily Settlement Price

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

Exercise Period

American style, i.e. an option can be exercised up to 6:30 p.m. CET on any exchange trading day during the life of the option.

Expiration Months

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 of 9 months).

Group B shares: the three nearest calendar months, as well as the following three months within the cycle March, June, September and December thereafter (i.e. up to a maximum of 12 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 of 24 months).

Exercise Prices

Options series may have the following exercise prices:

Exercise prices	Exercise price gradation
to EUR 5	EUR 0.2
EUR 5.50 to EUR 10	EUR 0.5
EUR 11 to EUR 20	EUR 1
EUR 22 to EUR 50	EUR 2
*EUR 52.50 to EUR 100**	*EUR 2.50*
EUR 55 to EUR 100	EUR 5
EUR 110 to EUR 200	EUR 10
EUR 220 to EUR 500	EUR 20
*EUR 525 to EUR 1000**	*EUR 25*
EUR 550 to EUR 2000	EUR 50
EUR 2100 and above	EUR 100

*= only for the first and second expiration date in at-the-money area

For each expiration month, there are at least three calls and three put series, each with an in-the-money; at-the-money and out-of-the-money strike price. For options contracts with 18- and 24-month duration, the exercise price gradations are doubled.

Optionable Stocks

NORDIC Equity Options are traded in the following groups according to their expiration months:

Group A 1, 2, 3, 6 and 9 months	Group B 1, 2, 3, 6, 9 and 12 months	Group C 1, 2, 3, 6, 9, 12, 18 and 24 months
Pohjola Group Insurance Corporation B (POHB)	UPM-Kymmene Corporation (RPL)	Nokia Corporation A (NOA3)
Helsinki Telephone Corporation (HEP)	Stora Enso Oyj R (ENUR)	
Orion Corporation B (OROB)	Sonera Corporation (SOY)	
Raisio Group plc (RATV)	TietoEnator Corporation (TTEB)	
Sampo Insurance Company plc (SMPA)		
Metso Corporation (VLM)		
Metsä-Serla Corporation B (MSRB)		
Fortum Corporation (FUM)		
Huhtamäki Van Leer Oyj (HUKI)		

Trading hours

9:30 a.m. until 4.30 p.m. CET.

Option Premium

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

Appendix 2

Low Exercise Price Options (LEPOs) on

Nordic Shares

Stocks with LEPO contracts

Fortum Corporation (FUM)
Helsinki Telephone Corporation (HEP)
Huhtamäki Van Leer Oyj (HUKI)
Metsä-Serla Corporation B (MSRB)
Metso Corporation (VLM)
Nokia Corporation (NOA3)
Orion Corporation B (OROB)
Pohjola Group Insurance Corporation B (POHB)
Raisio Group plc (RATV)
Sampo Insurance Company plc (SMPA)
Sonera Corporation (SOY)
Stora Enso Oyj R (ENUR)
TietoEnator Corporation (TTEB)
UPM-Kymmene Corporation (RPL)

Contract Size

Each contract generally covers 100 shares of the underlying stock.
As an exception, option contracts on

Stora Enso Oyj R (ENUR)
Raisio Group plc (RATV)
Metso Corporation (VLM)
Metsä-Serla Corporation B (MSRB)
Fortum Corporation (FUM)

are based on 500 shares of the underlying security.

Minimum Price Movement

A LEPO has a price gradation of EUR 0.01.

Delivery

Physical delivery of 100 shares (or 500 shares) of the underlying security.

Delivery Day

Four exchange trading days after the exercise (t + 4).

Last Trading Day

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

Daily Settlement Price

EUR 1 below the last-paid price of the underlying security on a given trading day.

Exercise Period

American style, i.e. an option can be exercised up to 6:30 p.m. CET on any exchange trading day during the life 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 EUR 1.

Option Premium

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

Trading Hours

9:30 a.m. until 4.30 p.m. CET.

2.2.3 Finnish Stock Options

With respect to Finnish Stock Options, fees for:

a. order matching		
- trade	per contract	1,35 EUR
- trade (Market Maker)	per contract	0,70 EUR[1]
b. trade administration		
- trade separation	per transaction	0.00 EUR
- trade transfer	per transaction	0.00 EUR
- adjustment of an opening/closing transaction	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	0.65 EUR[2]
d. settlement of trades and positions		
- exercise	per contract	1,35 EUR
- exercise (Market Maker)	per contract	0,70 EUR[1]
- exercise adjustment	per transaction	0.00 EUR

2.2.4 Fox Options

With respect to Fox Options fees for:

a. order matching		
- trade	per contract	0.90 EUR
- trade (Market Maker)	per contract	0.60 EUR[3]
b. trade administration		
- trade separation	per transaction	0.00 EUR
- trade transfer	per transaction	0.00 EUR
- adjustment of an opening/closing transaction	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	0.30 EUR[4]

[1] 0,70 EUR will be charged from 20.03.2000. Until 17.03.2000 the fee is 0,00 EUR.
[2] 0,65 EUR will be charged from 20.03.2000. Until 17.03.2000 the fee is 1,35 EUR.
[3] 0,60 EUR will be charged from 20.03.2000. Until 17.03.2000 the fee is 0,00 EUR.
[4] 0,30 EUR will be charged from 20.03.2000. Until 17.03.2000 the fee is 0,90 EUR.

d. settlement of trades and positions		
- exercise	per contract	0.90 EUR
- exercise (Market Maker)	per contract	0.60 EUR[3]
- exercise adjustment	per transaction	0.00 EUR

2.2.6 LEPO on Stocks of Finnish Stock Corporations

With respect to LEPOs on Stocks of Finnish Stock Corporations, fees for:

a. order matching		
- trade	per contract	1.35 EUR
- trade (Market Maker)	per contract	0.70 EUR[5]
b. trade administration		
- trade separation	per transaction	0.00 EUR
- trade transfer	per transaction	0.00 EUR
- adjustment of an opening/closing transaction	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	0.65 EUR[6]
d. settlement of trades and positions		
- exercise	per contract	1.35 EUR
- exercise (Market Maker)	per contract	0.70 EUR[5]
- exercise adjustment	per transaction	0.00 EUR

[5] 0,70 EUR will be charged from 20.03.2000. Until 17.03.2000 the fee is 0,00 EUR.
[6] 0,65 EUR will be charged from 20.03.2000. Until 17.03.2000 the fee is 1,35 EUR.

Application for the Granting of Market Maker Licences
at the Eurex



Eurex

Product Development/Products

60284 Frankfurt

(Fax: +49 (0)69 2101-4461)

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 a Market Maker pursuant to Subsection 3.3 of the Eurex Exchange Rules.

Provided that the applying company is admitted as an 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):

☐ ABBN (ABB)	☐ DCX (DaimlerChrysler)	☐ KAR (Karstadt)	☐ POHB (Pohjola Group B)
☐ ADEN (Adecco)	☐ DHA (Degussa Hülst)	☐ LHA (Lufthansa)	☐ PRS (Preussag)
☐ ADS (Adidas)	☐ DRB (Dresdner Bank)	☐ LIN (Linde)	☐ RAN (Rentenanstalt)
☐ ALUB (Algroup)	☐ DTE (Deutsche Telekom)	☐ LONN (Lonza)	☐ RATV (Raisio Group plc)
☐ ALV (Allianz)	☐ ENUR (Stora Enso R)	☐ MAN (MAN)	☐ ROG (Roche Holding)
☐ BAS (BASF)	☐ ETV (EM. TV & Merchand.)	☐ MEO (Metro)	☐ RPL (UPM-Kymmene Corp.)
☐ BAY (Bayer)	☐ FME (Fresenius Med.Care)	☐ MMN (Mannesmann)	☐ RUKN (Schweiz. Rückvers.)
☐ BMW (BMW)	☐ FUM (Fortum Corporation)	☐ MOB (Mobilcom AG)	☐ RWE (RWE)
☐ CBK (Commerzbank)	☐ HEN3 (Henkel VZ)	☐ MSRB (Metsä-Serla Corp. B)	☐ SAP3 (SAP VZ.)
☐ CIBN (Ciba Spezialitäten)	☐ HEP (Helsinki Tel. Corp.)	☐ MUV2 (Münchner Rück.)	☐ SCH (Schering)
☐ CLN (Clariant)	☐ HOEC (Hoechst)	☐ NESN (Nestlé)	☐ SIE (Siemens)
☐ CSO (Consors)	☐ HOL (Holderbank)	☐ NOA3 (Nokia Corporation A)	☐ SMPA (Sampo Insurance)
☐ CSGN (Credit Suisse Gr.)	☐ HUKI (Huhtamäki I)	☐ NOVN (Novartis)	☐ SOY (Sonera Corporation)
☐ DBK (Deutsche Bank)	☐ HVM (Bayer. Vereinsbank)	☐ OROB (Orion Corporation B)	☐ SRN (Sair Group)

☐ SUN (Sulzer)	☐ TTEB (TietoEnator Corp.)	☐ VEB (Veba)	☐ VOW (Volkswagen)
☐ SCMN (Swisscom)	☐ UBSN (UBSAG)	☐ VIA (VIAG)	☐ ZUAN (Zurich Allied)
☐ TKA (Thyssen Krupp)	☐ UHRN (The Swatch Group)	☐ VLM (Metso Corporation)	

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

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

☐ OEU3
Option contracts on the Three-Month-Euribor-Futures

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

☐ OCNF
Option contracts on the CONF-Future

☐ 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 authorised Signature

X-pand into the **Future**

eurex *fax*

to

Eurex AG Product Development Attn. Peter Sack	F +49 69-21 01-44 61 T +49 69-21 01-53 16

from

Name: Firm: Department:	Fax: Phone: E-mail:
Date:	3 pages

Application for Package Market Making

1. We, _____
(name of member)

herewith apply for Package Market Making in Finnish Products. Along with the products

FOX Option
Nokia Corporation A
Sonera Corporation

we would added one of the following “packets”:

- ❑ Packet 1: UPM-Kymmene Corporation
  TietoEnator Corporation
  Metso Corporation
- ❑ Packet 2: Stora Enso Oyj R
  Huhtamäki Van Leer Oyj
  Fortum Corporation
- ❑ Packet 3: Helsinki Telephone Corporation
  Sampo Insurance Company plc
  Metsä-Serla Corporation B
- ❑ Packet 4: Raisio Group plc
  Pohjola Group Insurance Corporation B
  Orion Corporation B

.

2. As a Package Market-Maker,

   we undertake to fulfil the quoting obligations for Market Makers for every stock of the package.

3. In turn, Eurex shall -

   provide a refund of half of the trading and clearing fees for contracts entered into by Market Makers on their M accounts. The settlement of the refund for each month shall take place at the beginning of the respective following month. No refunds of fees shall be made for contracts traded on the A or P accounts, or in the event of non-fulfilment of quoting obligations.

4. a) The compliance with the obligations pursuant to No. 2 above shall be monitored by Eurex.

   b) In the event of our failure to fulfil the obligations pursuant to No. 2 above, Eurex shall be authorised to -

      - terminate the agreement. In this case, Eurex shall be released from its duties pursuant to No. 3 above with immediate effect;

5. In the event of material changes to the contract specifications of the contract, or changes of legal provisions or the rules and regulations with respect to the contract, we as well as Eurex shall be entitled to terminate this agreement with immediate effect, or to re-negotiate the requirements as set out in No. 2 above.

6. Eurex, at its sole discretion, shall be authorised to temporarily suspend or expand one or several of the conditions set out within this agreement, if it deems appropriate to do so (for example, upon the occurrence of circumstances resulting in high market volatility, or if no negative impact on the market quality is to be expected as a result of such suspension or expansion). In the event of Eurex suspending or expanding one or several conditions, the Package Market Makers shall ensure that the notification of the end of such situation can be communicated to them without delay.

Appendix 5 Application for Package Market Making

Name / Position _____

for Member _____

Telephone No. _____

Fax No. _____

Address _____

_____

_____

Date/Signature _____