X-pand into the Future

e u r e x *circular 083/03*

Date: Frankfurt, August 6, 2003
Recipients: All Eurex members and vendors
Authorized by: Jürg Spillmann

High Priority

Additional Details about the Changes to the Amount of Contractual Penalties in the Event of Default of a Clearing Member

Related Eurex Circulars: 118/99, 079/03

Contact: Functional Helpdesk Clearing, Tel. +49-69-211-1 12 50

Content may be most important for:	**Attachments:**
➲ Front Office / Trading ➲ Middle + Back Office ➲ Auditing / Security Coordination	Updated Version of Section 1.7.1 of the Clearing Conditions of Eurex Clearing AG

As a response to several queries from Eurex participants with regard to Eurex Circular 079/03, we would like to further explain the changes to the amount of contractual penalties in the event of default of a Clearing Member.

The changes to section 1.7.1 of the Clearing Conditions of Eurex Clearing AG refer to all forms of late payment (also for the late delivery of shares) of a Clearing Member as specified in paragraph 1 of this section. Thus, the changes also concern the cash calls/withdrawals every morning for variation margin, option premium and transaction fees. Within this context, the contractual penalty pursuant to section 1.7.1, paragraph 4 of the Clearing Conditions of Eurex Clearing AG was reduced by 95 percent (0.5 percent => 0.025 percent) and only the minimum amount of a possible contractual penalty was raised from EUR 500 to EUR 2,500. Besides, the maximum amount was fixed to EUR 25,000 in order to limit financial risks for the members.

Please also refer to the attachment for the updated version of section 1.7.1 of the Clearing Conditions of Eurex Clearing AG.

Contractual penalties for late deliveries which might be caused through exercised/assigned stock options on German and Swiss equities remain unchanged. Within this context, we would like to refer to Eurex Circular 118/99 which specifies the amount of contractual penalties in case of default and which remains effective until further notice. The exact regulations for each product group can be found in Part 2 of the Clearing Conditions of Eurex Clearing AG, for each case in subsection “Default in Delivery or Payment”.

Eurex Clearing AG
Neue Börsenstraße 1
D-60487 Frankfurt/Main

Mailing address:
D-60485 Frankfurt/Main
T +49-69-2 11-1 17 00
F +49-69-2 11-1 17 01

Internet:
www.eurexchange.com

Chairman of the Supervisory Board:
Dr. Markus Granziol

Executive Board:
Rudolf Ferscha (CEO),
Daniel Gisler, Thomas Lenz,
Peter Reitz, Jürg Spillmann,
Michael Widmer

Aktiengesellschaft mit Sitz
in Frankfurt/Main
HRB Nr. 44828
Amtsgericht Frankfurt/Main

I Chapter:
Clearing of Transactions at Eurex Deutschland and Eurex Zürich

1 Part:
General Provisions

...

1.7 Subpart:
Default

1.7.1 Events of Default

(1) ...

(2) ...

(3) ...

(4) ... Irrespective of whether Eurex Clearing AG has suffered any damage, the defaulting Clearing Member shall be obligated to pay a contractual penalty in the amount of 0.025 percent of the outstanding amount, but no less than EUR 2,500 - or the corresponding equivalent in CHF - per calendar day, however, no more than EUR 25,000 or the corresponding equivalent in CHF. If the amount calculated from the above percentage exceeds EUR 25,000, the amount of the contractual penalty shall - notwithstanding the provisions in sentence 2 - be calculated according to a percentage of the outstanding amount, such percentage having been defined in advance by Eurex Clearing AG. ...

Deleted: 850

Deleted: plus a percentage of the outstanding amount to be announced by Eurex Clearing AG in advance

(5) ...

...