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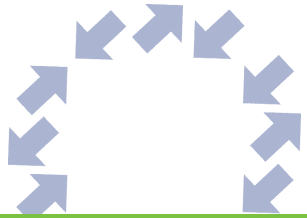
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# Profile and Organization



# Profile and Organization

Eurex

*The number of Eurex members continues to grow, totalling 320 as of March 1999, trading a total volume of 248,222,487 contracts in 1998. March was a record month for the Eurex derivatives market in many respects. With a volume of 33.8 million contracts traded, Eurex exceeded the previous record of 28.3 million contracts traded in September 1998 and also set a new standard worldwide. For the first time ever, over 30 million contracts were traded on an options and futures exchange. The U.S. exchange CBOT held the previous record, trading 28.8 million contracts in September 1997. The March trading volume at Eurex increased by 74 percent compared to March of last year.*

# Profile and Organization

Eurex

Eurex – the EURopean EXchange – provides a cross-border market that addresses trading and clearing needs on a global scale. Eurex represents the only platform for pan-European trading and clearing of a single set of standardized and innovative products with harmonized rules.

Eurex was created by Deutsche Börse AG and the Swiss Exchange in December 1996. Both parties agreed to develop and implement a single platform for their derivatives markets and trade a harmonized product range.

This single platform, created through the merger of DTB Deutsche Terminbörse and SOFFEX (Swiss Options and Financial Futures Exchange), forms the nucleus of a new European derivatives market.

Eurex is a fully electronic exchange allowing market participants decentralized and standardized access to its market on a global scale. The international access points to Eurex are located in Amsterdam, Chicago, Helsinki, London, Madrid and Paris. A further access point is planned for New York. This worldwide liquidity network provides market participants with cost-effective, fast and reliable access to the Eurex trading and clearing platform.

# Profile and Organization

HEX

*The HEX Group consists of the parent company Helsinki Exchanges Group Ltd. Oy and three wholly owned subsidiaries. Helsinki Securities and Derivatives Exchange, Clearing House Ltd. (exchange and related operations), Finnish Central Securities Depository Ltd. (the national securities depository offering clearing, registry and issuer services) and Helsinki Book-Entry Central Ltd. (a commercial book-entry register). Shareholders´ equity of Helsinki Securities and Derivatives Exchange Ltd. is FIM 110-120 million.*

*The Helsinki Exchanges comprise a competitive and efficient marketplace for Finnish securites and derivatives products providing both domestic and foreign investors, companies, and investment services enterprises a wide range of services relating to the securities market. In the future, the target of Helsinki Exchanges is to create an internationally competitive market structure in Finland, that will combine the strengths of a national marketplace with international cooperation.*

# The Cooperation

*The Cooperation*

# Eurex and Helsinki Exchanges (HEX)

*In April, 1999, Eurex and Helsinki Exchanges (HEX) signed a cooperation agreement sealing a far-reaching strategic alliance between the two markets.*

The cooperation, which is in line with the development of Eurex into a worldwide trading platform, aims at having the Finnish options and futures business transferred to the Eurex platform from September 1999 onwards.
By forging their ties, Eurex and HEX pursue the objective of providing market participants with a single joint access to as many products as possible, thus reducing costs and further improving the liquidity.

The cooperation gives all HEX and Eurex members the opportunity to trade in products based on indices and stocks of the Nordic markets, for instance stock options for Nokia. Additional Finnish and other Scandinavian Stock Options, Index Options and Futures as well as Bond Futures are planned to be listed.

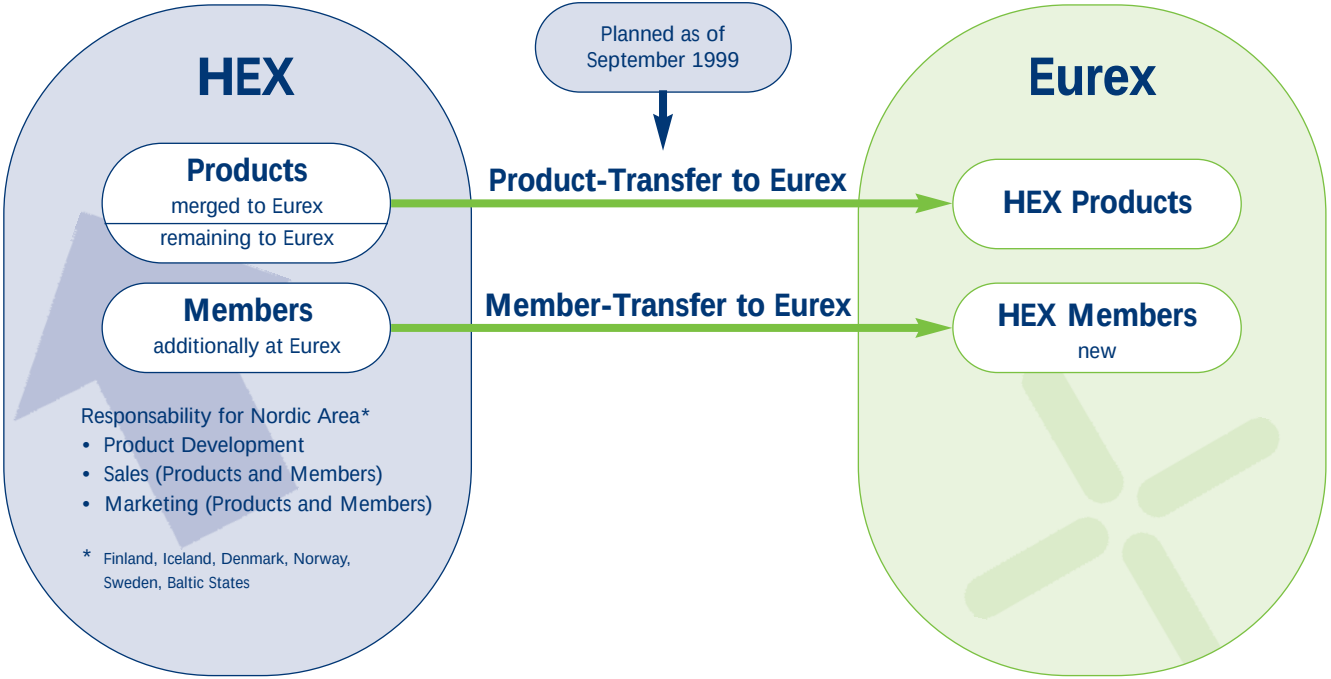
# *The Cooperation*

HEX products will move to the Eurex platform in the Fall of 1999. These products will be de-listed at HEX at the end of 1999. Additionally, new products will be introduced. In total, a pool of around 30 new products are planned to be listed during September and October 1999. It is planned that additional products will be introduced in the year 2000.

Clearing and settlement will take place via the new settlement link being established between Deutsche Börse Clearing (DBC) AG and Arvopoperikeskus (APK ) for equities. The Eurex Clearing Membership applies to all HEX members.

This means that all current HEX members can become Eurex Non-Clearing Members (NCMs) according to the Eurex Rules and Regulations. Other interested Nordic parties can similarly be admitted for trading at Eurex. The admission requirements are listed at the end of this brochure.

In the course of this cooperation, HEX will develop new derivative products and market them within the Nordic region in close coor-dination with the Eurex Sales and Product Development department.


HEX
Products
merged to Eurex
remaining to Eurex
Members
additionally at Eurex
Responsability for Nordic Area*
• Product Development
• Sales (Products and Members)
• Marketing (Products and Members)
* Finland, Iceland, Denmark, Norway, Sweden, Baltic States
Planned as of September 1999
Product-Transfer to Eurex
Member-Transfer to Eurex
Eurex
HEX Products
HEX Members
new

# Products

# *Products*

## on Eurex

*The spectrum of equity-based products includes options on 41 blue chip German equities, as well as options on 17 Swiss equities, including Low Exercise Price Options. These so-called LEPOs permit the synthetic trading of underlying securities in the Eurex system.*

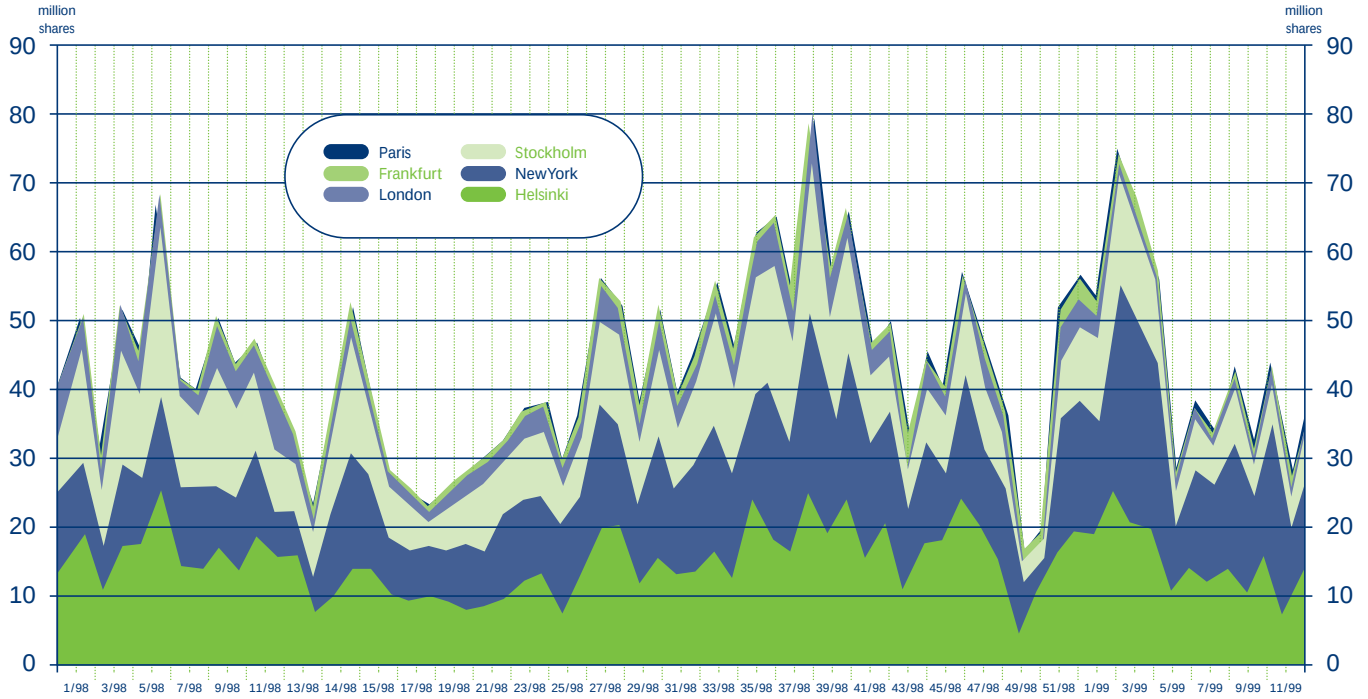
Eurex index products include futures and options on the Dow Jones STOXX[SM] 50, as well as futures and options on the Dow Jones Euro STOXX[SM] 50. Furthermore, investors may choose from three products linked to the German stock index DAX[®] and the German midcap index, MDAX[®], as well as two products linked to the Swiss stock index SMI[®].

The range of money market products includes the One-Month and Three-Month EURIBOR Futures as well as the Option on the Three-Month EURIBOR Future.

The choice of capital market products available for investors covers the Euro SCHATZ Futures and Options on the Euro SCHATZ Futures, the Euro BOBL Futures and Options on the Euro BOBL Futures, the Euro BUND Futures and Options on the Euro BUND Futures, the CONF Futures and Options on the CONF Futures, the COMI Futures, as well as the Euro BUXL Futures.

# *Weekly Turnover (1/98 – 14/99)*

## of Nokia share



# *Products*

## on HEX

Nokia and FOX index options – the most liquid Finnish derivative products – will in accordance with the Eurex-HEX strategic alliance, be traded on the Eurex trading platform from September 1999 onwards. Helsinki competes with NYSE for the largest share of the trading volume in Nokia on the cash as well as on derivative market. HEX features the most active European market for the Nokia share and has one of the lowest total trading costs for this share in the European time zone. The Eurex-HEX strategic alliance should lead to an even larger trading volume in the Nokia option.

Options on HEX underlyings and FOX options are traded ordinarily on the electronic trading system of HEX. Options on Finnish underlyings are American with physical delivery and FOX Options European with cash settlement.
The underlying asset of a FOX index option contract is the notional FOX stock basket.
The Finnish Traded Stock Index – FOX – is a capitalization weighted share price index.
It is calculated on a continuous basis from the most recent prices of the 25 most traded shares on the Helsinki Exchanges, HEX. The underlying assets of the Finnish options are the stocks quoted on the Helsinki main list.

# Membership

# Membership

*Institutions wishing to trade at Eurex must be admitted as Eurex exchange members. HEX, as cooperation partner, supports its participants in the admission process which has been simplified for HEX members.*

Companies fulfilling the following conditions may apply for Eurex membership:

- conduction of derivatives trading in a commercial manner as well as evidence that the respective exchange member is subject to proper banking or exchange regulation in its country of origin
- minimum liable equity capital of EUR 51,129.19 (equivalent to DEM 100,000)
- admission and registration of at least one exchange trader
- compliance with mandatory technical requirements for connection to the Eurex system
- participation in the clearing process – either in the capacity of General Clearing Member or Direct Clearing Member, or as a Non-Clearing Member on the basis of a corresponding clearing agreement with a General Clearing Member

Additionally, all exchange members may apply for a market maker license for one or several products. Market makers are obliged to quote binding bid and offer prices at any time, upon request, in the products for which they hold a license. In turn, they enjoy the benefit of reduced transaction fees.

# Clearing Membership

*The admission as an exchange member is subject to participation in the clearing process, which may take place either as a Clearing Member (General Clearing Member/ Direct Clearing Member), or as a Non-Clearing Member.*

With a General Clearing Member (GCM) license, the exchange member concerned is authorized to clear its own transactions as well as those of its customers and of Non-Clearing Members (NCM). A Direct Clearing Member (DCM) license entitles the company or exchange member to carry out the clearing for its own transactions, those of its customers and of 100% affiliated Non-Clearing Members.

General Clearing Members must have a minimum liable equity capital or own funds of EUR 125 million and pledge a clearing guarantee in the amount of EUR 5 million. The minimum equity capital of Direct Clearing Members is EUR 12.5 million; they must pledge a guarantee amounting to EUR 1 million.

Both GCM and DCM must maintain cash clearing accounts with Deutsche Börse Clearing AG, the Landeszentralbank Hessen (LZB) and the Schweizerische Nationalbank (SNB) as well as a securities custody account with Deutsche Börse Clearing AG or the Swiss Securities Clearing Corporation (SEGA), respectively. Currently, banks domiciled in Germany or Switzerland are eligible for admission as Clearing Members.

# Membership Costs

| | General Clearing Member (GCM) | Direct Clearing Member (DCM) | Non-Clearing Member (NCM) |
|---|---|---|---|
| **Bank Guarantee** | EUR 5 million | EUR 1 million | – |
| **Upfront Trading Admission Fee** | – | – | – |
| **Upfront Clearing Admission Fee** | EUR 50,000 or CHF 85,000 | EUR 50,000 or CHF 85,000 | – |
| **Annual Trading Fee** | – | – | – |
| **Annual Clearing Fee** | EUR 25,000 or CHF 42,500 | EUR 25,000 or CHF 42,500 | – |
| **Minimum Transaction Fee Volume (per member and month)** | EUR 2,250* or CHF 3,825 | EUR 2,250* or CHF 3,825 | EUR 2,250* or CHF 3,825 |

* In the event of a shortfall in the actual monthly transaction fee volume below EUR 2,250 or CHF 3,825, the participant will be charged the shortfall amount.

**Communication Costs**

- Monthly communication costs: two lines free for each location of a participant
- Monthly communication costs for each additional line: EUR 1,500*

* The charge for a third line for a participant's location will be waived in the case of the participant's transaction fee volume amounting to a minimum of EUR 67,500 or CHF 114,750, respectively.

# Admission of Traders

*Professional aptitude is a major prerequisite for admission as an exchange trader.*

All persons appointed on behalf of applicants must have sufficient knowledge of the system and pass the Eurex Traders' Examination. Preparatory courses and the exam are held in Frankfurt, London, Paris, Zurich, Chicago and Helsinki. Upon request, however, it is possible to hold such a course and the exam at the member's premises (subject to approval by the Member Training Department).

**Trader Examination**

The examination consists of 144 questions which are selected electronically at random from a pool of approximately 2,600 questions. The questions cover eight main subjects. The duration of the examination is 3.5 hours and the test is considered passed if at least 75 percent of the questions in two sections have been answered correctly. Examinations are held in either German or English. In the frame of the Eurex-HEX cooperation, traders registered at HEX can take a shortened examination which will be organized regularly in Helsinki and other Scandinavian cities, if needed.

**Training**

The Training and Education Department of Eurex also offers the following courses:

- System Training: Trading
- System Training: Clearing

These courses provide participants with the opportunity to gain a hands-on overview of the trading system, and to familiarize themselves with all specific trading and clearing functions and the operation of screens.

# Trial Offer

*HEX participants wishing to become a Eurex member can benefit from a special trial offer until June 30, 1999.*

*HEX members may apply for the installation and maintenance, free of charge, of 2 trader workstations for a period of 12 months. In addition to hardware and software this offer also includes support services. Please contact our Business Development Department, whose numbers are listed at the back of this brochure.*



**Contacts**
Eurex Frankfurt AG
Börsenplatz 7–11
D-60313 Frankfurt/Main

**Key Account Europe**
Ms. Gabriele Ristau
T +49 (0)69-21 01-57 41
F +49 (0)69-21 01-44 77

**Eurex-HEX Joint Team**

**At HEX Ltd.**
Mr. Anders Lindeberg
T +358 9 6166 7282
F +358 9 6166 7367

Ms. Heli Sirkiä
T +358 9 6166 7246
F +358 9 624 506

**At Eurex Frankfurt AG**
Ms. Helena Nikkilä
T +49 (0)69-21 01-53 58
F +49 (0)69-21 01-39 41

Mr. Nicolas von Kageneck
T +49 (0)69-21 01-57 93
F +49 (0)69-21 01-39 41

**Training, Trader Examination**
Ms. Gudrun Köhler
T +49 (0)69-21 01-37 67
F +49 (0)69-21 01-37 63



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