X-pand into the Future

e u r e x *circular 112/02*

Date: Frankfurt, November 28, 2002
Recipients: All Eurex members and vendors
Authorized by: Peter Reitz

High Priority

Further Initiatives in the Dutch Stock Option Segment

Related Eurex Circulars: 050/02

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Content may be most important for:

- Front Office / Trading
- Middle + Back Office

Attachments: None

Summary:

In support of the continued expansion of the Dutch equity option segment at Eurex and in order to increase the attractiveness of the segment, the Management Boards of the Eurex Exchanges approved a number of measures in relation to Dutch equity option trading:

1. Fees for OTC Block Trades

As of December 1, 2002, the fees for OTC block trades executed at Eurex in Dutch equity options will be capped at 200 euros per trade.

2. Revenue Sharing Model

With effect from December 1, 2002, until December 31, 2003 the revenue sharing scheme described in Circular 050/02 will be adapted to benefit a larger number of members supporting the initiative. Full details are provided in the Circular.

3. Extension of Exercise Period on Last Trading Day

Beginning with the December 2002 expiry, exercise of Dutch equity options on the last trading day will be possible until 21:00 CET.

Further Initiatives in the Dutch Stock Option Segment

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1. Fees for OTC Block Trades

As of December 1, 2002, the fees for OTC block trades executed at Eurex in Dutch equity options will be capped at 200 euros per trade. The minimum block trade size of 250 contracts remains unchanged.

2. Revenue Sharing Model

With effect from December 1, 2002, until December 31, 2003 the revenue sharing scheme described in Circular 050/02 will be adapted as follows:

- The total amount of revenue available for distribution in the Dutch segment will be increased from 50% to 70% of the Dutch equity option trading and clearing fees on a monthly basis
- Two separate reports will be generated monthly, ranking the top ten members for pre-Give-up volumes in agency business (A account), and proprietary trading and market making activity (P and M accounts)
- Each of the ranking groups will be entitled to a certain proportion of the total revenues available for distribution. The top ten members in each group will receive the respective percentage of the revenues attributable to their ranking group, according to the table below:

Member Ranking	Participation in Group Revenue Pool
1	20 %
2	18%
3	16 %
4	13 %
5	10 %
6	8 %
7	6 %
8	4 %
9	3%
10	2 %

- The amount of revenue due for distribution will be communicated to members at the end of each month. Payment will continue to be made at the end of the respective year.

3. Extension of Exercise Period on Last Trading Day

Beginning with the December 2002 expiry, exercise of Dutch equity options on the last trading day will be possible until 21:00 CET. The end of the Post-trading Full period on other days ends at 18:30 CET.

Frankfurt, November 28, 2002

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