X-pand into the Future

e u r e x *circular 050/02*

Date: Frankfurt, 19 June, 2002
Recipients: All Eurex members and vendors
Authorized by: Peter Reitz

⚠ **Action Required** ⚠ **High Priority**

Initiatives in the Dutch Stock Option Segment

Related Eurex Circulars: 009/00, 013/00, 080/00, 127/01

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Content may be most important for:

➲ All Departments

Attachments:

1. Contract Specifications – Dutch Stock Options
2. Contract Specifications – LEPOs on Dutch Stocks
3. Change to Section 2.2.19.5 of the Trading Conditions
4. Market Maker Quote Obligations
5. Market Maker Application
6. Permanent Market Making Agreement
7. Fax Reply – Underlying Price Data

Summary:

To increase the attractiveness of the Dutch equity option segment, the Management Boards of the Eurex Exchanges have approved the following measures to take effect from 1 July, 2002:

- Introduction of options contracts on 14 additional Dutch stocks
- Extension of maturity range up to five years (from three years currently) for Dutch stock options
- Introduction of a Permanent Market Maker model
- Increase of transaction limits
- Revenue distribution for the ten members with the highest contract volume

The Circular contains related details under the headings:

1. Additional annual (October) expirations
2. Products and Product parameters (for the 14 new Dutch stock options)
3. Revenue Distribution
4. Underlying price distribution

Initiatives in the Dutch Stock Option Segment

Owing to the growth of the Dutch equity option segment at Eurex, and in order to increase the attractiveness of the segment, on May 8, 2002 the Management Boards of the Eurex Exchanges approved the following measures to take effect 1 July, 2002:

- Introduction of options contracts on 14 additional Dutch stocks
- Introduction of two additional annual (October) expirations for Dutch stock options
- Introduction of a Permanent Market Maker model for Dutch stock options
- Increase of Dutch stock option transaction limits
- Revenue distribution for the ten members with the highest contract volume in Dutch options

1. Additional Annual (October) Expirations

With effect from 1 July, 2002, two additional expiration months of the annual October cycle will be introduced for Dutch stock options , which cover the fourth and fifth year. This will include existing options as well as the new ones. Terms of up to five years will therefore be available for all Dutch stock options (See Attachment 3).

2. Products and Product parameters

2.1 Introduction

On 1 July, 2002 the following 14 Dutch stock options including LEPOs will be introduced for trading at Eurex. The specification of the new options will follow the normal market concept for Dutch stock options at Eurex (See Attachments 1 and 2).

Stock Option	Eurex Code	WKN	ISIN	Position Limit	Market Maker Position limit	Margin Parameter
Akzo Nobel	AKU	914188	NL0000009132	42,900	128,700	10%
Buhrmann	KNP	851508	NL0000343135	19,800	59,400	16%
DSM	DSM	876300	NL0000009769	15,200	45,600	10%
Elsevier	ELV	864869	NL0000349488	110,700	332,100	10%
Fortis	FO4	982570	BE0003801181	194,000	582,000	12%
Getronics	GTO	869874	NL0000355923	61,400	184,200	18%
Gucci Group	GUCN	897687	NL0000355006	7,700	23,100	11%
Hagemeyer	HMY	851254	NL0000355477	16,300	48,900	16%
Heineken	HNK	851289	NL0000009157	29,400	88,200	10%
Moolen Holding	VMH	872271	NL0000370179	5,700	17,100	15%
Numico	NUT	856176	NL0000375558	24,600	73,800	16%
TPG	TPG	914325	NL0000009058	54,000	162,000	14%
VNU	VNU	856373	NL0000389872	35,800	107,400	14%
Wolters Kluwer	WOS	864601	NL0000395887	42,500	127,500	13%

2.2 Trading Phases (CET)

Pre-Trading	Trading	Post-Trading	Exercise Until
07:30 – 09:00	**09:00 – 17:30**	**17:30 – 18:30**	**18:30**

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D-60485 Frankfurt am Main
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Functional Member Readiness
Tel. +49-69-2101-1700
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Management Board:
Rudolf Ferscha (CEO), Jürg Spillmann,
Daniel Gisler, Thomas Lenz,
Michael Widmer

2.3 Regular and Permanent Market Making

The necessary liquidity will be provided by Market Makers. **Regular** market making will follow the normal market making scheme for options at Eurex with the quote obligations as defined in Attachment 4. If you are interested in fulfilling the market maker function for these stock options, please complete and return the Market Maker Application form (Attachment 5) **before 24 June, 2002** for the attention of **Daniel Koller, on Fax. +49 69-2101-4461**.

Additionally, members will be given the opportunity to quote all Dutch stock options on a **permanent** basis. In return, subject to fulfillment of the permanent quote obligations, which are also defined in Attachment 4, the Eurex Market maker fees will be fully reimbursed.

If you are interested in fulfilling the permanent market maker function for these stock options, please complete and return the supplementary Permanent Market Maker Agreement (Attachment 6) **before 24 June, 2002** for the attention of **Daniel Koller, on Fax +49 (0)69-21 01-44 61**.

Please note that for permanent quotation of Dutch stock options, a member must already have a regular market maker license for each product in question, or should apply for the necessary licenses using Attachment 5.

2.4 Data Vendor Codes

The data vendor codes will be published on our web-site “www.eurexchange.com” under ‘Market Place > Products > Vendor Codes’.

2.5 Transaction Limits

From 1 July, 2002 the daily transaction limits for each Dutch stock option will be raised from 4,000 to 4,500 transactions per member. The daily transaction limit for Mass Quote Release will be raised from 3,000 to 3,500 transactions per member per Dutch stock option.

2.6 OTC Minimum Block Trade Size, Minimum Size for Cross- and Pre-arranged Trades, Trading Calendar and Transaction Fees

The same values which currently relate to the existing Dutch stock options will apply, as appropriate.

2.7 Preparation for Start of Trading

Group I: AKU, KNP, DSM, ELV, FO4, GTO, GUCN;
Group II: HMY, HNK, VMH, NUT, TPG, VNU, WOS

- On 24 June and 25 June, 2002 (Group I: Monday and Group II: Tuesday) the options defined above, as well as their associated Margin Classes will be set up in the Eurex system. Corresponding back-office transactions will be transmitted electronically.
- From 25 June, 2002 (Group I: Tuesday) and 26 June, 2002 (Group II: Wednesday) after close of trading, settlement prices for all tradable contract months of the newly set up options will be transmitted. In addition, transactions for the PMI file will be generated. The theoretical prices transmitted for the options within the scope of the end of day processing after 21.00 CET, should be ignored up to and including 28 June, 2002 (Friday).
- Trading in the new Dutch options will start on Monday 1 July, 2002. Orders and quotes may be entered into the Eurex system from 07.30 CET onwards.

3. Revenue Distribution

The ten members with the highest monthly contract volume in Dutch stock options (on the A, P, and M Accounts – pre-Give-up) will benefit from a new revenue-distribution scheme.

Eurex will grant its members a participation of 50 percent in all revenue (trading and clearing fees) from the Eurex Dutch stock option segment. The distribution will be made to the top ten members according to their volume ranking, proportionately, as shown in the table below:

Member Ranking	Participation in 50 % of all Revenue
1	20 %
2	18 %
3	16 %
4	13 %
5	10 %
6	8 %
7	6 %
8	4 %
9	3 %
10	2 %

Qualifying members will be informed individually of their ranking position on a monthly basis. Payments will be made at the year-end. The revenue distribution scheme for Dutch stock option trading will begin from 1 July, 2002 and last until December 31, 2003.

4. Underlying Price Data

As with the existing options on Dutch, French and Italian stocks, the underlying price data displayed on the trading screens for the new Dutch options will be taken from the underlying price on the Frankfurt Stock Exchange (FWB) and are primarily used for the Exchange's price validation of Block trades.

For trading in the Dutch stock options it is mandatory that the fax reply (Attachment 7) is signed and returned. If you have not already signed the form in connection with the earlier introduction of Dutch stock options (see Circulars 009/00, 013/00, 080/00 and 127/01), please do so as soon as possible and return it to **David Parr - Eurex Functional Member Readiness, Fax +49 (0)69-21 01-17 01.**

Frankfurt, 19 June, 2002

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Management Board:
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Michael Widmer

Contract Specifications

Stock Options on
Dutch Shares *(OSTK)*

Contract Size

Generally, an options contract gives the buyer of a call the right to buy - or, in the case of a put, the right to sell - 100 shares of the underlying security.

Minimum Price Movement

Options prices have price gradations of EUR 0.01.

Delivery

Physical delivery of 100 shares of the underlying security.

Delivery Day

Three exchange trading days after the exercise (T+3).

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

The three nearest calendar months, as well as the following three months within the cycle January, April, July and October thereafter, and the following four October expiration months (i.e. up to a maximum lifetime of five years).

Exercise Prices

Options series may have the following exercise prices:

Exercise price in EUR	Exercise price gradation in EUR **
0 - 5	0.20
5.50 - 10	0.50
11 – 20	1.00
22 – 50	2.00
52.50 – 100*	2.50
55 – 200	5.00
>200	20.00

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

** for options within the annual October expiration cycle, the exercise price gradations are doubled

Optionable Stocks

The following equity options on Dutch stocks are tradable at Eurex:

ABN Amro	AAR		Heineken	HNK
Aegon	AEN		ING	INN
Ahold	AHO		KPN	KPN
Akzo Nobel	AKU		Moolen Holding	VMH
ASML	ASM		Numico	NUT
Buhrmann	KNP		Phillips	PHI
DSM	DSM		Royal Dutch	ROY
Elsevier	ELV		TPG	TPG
Fortis	FO4		Unilever	UNI
Getronics	GTO		VNU	VNU
Gucci Group	GUCN		Wolters Kluwer	WOS
Hagemayer	HMY			

Trading hours

9:00 a.m. until 5:30 p.m. CET.

Option Premium

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

Contract Specifications

Low Exercise Price Options (LEPOs) on Dutch Shares *(OSTK)*

Underlying Shares with LEPOs on Dutch Shares

ABN Amro	AAR		Heineken	HNK
Aegon	AEN		ING	INN
Ahold	AHO		KPN	KPN
Akzo Nobel	AKU		Moolen Holding	VMH
ASML	ASM		Numico	NUT
Buhrmann	KNP		Phillips	PHI
DSM	DSM		Royal Dutch	ROY
Elsevier	ELV		TPG	TPG
Fortis	FO4		Unilever	UNI
Getronics	GTO		VNU	VNU
Gucci Group	GUCN		Wolters Kluwer	WOS
Hagemayer	HMY			

Contract Size

Each contract is generally based on 100 shares of the basis stock value.

Minimum Price Movement

The minimum price change for options is EUR 0.01.

Delivery

Physical delivery of 100 shares of the underlying instrument.

Delivery Day

Three exchange trading days after exercise.

Last Trading Day

The third Friday of each contract month, if this is an exchange trading day; otherwise, the exchange trading day immediately preceding that Friday.

Daily Settlement Price

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

Exercise Period

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

Expiration Months

The two nearest months within the cycle January, April, July and October

Exercise Prices

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

9:00 a.m. until 5:30 p.m. CET.

Conditions for Trading at Eurex Deutschland and Eurex Zürich

2 Part: Contract Specifications

2.2 Subpart: Contract Specifications for Options Contracts

2.2.19 Sub-Subpart: Specifications for Options Contracts on Stocks of Dutch Stock Corporations (Dutch Stock Options)

2.2.19.5 Term, Close of Trading, Expiration Day

(1) Options are available at the Eurex Exchanges with terms up to and including the next, the second and third succeeding expiration days as well as up to and including the next three succeeding quarterly expiration days (January, April, July and October) thereafter and up to the next four succeeding yearly expiration days (October). Depending on the time of the purchase of the option, the term may be up to five years.

(2) …

(3) …

Market Maker Quote Obligations

And Quote Spread Classification of Equity Options

1. Equity Options Quote Obligations for Non-Dutch Equity Options

Minimum Size: 20 contracts on the bid and ask side in all option series, except for the following which have a minimum size of 50 contracts:

Options on German Stocks

- BASF, Deutsche Bank, Metro, E.ON, Deutsche Telekom, DaimlerChrysler, BMW, RWE, Bayer, VW, Thyssen Krupp, Siemens, Bayerische Hypo- und Vereinsbank.

Options on Finnish Stocks

- Nokia

Options on Swiss Stocks

- Novartis N, Swisscom, UBS N, Credit Suisse Group N, Roche Holding

Maximum Spread:

Equity Options quoted in EUR

Class I		**Class II**		**Class III**	
Bid up to	*Spread*	*Bid up to*	*Spread*	*Bid up to*	*Spread*
0 - 2.00	0.40	0 - 5.00	1.00	0 - 10.00	2.00
2.01 - 15.00	20%	5.01 - 30.00	20%	10.01 - 50.00	20%
> 15.00	3.00	> 30.00	6.00	> 50.00	10.00

Equity Options quoted in CHF

Class I		**Class II**		**Class III**	
Bid up to	*Spread*	*Bid up to*	*Spread*	*Bid up to*	*Spread*
0 - 5.00	1.00	0 - 10.00	2.00	0 - 20.00	4.00
5.01-15.00	20%	10.01-30.00	20%	20.01 - 50.00	20%
>15.00	3.00	> 30.00	6.00	> 50.00	10.00

Class IV		**Class V**		**Class VI**	
Bid up to	*Spread*	*Bid up to*	*Spread*	*Bid up to*	*Spread*
0 - 20.00	4.00	0 - 30.0	6.00	0 - 50.0	10.00
20.01 - 250.0	20%	30.1 - 250.0	20%	50.1 - 500.0	20%
> 250.00	50.00	> 250.0	50.00	> 500.0	100.0

Response to quote requests: At least 50 % of all Quote Requests have to be answered (up to a max. of 150 quote requests per day):

- within 1 minute

- with a minimum holding time of 10 seconds.

Market Maker Fees: See Price List.

Fast Market: In the Fast Market state, the maximum spreads will increase by 50%, the minimum quote size will be reduced by 50% and the maximum response time will be reduced by 50%.

Market Maker Quote Obligations
And Quote Spread Classification of Equity Options

2. Equity Options Quote Obligations for Dutch Equity Options

Minimum Size for Regular and Permanent Market Making and Maximum Spreads *:

		DJ Euro STOXX 50 Components	Non-DJ Euro STOXX 50 Components
Term: Minimum Contract Size	**Bid Price**	**Maximum Spread**	**Maximum Spread**
< 12 months :	0.00 – 0.50	0.15	0.15
Regular : 20 Contracts	0.51 – 2.50	0.15	0.20
Permanent: 50 contracts	2.51 – 5.00	0.20	0.30
	5.01 – 10.00	0.30	0.40
	10.01 – 20.00	0.40	0.50
	>20.00	0.60	0.65
12- 24 months	0.00 – 0.50	0.15	0.20
Regular 20 Contracts	0.51 – 2.50	0.15	0.30
Permanent: 30 contracts	2.51 – 5.00	0.20	0.40
	5.01 – 10.00	0.30	0.50
	10.01 – 20.00	0.40	0.60
	>20.00	0.60	0.70
> 24 months:	0.00 – 0.50	0.15	0.30
Regular: 20 contracts	0.51 – 2.50	0.20	0.40
> 24 to 36 months	2.51 – 5.00	0.30	0.50
Permanent: 20 Contracts	5.01 – 10.00	0.40	0.60
	10.01 – 20.00	0.50	0.70
	>20.00	0.60	0.80

*** The Maximum Spreads apply to both Regular and Permanent Market Making**

Regular Market Making

Response to quote requests: At least 50 % of all Quote Requests have to be answered (up to a max. of 150 quote requests per day):

- within 1 minute
- with a minimum holding time of 10 seconds.

Market Maker Fees: See Price List.

Fast Market: In the Fast Market state, the maximum spreads will increase by 50%, the minimum quote size will be reduced by 50% and the maximum response time will be reduced by 50%.

Permanent Market Making

Committed Quotation time: Average of 90% of the period between 09:00 and 17:30 CET on Exchange trading days per calendar month for all expirations up to 36 months. PMMs will be obliged to quote Calls and Puts in maturities up to 3 years for all at-the-money strikes. Additionally, quotes are required on two in-the-money or out-of-the-money strike prices on either side (asymmetrical quoting is allowed) such that a total of six quotes are outstanding.

Exemption from Obligation 3 Exchange trading days per month

Market Maker Fees: See Circular 051/02.

Fast Market: In the Fast Market state, the maximum spreads will increase by 50%, the minimum quote size will be reduced by 50% and the maximum response time will be reduced by 50%.

3. Quote Spread Classification – Non-Dutch Options Quoted in Euro

German Stock Options

Class I		Class II		Class III	
Adidas	ADS	Marschollek + Partner	MLP	Allianz	ALV
BASF	BAS	SAP	SAP	Münchner Rückversicherung	MUV2
Bayer	BAY			Porsche	POR3
BMW	BMW				
Commerzbank	CBK				
Continental	CON				
Deutsche Börse	DB1				
Deutsche Bank	DBK				
DaimlerChrysler	DCX				
Degussa	DGX				
Deutsche Post World Net	DPW				
Dresdner Bank	DRB				
Deutsche Telekom	DTE				
E.ON	EOA				
Epcos	EPC				
Fresenius Medical Care	FME				
Henkel	HEN3				
Hypo- und Vereinsbank	HVM				
Infineon	IFX				
Karstadt	KAR				
Lufthansa	LHA				
Linde	LIN				
MAN	MAN				
Metro	MEO				
Preussag	PRS				
RWE	RWE				
Schering	SCH				
Siemens	SIE				
Thyssen-Krupp	TKA				
Volkswagen	VOW				

Market Maker Quote Obligations

And Quote Spread Classification of Equity Options

Neuer Markt Stock Options

Class I		Class II		Class III	
Broadvision	BDN	Aixtron	AIX		
Consors	CSO	Mobilcom	MOB		
EM.TV	ETV				
Intershop	ISH				
Qiagen	QIA				
T-Online	TOI				

Finnish Stock Options

Class I		Class II		Class III	
Elisa Communications	EIA				
Stora Enso	ENUR				
Nokia	NOA3				
UPM-Kymmene	RPL				
Sonera	SOY				
TietoEnator	TTEB				

French Stock Options

Class I		Class II		Class III	
Aventis	AVE	TotalFinaElf	TOTB		
AXA-UAP	AXA				
BNP Paribas	BNP				
Carrefour	CAR				
France Telecom	FTE				
L'Oréal	LOR				
Orange	OAG				
Vivendi	VVU				

Italian Stock Options

Class I		Class II		Class III	
Generali	ASG				
ENI	ENT				
Telecom Italia	SET				

Market Maker Quote Obligations

And Quote Spread Classification of Equity Options

U.S. Stock Options

Class I		Class II		Class III	
AOL Time Warner	AOL	IBM	IBM		
Cisco Systems	CIS	Microsoft	MSF		
EMC	EMP				
General Electric	GEC				
Intel	INL				
Oracle	ORC				
Sun Microsystems	SSY				
Citigroup	TRV				

4. Dutch Stock Options

The following Dutch Stock Options are available for quotation under Regular or Permanent Market Making

Stock Option	Eurex Code	DJ Euro STOXX 50 Component
ABN Amro	AAR	Y
Aegon	AEN	Y
Akzo Nobel	AKU	N
Ahold	AHO	Y
ASML Holding	ASM	N
ING	INN	Y
DSM	DSM	N
Elsevier	ELV	N
Fortis	FO4	Y
Getronics	GTO	N
Gucci Group	GUCN	N
Hagemeyer	HMY	N
Heineken	HNK	N
Buhrmann	KNP	N
KPN	KPN	N
Numico	NUT	N
Philips	PHI1	Y
Royal Dutch	ROY	Y
TPG	TPG	N
Unilever	UNI	Y
Moolen Holding	VMH	N
VNU	VNU	N
Wolters Kluwer	WOS	N

5. Quote Spread Classification – Options Quoted in CHF

Class I		Class II		Class III	
ABB	ABB2	Adecco	ADEN	Givaudan	GIVN
Richemont	CFR	Ciba Spezialitätenchemie	CIBN	Holcim	HOL
Clariant	CLN	Roche	ROG	Kudelski	KUD
Credit Suisse Group	CSGN	Syngenta	SYNN	Nestlé	NESN
Novartis	NOVN			Schweizer Rückversicherung	RUKN
Swatch Group	UHRN			Swisscom	SCMN
UBS Group	UBSN			Sulzer	SUN
				Unaxis	UNAX
				Zürich Financial Services	ZURN

Class IV		Class V		Class VI	
		Julius Bär	BAER		
		Lonza	LONN		
		Rentenanstalt	RAN		
		Serono	SEO		

Application for the Granting of Market Maker Licences at Eurex



Eurex

Product Development

60485 Frankfurt

(Fax: ++49 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 Market Maker pursuant to Subsection 3.3 of the Eurex Exchange Rules.

Provided that the applying company is admitted as 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):

☐ AAR (ABN Amro)	☐ BAY (Bayer)	☐ DGX (Degussa AG)	☐ GEC (General Electric)
☐ ABB2 (ABB)	☐ BDN (Broadvision)	☐ DPW (Deutsche Post)	☐ GIVN (Givaudan)
☐ ADEN (Adecco)	☐ BMW (BMW)	☐ DRB (Dresdner Bank)	☐ **GTO (Getronics)**
☐ ADS (Adidas)	☐ BNP (BNP Paribas)	☐ **DSM (DSM)**	☐ **GUCN (Gucci Group)**
☐ AEN (Aegon)	☐ CAR (Carrefour)	☐ DTE (Deutsche Telekom)	☐ HEN3 (Henkel VZ)
☐ AHO (Ahold)	☐ CBK (Commerzbank)	☐ EIA (Elisa Communications)	☐ **HMY (Hagemeyer)**
☐ AIX (Aixtron)	☐ CFR (Richemont)	☐ **ELV (Elsevier)**	☐ **HNK (Heineken)**
☐ **AKU (Akzo Nobel)**	☐ CIBN (Ciba Spezialitäten)	☐ EMP (EMC)	☐ HOL (Holcim AG)
☐ ALV (Allianz)	☐ CIS (Cisco Systems)	☐ ENT (ENI)	☐ HVM (Hypovereinsbank)
☐ AOL (AOL Time Warner)	☐ CLN (Clariant)	☐ ENUR (StoraEnso R)	☐ IBM (IBM)
☐ ASG (Assicurazioni Generali)	☐ CON (Continental AG)	☐ EOA (E.ON)	☐ IFX (Infineon Technologies)
☐ ASM (ASML Holding)	☐ CSGN (Credit Suisse Gr.)	☐ EPC (Epcos)	☐ INL (Intel)
☐ AVE (Aventis)	☐ CSO (Consors)	☐ ETV (EM. TV & Merchand.)	☐ INN (ING)
☐ AXA (AXA-UAP)	☐ DB1 (Deutsche Börse AG)	☐ FME (Fresenius Med.Care)	☐ ISH (Intershop Comm.)
☐ BAER (Julius Bär)	☐ DBK (Deutsche Bank)	☐ FTE (France Telecom)	☐ KAR (Karstadt)
☐ BAS (BASF)	☐ DCX (Daimler Chrysler)	☐ **FO4 (Fortis AG)**	☐ **KNP (Buhrmann)**

Application for the Granting of Market Maker Licences at Eurex

☐ KPN (KPN)	☐ NOVN (Novartis)	☐ SAP (SAP)	☐ TRV (Citigroup)
☐ KUD (Kudelski)	☐ **NUT (Numico)**	☐ SCH (Schering)	☐ TTEB (TietoEnator Corp.)
☐ LHA (Lufthansa)	☐ OAG (Orange S.A.)	☐ SCMN (Swisscom)	☐ UBSN (UBS)
☐ LIN (Linde)	☐ ORC (Oracle)	☐ SEO (Serono)	☐ UHRN (The Swatch Group)
☐ LONN (Lonza)	☐ PHI1 (Philips St.)	☐ SET (Tele. Italia)	☐ UNAX (Unaxis)
☐ LOR (L'Oréal)	☐ POR3 (Porsche AG)	☐ SIE (Siemens)	☐ UNI (Unilever)
☐ MAN (MAN)	☐ PRS (Preussag)	☐ SOY (Sonera Corporation)	☐ **VMH (Moolen Holding)**
☐ MEO (Metro)	☐ QIA (Qiagen)	☐ SSY (Sun Microsystems)	☐ **VNU (VNU)**
☐ MLP (MLP)	☐ RAN (Rentenanstalt)	☐ SUN (Sulzer AG)	☐ VOW (Volkswagen)
☐ MOB (Mobilcom)	☐ ROG (Roche Holding)	☐ SYNN (Syngenta)	☐ VVU (Vivendi)
☐ MSF (Microsoft)	☐ ROY (Royal Dutch)	☐ TKA (Thyssen Krupp)	☐ **WOS (Wolters Kluwer)**
☐ MUV2 (Münchner Rück.)	☐ RPL (UPM-Kymmene Corp)	☐ **TPG (TPG)**	☐ ZURN (Zurich Financial)
☐ NESN (Nestlé)	☐ RUKN (Schweiz. Rückv.)	☐ TOI (T-Online)	
☐ NOA3 (Nokia Corporation A)	☐ RWE (RWE)	☐ TOTB (Total Fina)	

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

☐ OESA
Option contracts on the Dow Jones EURO STOXX® Automobiles Index

☐ OESB
Option contracts on the Dow Jones EURO STOXX® Banks Index

☐ OESE
Option contracts on the Dow Jones EURO STOXX® Energy Index

☐ OESH
Option contracts on the Dow Jones EURO STOXX® Healthcare Index

☐ OESI
Option contracts on the Dow Jones EURO STOXX® Insurance Index

☐ OEST
Option contracts on the Dow Jones Euro STOXX® Telecommunications Index

☐ OESX
Option contracts on the Dow Jones EURO STOXX® 50

☐ OESY
Option contracts on the Dow Jones EURO STOXX® Technology Index

☐ OEU3
Option contracts on the Three-Month Euribor Future

☐ OFOX
Option contracts on the Finnish Stock Index (HEX25)

☐ OGBL
Option contracts on Euro-BUND Futures

☐ OGBM
Option contracts on Euro-BOBL Futures

☐ OGBS
Option contracts on Euro-Schatz Futures

☐ OGTI
Option contracts on the Dow Jones Global Titans™ 50

☐ ON50
Option contracts on Nemax® 50

Application for the Granting of Market Maker Licences at Eurex

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

☐ OSTX
Option contracts on the Dow Jones STOXX® 50

☐ OSTH
Option contracts on the Dow Jones STOXX® 600 Healthcare Index

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 authorized Signature

Permanent Market Making Agreement For Dutch Equity Options

1. Preface

Eurex addresses the following proposal to all market participants interested in the status of Permanent Market Maker (hereafter denoted as PMM) in the Dutch equity options listed at Eurex.

Permanent quotation will be permitted in all Dutch equity option classes listed by Eurex.

The PMM is at liberty to choose the equity options in which they wish to make a permanent market. However, the equity options chosen must also be subject to a regular market making license agreement between Eurex and the member. This agreement therefore supplements the regular Market Maker agreement undertaken between Eurex and market making member firms in relation to Dutch stock options.

The start date for permanent market making is July 1st 2002. Resignation from the responsibilities is subject to the general rules for Eurex Market Making. Members are requested to indicate the options in which they wish to make a permanent market in accordance with this agreement and to sign and return the document to **Daniel Koller by Fax at +49 69-2101-4461.**

2. Equity Options

The PMM will provide liquidity as Market Maker in Dutch companies on a near-continuous basis. Currently, the following companies are included:

ISIN	COMPANY	PMM
NL0000301109	ABN AMRO HOLDING NV *	
NL0000301760	AEGON NV*	
NL0000334365	ASML HOLDING NV	
NL0000303568	ING GROEP NV*	
NL0000331817	AHOLD NV*	
NL0000009082	KPN NV	
NL0000009538	PHILIPS ELECTRONICS*	
NL0000009470	ROYAL DUTCH PETROLEUM*	
NL0000009348	UNILEVER NV*	
New contracts available	**from 1st July, 2002**	**PMM**
NL0000009132	AKZO NOBEL NV	
NL0000343135	BUHRMANN NV	
NL0000009769	DSM	
NL0000349488	ELSEVIER NV	
BE0003801181	FORTIS*	
NL0000355923	GETRONICS NV	
NL0000355006	GUCCI GROUP NV	
NL0000355477	HAGEMEYER	
NL0000009157	HEINEKEN NV	
NL0000288934	VAN DER MOOLEN HOLDING NV	
NL0000375558	NUMICO NV	
NL0000009058	TPG	
NL0000389872	VNU	
NL0000395887	WOLTERS KLUWER	

* Denotes DJ Euro STOXX 50 Component

3. Trading parameters for Permanent Market Makers

The trading parameters of the PMM in Dutch equity options are outlined in this document. Permanent quotation obligations will extend for all expirations up to 36 months. PMMs will be obliged to quote Calls and Puts in maturities up to 3 years for all at-the-money strikes. Additionally quotes are required on two in-the-money or out-of-the-money strike prices on either side (asymmetrical quoting is allowed) such that a total of six quotes are maintained.

Maximum Spread and Minimum Quote Size

The maximum spread indicates the largest permissible spread between the bid and ask limit for a quote to be considered as valid in the PMM performance evaluation.

		DJ Euro STOXX 50 Components	Non DJ Euro STOXX 50 Components
Term/Contract size	**Bid price**	**Maximum spread**	**Maximum spread**
Less than 12 months	0,00 - 0,50	0,15	0,15
50 contracts	0,51 - 2,50	0,15	0,20
"Fast Market" 25 contracts	2,51 - 5,00	0,20	0,30
	5,01 - 10,00	0,30	0,40
	10,01 - 20,00	0,40	0,50
	>20,00	0,60	0,65
Between 12 and 24 months	0,00 - 0,50	0,15	0,20
30 contracts	0,51 - 2,50	0,15	0,30
"Fast Market" 15 contracts	2,51 - 5,00	0,20	0,40
	5,01 - 10,00	0,30	0,50
	10,01 - 20,00	0,40	0,60
	>20,00	0,60	0,70
Between 25 and 36 months	0,00 - 0,50	0,15	0,30
20 contracts	0,51 - 2,50	0,20	0,40
"Fast Market" 10 contracts	2,51 - 5,00	0,30	0,50
	5,01 - 10,00	0,40	0,60
	10,01 - 20,00	0,50	0,70
	>20,00	0,60	0,80

Participation Rules for Permanent Quotation

Participation	Percentage during the course of one month
Committed quotation time	90% (between 09:00 – 17:30hrs)
Exemption from obligations	3 Exchange trading days per calendar month

4. Fees

Eurex PMMs in Dutch equity options will receive a full refund of related fees until December 31st 2003, subject to fulfilment of the obligations set out in this document.

5. Promotion of PMMs

Eurex will promote the PMMs and the permanent market making concept as follows:

- Publicising the PMM concept via circular, internet publications, direct mailings and further marketing and promotional initiatives.
- Eurex media releases with a general representation and promotion of the PMM concept.
- Direct calls to Eurex members to generate the necessary awareness and trading commitment among the relevant market participants (banks/online banks, brokers, trading houses etc.)
- Communication and marketing initiatives to retail customers.

6. Measures for non-fulfilment of minimum requirements

Should the minimum requirements for PMMs not be fulfilled, the following measures will be taken:

- The member will revert from PMM to standard Market Maker status
- Promotion as a PMM will be discontinued

The reimbursement of exchange fees will be granted as long as the market maker obligations for PMMs are fulfilled.

For resignation, cancellation or revocation of PMM status, the current rules for Eurex Market Makers apply.

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Commitment to PMM status in Dutch equity options

We declare that we will quote in Dutch equity options as a Permanent Market Maker on Eurex as set out in this document.

Company	Name	Date/Signature
_____	_____	_____

We agree to Eurex publicising our name within the Permanent Market Maker concept .

Company	Name	Date/Signature
_____	_____	_____

Please return this document by fax to **Daniel Koller at +49 69-2101-4461**

X-pand into the Future

Before trading Eurex options on Dutch, Italian, and French equities it is prerequisite for you to sign and return this form.
Please send it back to Eurex to Mr. David Parr, Member Readiness Fax: +49 69 2101 1701.
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Underlying Price Data Feed for Dutch, Italian, and French Equity Options on Eurex

We confirm that we have taken notice and that we acknowledge by signing this form that Eurex will not publish the underlying prices from the respective home exchange for the Dutch, Italian and French equity options on the Eurex Tickerboard window. The price source for publication of underlying prices for these equity options is the FWB (Frankfurt Stock Exchange).

We are aware that these prices are only relevant for the price validation for block trades and understand that all Eurex option price calculations such as settlement prices or mis-trade reference prices will be based on the prices of the respective home exchange.

We are conscious of the fact that this procedure is different from the procedure for the existing German, Swiss, and Finnish equity options on Eurex.

We accept and acknowledge by signing and returning this form that being aware of the above-acknowledged facts is an absolute prerequisite for trading the above-mentioned equity options.

Date: _____

Company: _____

Member ID. ___ ___ ___ ___ ___

Name and Signature: _____

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Daniel Gisler, Thomas Lenz,
Michael Widmer