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e u r e x c l e a r i n g *circular 101/10*

Date: December 20, 2010
Recipients: All Clearing Members of Eurex Clearing AG and Vendors
Authorized by: Thomas Book

High priority

GC Pooling Repo Transactions at Eurex Repo GmbH: Adjusted Clearing Conditions with regard to Delivery of GC Pooling Transactions

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Content may be most important for:	**Attachment:**
Ü All departments	Updated section of the Clearing Conditions for Eurex Clearing AG

Summary:

Eurex Clearing AG adjusts the Clearing Conditions with regard to the relevant delivery time for GC Pooling transactions according to market conventions for collateralized funding. In this context, Eurex Clearing reserves the right to charge expenses on a daily basis for these transactions in order to minimize financing requirements and the liquidity risk for Eurex Clearing in case of default in both delivery and payment.

The application of this new regulation is specified accordingly in the Clearing Conditions for Eurex Clearing AG.

The amendment will become effective on **January 5, 2011**.

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

GC Pooling Repo Transactions at Eurex Repo GmbH: Adjusted Clearing Conditions with regard to Delivery of GC Pooling Transactions

Eurex Clearing AG adjusts the Clearing Conditions in regard of the relevant delivery time for GC Pooling transactions according to market conventions for collateralized funding. In this context, Eurex Clearing reserves the right to charge expenses on a daily basis for these transactions in order to minimize financing requirements and the liquidity risk for Eurex Clearing in case of default in both delivery and payment.

The application of this new regulation is specified accordingly in the Clearing Conditions for Eurex Clearing AG.

In the following, Eurex Clearing AG informs about said amendments which will become effective on January 5, 2011:

As of this date, shares and cash will have to be made available for new transactions as of the first settlement cycle of Clearstream Banking AG ("SDS1"). In the event of a delay, Eurex Clearing AG shall be entitled to charge expenses of EUR 2.000,00 for each GC Pooling Repo transaction in default. Furthermore, Eurex Clearing AG shall be entitled to invoice to the Clearing Member any accruing bridge financing costs up to the amount of the GC Pooling Overnight Index ("GCPION") plus 50 basis points per year, based on the underlying GC Pooling Repo transaction in default.

December 20, 2010

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

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[...]

Chapter IV
Clearing of Transactions at Eurex Repo GmbH

Part 1
General Provisions

[...]

Part 2
Clearing of Transactions at Eurex Repo GmbH

2.1 Eurex Repo Transactions Concerned

[...]

2.2 General Provisions

(1) For the settlement of Eurex Repo Transactions, Chapter I Number 1.5 applies, unless otherwise provided in Paragraph 2. With regard to the securities admitted to delivery of Triparty Euro GC Basket Repo transactions, the participating Clearing Members shall receive a report on the available assets respectively held in their depositories; such report is divided into rating categories and shall be provided by Clearstream Banking S. A. on a daily basis.

(2) The procedure for delivery and payment resulting from Eurex Repo Transactions, the following provisions shall apply in addition to Chapter I Number 1.5:

a) Purchase Agreement (Front Leg):

All physical deliveries and payments shall be concurrently performed between the Clearing Member obligated to deliver and Eurex Clearing AG, and, accordingly, between Eurex Clearing AG and the Clearing Member which is to receive delivery on the agreed delivery day of the Front Leg. Physical deliveries shall be made through a bank for central depository of securities determined by Eurex Clearing AG or respectively through a Custodian or Central Securities Depository, and payments shall be made through the corresponding account determined by such bank for central depository of securities or respectively by such Custorian or Central Securities Depository.

b) Repurchase Agreement (Term Leg):

All physical deliveries and payments shall be concurrently performed between the Clearing Member obligated to deliver and Eurex Clearing AG, and, accordingly, between Eurex Clearing AG and the Clearing Member which is to receive delivery on the agreed delivery day of the Term Leg. Physical deliveries shall be made through a bank for central depository of securities determined by Eurex Clearing AG or respectively through a Custodian or Central Securities Depository, and payments shall be made through the corresponding account determined by such bank for central depository of securities or respectively by such Custorian or Central Securities Depository.

c) Physical Deliveries:

Eurex Clearing AG shall, with respect to the possession of the securities delivered to it pursuant to Items a and b, act as an intermediary of the Clearing Members which are obligated to deliver in order to subsequently deliver such securities to the Clearing Members which are to receive delivery. With respect to the settlement of transactions concluded by Clearing Members, the transfer of ownership in respect of the securities to be delivered will thus be performed directly between the Clearing Members involved.

d) Delivery and payment with regard to GC Pooling Repo transactions:

In case of GC Pooling® Repo transactions, the delivery instructions regarding existing delivery- and payment obligations shall be given by Eurex Clearing AG on basis of the securities to be delivered; such securities shall be selected by Xemac of pursuant to the SB Xemac and additional contracts for the international Collateral Management in their current version. An obligation to grant authorization within the meaning of Chapter I Number 1.5 Paragraph 7 also exists with regard to the execution of an exchange ("substitution") of securities assigned in connection with a GC Pooling Repo transaction.

For the procedure regarding deliveries and payments pursuant to Paragraph 1, the following deviating provisions apply:

The transfer of ownership regarding the securities to be delivered between the Clearing Members and Eurex Clearing AG, and vice versa, shall be carried out, depending on the account relevant for such transfer, pursuant to German law or pursuant to the laws of the Grand Duchy of Luxembourg and pursuant to the additional contracts having been used as basis by the parties.The provision of Chapter I Number 1.5 Paragraph 6 applies with the proviso that the payment is settled via the account of the Clearing Member which is determined for settlement in the currency of the underlying transaction.

Any delivery or payment incumbent on the Clearing Member must be made available for settlement on the day of delivery or payment respectively in such a way that the Clearing Member is able to fulfil its obligations vis-à-vis Eurex Clearing AG for the relevant day of performance during the first Same Day Settlement run of the day ("SDS1") of Clearstream Banking AG.

~~e) (cancelled)~~

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2.6 Default

(1) Default in delivery or payment shall be governed by the following procedure:

a) Default on the delivery day of the Front Leg:

In the event that a Clearing Member which is obligated to deliver fails to transfer the underlying securities on the delivery day of the Front Leg of the respective Eurex Repo Transaction and pursuant to the instructions of Eurex Clearing AG, Eurex Clearing AG shall be entitled and, on request of the Clearing Member which did not receive delivery in a timely manner, obligated to set the present business day, at the latest the delivery day of the Term Leg, as an advanced repurchase date of the Term Leg. As a consequence thereto, the mutual obligations arising out of the Eurex Repo Transaction which had originally been agreed upon, shall be offset against each other so that the parties, with the exception of the Repo interests agreed upon, do not owe each other any further payment or delivery. The payable Repo interests shall be calculated on the basis of the period of default, in each case for the period from the purchase date (inclusive) until the business day to which the Term Leg was advanced (exclusive).

At the same time, Eurex Clearing AG shall be entitled to set an earlier date as repurchase date for the Term Leg of the equivalent Eurex Repo Transaction concerned between Eurex Clearing AG and the Clearing Member which did not receive delivery from Eurex Clearing AG in a timely manner; the legal consequence thereof will be the same as described above. In connection with the delivery of GC Pooling Repo transactions the procedure pursuant to Clause 1 to 4 shall apply, if the Clearing Member obliged to deliver shall not dispose of the necessary bulk of securities, which are admissible for the delivery in the respective basket and the underlying currency, on delivery day in its collateral pool. Eurex Clearing AG shall be, if necessary, informed of this matter by CBF.

If, as opposed to the provisions in Chapter IV Number 2.2 Paragraph 2 d), a Clearing Member does not comply with its obligation to perform during SDS1, it may – irrespective of the above provision – be in intraday default. To the extent a Clearing Member is in intraday default, Eurex Clearing AG may charge an expense allowance of EUR 2,000.00 for each defaulting GC Pooling Repo Transaction to cover its operative additional expenditure. Furthermore, Eurex Clearing AG shall be entitled to invoice the Clearing Member – until such point in time on which the obligation to perform is fulfilled – for any interim financing costs incurred, up to the value of the GC Pooling Overnight Index („GCPION") published by Bloomberg or Reuters plus 50 basis points p.a., in relation to the value of the underlying GC Pooling Transaction or the due cash amount respectively.

b) Default on the delivery day of the Term Leg

In the event that a Clearing Member which is obligated to deliver fails to deliver the underlying securities on the delivery day of the Term Leg of the respective Eurex Repo Transaction and pursuant to the instructions of Eurex Clearing AG, Eurex Clearing AG shall be entitled and, on request of the Clearing Member which did not receive delivery in a timely manner, obligated to make a replacement purchase with respect to the undelivered securities as from the fifth day following the delivery date of the Term Leg and to deliver these to the Clearing Member which did not receive delivery in a timely manner. Eurex Clearing AG may determine at its complete discretion how replacement purchases of securities are to be made and up to which maximum purchase price such securities may be purchased. In connection with any default in effecting performance with regard to GC Pooling Repo Transactions, the provisions of Chapter IV Number 2.6 Paragraph 1 a) shall apply accordingly, taking

into account that an executed Buy-In according to Chapter IV Number 2.6 Paragraph 1 b) Sentence 1 shall be considered equivalent to reaching the point in time on which performance is effected.

(2) Measures set forth in Paragraph 1 shall be binding on and accepted by the Clearing Member which did not receive delivery in a timely manner.

(3) Any costs arising from the measures taken in accordance with Paragraph 1 must be paid by the defaulting Clearing Member.

(4) The right to claim further damages shall be excluded for Eurex Clearing AG as well as for the Clearing Member which did not receive delivery in a timely manner.

(5) Furthermore, Chapter I Number 7.1 respectively 7.2 shall apply for delay or technical delay, however, in the case of an intraday default with regard to a GC Pooling Repo Transaction, the provision in Chapter I Number 7.1 Paragraphs 4 and 5 shall apply no sooner than on the day following the agreed delivery day, to the extent the case at issue is not a case of Chapter I Number 2.4 Paragraph 2 c) or d).

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