

Trading Conditions

2 Part - Contract Specifications

2.2 Subpart - Contract Specifications for Options Contracts

~~2.2.7 Sub-Subpart~~

~~Specifications for Options Contracts on Futures Contracts on the Interest Rate for Three Month Euromarket Cash Deposits in Deutsche Marks (Options on a Three Month Euromark Futures)~~

~~2.2.7.1 Subject Matter of Contract~~

~~An option relates to a Three Month Euromark Futures contract pursuant to subsection 2.1.7.1 et seq. of the available Three Month Euromark Futures months with specified terms.~~

~~2.2.7.2 Call Option (Call)~~

~~(1) The purchaser of a call option ("Call") has the right to demand the opening of a long position in the Three Month Euromark 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 Three Month Euromark Futures contract with the stipulated exercise price.~~

~~2.2.7.3 Put Option (Put)~~

~~(1) The purchaser of a put option ("Put") has the right to demand the opening of a short position in the Three Month Euromark 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 Three Month Euromark Futures contract with the stipulated exercise price.~~

~~2.2.7.4 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.~~

~~2.2.7.5 Term, Close of Trading, Expiration Day~~

~~(1) Options are available at the Eurex Exchanges with terms consisting of the next four consecutive months as well as the respective following month of the cycle March, June, September and December; i.e., terms of 3, 6 or 9 months, as well as a maximum term of 12 months, are available. The due months of the underlying future and the expiration months of the option are identical.~~

~~(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. This shall be the second Exchange day prior to the third Wednesday of the relevant performance month (calendar month pursuant to paragraph (1)) – provided that on this day the British Bankers' Association has determined the reference interest rate LIBOR for three-month cash deposits in the Euromarket, otherwise the preceding Exchange day. The close of trading for the expiring contract is 11:00 a.m. London time. 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.~~

~~2.2.7.6 Exercise prices~~

~~(1) Option series can have exercise prices with price gradations of 0.1 points. A point has a value of DM 2,500 and represents 200 ticks in the EDP system.~~

~~(2) Upon the admission of a contract, at least 21 exercise prices shall be made available for trading for~~

each expiration day for each call and put, such that 10 exercise prices are "in the money", one is "at the money" and 10 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 Three Month Euromark Futures contract on each of the previous two Exchange days has exceeded or fallen below the average of the eleventh and tenth highest or the eleventh and tenth lowest then existing exercise prices, as the case may be, of options written on such Three Month Euromark 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.~~

2.2.7.7 Price Gradations

The prices of the options contracts will be quoted in points with 3 decimal places. The smallest price change shall be 0.005 points; this represents a value of DM 12.50.

2.2.7.8 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 2.2.7.5 paragraph (2) sentences 1, 2 and 3).~~

~~(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.~~

2.2.7.9 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 2.2.7.5 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.~~

2.2.7.10 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.~~

2.2.7.11 Futures Position

~~The applicable provisions of subsection 2.1.7.1 et seq. shall govern the futures position opened.~~