X-pand into the Future

e u r e x *circular 090/00*

Date: Frankfurt, 01 November, 2000
Recipients: All Eurex members and vendors
Authorised by: Jörg Franke

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

Introduction of Stock Options on Deutsche Post World Net and MLP Vz., and on the Swiss Stocks Julius Bär, Kudelski, Richemont, Serono, Syngenta und Unaxis

Related Eurex Circulars: 089/00

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Content may be most important for:

➲ All Departments

Attachments:

1. Contract Specifications - German Stock Options
2. Contract Specifications - Swiss Stock Options
3. Contract Specifications - LEPOs on Swiss Stocks
4. Market Maker Obligations - German Stock Options
5. Market Maker Obligations - Swiss Stock Options
6. Market Maker Application - Options

Summary:

On **13 November, 2000** Eurex will introduce a stock option on the Swiss stock Syngenta AG (Spin-off from Novartis). Syngenta shares will be traded on SWX from 13 November, 2000 and will be included in the SMI Index from the same date.

On **20 November, 2000** Eurex will introduce stock options on the German stocks Deutsche Post World Net (with expirations up to 24 months) and on MLP Vz. with expirations up to 12 months. Also **on 20 November, 2000** Eurex will introduce stock options on the Swiss stocks Julius Bär, Kudelski, Richemont, Serono and Unaxis with expirations up to 9 months.

The circular contains further information under the following headings:

1. Products and Product Parameters
2. Trading Phases
3. Market Making
4. Data Vendor Codes
5. Transaction limits, OTC Minimum Block Trade Size, Minimum Size for Cross- and Pre-arranged Trades, Trading Calendar and Transaction Fees
6. Preparation for Start of Trading

Introduction of Stock Options on Deutsche Post World Net and MLP Vz., and on the Swiss Stocks Julius Bär, Kudelski, Richemont, Serono, Syngenta and Unaxis

On 25 October, 2000 the management boards of Eurex Deutschland and Eurex Zürich made the decision to introduce stock option, including LEPOs on:

- the Swiss stock Syngenta with expirations up to 9 months, on 13 November, 2000
- German stocks Deutsche Post World Net with expirations up to 24 months, and on MLP Vz. with expirations up to 12 months, on 20 November, 2000
- Swiss stocks Julius Bär, Kudelski, Richemont, Serono and Unaxis with expirations up to 9 months, also on 20 November, 2000.

The introductions will take effect provided that at least three market makers have agreed to the quote obligations for each of the options.

The new options will conform to the normal Eurex contract specifications for German and Swiss stock options / LEPOs, as appropriate (Attachments 1 to 3).

With the introduction of these stock options, Eurex members are provided with the opportunity to trade additional options on German stocks from the DAX and MDAX market segments, and additional options on Swiss stocks from the SMI Blue Chip index.

1. Products and Product Parameters

Stock option	Eurex Code	WKN	ISIN	Position Limit	Market Maker Position limit	Margin interval
Dt. Post World Net	DPW	555200	DE0005552004	83,500	250,500	13%
MLP Vz.	MLP3	656993	DE0006569932	3,000	9,000	16%
Julius Bär	BAER	865625	CH0004649528	13,700	41,100	12%
Kudelski	KUD	915684	CH0000734043	6,900	20,700	18%
Richemont	CFR	875863	CH0001609863	7,900	23,700	8%
Serono	SEO	873438	CH0010751920	17,500	52,500	12%
Syngenta	SYNN	580854	CH0011037469	152,000	456,000	10%
Unaxis	UNAX	863037	CH0000816824	19,800	59,400	9%

2. Trading Phases

German Stock Options

Pre-Trading	Trading	Exercises	Post Trading
07:30 – 09:00 CET	09:00 – 20:00 CET	09:00 – 21:00 CET	20:00 – 21:00 CET

Swiss Stock Options

Pre-Trading	Trading	Exercise	Post-Trading
07:30 – 09:00	09:00 – 16:55	09:00 – 18:30	16:55 – 18:30

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Management Board:
Dr. Jörg Franke, Rudolf Ferscha,
Otto E. Nägeli, Jürg Spillmann,
Michael Widmer

3. Market Making

Market making will follow the normal market making scheme for options at Eurex with the quote obligations as defined in Attachments 4 and 5. If you are interested in fulfilling the market maker function for these stock options, please complete and return the Market Maker Application form (Attachment 6) before 09 November, 2000 for the attention of **Ms Kilian, on Fax. +49 (0)69-2101-3802**.

4. Data Vendor Codes

The data vendor codes will be published on our web-site "www.eurexchange.com" under the path ' Entrance Hall / Products / Vendor Codes' after we receive them from the vendors.

5. Transaction limits, 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 German and Swiss stock options will apply, as appropriate.

6. Preparation for Start of Trading

- On **9 November, 2000** (Thursday) the **Syngenta** stock option and margin class will be set up in the Eurex system. Corresponding back office messages will be transmitted.
- After close of trading on **10 November, 2000** (Friday) settlement prices for all contract months of the new option will be transmitted. In addition, transactions for the PMI file will be generated. The theoretical prices for the new option which are transferred within the scope of the overnight batch procedures should be ignored.
- On Monday **13 November, 2000** trading in the new Syngenta stock option will begin. Orders and quotes can be entered into the Eurex system from 07.30 CET.

The same sequence of operations will apply **one week later** (**16 November to 20 November, 2000)** for the introduction of the options on **Deutsche Post World Net, MLP Vz., Julius Bär, Kudelski, Richemont, Serono and Unaxis.**

Frankfurt 01 November, 2000

Contract Specifications for:

Stock Options on German 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. Allianz and Münchener Rückversicherung have a contract size of 50 shares.

Minimum Price Movement

Options prices have price gradations of EUR 0.01 (Exception SAP3 with a minimum price movement of EUR 0.1)

Delivery

Physical delivery of 100, respectively 50, shares of the underlying security.

Delivery Day

Two exchange trading days after the exercise.

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 21:00 CET on any exchange trading day during the life of the option.

Expiration Months

Options are available with terms up to and including:

Group B shares: the three nearest calendar months, as well as the following three months within the cycle March, June, September and December thereafter (i.e. up to a maximum of 12 months).

Group C shares: the three nearest calendar months, as well as the following three months within the cycle March, June, September and December thereafter, and the following two months within the cycle June and December thereafter (i.e. up to a maximum of 24 months).

Exercise Prices

Options series may have the following exercise prices:

Exercise prices	**Exercise price gradation**
to EUR 5	EUR 0.20
EUR 5.5 to EUR 10	EUR 0.50
EUR 11 to EUR 20	EUR 1
EUR 22 to EUR 50	EUR 2
EUR 52.50 to EUR 100[1]	EUR 2.50
EUR 55 to EUR 200	EUR 5
EUR 210 and above	EUR 20

[1] Only for the first and second contract months, and only for at-the-money exercise prices

For each expiration month, there are at least three call and three put series, each with an in-the-money, at-the-money and out-of-the-money strike price. For options contracts with 18- and 24-month durations, the exercise price gradations are doubled.

Optionable Stocks

Eurex stock options on German stocks are traded in the following groups according to their expiration months:

Group A 1, 2, 3, 6 and 9 months	Group B 1, 2, 3, 6, 9 and 12 months	Group C 1, 2, 3, 6, 9, 12, 18 and 24 months
None	Adidas (ADS)	Allianz-Holding (ALV)
	BMW (BMW)	BASF (BAS)
	Consors Discount Broker (CSO)	Bayer (BAY)
	Degussa-Hüls (DHA)	Bay. Hypo. und Vereinsbank (HVM)
	EM.TV & Merchandising (ETV)	Commerzbank (CBK)
	EPCOS (EPC)	Daimler Chrysler (DCX)
	Fresenius Medical Care (FME)	Deutsche Bank (DBK)
	Henkel Vz. (HEN3)	Deutsche Post World Net (DPW)
	Infineon(IFX)	Deutsche Telekom (DTE)
	Intershop (ISH)	Dresdner Bank (DRB)
	Karstadt (KAR)	E.On (EOA)
	Linde (LIN)	SAP Vz. (SAP3)
	Lufthansa (LHA)	Siemens (SIE)
	MAN (MAN)	VW (VOW)
	Metro (MEO)	
	MLP Vz. (MLP3)	
	Mobilcom (MOB)	
	Münchner Rückversicherung (MUV2)	
	Preussag (PRS)	
	RWE (RWE)	
	Schering (SCH)	
	Thyssen Krupp (TKA)	
	T-Online (TOI)	

Option Premium

Payable in full in the respective EUR value on the first exchange day after the buy date.

Trading Hours

09:00 until 20:00. CET.

Contract Specifications for:

Stock Options on Swiss Shares (OSTK)

Contract Size

Contracts are generally based on 10 shares of the underlying instrument. As exceptions, options contracts on Julius Bär and Roche Holding GS are for 1 share of the underlying security.

Minimum Price Change

Option price	Minimum Price Change
CHF 0.10 to CHF 9.90	CHF 0.10
CHF 10.00 to CHF 19.80	CHF 0.20
CHF 20.00 to CHF 299.50	CHF 0.50
CHF 300.00 and above	CHF 1.00

Delivery

Physical delivery of 10 shares, or 1 share, respectively, of the underlying security.

Delivery Day

Three exchange trading days after exercise.

Last Trading Day

The third Friday of the expiration month, if that is an exchange trading day; otherwise, the exchange trading day immediately prior to that Friday.

Daily Settlement Price

The last traded price of the trading day; or, if the last traded price is older than 15 minutes or does not reasonably reflect the prevailing market conditions, then Eurex will establish the official settlement price.

Exercise

American style, i.e. an option can be exercised up to the end of the Post-Trading Period on any exchange trading day during the lifetime of the option.

Expiration Months

Options are available with lifetimes up to and including:

Group A shares: the three nearest calendar months, as well as the following two months within the cycle March, June, September and December thereafter (i.e. up to a maximum lifetime of 9 months).

Group C shares: the three nearest calendar months, as well as the following three months within the cycle March, June, September and December thereafter, and the following two months within the cycle June and December thereafter (i.e. up to a maximum lifetime of 24 months).

For each expiration month, there are at least three call and three put series, providing an in-the-money, at-the-money and out-of-the-money exercise price.

Exercise Prices

Options series may have the following exercise prices:

For remaining terms of 1 and 2 months

Exercise Prices	Exercise Price intervals
CHF 5 to CHF 195	CHF 5
CHF 200 to CHF 390	CHF 10
CHF 400 to CHF 975	CHF 25
CHF 1,000 to CHF 1,950	CHF 50
CHF 2,000 to CHF 4,900	CHF 100
CHF 5,000 and above	CHF 200

For remaining terms of 3 to 12 months

Exercise Prices	Exercise Price intervals
CHF 10 to CHF 190	CHF 10
CHF 200 to CHF 380	CHF 20
CHF 400 to CHF 950	CHF 50
CHF 1,000 to CHF 1,900	CHF 100
CHF 2,000 to CHF 4,800	CHF 200
CHF 5,000 and above	CHF 400

For remaining terms of 13 to 24 months

Exercise prices	Exercise Price intervals
CHF 20 to CHF 180	CHF 20
CHF 200 to CHF 360	CHF 40
CHF 400 to CHF 900	CHF 100
CHF 1,000 to CHF 1,800	CHF 200
CHF 2,000 to CHF 5,200	CHF 400
CHF 5,600 to CHF 11,200	CHF 800
CHF 12,000 and above	CHF 1,000

Underlying Instruments

Eurex options on Swiss stocks are traded in the following groups according to their expiration months:

Group A **1, 2, 3, 6 and 9 months**	**Group B** **1, 2, 3, 6, 9 & 12 months**	**Group C** **1, 2, 3, 6, 9, 12, 18 and 24 months**
Adecco N (ADEN)	None	ABB N (ABBN)
Givaudan N (GIVN)		Algroup N (ALUB)
Holderbank I (HOL)		Ciba Spezialitätenchemie Holding N (CIBN)
Julius Bär (BAER)		Clariant N (CLN)
Kudelski (KUD)		Credit Suisse Group N (CSGN)
Rentenanstalt / Swiss Life N (RAN)		Lonza Group AG (LONN)
Richemont (CFR)		Nestle N (NESN)
SAir Group N (SRN)		Novartis N (NOVN)
Serono (SEO)		Roche Holding GS (ROG)
Sulzer N (SUN)		Schweiz. Rückversicherung N (RUKN)
The Swatch Group N (UHRN)		Swisscom (SCMN)
Syngenta (SYNN)		UBS AG N (UBSN)
Unaxis (UNAX)		Zürich Allied N (ZURN)

All options on Swiss stocks are subject to mandatory market making.

Option Premium

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

Trading Hours

9:00 a.m. until 4:55 p.m. CET.

Contract Specifications

Low Exercise Price Options (LEPOs) on Swiss Shares

Underlying Shares with LEPO Contracts

ABB N (ABBN)
Adecco N (ADEN)
Alcan/Lonza basket (ALUB)
Ciba Spezialitätenchemie Holding N (CIBN)
Clariant N (CLN)
Credit Suisse Group N (CSGN)
Givaudan N (GIVN)
Holderbank I (HOL)
Juius Bär (BAER)
Kudelski (KUD)
Lonza Group AG (LONN)
Nestlé N (NESN)
Novartis N (NOVN)
Rentenanstalt/Swiss Life N (RAN)
Richemont (CFR)
SAir Group N (SRN)
Serono (SEO)
Schweiz. Rückversicherung N (RUKN)
Sulzer N (SUN)
The Swatch Group N (UHRN)
Swisscom N (SCMN)
Syngenta (SYNN)
UBS AG N (UBSN)
Unaxis (UNAX)
Zürich Allied N (ZURN)

Contract Size

Each LEPO contract is based on 10 shares of the underlying security with the exception of Julius Bär with a contract size of 1 share.

Minimum Price Movement

Option Price	Minimum Price Movement
CHF 0.10 to CHF 9.90	CHF 0.10
CHF 10.00 to CHF 19.80	CHF 0.20
CHF 20.00 to CHF 299.50	CHF 0.50
CHF 300.00 and above	CHF 1.00

Delivery

Physical delivery of 10 shares (for Julius Bär, 1 share) of the underlying security.

Delivery Day

Three exchange trading days after the exercise.

Last Trading Day

The third Friday of the expiration month, if that is an exchange trading day; otherwise, the exchange trading day immediately prior to that Friday.

Daily Settlement Price

CHF 1 below the last traded price of the underlying security.

Exercise

American style, i.e. an option can be exercised up to the end of the Post-Trading Period on any exchange trading day during the lifetime of the option.

Expiration Months

The two nearest months within the cycle March, June, September, December.

Exercise Price

All LEPO contracts have an exercise price of CHF 1.

Option Premium

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

Trading Hours

9:00 a.m. until 4:55 p.m. CET.

Market Maker Quote Obligations

German Equity Options

Minimum Size:

50 contracts on the bid and ask side in all option series. Exceptions are Münchener Rückversicherung with 5 and Allianz, SAP Vz. and options on Neuer Markt Shares with 10 contracts.[1]

Maximum Spread:

Regular Spread

Bid up to	*Spread*
1.33	0.20 EUR
6.66	15 %
999.80	1.00 EUR

Exceptions

Adidas, Allianz, Consors, Intershop, Münchener Rückversicherung, SAP Vz.,and Schering.

Bid up to	*Spread*
10.00	1.00 EUR
20.00	2.00 EUR
30.00	3.00 EUR
50.00	4.50 EUR
9999.80	10 %

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 5 minutes
- with a minimum holding time of 10 seconds.

Market Maker Fees:

Refer to Price List

[1] In the "Fast Market" product status a reduced Minimum Size of 25 contracts applies. Exceptions are options on Allianz, SAP Vz. and Neuer Markt shares with 5 contracts, and options on Münchner Rück. with 3 contracts.

Market Maker Quote Obligations

Swiss Equity Options

Minimum Size: 5 contracts on the bid and ask side in all option series[1].

Maximum Spread:

Regular Spread

Bid up to	***Spread***
29.50	6.00 CHF
249	20 %
9999.8	50.00 CHF

Exceptions Julius Bär, Roche Holding GS

Bid up to	***Spread***
49.50	10.00 CHF
449	20 %
9999.8	100.00 CHF

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 5 minutes
- with a minimum holding time of 10 seconds.

Market Maker Fees: Refer to Price List

[1] In the “Fast Market“ product status a reduced Minimum Size of 3 contracts applies

Application for the Granting of Market Maker Licences at Eurex

Eurex

Membership

60284 Frankfurt

(Fax: ++49 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 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)	☐ CIBN (Ciba Spezialitäten)	☐ ETV (EM. TV & Merchand.)	☐ LHA (Lufthansa)
☐ ABBN (ABB)	☐ CLN (Clariant)	☐ FME (Fresenius Med.Care)	☐ LIN (Linde)
☐ ADEN (Adecco)	☐ CSGN (Credit Suisse Gr.)	☐ FOT (Fortum Corporation)	☐ LONN (Lonza)
☐ ADS (Adidas)	☐ CSO (Consors)	☐ GIVN (Givaudan)	☐ MAN (MAN)
☐ AEN (Aegon)	☐ DBK (Deutsche Bank)	☐ HEN3 (Henkel VZ)	☐ MEO (Metro)
☐ AHO (Ahold)	☐ DCX (Daimler Chrysler)	☐ HOEC (Hoechst)	☐ **MLP3 (MLP Vz.)**
☐ ALUB (Alcan/Lonza basket)	☐ DHA (Degussa Hüls)	☐ HOL (Holderbank)	☐ MMN (Mannesmann)
☐ ALV (Allianz)	☐ **DPW (Dt. Post World Net)**	☐ HUKI (Huhtamäki I)	☐ MOB (Mobilcom AG)
☐ ASG (Generali)	☐ DRB (Dresdner Bank)	☐ HVM (Bayer.Hypo-.Vereinsb.)	☐ MSRB (Metsä-Serla Corp.B)
☐ **BAER (Julius Bär)**	☐ DTE (Deutsche Telekom)	☐ INN (ING)	☐ MUV2 (Münchner Rück.)
☐ BAS (BASF)	☐ EIA (Elisa Communications)	☐ IFX (Infineon Technologies AG)	☐ NESN (Nestlé)
☐ BAY (Bayer)	☐ ENT (ENI)	☐ ISH (Intershop Comm. AG)	☐ NOA3 (Nokia Corporation A)
☐ BMW (BMW)	☐ ENUR (StoraEnso R)	☐ KAR (Karstadt)	☐ NOVN (Novartis)
☐ CBK (Commerzbank)	☐ EOA (E.ON)	☐ KPN (KPN)	☐ PHI1 (Philips St.)
☐ **CFR (Richemont)**	☐ EPC (Epcos AG)	☐ **KUD (Kudelski)**	☐ PRS (Preussag)

☐ RAN (Rentenanstalt)	☐ SCH (Schering)	☐ SRN (Sair Group)	☐ UHRN (The Swatch Group)
☐ ROG (Roche Holding)	☐ SCMN (Swisscom)	☐ SUN (Sulzer)	☐ **UNAX** (Unaxis)
☐ ROY (Royal Dutch)	☐ **SEO (Serono)**	☐ **SYNN (Syngenta)**	☐ UNl (Unilever)
☐ RPL (UPM-Kymmene	☐ SET (Tele. Italia)	☐ TKA (Thyssen Krupp)	☐ VIA (E.ON)
☐ RUKN (Schweiz. Rückv.)	☐ SIE (Siemens)	☐ TOI (T-Online)	☐ VLM (Metso Corporation)
☐ RWE (RWE)	☐ SMPA (Sampo Insurance)	☐ TTEB (TietoEnator Corp.)	☐ VOW (Volkswagen)
☐ SAP3 (SAP VZ.)	☐ SOY (Sonera Corporation)	☐ UBSN (UBSAG)	☐ ZURN (Zurich Finan. Serv.)

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

☐ OFOX
Option contracts on the Finnish Stock Index (FOX®)

☐ ON50
Option contracts on Nemax® 50

☐ OEU3
Option contracts on the Three-Month Euribor Future

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

☐ 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

☐ OESX
Option contracts on the Dow Jones Euro STOXX 50

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