

# Trading Conditions

## 2 Part - Contract Specifications

### 2. 2 Subpart

Contract Specifications for Options Contracts

#### 2.2.11 Sub-Subpart

Specifications for Options Contracts on Futures Contracts on a Notional Long-Term Debt Security of the Federal Republic of Germany (Options on a Euro Bund Futures)

##### 2.2.11.1 Subject Matter of Contract

An option relates to a Euro Bund Futures contract pursuant to subsection 2.1.12.1 et seq. of the available Euro Bund futures months with specified terms.

##### 2.2.11.2 Call Option (Call)

1. The purchaser of a call option ("Call") has the right to demand the opening of a long position in the Euro Bund Futures contract with the stipulated exercise price.
2. The writer of a call is required, on the Exchange day after exercise, to establish a short position in the Euro Bund Futures contract with the stipulated exercise price.

##### 2.2.11.3 Put Option (Put)

1. The purchaser of a put option ("Put") has the right to demand the opening of a short position in the Euro Bund Futures contract with the stipulated exercise price.
2. The writer of a put is required, on the Exchange day after exercise, to establish a long position in the Euro Bund Futures contract with the stipulated exercise price.

##### 2.2.11.4 Option Premiums

1. The purchaser of an options contract is required to pay to the writer thereof the price for the purchase of the option right (the "Option Premium").
2. The premium payment is not made through a one-time payment after the purchase of the option; instead it is part of the daily settlement process during the duration of the option position based on a mark-to-market valuation of the position on each Exchange day. The valuation is made on the day on which the transaction is entered into on the basis of the difference between the option price and the daily settlement price, and thereafter on the basis of the difference between the daily settlement prices of the current Exchange day and the preceding Exchange day. The daily settlement may also result in an interim debit of the writer.

Upon exercise and assignment of the option, as well as upon its expiration, a final premium payment shall be made in an amount equivalent to the daily settlement price of the option contract on the exercise day or the expiration day, as the case may be.

##### 2.2.11.5 Term, Close of Trading, Expiration Day

1. Options are available at the Eurex Exchanges with terms consisting of the next three consecutive months as well as the respective following month of the cycle March, June, September and December; i.e., terms of 1, 2 and 3 months, as well as a maximum term of six months, are

available. The due months of the underlying futures and the expiration month of the option are identical in the months of March, June September and December (quarter-end-month), in all other expiration months, the due month of the underlying futures is the next cyclical end-of quarter month following the expiration month of the option.

2. The last trading day of an option series shall be the last day on which such option series is available to Exchange Participants for trading and clearing through the EDP system of the Eurex Exchanges. The last trading day shall be the sixth Exchange day before the first calendar day in the expiration month of the Bund Futures contract. The expiration day for any option series shall be the Exchange day following its last trading day.
3. An option series may not be canceled so long as any Exchange Participant continues to hold open positions in such option series.

#### **2.2.11.6 Exercise Prices**

1. Option series can have exercise prices with price gradations of 0.50 point. A point has a value of ECU 1,000\* and represents 100 ticks in the EDP system.

\* From January 1, 1999 onwards, Euro 1,000.

2. Upon the admission of a contract, at least nine exercise prices shall be made available for trading for each expiration day for each call and put, such that four exercise prices are "in the money", one is "at the money" and four are "out of the money".
3. Option series with new exercise prices shall be introduced for an existing expiration month no later than at the beginning of the Pre-Trading Period of a given Exchange day in the event that the daily settlement price on the two preceding Exchange days of the underlying Euro Bund Futures contract has exceeded or fallen below the average of the fifth- and fourth-highest or the fifth- and fourth-lowest then-existing exercise prices, as the case may be, of options written on such Euro Bund Futures contract. A new option series shall generally not be introduced if it would expire in fewer than 10 Exchange days, unless market conditions make such introduction necessary.

#### **2.2.11.7 Price Gradations**

The prices of the options contracts will be quoted with two decimal places. The smallest price change shall be 0.01 points; this represents a value of ECU 10.

\* From January 1, 1999 onwards, Euro 10.

#### **2.2.11.8 Exercise**

1. Options may be exercised by the purchaser on any Exchange day during the term until the end of the Post-Trading Period (American style). The last exercise day shall generally be the last trading day (subsection 2.2.11.5 paragraph (2) sentences 1 and 2).
2. The Eurex Exchanges shall inform the Exchange Participants on each of the last 10 Exchange days before the last trading day of an option series of options contracts then becoming due.
3. Each Exchange Participant is responsible for exercising its options contracts. The Eurex Exchanges shall not automatically exercise any options contracts.
4. In the event of an EDP failure, the Eurex Exchanges must receive a written exercise request from the Exchange Participant concerned (e.g., by letter or telefax) no later than the end of the Post-Trading Period on or before the last trading day of the option contract. Any such request transmitted in writing to one of the Eurex Exchanges shall be deemed submitted to all Eurex

Exchanges. The exercise request shall be entered by the Eurex Exchanges to the extent possible using reasonable efforts.

5. The exercise of an option entered during any day may be altered until the end of the Post-Trading Period on the date of entry.

#### **2.2.11.9 Assignment**

1. All exercises shall be assigned to the writers of the exercised option series after the end of the Post-Trading Period. Assignments shall be binding. Exercises may be assigned throughout the term of an option contract, including on its expiration day (subsection 2.2.11.5 paragraph (2) sentence 3).
2. The Exchange Participants and Clearing Members affected by any such assignment shall be notified thereof during the morning of the following Exchange day.
3. Assignments shall be made through Eurex Clearing AG by a random selection process conducted in accordance with detailed rules. The assignment method shall be communicated to the Exchange Participants. Any change of such method shall become effective only after notice thereof.
4. All assignments made for the Agent Position Account of an Exchange Participant shall be assigned by such Exchange Participant to the positions of its customers, on the basis of a procedure that ensures the neutrality of the assignment process.
5. All assignments made for the Principal Position Accounts or M-position Accounts of an Exchange Participant must be performed by such Exchange Participant and may not be transferred onward to its customers.

#### **2.2.11.10 Performance, Opening of Positions**

1. Exercised and assigned options contracts shall be performed through the opening of a long position (for the purchaser of a call) or a short position (for the purchaser of a put), or of a short position (for the writer of a call) or a long position (for the writer of a put), as the case may be, subsequent to the Post-Trading Period of the exercise day; the opening of the applicable position shall occur through the EDP system of the Eurex Exchanges.
2. Pursuant to the provisions of paragraph (1), Eurex Clearing AG shall open a position in the relevant futures contract for the Exchange Participant concerned; if the Exchange Participant is not a Clearing Member, subsection 1.2.2 paragraph (2) shall apply *mutatis mutandis*. The Exchange Participant shall have the corresponding obligation to its customers.

#### **2.2.11.11 Futures Position**

The applicable provisions of subsection 2.1.12.1 et seq. shall govern the futures position opened.

#### **2.2.11.12 Deviating Terms with respect to the Launch of New Products**

With respect to the launch of new products the delivery month December 1998 shall not be available at the Exchange; trading will occur immediately with the terms January, February, March and June 1999.

#### **2.2.11.13 European Economic and Monetary Union**

If the Federal Republic of Germany participates in Stage 3 of the European Economic and Monetary Union (EMU) from January 1, 1999 onwards or later, all option series on the Euro Bund Futures, whose last trading day is on a date after the initiation of participation by the Federal Republic of Germany in EMU, shall be converted into Euro with effect from such date. Pursuant to subsection 1.2.1 the Board of Management may for factual reasons determine conversion methods deviating from the aforementioned.

### **2.2.12 Sub-Subpart**

Specifications for Options Contracts on Futures Contracts on a Notional Medium-Term Debt Security of the Federal Republic of Germany or the Treuhandanstalt (Options on a Euro Bobl Futures)

#### **2.2.12.1 Subject Matter of Contract**

An option relates to a Euro Bobl Futures contract pursuant to subsection 2.1.13.1 et seq. of the available delivery months.

#### **2.2.12.2 Call Option (Call)**

1. The purchaser of a call option ("Call") has the right to demand the opening of a long position in the Euro Bobl Futures contract with the stipulated exercise price.
2. The writer of a call is required, on the Exchange day after exercise, to establish a short position in the Euro Bobl Futures contract with the stipulated exercise price.

#### **2.2.12.3 Put Option (Put)**

1. The purchaser of a put option ("Put") has the right to demand the opening of a short position in the Euro Bobl Futures contract with the stipulated exercise price.
2. The writer of a put is required, on the Exchange day after exercise, to establish a long position in the Euro Bobl Futures contract with the stipulated exercise price.

#### **2.2.12.4 Option Premiums**

1. The purchaser of an options contract is required to pay to the writer thereof the price for the purchase of the options right (the "Option Premium").
2. The premium payment is not made through a one-time payment after the purchase of the option; instead it is part of the daily settlement process during the duration of the option position based on a mark-to-market valuation of the position on each Exchange day. The valuation is made on the day on which the transaction is entered into on the basis of the difference between the option price and the daily settlement price, and thereafter on the basis of the difference between the daily settlement prices of the current Exchange day and the preceding Exchange day. The daily settlement may also result in an interim debit of the writer.

Upon exercise and assignment of the option, as well as upon its expiration, a final premium payment shall be made in an amount equivalent to the daily settlement price of the options contract on the exercise day or the expiration day, as the case may be.

#### **2.2.12.5 Term, Close of Trading, Expiration Day**

1. Options are available at the Eurex Exchanges with terms consisting of the next 3 consecutive months as well as the respective following month of the cycle March, June, September and December; i.e., terms of 1, 2 and 3 months, as well as a maximum term of 6 months, are available. The due months of the underlying futures and the expiration month of the option are identical in the months of March, June September and December, in all other months, the due month of the underlying futures is the next cyclical end-of-quarter month following the expiration month of the option.
2. The last trading day of an option series shall be the last day on which such option series is available to Exchange Participants for trading and clearing through the EDP system of the Eurex Exchanges. The last trading day shall be the sixth Exchange day before the first calendar day in

the expiration month. The expiration day for any option series shall be the Exchange day following its last trading day.

3. An option series may not be canceled so long as any Exchange Participant continues to hold open positions in such option series.

#### **2.2.12.6 Exercise Prices**

1. Option series can have exercise prices with price gradations of 0.25 points. A point has a value of ECU 1,000\* and represents 100 ticks in the EDP system.

\* From January 1, 1999 onwards, Euro 1,000.

2. Upon the admission of a contract, at least nine exercise prices shall be made available for trading for each expiration day for each call and put, such that four exercise prices are "in the money", one is "at the money" and four are "out of the money".
3. Option series with new exercise prices shall be introduced for an existing expiration month no later than at the beginning of the Pre-Trading Period of a given Exchange day in the event that the daily settlement price of the underlying Euro Bobl Futures contract on each of the previous two Exchange days has exceeded or fallen below the average of the fifth- and fourth-highest or the fifth- and fourth-lowest then-existing exercise prices, as the case may be, of options written on such Euro Bobl Futures contract. A new option series shall generally not be introduced if it would expire in fewer than 10 Exchange days, unless market conditions make such introduction necessary.

#### **2.2.12.7 Price Gradations**

The prices of the options contracts will be quoted with two decimal places. The smallest price change shall be 0.01 points; this represents a value of ECU 10\*.

\* From January 1, 1999 onwards, Euro 10

#### **2.2.12.8 Exercise**

1. Options may be exercised by the purchaser on any Exchange day during the term until the end of the Post-Trading Period (American style). The last exercise day shall generally be the last trading day (subsection 2.2.12.5 paragraph (2) sentences 1 and 2).
2. The Eurex Exchanges shall inform the Exchange Participants on each of the last 10 Exchange days before the last trading day of an option series of options contracts then becoming due.
3. Each Exchange Participant is responsible for exercising its options contracts. The Eurex Exchanges shall not automatically exercise any options contracts.
4. In the event of an EDP failure, the Eurex Exchanges must receive a written exercise request from the Exchange Participant concerned (e.g., by letter or telefax) no later than the end of the Post-Trading Period on or before the last trading day of the options contract. Any such request transmitted in writing to one of the Eurex Exchanges shall be deemed submitted to all Eurex Exchanges. The exercise request shall be entered by the Eurex Exchanges to the extent possible using reasonable efforts.
5. The exercise of an option entered during any day may be altered until the end of the Post-Trading Period of the date of entry.

#### **2.2.12.9 Assignment**

1. All exercises shall be assigned to the writers of the exercised option series after the end of the Post-Trading Period. Assignments shall be binding. Exercises may be assigned throughout the term of an options contract, including on its expiration day (subsection 2.2.12.5 paragraph (2) sentence 3).
2. The Exchange Participants and Clearing Members affected by any such assignment shall be notified thereof during the morning of the following Exchange day.
3. Assignments shall be made through Eurex Clearing AG by a random selection process conducted in accordance with detailed rules. The assignment method shall be communicated to the Exchange Participants. Any change of such method shall become effective only after notice thereof.
4. All assignments made for the Agent Position Account of an Exchange Participant shall be assigned by such Exchange Participant to the positions of its customers, on the basis of a procedure that ensures the neutrality of the assignment process.
5. All assignments made for the Principal Position Accounts or M-position Accounts of an Exchange Participant must be performed by such Exchange Participant and may not be transferred onward to its customers.

#### **2.2.12.10 Performance, Opening of Positions**

1. Exercised and assigned options contracts shall be performed through the opening of a long position (for the purchaser of a call) or a short position (for the purchaser of a put), or of a short position (for the writer of a call) or a long position (for the writer of a put), as the case may be, subsequent to the Post Trading Period of the exercise day; the opening of the applicable position shall occur through the EDP system of the Eurex Exchanges.
2. Pursuant to the provisions of paragraph (1), Eurex Clearing AG shall open a position in the relevant Futures contract for the Exchange Participant concerned; if the Exchange Participant is not a Clearing Member, subsection 1.2.2 paragraph (2) shall apply mutatis mutandis. The Exchange Participant shall have the corresponding obligation to its customers.

#### **2.2.12.11 Futures Position**

The applicable provisions of subsection 2.1.13.1 et seq. shall govern the futures position opened.

#### **2.2.12.12 Deviating Terms with respect to the Launch of New Products**

With respect to the launch of new products the delivery month December 1998 shall not be available at the Exchange; trading will occur immediately with the terms January, February, March and June 1999.

#### **2.2.12.13 European Economic and Monetary Union**

If the Federal Republic of Germany participates in Stage 3 of the European Economic and Monetary Union (EMU) from January 1, 1999 onwards or later, all option series on the Euro Bobl Futures, whose last trading day is on a date after the commencement of the participation by the Federal Republic of Germany in EMU, shall be converted into Euro with effect from such date. Pursuant to subsection 1.2.1 the Board of Management may for factual reasons determine conversion methods deviating from the aforementioned.

#### **2.2.13 Sub-Subpart**

Specifications for Options Contracts on Futures Contracts on a Notional Short-Term Debt Security of the Federal Republic of Germany or the Treuhandanstalt (Options on a Euro SCHATZ Futures)

##### **2.2.13.1 Subject Matter of Contract**

An option relates to a Euro Schatz Futures contract pursuant to subsection 2.1.14.1 et seq. of the available delivery months.

#### **2.2.13.2 Call Option (Call)**

1. The purchaser of a call option ("Call") has the right to demand the opening of a long position in the Euro Schatz Futures contract with the stipulated exercise price.
2. The writer of a call is required, on the Exchange day after exercise, to establish a short position in the Euro Schatz Futures contract with the stipulated exercise price.

#### **2.2.13.3 Put Option (Put)**

1. The purchaser of a put option ("Put") has the right to demand the opening of a short position in the Euro Schatz Futures contract with the stipulated exercise price.
2. The writer of a put is required, on the Exchange day after exercise, to establish a long position in the Euro Schatz Futures contract with the stipulated exercise price.

#### **2.2.13.4 Option Premiums**

1. The purchaser of an options contract is required to pay to the writer thereof the price for the purchase of the options right (the "Option Premium").
2. The premium payment is not made through a one-time payment after the purchase of the option; instead it is part of the daily settlement process during the duration of the option position based on a mark-to-market valuation of the position on each Exchange day. The valuation is made on the day on which the transaction is entered into on the basis of the difference between the option price and the daily settlement price, and thereafter on the basis of the difference between the daily settlement prices of the current Exchange day and the preceding Exchange day. The daily settlement may also result in an interim debit of the writer.

Upon exercise and assignment of the option, as well as upon its expiration, a final premium payment shall be made in an amount equivalent to the daily settlement price of the options contract on the exercise day or the expiration day, as the case may be.

#### **2.2.13.5 Term, Close of Trading, Expiration Day**

1. Options are available at the Eurex Exchanges with terms consisting of the next three consecutive months as well as the respective following month of the cycle March, June, September and December; i.e., terms of 1, 2 and 3 months, as well as a maximum term of 6 months, are available. The due months of the underlying futures and the expiration month of the option are identical in the months of March, June, September and December, in all other months, the due month of the underlying futures is the next cyclical end-of-quarter month following the expiration month of the option.
2. The last trading day of an option series shall be the last day on which such option series is available to Exchange Participants for trading and clearing through the EDP system of the Eurex Exchanges. The last trading day shall be the sixth Exchange day before the first calendar day in the expiration month. The expiration day for any option series shall be the Exchange day following its last trading day.
3. An option series may not be canceled so long as any Exchange Participant continues to hold open positions in such option series.

#### **2.2.13.6 Exercise Prices**

1. Option series can have exercise prices with price gradations of 0.25 points. A point has a value of ECU 1,000\* and represents 100 ticks in the EDP system.

\* From January 1, 1999 onwards, Euro 1,000.

2. Upon the admission of a contract, at least 9 exercise prices shall be made available for trading for each expiration day for each call and put, such that 4 exercise prices are "in the money", 1 is "at the money" and 4 are "out of the money".
3. Option series with new exercise prices shall be introduced for an existing expiration month no later than at the beginning of the Pre-Trading Period of a given Exchange day in the event that the daily settlement price of the underlying Euro Schatz Futures contract on each of the previous two Exchange days has exceeded or fallen below the average of the fifth- and fourth-highest or the fifth- and fourth-lowest then-existing exercise prices, as the case may be, of options written on such Euro Schatz Futures contract. A new option series shall generally not be introduced if it would expire in fewer than 10 Exchange days, unless market conditions make such introduction necessary.

#### **2.2.13.7 Price Gradations**

The prices of the options contracts will be quoted with two decimal places. The smallest price change shall be 0.01 points; this represents a value of ECU 10\*.

\* From January 1, 1999 onwards, Euro 10

#### **2.2.13.8 Exercise**

1. Options may be exercised by the purchaser on any Exchange day during the term until the end of the Post-Trading Period (American style). The last exercise day shall generally be the last trading day (subsection 2.2.13.5 paragraph (2) sentences 1 and 2).
2. The Eurex Exchanges shall inform the Exchange Participants on each of the last 10 Exchange days before the last trading day of an option series of options contracts then becoming due.
3. Each Exchange Participant is responsible for exercising its options contracts. The Eurex Exchanges shall not automatically exercise any options contracts.
4. In the event of an EDP failure, the Eurex Exchanges must receive a written exercise request from the Exchange Participant concerned (e.g., by letter or telefax) no later than the end of the Post-Trading Period on or before the last trading day of the options contract. Any such request transmitted in writing to one of the Eurex Exchanges shall be deemed submitted to all Eurex Exchanges. The exercise request shall be entered by the Eurex Exchanges to the extent possible using reasonable efforts.
5. The exercise of an option entered during any day may be altered until the end of the Post-Trading Period on the date of entry.

#### **2.2.13.9 Assignment**

1. All exercises shall be assigned to the writers of the exercised option series after the end of the Post-Trading Period. Assignments shall be binding. Exercises may be assigned throughout the term of an options contract, including on its expiration day (subsection 2.2.13.5 paragraph (2) sentence 3).
2. The Exchange Participants and Clearing Members affected by any such assignment shall be notified thereof during the morning of the following Exchange day.

3. Assignments shall be made through Eurex Clearing AG by a random selection process conducted in accordance with detailed rules. The assignment method shall be communicated to the Exchange Participants. Any change of such method shall become effective only after notice thereof.
4. All assignments made for the Agent Position Account of an Exchange Participant shall be assigned by such Exchange Participant to the positions of its customers, on the basis of a procedure that ensures the neutrality of the assignment process.
5. All assignments made for the Principal Position Accounts or M-position Accounts of an Exchange Participant must be performed by such Exchange Participant and may not be transferred onward to its customers.

#### **2.2.13.10 Performance, Opening of Positions**

1. Exercised and assigned options contracts shall be performed through the opening of a long position (for the purchaser of a call) or a short position (for the purchaser of a put), or of a short position (for the writer of a call) or a long position (for the writer of a put), as the case may be, subsequent to the Post Trading Period of the exercise day; the opening of the applicable position shall occur through the EDP system of the Eurex Exchanges.
2. Pursuant to the provisions of paragraph (1), Eurex Clearing AG shall open a position in the relevant futures contract for the Exchange Participant concerned; if the Exchange Participant is not a Clearing Member, subsection 1.2.2 paragraph (2) shall apply mutatis mutandis. The Exchange Participant shall have the corresponding obligation to its customers.

#### **2.2.13.11 Futures Position**

The applicable provisions of subsection 2.1.14.1 et seq. shall govern the futures position opened.

#### **2.2.13.12 Deviating Terms with respect to the Launch of New Products**

With respect to the launch of new products the delivery month December 1998 shall not be available at the Exchange; trading will occur immediately with the terms January, February, March and June 1999.

#### **2.2.13.13 European Economic and Monetary Union**

If the Federal Republic of Germany participates in Stage 3 of the European Economic and Monetary Union (EMU) from January 1, 1999 onwards or later, all option series on the Euro Schatz Futures, whose last trading day is on a date after the commencement of the participation by the Federal Republic of Germany in EMU, shall be converted into Euro with effect from such date. Pursuant to subsection 1.2.1 the Board of Management may for factual reasons determine conversion methods deviating from the aforementioned.