

# Trading Conditions

## 2 Part - Contract Specifications

### **2.2.6 Sub-Subpart**

Specifications for Options Contracts on Currencies (Currency Options)

#### **2.2.6.1 Subject Matter of Contract**

(1) A contract relates to a multiple of 10,000 units of the respective foreign currency, provided that the Boards of Management of the Eurex Exchanges have not determined otherwise.

#### **2.2.6.2 Call Option (Call)**

(1) The purchaser of a call option (call) has the right to demand a payment of an amount in Deutsche Marks equal to the difference between the exercise price of the option and any higher final settlement price of the option series (cash settlement).

(2) The writer of a call shall be required to pay in cash, on the second Exchange day after the exercise of the option, the difference between the exercise price of the option and any higher final settlement price of the option series in DM; this shall also apply in the event that the exercise is first assigned to the writer on the Exchange day following the day of exercise.

(3) The final settlement price shall be the official average of the values of the foreign currencies for respective foreign currency quoted at the Frankfurt Currency Exchange (Devisenbörse) at 1:00 p.m. CET Frankfurt time on the exercise day of the option series.

#### **2.2.6.3 Put Option (Put)**

(1) The purchaser of a put option (put) has the right to demand payment of an amount in Deutsche Marks equal to the difference between the exercise price of the option and any lower final settlement price of the option series (cash settlement).

(2) The writer of a put shall be required to pay in cash, on the second Exchange day after the exercise of the option, the difference between the exercise price of the option and any lower final settlement price of the option series in Deutsche Marks; this shall also apply in the event that the exercise is first assigned to the writer on the Exchange day following the day of exercise.

(3) Subsection 2.2.6.2 paragraph (3) shall apply in respect of the determination of the final settlement price.

#### **2.2.6.4 Option Premiums**

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") in Deutsche Marks.

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

(1) Options are available at the Eurex Exchanges with terms up to and including the next, the second and the third succeeding expiration days as well as up to and including the next 3 succeeding quarterly expiration days (March, June, September, December) thereafter. Depending on the time of the purchase of the option, the term can amount to 1, 2, 3, 6 or a maximum of 12 months and 6 Exchange days.

(2) The last trading day of an option series shall be the last day on which such option series is available to the Exchange Participants for trading and clearing through the EDP system of the Eurex Exchanges; such day shall be the third Friday of the relevant month; provided, however, that if such Friday is not an Exchange day, the last trading day shall be the Exchange day prior to such Friday. Trading shall close at 1:00 p.m. CET on the final Exchange day. The expiration day for an option series shall be the Exchange day following the day of exercise.

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

#### **2.2.6.6 Exercise prices**

(1) Option series shall have exercise prices with price gradations of DM 0.025 or a multiple thereof, provided that the Boards of Management of the Eurex Exchanges have not determined otherwise.

(2) Upon the admission of a contract, at least 5 exercise prices shall be made available for each call and put, such that two exercise prices are "in the money", one is "at the money" and two 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 final determination of the foreign exchanges at the close of trading on the Eurex Exchanges exceeded or fell below, respectively, the average of the third and second highest or the third and second lowest then existing exercise prices on the two preceding Exchange days. A new option series shall generally not be introduced if it would expire in fewer than 5 Exchange days, unless market conditions make such introduction necessary.~~

#### **2.2.6.7 Price Gradations**

~~The prices of the options contracts will be quoted with two decimal places in Deutsche Marks per 100 units of the foreign currency. The smallest price change shall be 0.01 points. The Boards of Management of the Eurex Exchanges may determine price gradations deviating therefrom.~~

#### **2.2.6.8 Exercise**

~~(1) Options may generally be exercised by the purchaser only on the last trading day (subsection 2.2.6.5 paragraph (2) sentences 1 and 2) of the contract (European style).~~

~~(2) On each of the last 10 Exchange days before the last trading day of an option series the Eurex Exchanges shall inform the Exchange Participants of options contracts then becoming due.~~

~~(3) Each Exchange Participant is responsible for exercising its options contracts. Subject to subsection 2.2.6.8 paragraph (4), the Eurex Exchanges shall not automatically exercise any options contracts.~~

~~(4) With respect to the accounts of the Exchange Participants (P- and M-accounts), the Boards of Management of the Eurex Exchanges may order an automatic exercise in accordance with the criteria set by the Boards of Management of the Eurex Exchanges.~~

~~(5) 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 by the end of the Post Trading Period on the exercise 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.~~

~~(6) The exercise of an option entered during the course of the exercise day may be altered until the end of the Post Trading Period.~~

#### **2.2.6.9 Assignment**

~~(1) All exercises shall be assigned to the writers of the exercised option series after the end of the Post Trading Period on the exercise day. Assignments shall be binding.~~

~~(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 changes 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.~~

#### **2.2.6.10 Performance, Cash Settlement**

~~(1) The settlement day is the second Exchange day after the exercise day.~~

~~(2) The performance of contracts shall be effected through cash settlement between the Clearing Members and Eurex Clearing AG. Each Clearing Member shall be responsible for handling the cash settlements with the Non-Clearing Members served by it and its own customers; the handling of cash settlements by Non-Clearing Members to their customers is the responsibility of such Non-Clearing Members.~~