e u r e x *circular 74/98*

To: All Eurex members and vendors

Date: Frankfurt, 27th November 1998

Regular Market Making for All German Stock Options

Dear Sir or Madam,

The Eurex executive board decided on 4th November 1998 to introduce regular market making according to section 3.3 of the Eurex Regulations for all German stock options as from 4th January 1999.

The following stock options from Group A which are currently subject to so-called 'Designated Market Making' are affected by this decision:

-Adidas AG (ADS)	**-MAN AG (MAN)**
-Metro AG (MEO)	**-Münchner Rück. AG VNA (MUV2)**
-Degussa AG (DGS)	**-SAP VZ. AG (SAP3)**
-Henkel Vz. KgaA (HEN3)	**-Schering AG (SCH)**
-Karstadt AG (KAR)	**-Linde AG (LIN)**

The 'Designated Market Maker' quotation obligations for these stock options will expire at end of the year. For completeness, we remind you that trading will be halted on 21st December 1998 in the other Group A stock options which are not mentioned above (see Eurex Circular 52/98).

The amended conditions for trading and Market Making in these stock options will correspond to those for normal Market Making as follows:

1. Trading hours for all stock options: 09.00 – 17.00 CET

2. The minimum quote size is a unit of 50 contracts. Exceptions to this are SAP3 with 10 and MUV2 with 5 contracts. In the Fast Market the minimum quote size is 25 contracts, except for SAP3 with 5, and MUV2 with 3 contracts.

3. Transaction fees for all stock options traded on the M-account are:
   - Trade: per contract 0.04 euro
   - Position transfer from MM accounts: per contract 0.16 euro
   - Exercise: per contract 0.04 euro

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

4. Standard transaction limits per product and per member:

Combined	4,000
Manual quotes	1,000
Machine quotes	3,000

No change will be made to the contract term. This means that the stock options referred to above will have a maximum contract term of 9 months.

If you are interested in Market Making in the above-mentioned stock options, please complete the attached application form and return it to Eurex, c/o Frau Knapp, Fax: +49-(0)69-2101-3802. This request also applies to members who were previously registered as Designated Market Makers for these products.

If you have any questions, please contact Kai Distelmann:

Tel: +49-(0)69-2101-5797
E-mail: kai_distelmann@exchange.de

Yours sincerely,

Jörg Franke

Hartmut Klein

Attachment

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Application for the Granting of Market Maker Licences

Eurex

Membership Unit

60284 Frankfurt

(Fax: +49-(0)69-2101-3802)

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 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 also applies to Eurex Zürich.

The granting of a Market Maker Licence is applied for regarding the trading in option contracts on

equities with the following underlying(s):

☐ ADS	☐ DAI	☐ KAR	☐ RWE
☐ ALV	☐ DBK	☐ LHA	☐ SAP3
☐ BAS	☐ DCX	☐ LIN	☐ SCH
☐ BAY	☐ DGS	☐ MAN	☐ SIE
☐ BMW	☐ DRB	☐ MEO	☐ THY
☐ BHW	☐ DTE	☐ MMN	☐ VEB
☐ HVM	☐ HEN3	☐ MUV2	☐ VIA
☐ CBK	☐ HOE	☐ PRS	☐ VOW
☐ ABB	☐ HOL	☐ RUKN	☐ UBSN
☐ ALUN	☐ NESN	☐ SBVN	☐ UHRN
☐ CIBN	☐ NOVN	☐ SRN	☐ WINN
☐ CLN	☐ RA	☐ SUN	☐ ZUAN
☐ CSGN	☐ ROG	☐ SCMN	

☐ **ODAX**
Option contracts on the German Stock Index - DAX®

☐ **OBND**
Option contracts on Long-Term German Government Bond Futures

☐ **OBOB**
Option contracts on Medium-Term German Gov. Bond Futures

☐ **OSHZ**
Option contracts on Schatz-Futures

☐ **EUMO**
Option contracts on Three-Month-Euromark-Futures

☐ **OEU3**
Option contracts on 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

☐ **OSTX**
Option contracts on the Dow Jones STOXX® 50 Index

☐ **OESX**
Option contracts on the Dow Jones Euro STOXX® 50 Index

☐ **OUSD**
underlying Option contracts on Foreign Currencies with the US$

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
Name, first name	Product to be covered
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 qualifications to fulfil the Market Maker functions pursuant to Subsection 3.3 of the Eurex Exchange Rules.

III. We confirm that we are familiar with 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**