e u r e x *c i r c u l a r*

To: The members of Eurex Deutschland[i]
Date: Frankfurt, September 25, 1998
Ref.: CH

1. Introduction of equity options on the shares of DaimlerChrysler AG at Eurex
2. Lower Minimum Quote Quantity for the option on SAP preference shares
3. Correction to Circular 50/98 "Introduction of Euribor and Euro-LIBOR Products at Eurex"

Circular 55/98

Dear Sir or Madam,

As a result of the merger between the corporations Daimler-Benz AG and Chrysler Corporation, plans call for the initiation of quotation in DaimlerChrysler equities (also see Eurex Circular 49/98). The Eurex General Management has decided to launch options on the shares of DaimlerChrysler AG at Eurex as soon as quotation is initiated in the equity.

The following rules apply to the launch of this stock option:

Initiation of trading in DaimlerChrysler AG (SIN: 710 000; Eurex code: DCX)

The initiation of trading in the DaimlerChrysler stock at the Frankfurt Stock Exchange (FWB) is scheduled for **November 2, 1998.** Subject to the scheduled launch of DaimlerChrysler shares, trading in DaimlerChrysler options will take place at Eurex on that date for the first time.

Analogous to the Daimler option, the DaimlerChrysler option will also be introduced in the Eurex equity market segment with obligatory market making.

The form that must be used to apply for the market maker licenses is provided in Enclosure 1. The existing Maximum Spreads and Minimum Quote Quantities for the Daimler option will be valid for the quotation.

The contract specifications for the options on the shares of DaimlerChrysler AG are the same as those on which the equity options tradable at Eurex have been based to date. The contract size refers to 100 shares and the longest term to expiration of a DaimlerChrysler option is 24 months. Please refer to Enclosure 2 for the detailed contract specifications.

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

Postanschrift:
D-60284 Frankfurt
Tel. +49 (0)69-2101 5743
Fax +49 (0)69-2101 4461

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

The trading hours and transaction fees that are valid for the Group C stock options shall be applicable for the DaimlerChrysler option.

We will provide you with more detailed information as usual about two weeks before the stock option is launched.

Lower Minimum Quote Quantity for the option on SAP preference shares

To make it easier for the market makers in options on SAP preference shares to quote in this stock option and further promote liquidity in this security, the Minimum Quote Quantity for options on SAP preference shares is reduced from 25 to 10 contracts, effective **Monday, September 28, 1998**.

Mistrade regulation for Three-Month Euro Money Market Futures

As a follow-up to Eurex Circular 50/98 "Introduction of Euribor and Euro-LIBOR Products at Eurex", we would like to correct the interval indicated under Point 7 for erroneous entries (mistrades) in three-month euro money-market futures. The interval applicable for erroneous entries in the trading of three-month Euribor and Euro-Libor futures is not 35 percent but **20 percent** of the Additional Margin.

If you have any questions, please call Christine Heyde (+49-69-2101-5698, e-mail: christine_heyde@exchange.de).

Yours sincerely

Jörg Franke Christian Klapproth

Enclosures

Application for the Granting of Market Maker Licences
at the Eurex Deutschland

Enclosure 1

Eurex

Membership Unit

60284 Frankfurt

Applicant

Name of applying exchange participant

Address

Name of contact

Phone No. Fax No.

Application for the Granting of Market Maker Licences pursuant to Section 19, Paragraph 1 of the Eurex Exchange Rules

I. We herewith apply for admission as Market Maker pursuant to Section 19, Paragraph 1 of the Eurex Exchange Rules. The granting of a Market Maker License is applied for regarding the trading in

☐ We are also admitted as Exchange Participant at Eurex Zürich AG. Therefore, this application shall also be applicable to the products for which we are not a Market Maker at Eurex Zürich AG.

Option contracts on equities with the following underlying(s):

☐ ALV	☐ CBK	☐ HOE	☐ THY
☐ BAS	☐ DAI	☐ LHA	☐ VEB
☐ BAY	☐ DBK	☐ MMN	☐ VIA
☐ BMW	☐ **DCX DaimlerChrysler**	☐ PRS	☐ VOW
☐ BHW	☐ DRB	☐ RWE	
☐ BVM	☐ DTE	☐ SIE	
☐ ABB	☐ HOL	☐ RUKN	☐ UHRN
☐ ALUN	☐ NESN	☐ SBVN	☐ WINN
☐ CIBN	☐ NOVN	☐ SRN	☐ ZUAN
☐ CLGN	☐ RA	☐ SUN	
☐ CSGN	☐ RAOG	☐ UBSN	

☐ **- 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 Government Bond Futures

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

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

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

☐ - **OSTX** - Option contracts on Dow Jones STOXX® 50

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

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

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

☐ **- OCONF -** Option contracts on CONF-Future

II. The functions associated with such Market Maker Licenses will be carried out by the following persons who have already been admitted for trading at the Eurex Deutschland:

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 Section 19, Paragraph 3 of the Eurex Exchange Rules.

III. We confirm that we know the Eurex Rules and Regulations and declare that we are going to comply with these provisions in their relevant current version.

Place and Date **Company Stamp and authorized Signature**

Enclosure 2

Eurex

S p e c i f i c a t i o n s

- Stock Options -

Contract Size	100 shares. For stocks with a listed nominal value of DM 50 the contract size is 10 shares. Münchener Rückversicherung and Allianz have a contract size of 50 shares.
Minimum Price Movement	Option prices have price graduations of DM 0.10. For options on stocks with a nominal value of DM 5, price movements of DM 0.01 are possible (regardless of the value of the underlying stock).
Expiration Months	Options are available with terms up to and including: a) the next, the second and the third succeeding expiration months as well as up to and including the next two quarterly expiration months (March, June, September, December) thereafter; or b) the next, the second and the third succeeding expiration months as well as up to and including the next three quarterly expiration months (March, June, September, December) thereafter; or c) the next, the second and the third succeeding expiration months as well as up to and including the next three quarterly expiration months (March, June, September, December) thereafter and up to the next two half-year expiration months (June, December) thereafter.
Expiration Day	The expiration day of an option series is the exchange trading day following its last trading day.
Last Trading Day	The third Friday of the expiration month, if that is an exchange trading day, otherwise the exchange trading day immediately preceding this Friday.
Exercise Period	American-style, i.e. an option can be exercised up to the end of the Post-Trading Period on any exchange trading day, excluding the day of dividend resolutions.
Settlement Day	Two exchange trading days after the exercise.

Enclosure 2

Eurex

S p e c i f i c a t i o n s

- Stock Options -

Delivery	Physical delivery of 10, 50 shares or, as the case may be, 100 shares of the underlying stock.
Settlement Price	The price of the last trade in an option series during the final hour of trading on an exchange trading day. If no trades have taken place in the option series during this time or the traded price does not reflect the true market conditions, Eurex will determine the settlement price.
Margin	Eurex determines the daily margin requirement using its Risk-Based Margining method.
Exercise Price	For each expiration month, there are at least three call and three put series; at least one exercise price in-the-money, at-the-money and out-of-the-money.

Option series may have the following exercise price intervals or a multiple thereof:

Exercise Price in DM	**Exercise Price Intervals in DM****
	for stocks with a nominal value of DM 50
< = 20	1
22 - 50	2
52,50 - 100*	2,50
55 - 100	5
110 - 200	10
220 - 500	20
525 - 1.000*	25
550 - 2.000	50
>= 2.100	100
	for stocks with a nominal value of DM 5 and DM 10
< = 20	1
22 - 50	2
52,50 - 100*	2,50
55 - 200	5
> = 210	10

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

** for XXL options (maturity of 18 and 24 months) the exercise price intervals are doubled

Enclosure 2

Eurex

S p e c i f i c a t i o n s

- Stock Options -

Introduction of New Exercise Prices	All option series with new exercise prices for an existing expiration month are introduced in the Eurex system no later than at the beginning of the Pre-Trading Period of an exchange trading day if, the price in the underlying stock on the closing auction in the electronic trading system of FWB (Frankfurt Stock Exchange) has, on the two preceding trading days, exceeded the average of the two highest strike prices or fallen below the average of the two lowest then-existing strike prices. If no price in the underlying security is effected on the closing auction, the volume-weighted average of the last three "paid" prices (Bezahlt-Preise) of the respective underlying security effected on the electronic trading system of the Frankfurt Stock Exchange between the close of trading at the Frankfurt Stock Exchange and the close of trading at the Exchange (Eurex) in stock options shall be authoritative. If less than three "paid" prices are traded in the underlying stock in the electronic trading system between the close of trading at FWB and the close of trading in stock options at Eurex either, the closing price of the underlying stock traded on the floor of FWB will be finally used as the reference price. A new option series is normally not introduced if it would expire in fewer than 10 exchange trading days. However, new option series can be introduced during this period if required by market conditions.

Enclosure 2

Eurex

S p e c i f i c a t i o n s

- Stock Options -

Stock Options Available

The Eurex stock options are traded in three groups according to their expiration months:

Group A Maturities max. 1,2,3,6 and 9 Months	**Group B** Maturities max. 1,2,3,6,9 and 12 Months	**Group C** Maturities max. 1,2,3,6,9,12, 18 and 24 Months
Adidas	Lufthansa	BASF
Bilfinger und Berger	RWE	Daimler Benz
Continental	Bayer. Hypo- u. Vereinsbank	Deutsche Bank
Degussa	Mannesmann	Deutsche Telekom
Douglas Holding	Dresdner Bank	Siemens
Fresenius Vz.		VW
Henkel Vz.		Allianz-Holding
Metro		Bayer
Merck		Commerzbank
Metallgesellschaft		Hoechst
RWE Vz.		VEBA
SAP Vz.		DaimlerChrysler[1]
Schering		
VW Vz.		
Stocks with a nominal value of DM 5		
Münchener Rückversicherung VNA		
Stock with a nominal value of DM 10		
Karstadt	BMW	
Klöckner Werke	Preussag	
Linde	Thyssen	
MAN	VIAG	
Philipp Holzmann		
*Stocks with a nominal value of DM 50 **		

**A change to a nominal value of DM 5 may be possible after an agreement in the general meeting.*

Stock options in Group A are traded with obligatory designated market making. Stock options in Groups B and C are traded with obligatory market making.

[1] With the planned start of trading in DaimlerChrysler stocks as of November 2, 1998 the option on these stocks will be launched on Eurex.