

**CIRCULAR TO:**    **BACK OFFICE MANAGERS**  
**CLEARING MEMBERS**  
**NZ CLEARING MEMBERS**

**NO: 42/00**

**NEW NZ EQUITY OPTION CONTRACT SPECIFICATIONS**

Please find attached the specifications for the following NZ Equity Option contracts that will be launched on the 23 May 2000 on Sycom® IV.

These are;      Sky Network Television Limited Share Options.

                    Auckland International Airport Limited Share Options.

                    The Warehouse Limited Share Options.

Should you have any questions regarding the specifications please contact Di Fletcher on 9256-0543 or myself on 9256-0492.



**PETER HICKMOTT**  
**MANAGER – CLEARING PROJECTS**

<b>Contract</b>	<b>Sky Network Television Limited Share Options</b>
<b>Option Style</b>	American
<b>Underlying</b>	1000 Shares of Sky Network Television Limited
<b>Trading Unit</b>	1000 Shares
<b>Price/Premium Quotation</b>	Quoted in 0.1 cent per share premium
<b>Minimum Price Fluctuation (Tick)</b>	0.1 cents per share = NZD \$1.00 per option
<b>Contract Cycle</b>	3 contract months of the March, June, September and December cycle for options
<b>Last Trading Day</b>	The second to last business day of the contract month except December, which will be four business days prior to Christmas Day.  The close of trading is currently prescribed as 16:30 New Zealand standard time.
<b>First Trading Day/Time</b>	Ten minutes before the market open on the first trading day following the last trading day of the previous contract month.
<b>Strike Prices</b>	Set at intervals of 25 cents apart.  3 Steps either side of the ATM exercise price are initially created  New option exercise prices created automatically as the underlying share price moves keeping the range covered at least 3 above or below the ATM exercise price.
<b>Settlement / Exercise</b>	Physical settlement, Expiration settlement price calculated in accordance with NZFOE Equity Options contract specifications.  In-the-money options are automatically exercised at expiration, unless specified otherwise by the customer.  Option exercise prior to expiry: results in the holder receiving (call) or delivering (put) 1000 shares at the options strike price.  The Settlement Day is the third business day following the date of exercise of an option
<b>Margin</b>	Margin information (margin calculation, list of collateral, etc) can be obtained from SFECH.
<b>Trading Hours</b>	19:10 – 07:00, 08:00 – 12:00, 13:00 – 16:30 (NZ Time)
<b>Daily Settlement Time</b>	16:30 New Zealand standard time

<b>Contract</b>	<b>Auckland International Airport Limited Share Options</b>
<b>Option Style</b>	American
<b>Underlying</b>	1000 Shares of Auckland International Airport Limited
<b>Trading Unit</b>	1000 Shares
<b>Price/Premium Quotation</b>	Quoted in 0.1 cent per share premium
<b>Minimum Price Fluctuation (Tick)</b>	0.1 cents per share = NZD \$1.00 per option
<b>Contract Cycle</b>	3 contract months of the March, June, September and December cycle for options
<b>Last Trading Day</b>	The second to last business day of the contract month except December, which will be four business days prior to Christmas Day.  The close of trading is currently prescribed as 16:30 New Zealand standard time.
<b>First Trading Day/Time</b>	Ten minutes before the market open on the first trading day following the last trading day of the previous contract month.
<b>Strike Prices</b>	Set at intervals of 25 cents apart.  3 Steps either side of the ATM exercise price are initially created  New option exercise prices created automatically as the underlying share price moves keeping the range covered at least 3 above or below the ATM exercise price.
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<b>Margin</b>	Margin information (margin calculation, list of collateral, etc) can be obtained from SFECH.
<b>Trading Hours</b>	19:10 – 07:00, 08:00 – 12:00, 13:00 – 16:30 (NZ Time)
<b>Daily Settlement Time</b>	16:30 New Zealand standard time

Contract	The Warehouse Limited Share Options
<b>Option Style</b>	American
<b>Underlying</b>	1000 Shares of The Warehouse Limited
<b>Trading Unit</b>	1000 Shares
<b>Price/Premium Quotation</b>	Quoted in 0.1 cent per share premium
<b>Minimum Price Fluctuation (Tick)</b>	0.1 cents per share = NZD \$1.00 per option
<b>Contract Cycle</b>	3 contract months of the March, June, September and December cycle for options
<b>Last Trading Day</b>	<p>The second to last business day of the contract month except December, which will be four business days prior to Christmas Day.</p> <p>The close of trading is currently prescribed as 16:30 New Zealand standard time.</p>
<b>First Trading Day/Time</b>	Ten minutes before the market open on the first trading day following the last trading day of the previous contract month.
<b>Strike Prices</b>	<p>Set at intervals of 25 cents apart.</p> <p>3 Steps either side of the ATM exercise price are initially created</p> <p>New option exercise prices created automatically as the underlying share price moves keeping the range covered at least 3 above or below the ATM exercise price.</p>
<b>Settlement / Exercise</b>	<p>Physical settlement, Expiration settlement price calculated in accordance with NZFOE Equity Options contract specifications.</p> <p>In-the-money options are automatically exercised at expiration, unless specified otherwise by the customer.</p> <p>Option exercise prior to expiry: results in the holder receiving (call) or delivering (put) 1000 shares at the options strike price.</p> <p>The Settlement Day is the third business day following the date of exercise of an option</p>
<b>Margin</b>	Margin information (margin calculation, list of collateral, etc) can be obtained from SFECH.
<b>Trading Hours</b>	19:10 – 07:00, 08:00 – 12:00, 13:00 – 16:30 (NZ Time)
<b>Daily Settlement Time</b>	16:30 New Zealand standard time