

Chapter IX of the Clearing Conditions of Eurex Clearing AG

Clearing of Securities Lending Transactions

As of 01.09.2020

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED,

DELETIONS ARE CROSSED OUT.

[...]

Part 1 General Provisions

[...]

1.1 Clearing License

[...]

1.1.3 Specific Lender License

[...]

(5) The prerequisites to be fulfilled for the granting of the Specific Lender License are the following:

- (a) the applicant is (i) (1) licensed as a credit institution, (2) licensed as a financial institution, (3) licensed as an insurance undertaking, (4) licensed as a reinsurance undertaking, (5) licensed as an investment firm, (6) a pension fund, pension scheme or similar arrangement, (7) an Incorporated Fund, (8) an Unincorporated Fund or (9) a Sub-Fund, provided that in case of (1) to (6) above, each of the applicants and, in case of (7) to (9) above, the Authorised Mmanager (if any) of the Incorporated Fund, the Unincorporated Fund or the Sub-Fund, as the case may be, must be supervised in accordance with legislation of the European Union relating to the prudential supervision of regulated entities, or (ii) subject to equivalent supervision in its jurisdiction of incorporation as determined by Eurex Clearing AG, provided that the competent supervisory authority is a signatory to Appendix A of the IOSCO Multilateral Memorandum of Understanding or has signed a bilateral memorandum of understanding with the Federal Financial Services Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht – “BaFin”*), or (iii) a governmental entity or supranational organisation pursuant to Chapter I Part 1 Number 2.1.3 Paragraph (1); provided that in each case of (i) to (iii) above admittance will only be granted by Eurex Clearing AG upon request and upon the sole risk assessment of Eurex Clearing AG;

[...]

[...]

(8) With respect to a holder of a Specific Lender License that is an Unincorporated Fund or a Sub-Fund, Chapter I Part 1 Number 1.1.12 (except for Chapter I Part 1 Number 1.1.12 (2)) shall apply *mutatis mutandis*, provided that

(i) each reference to a “**Basic Clearing Member**” in Chapter I Part 1 Number 1.1.12 Paragraph (5) shall be read as a reference to a “**Holder of a Specific Lender License**”,

[...]

(iii) for the purpose of Chapter I Part 1 Number 1.1.12~~7~~ Paragraph (5) (i) and (j) (applied *mutatis mutandis*), the Authorised Manager is required to submit an amended Annex to the Clearing Agreement in the form appended hereto as Appendix 6 to Eurex Clearing AG only, and

[...]

(9) A holder of a Specific Lender License that is an Incorporated Fund or another legal entity may elect to act through an Authorised Manager by submitting the relevant details in the Annex to the Clearing Agreement in the form appended hereto as Appendix 6 in accordance with Paragraph (8), which applies *mutatis mutandis*. Following such election the holder of a Specific Lender License shall qualify as a Relevant Fund for the purpose of Paragraph (8) in conjunction with Chapter I Part 1 Number 1.1.12 (both applied *mutatis mutandis*). However, such holder of a Specific Lender License shall itself (acting through the Authorised Manager) make the representations and warranties in accordance with (i) Chapter I Part 1 Number 1.1.12 Paragraph (5) (f) (which apply in connection with Paragraph (8)) each time it enters (acting through the Authorised Manager) into a Clearing Agreement in the form appended hereto as Appendix 6 or a Securities Lending Transaction and (ii) Chapter I Part 1 Number 1.7.

1.1.4 Participation of Agent Lenders

[...]

(4) Chapter I Part 1 Numbers ~~15.2.32 Sentence 4, 15.2.5, 15.2.4 (7)6, and 15.2.67 and 15.2.7~~ shall apply *mutatis mutandis* to the use of the services of an Agent Lender by a Lender Clearing Member.

[...]

[...]

1.4 Set-Off

(1) A set-off in relation to the following claims is excluded:

[...]

- (c) cash claims pursuant to Number 2.6.4 Paragraphs ~~(3), (5) or (6)(7), (8), (9) or (10)~~, Number 2.6.5 Paragraph (2) and Number 2.6.6 Paragraphs ~~(2), (4) or (5)(4), (5), (6) or (7)~~, provided that a cash claim pursuant to Number 2.6.4 Paragraphs ~~(3), (5) or (6)(7), (8), (9) or (10)~~ or pursuant to Number 2.6.6 Paragraphs ~~(2), (4) or (5), (6) or (7)~~ may be set off with a cash claim pursuant to Number 2.6.5 Paragraph (2).

[...]

[...]

Part 2 Terms and Conditions of Securities Lending Transactions

[...]

2.1 General Provisions of Securities Lending Transactions

[...]

2.1.2 Eligible Principal Collateral Assets and Principal Collateral Redelivery Claim

[...]

- (3) Unless Number 2.1.5 Paragraph (2) applies, the purpose of the delivery of Principal Collateral is to cover the claim for (i) delivery of Equivalent Loaned Assets on the Maturity Date (including in the case of a transformed Securities Lending Transaction pursuant to Number 2.7.4 Paragraph (1) (c)) or (ii) payment of the applicable cash amount in the event of a cash settlement pursuant to Number 2.4.1 Paragraph (2) (c) and (d) (ii), Number 2.4.2 Paragraph (1) (a), Number 2.4.5, Number 2.6.4 Paragraph ~~(3), (5) and (6)(8), (9) and (10)~~ as well as Number 2.7.2 Paragraph (4) (b) and (c), Number 2.7.3 Paragraph (2) and Number 2.7.4 Paragraph (1) (c) (iii). If Non-Cash Principal Collateral is provided with respect to an Exposure Netting Unit, the purpose of the delivery of such Non-Cash Principal Collateral is to cover the claims referred to in the preceding sentence in relation to all Securities Lending Transactions to which such Exposure Netting Unit relates. For the avoidance of doubt, in respect of a Securities Lending Transaction relating to Loaned Securities or Equivalent Loaned Securities for which EUI acts as the settlement location, Principal Collateral shall not cover any claims of the Lender Clearing Member against Eurex Clearing Borrower and Eurex Clearing Lender against the Borrower Clearing Member, that, in each case, result from any Securities Distribution (including any Securities Distribution resulting from any Dividend With Options).

[...]

[...]

2.1.5 Provision of Principal Collateral, Equivalent Principal Collateral and Pledge-Back Principal Collateral

[...]

(2) [...]

The purpose of any such pledge is to secure Eurex Clearing Borrower's obligation (i) to deliver the Equivalent Loaned Assets on the Maturity Date (including in the case of a transformed Securities Lending Transaction pursuant to Number 2.7.4 Paragraph (1) (c) or (ii) to pay the applicable cash amount in the event of a cash settlement pursuant to Number 2.4.1 Paragraph (2) (c) and (d) (ii), Number 2.4.2 Paragraph (1) (a), Number 2.4.5, Number 2.6.4 Paragraph (3), (5) and (6)(8), (9) and (10) as well as Number 2.7.2 Paragraph (4) (b) and (c), Number 2.7.3 Paragraph (2) and Number 2.7.4 Paragraph (1) (c) (iii), in each case with respect to the specific Securities Lending Transaction only, except that, where Non-Cash Principal Collateral is provided in relation to an Exposure Netting Unit, the purpose of the pledge of such Non-Cash Principal Collateral is to secure such obligations of Eurex Clearing Borrower with respect to all Securities Lending Transactions to which such Exposure Netting Unit relates.

[...]

[...]

2.2 Delivery and Return of Loaned Assets

[...]

2.2.2 Return of Equivalent Loaned Assets

(1) On the Maturity Date (as defined in Paragraph (8) below), the Borrower Clearing Member and Eurex Clearing Borrower are each required to transfer Equivalent Loaned Assets to Eurex Clearing Lender and the Lender Clearing Member, respectively, (i) against delivery of Equivalent Principal Collateral by each of the Lender Clearing Member to Eurex Clearing Borrower and by Eurex Clearing Lender to the Borrower Clearing Member, respectively, or (ii) if Principal Collateral is provided by Eurex Clearing Borrower by way of a pledge pursuant to Number 2.1.5 Paragraph (2), against release of such pledge (in accordance with Number 2.1.5 Paragraph (2)) by the Lender Clearing Member (Pledge) or SLLH (Pledge), provided in the case of (i) above, that if such Securities Lending Transaction forms part of an Exposure Netting Unit, the Maturity Date relates to more than one Securities Lending Transaction comprised in such Exposure Netting Unit and the Lender Clearing Member (other than an SLLH (Pledge) or Lender Clearing Member (Pledge)) does not offer to deliver the aggregate Equivalent Principal Collateral for all Securities Lending Transactions comprised in such Exposure Netting Unit and in respect of which a Maturity Date occurred:

(a) Eurex Clearing AG shall be entitled to decide (in its discretion, based on reasonable criteria and taking into account the value of Eligible Principal Collateral Assets that the Lender Clearing Member offers to deliver in respect

of such Exposure Netting Unit) in respect of which of the Securities Lending Transactions comprised in such Exposure Netting Unit and in respect of which a Maturity Date occurred the obligation to transfer Equivalent Loaned Assets shall become due (and in which order); and

[...]

- (3) In respect of any Securities Lending Transaction which is an Open Term Loan, —the Lender Clearing Member and Eurex Clearing Lender are each entitled to recall from Eurex Clearing Borrower and the Borrower Clearing Member, respectively, all (or, to the extent provided for by the rules of the relevant Third Party Flow Provider, any part of) the Equivalent Loaned Securities at any time.

—In respect of any Securities Lending Transaction, the Borrower Clearing Member and the Lender Clearing Member may mutually agree on a recall of all (or, to the extent provided for by the rules of the relevant Third Party Flow Provider, any part of) the Equivalent Loaned Assets at any time.

Any such recall of all or part of the Equivalent Loaned Assets (each a “**Recall**”) shall be subject to the following paragraphs.

- (4) Except in the case of the second sub-paragraphs of Paragraph (2) and Paragraph (3) above, any Return or Recall requests may be made independently of the other party to the Securities Lending Transaction. ~~To the extent the rules of the Third Party Flow Provider contain such provisions, the placement of a Return request shall automatically create a Recall request and the placement of a Recall request shall automatically create a Return request.~~

[...]

- (6) Upon receipt of a valid Return or Recall request from a Clearing Member in respect of a Securities Lending Transaction, Eurex Clearing AG (in its capacity as Eurex Clearing Lender or Eurex Clearing Borrower, as applicable) shall make a corresponding Return or Recall request to the relevant other Clearing Member in respect of the related Securities Lending Transaction on the same terms and conditions as the Recall or Return request received by Eurex Clearing AG under the Securities Lending Transaction. All Return and Recall requests shall be made via the Third Party Flow Provider.

[...]

- (8) The “**Maturity Date**” of the relevant Securities Lending Transaction is
- (i) ~~is~~ in the case of an Open Term Loan, ~~is~~ the earlier of
- (a) the date specified as such in a Return (request) (which has not been withdrawn or cancelled),
- (b) the date specified as such in ~~or a~~ Recall or Return agreed pursuant to the second sub-paragraph of Paragraph (2) or (3) above,

~~(c) the date specified as such in a Recall (request) pursuant to the first sub-paragraph of Paragraph (3) (if any, and which has not been withdrawn or cancelled),~~

~~(d) if a Recall request and a Return request specify the same date, such date, whichever date first becomes effective (or, if a Return or Recall request specify the same date, such date), or~~

~~(e) the date fixed as final maturity of the Securities Lending Transaction in the Loan Information, or~~

~~(f) 31 December 2099; or~~

(ii) ~~in the case of a Fixed Term Loan, the earlier of~~

~~(a) the date specified in the Loan Information, subject to an amendment of such date in accordance with Number 1.2.2 Paragraph (3), if any, or~~

~~(b) the date specified as such in a Recall or Return agreed pursuant to the second sub-paragraph of Paragraph (2) or (3) above.~~

and (for the avoidance of doubt) subject to an adjustment of such date due to a termination in accordance with Number 2.7.2, Number 2.7.3 or Number 2.7.4;

provided that:-

(A) If such Maturity Date is a Business Day immediately following ~~Labour Day 1 May~~ and if, with respect to the Underlying Securities of the relevant Securities Lending Transaction, a corporate action pursuant to Number 2.4.1 Paragraph (2) or Number 2.4.2, requiring an ISIN or a nominal change, is to be carried out on ~~one of these~~ such holidays, the Maturity Date of the relevant Securities Lending Transaction shall be postponed to the next following Business Day (i.e. to the second Business Day following ~~Labour Day 1 May~~).

(B) a Return request or a Recall request shall not be valid (and the relevant Maturity Date resulting therefrom shall not occur) if it provides for a "Maturity Date" that would fall (as determined by Eurex Clearing AG) prior to the last day of the standard settlement period of the relevant cash market for the settlement of the Equivalent Loaned Securities applicable to the date of receipt of such Return request or Recall request, unless the relevant Return or Recall has been mutually agreed by the Borrower Clearing Member and the Lender Clearing Member;

~~(B)(C) a Return request, a Recall Request or a Return or Recall mutually agreed between the Borrower Clearing Member and the Lender Clearing Member shall not be valid (and the relevant Maturity Date resulting therefrom shall not occur) if in the case of a Return request by the Borrower Clearing Member to Eurex Clearing Lender, the date specified therein as "Maturity Date" may not be is a date which falls (i) in the case of a Return (request), after the second anniversary of the date on which the Return request has been received by Eurex Clearing Lender or (ii) in the case of a Recall (request), after the date pursuant~~

~~to item (i) (b) of the definition of Maturity Date. Moreover, the Maturity Date shall not fall prior to the last day of the standard settlement period of the relevant cash market for the settlement of the Equivalent Loaned Securities applicable to the date of receipt of such Return request, as determined by Eurex Clearing AG, unless the Return request has been mutually agreed by the Borrower Clearing Member and the Lender Clearing Member. In the case of a Recall request by the Lender Clearing Member to Eurex Clearing Borrower, the date specified as "Maturity Date" shall be a date which falls (i) not prior to the last day of the standard settlement period of the relevant cash markets for the settlement of the Equivalent Loaned Securities applicable to the date of receipt of such Recall request, as determined by Eurex Clearing AG, and (ii) not after on a date later than the 31st Business Day after the date on which the Recall request has been received by Eurex Clearing Borrower or (iii) after the date pursuant to item (i) (e) or (f) of the definition of "Maturity Date"; and. Moreover, the Maturity Date shall not fall prior to the last day of the standard settlement period of the relevant cash market for the settlement of the Equivalent Loaned Securities applicable to the date of receipt of such Recall request, as determined by Eurex Clearing AG, unless the Recall request has been mutually agreed by the Borrower Clearing Member and the Lender Clearing Member.~~

~~(C)(D)~~ ~~_____~~ ~~i~~n the case of Securities Lending Transactions in which fixed income securities are to be delivered as Equivalent Loaned Securities, the day determined as the Maturity Date must be no later than the twelfth Business Day preceding the maturity of the fixed income securities.

- (9) In the event of a ~~partial~~ Return or Recall request of Equivalent Loaned Assets ~~in part~~, the term "Maturity Date" shall only refer to such portion of the Loaned Assets, Principal Collateral, Equivalent Loaned Assets and Equivalent Principal Collateral to which such Recall or Return request relates. Following the settlement of the partial Recall or Return request, the "Securities Lending Transaction" shall relate only to such Loaned Assets, Principal Collateral, Equivalent Loaned Assets and Equivalent Principal Collateral as reduced by the settlement of such partial Recall or Return request.
- (10) Eurex Clearing AG reserves the right, to postpone the settlement of a Return or Recall (request) received by it and/or given by it for serious cause (*aus wichtigem Grund*). The Maturity Date shall be postponed accordingly.
- (11) If Eurex Clearing AG has submitted a Recall request to the Borrower Clearing Member in accordance with Paragraph (6), the Borrower Clearing Member shall issue a matching notice to Eurex Clearing AG in the format of a "Return request", provided that the Maturity Date shall occur as a result of the Recall request irrespective of such matching notice. The Borrower Clearing Member shall further provide all necessary instructions to the relevant settlement location for a delivery of the relevant Equivalent Loaned Securities on such Maturity Date. Eurex Clearing AG may issue such delivery instructions on behalf of the Borrower Clearing Member by using the power of attorney referred to in Part 1 Number 1.1.3 Paragraph (5)(f).

(112) In respect of Equivalent Loaned Securities for which EUI acts as the settlement location, the Borrower Clearing Member shall provide all instructions to EUI that are required to effect a transfer of Equivalent Loaned Securities to Eurex Clearing Lender, and Eurex Clearing Borrower shall provide all instructions to EUI that are required to effect a transfer of Equivalent Loaned Securities to the Lender Clearing Member, in each case in accordance with this Number 2.2.2. The Borrower Clearing Member shall, in respect of any such transfer, only provide instructions on the transfer of the entirety of the relevant Equivalent Loaned Securities that are to be delivered on the Maturity Date but not only on the transfer of any portions thereof.

[...]

(123) If the Borrower Clearing Member provides any instruction to EUI for a transfer of Equivalent Loaned Securities to Eurex Clearing AG, but no obligation of the Borrower Clearing Member to make such transfer is due in accordance with this Chapter IX, the Borrower Clearing Member shall promptly submit appropriate instructions to EUI for a retransfer of such Equivalent Loaned Securities to the Borrower Clearing Member. If and for as long as the Borrower Clearing Member negligently or wilfully fails to provide any such required instruction to EUI, Eurex Clearing AG will, in order to enhance settlement discipline, irrespective of whether Eurex Clearing AG has suffered a loss, charge the Borrower Clearing Member an amount of EUR 300 or USD 500 for each day of such failure (with a maximum of EUR 3,000 or USD 5,000).

(134) The Borrower Clearing Member shall reimburse Eurex Clearing AG for any fees or penalties that may be payable by Eurex Clearing AG to EUI as a result of any instruction required to effect a transfer of Equivalent Loaned Securities (in relation to Equivalent Loaned Securities for which EUI acts as the settlement location) having been provided after any deadline applicable pursuant to the rules of EUI, unless Eurex Clearing AG has negligently or wilfully caused the delay of such instruction.

[...]

2.4 Corporate Actions

[...]

In respect of any corporate action (~~other including than~~ any Dividends With Options in relation to ACON Securities (as defined in Number 2.4.1 Paragraph (4)) but excluding any Dividends With Options in relation to securities that do not qualify as ACON Securities) relating to Loaned Securities or Equivalent Loaned Securities for which EUI acts as the settlement location, a Clearing Member shall not provide any instruction to EUI that changes the default processing of such corporate action ("*Skip Transformation*"). If, contrary to the previous sentence, a Clearing Member negligently or wilfully provides any such "*Skip Transformation*" instruction to EUI, Eurex Clearing AG may, in order to enhance settlement discipline, irrespective of whether Eurex Clearing AG has suffered a loss, charge such Clearing Member an amount of EUR 300 or USD 500 for each such instruction.

[...]

2.4.1 Distributions in respect of Underlying Securities

In relation to any Securities Lending Transaction, if a relevant date on which the holders of the Underlying Securities are identified as being holders of an entitlement to any interest, dividends, rights or other distributions of any kind (the "**Record Date**") falls in the period from, and including, the Value Date (taking into account any postponement pursuant to Number 2.6.1 or 2.6.2) to, and excluding the Maturity Date (taking into account any postponement pursuant to Number 2.6.4 or 2.6.5), subject to and in accordance with the following provisions the Borrower Clearing Member shall pay or deliver to Eurex Clearing Lender under such Securities Lending Transaction, and Eurex Clearing Borrower shall pay or deliver to the Lender Clearing Member under the related Securities Lending Transaction, a sum of money, securities or other assets (i) which were agreed between the Lender Clearing Member and the Borrower Clearing Member or (ii), if no such agreement was reached, which are equivalent to the amount of such interest, dividends, rights or other distributions of any kind (including any securities or instruments or cash in lieu of such distributions as a result of the exercise of any option relating to such distributions) that would be received by the Lender Clearing Member as a holder thereof on the Record Date assuming such Loaned Securities were retained by the Lender Clearing Member on the Record Date (each a "**Distribution**"), provided that, in respect of Loaned Securities or Equivalent Loaned Securities for which EUI acts as the settlement location, the amount and type of the Distribution (including any securities or instruments or cash in lieu of such distribution as a result of the exercise of any option relating to such distribution) shall be the amount and type determined by EUI and communicated to Eurex Clearing AG (subject, however, to Number 2.1.8). No such obligation to pay a Distribution pursuant to the preceding sentence applies, if – on the trade date of the Original Securities Lending Transactions – the Underlying Securities did not include a claim to interest, dividends, rights or other distributions resulting from the respective corporate action.

[...]

- (4) Dividends With Options in respect of Loaned Securities for which EUI acts as the settlement location

If a Dividend With Options relates to Loaned Securities or Equivalent Loaned Securities for which EUI acts as the settlement location and that do not qualify as ACON Securities (as defined below), the following sub-paragraphs (a) to (j) of this Paragraph (4) apply. ~~If a Dividend With Options relates to Loaned Securities or Equivalent Loaned Securities for which EUI acts as the settlement location and that qualify as ACON Securities (as defined below), Number 2.4.2 Paragraph (4) applies.~~

"ACON Securities" means securities in respect of which the relevant issuer has specified (as determined by Eurex Clearing AG) that the processing of dividends with options shall be handled via "ACON" messages in the CREST system of EUI.

[...]

2.4.2 **Mandatory Reorganisations, Voluntary Reorganisations and Mandatory Reorganisations With Options in respect of Underlying Securities**

[...]

- (4) Mandatory Reorganisations With Options in respect of Loaned Securities for which EUI acts as the settlement location

“Mandatory Reorganisations With Options” are certain corporate actions (including, with respect to ACON Securities only, Dividends With Options) in respect of which the participation as such of the relevant holder of the relevant Underlying Securities is mandatory, but in respect of which the holder of the relevant Underlying Securities has the option to choose between different benefits. For the avoidance of doubt, Dividends With Options relating to Loaned Securities other than ACON Securities do not qualify as Mandatory Reorganisations with Options.

[...]

[...]

2.6 **Failure to Deliver**

2.6.1 **Failure to Deliver by the Lender Clearing Member on the Value Date**

- (1) If the Lender Clearing Member fails to actually deliver the Loaned Assets (in respect of which a delivery obligation has become due) to Eurex Clearing Borrower in full on the Value Date or any Business Day thereafter, if applicable, with respect to a specific Securities Lending Transaction (the **“Non-Settled Transaction”**), the settlement of such Non-Settled Transaction and the settlement of the related Securities Lending Transaction shall be postponed to the next following Business Day.

[...]

If no actual delivery of the Loaned Assets (in respect of which a delivery obligation has become due) occurs in full by the end of the second Business Day immediately following the original Value Date, Eurex Clearing AG shall cancel the Non-Settled Transaction and the related Securities Lending Transaction. Cancellation confirmations shall be given in accordance with Number 1.2.3 Paragraph (4).

[...]

2.6.4 **Failure to Deliver by the Borrower Clearing Member on the Maturity Date**

- (1) If the Borrower Clearing Member fails to actually deliver the relevant Equivalent Loaned Assets which are due to be returned to Eurex Clearing Lender in full on the Maturity Date ~~or any Business Day thereafter~~ with respect to a specific Securities Lending Transaction (the **“Non-Performed Transaction”**) and provided that the related Return or Recall request, if any, has not been withdrawn in accordance with Number 2.2.2 Paragraph (7) or cancelled, the redemption of such Non-Performed Transaction and the redemption of the related Securities Lending Transaction shall

be postponed to the next following Business Day and, if the Borrower Clearing Member fails to actually deliver such Equivalent Loaned Assets with respect to the Non-Performed Transaction in full on such Business Day, the redemption of such Non-Performed Transaction and the redemption of the related Securities Lending Transaction shall be further postponed for consecutive intervals of one Business Day each (but without prejudice to a cancellation of the relevant Recall request and reinstatement of the relevant Open Term Loan in accordance with Paragraph (5) (a)), provided that no such postponement shall be made beyond the end of the Extension Period (as defined in Paragraph (3)). Such postponement of (only) the related Securities Lending Transaction shall also occur if the non-delivery of the relevant Equivalent Loaned Assets by the Borrower Clearing Member relates to the occurrence of a Termination Date with respect to the Borrower Clearing Member or if a Termination Date with respect to the Borrower occurs following any such non-delivery.

If any party to a Non-Performed Transaction or the related Securities Lending Transaction has already received any Equivalent Loaned Assets or Equivalent Principal Collateral from the respective other party on such Maturity Date or such Business Day prior to the postponement in relation to such Non-Performed Transaction or the related Securities Lending Transaction, such party shall return such assets on such Business Day, unless a Termination Date has occurred with respect to the relevant other party and, as a result thereof, the corresponding return obligation of such other party is not enforceable.

If the Borrower Clearing Member fails to actually deliver the Equivalent Loaned Assets in the form of cash to Eurex Clearing AG in full until 9:30 (Frankfurt am Main time) on the Business Day following the Maturity Date (not taking into account a postponement in accordance with this Paragraph (1)) with respect to the Non-Performed Transaction, a Termination Event pursuant to Chapter I Part 1 Number 7.2.1 Paragraph (1) shall have occurred with respect to the Borrower Clearing Member (irrespective of the fact whether a failure to deliver the Equivalent Principal Collateral by the Lender Clearing Member pursuant to Number 2.6.5 Paragraph (1) occurs at the same time).

For the avoidance of doubt, the following provisions of this Number 2.6.4 do not apply if the non-delivery of the relevant Equivalent Loaned Assets by the Borrower Clearing Member relates to the occurrence of a Termination Date with respect to the Borrower Clearing Member or (but without prejudice to Paragraph (3) (f) and (i)) if a Termination Date with respect to the Borrower Clearing Member occurs following any such non-delivery (including where Eurex Clearing AG conducts a Return in accordance with Number 2.7.2 Paragraph (4) (a)).

- (2) If a Record Date for a Cash Distribution or for a Securities Distribution pursuant to Number 2.4.1 (including a Record Date in respect of a Dividend With Options in relation to Loaned Securities or Equivalent Loaned Securities for which EUI acts as the settlement location, but excluding any Record Date in respect of any other Securities Distribution in relation to Loaned Securities or Equivalent Loaned Securities for which EUI acts as the settlement location) or the Market Deadline in connection with a Voluntary Reorganisation pursuant to Number 2.4.2 (but excluding

any Voluntary Reorganisation in relation to Loaned Securities or Equivalent Loaned Securities for which EUI acts as the settlement location) occurs with respect to a Non-Performed Transaction between Eurex Clearing Lender and the Borrower Clearing Member, the Borrower Clearing Member shall be obliged to pay a contractual penalty to Eurex Clearing AG irrespective of whether Eurex Clearing AG has suffered a loss.

[...]

(3) In addition, the following applies with respect to a Non-Performed Transaction between Eurex Clearing AG and the Borrower Clearing Member which is a Securities Loan other than where the occurrence of the Maturity Date of such Non-Performed Transaction has been based on a Return request by the Borrower Clearing Member and a corresponding Return request by Eurex Clearing Borrower (in respect of which the Lender Clearing Member has not submitted a matching Recall request):

(a) The Lender Clearing Member may submit a Buy-In Notice to Eurex Clearing AG (with a copy to the Borrower Clearing Member) by no later than 09:00 hours (Frankfurt am Main time) on the first Business Day after the end of the Extension Period.

"Buy-In Notice" means a notice in text form (Textform) that a buy-in is made by a third party to which the Lender Clearing Member directly or indirectly owes the delivery, in whole or in part, of securities equivalent to the relevant Loaned Securities (and, in the case of a partial buy-in, the aggregate nominal amount of the Equivalent Loaned Securities that are captured by such buy-in).

"Extension Period" means the period defined as the "extension period" in Article 7(3) of Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012 (the "CSD Regulation"), calculated from the original Maturity Date (i.e. not taking into account any postponement in accordance with Paragraph (1)), subject to any increase of the extension period in accordance with Article 7(4)(a) CSD Regulation in connection with Article 36 of Commission Delegated Regulation (EU) 2018/2019 of 25 May 2018 supplementing Regulation (EU) No 909/2014 with regard to regulatory technical standards on settlement discipline (the "CSDR Delegated Regulation II"), provided that, with respect to a Securities Loan or Loaned Securities not falling within the scope of Article 7 of the CSD Regulation or falling within the exemption set out in Article 7(4)(b) of the CSD Regulation, references in Paragraph (1), in this Paragraph (3) and in Paragraph (5) to the "Extension Period" shall have the same meaning irrespective of such non-application or such exemption.

(b) Upon the receipt by the Borrower Clearing Member of the copy of the Buy-In Notice in accordance with sub-paragraph (a) (or, if the Borrower Clearing Member receives such copy prior to the end of the Extension Period, upon the

end of the Extension Period), (i) the Borrower Clearing Member shall no longer be entitled to deliver to Eurex Clearing AG the Equivalent Loaned Securities in an aggregate nominal amount set out in the Buy-In Notice and (ii) the obligations of the Borrower to deliver Equivalent Loaned Securities to Eurex Clearing Lender and of Eurex Clearing Borrower to deliver Equivalent Loaned Securities to the Lender Clearing Member shall, in each case with respect to the aggregate nominal amount set out in the Buy-In Notice, be replaced with a cash payment obligation reflecting the market value of the relevant Equivalent Loaned Securities determined by Eurex Clearing AG in accordance with Article 32(3) of the CSDR Delegated Regulation II (the "**Cash Compensation**"), which shall become due subject to and in accordance with sub-paragraphs (f) and (g), respectively.

- (c) After the Lender Clearing Member has submitted a Buy-In Notice in accordance with sub-paragraph (a), the Lender Clearing Member shall, by no later than 15 Business Days after the submission of the Buy-In Notice in accordance with sub-paragraph (a), submit a Buy-In Cost Reclaim Notice to Eurex Clearing AG.

"**Buy-In Cost Reclaim Notice**" means a notice in text form (*Textform*) setting out the aggregate amount of the Buy-In Costs (and any other information that Eurex Clearing AG may reasonably request).

"**Buy-In Costs**" means the costs of the buy-in consisting of the relevant aggregate purchase price (not taking into account any netting to which such purchase price may be subject) of the securities equivalent to the Loaned Securities to which the Buy-In Notice relates and associated execution fees and other costs (excluding any taxes and penalties). The Buy-In Costs set out in a Buy-In Cost Reclaim Notice shall be reasonable, shall include a breakdown showing the execution fees, and the aggregate of such Buy-In Costs shall not exceed 150 per cent. of the market price (at the time of the buy-in) of the securities equivalent to the Loaned Securities to which the Buy-In Notice relates. The aggregate amount of the Buy-In Costs shall be expressed either in EUR or in USD. The Buy-In Costs may not be a negative amount.

If Eurex Clearing AG so requests, the Lender Clearing Member shall provide evidence on the Buy-In Costs reasonably available to the Lender Clearing Member, such as invoices of any buy-in agents that were involved in such buy-in.

- (d) Eurex Clearing AG may, but is not obliged to, conduct a plausibility check of the information set out in the Buy-In Cost Reclaim Notice (including the Buy-In Costs). Eurex Clearing AG may reject (by notice in text form (*Textform*) to the Lender Clearing Member) a Buy-In Cost Reclaim Notice if it does not provide for the information set out in the definitions of "Buy-In Cost Reclaim Notice" and "Buy-In Costs" or if a plausibility check has been conducted by Eurex Clearing AG and such check has failed.
- (e) If the Buy-In Cost Reclaim Notice is not rejected by Eurex Clearing AG pursuant to sub-paragraph (d), then Eurex Clearing AG will forward a copy of the Buy-In

Cost Reclaim Notice to the Borrower Clearing Member in text form (*Textform*) without undue delay.

- (f) If a Termination Date in respect of the Borrower Clearing Member has occurred or occurs before a copy of the Buy-In Cost Reclaim Notice has been forwarded to the Borrower Clearing Member in accordance with sub-paragraph (e), then the Buy-In Cost Reclaim Notice shall be ineffective and Eurex Clearing AG will, without undue delay, notify the Lender Clearing Member and the Borrower Clearing Member in text form (*Textform*) of such ineffectiveness. The obligation of the Borrower Clearing Member to pay the Cash Compensation to Eurex Clearing Lender and the obligation of Eurex Clearing Borrower to pay the Cash Compensation to the Lender Clearing Member shall remain unaffected and the obligation of Eurex Clearing Borrower to pay the Cash Compensation to the Lender Clearing Member shall become due upon submission of such notification.
- (g) If no Termination Date in respect of the Borrower Clearing Member has occurred or occurs before a copy of the Buy-In Cost Reclaim Notice has been forwarded to the Borrower Clearing Member in accordance with sub-paragraph (e) and unless the Borrower Clearing Member has delivered all the Equivalent Loaned Securities with respect to the Non-Performed Transaction to Eurex Clearing Lender in compliance with the timing requirements set out in sub-paragraph (b), the Borrower Clearing Member shall, by no later than 9:30 hours (Frankfurt am Main time) on the Business Day following the receipt by it of the copy of the Buy-In Cost Reclaim Notice pursuant to sub-paragraph (e), pay to Eurex Clearing Lender an amount equal to the higher of (A) the aggregate amount of the Buy-In Costs (and in the same currency) set out in the Buy-In Cost Reclaim Notice and (B) the Cash Compensation (and, if the aggregate amount of the Buy-In Costs is higher than the Cash Compensation, then the obligation to pay such amount shall replace the obligation to pay the Cash Compensation pursuant to sub-paragraph (b)), and Eurex Clearing Borrower shall pay a corresponding amount (in the same currency) to the Lender Clearing Member.
- (h) Each payment in accordance with sub-paragraph (f) and (g), respectively, shall be made only against delivery of Equivalent Principal Collateral (or, as applicable, the release of the pledge over Equivalent Principal Collateral) by the Lender Clearing Member and Eurex Clearing Lender, respectively, (A) if such payment obligation has replaced the entire obligation to deliver the Loaned Securities under the relevant Securities Lending Transaction, that reflect the entire corresponding Equivalent Principal Collateral and (B) otherwise, with an aggregate value that is at least equivalent to the amount of such payment.

The Lender Clearing Member and the Borrower Clearing Member may agree bilaterally on the legal consequences of any objections that the Borrower Clearing Member may have against the amount of the Buy-In Costs set out in a Buy-In Cost Reclaim Notice. No such objections nor any such bilateral agreement shall impair any obligations arising under the Clearing Conditions.

(i) If a Termination Date occurs with respect to the Borrower Clearing Member, (i) the amount payable by the Borrower Clearing Member to Eurex Clearing AG in accordance with sub-paragraph (f) or sub-paragraph (g), as applicable, shall, in respect of the determination of the Difference Claim between Eurex Clearing AG and the Borrower Clearing Member, constitute an Unpaid Amount and (ii) the provisions in Chapter I Part Number 7.3.1 and 7.3.2 on the calculation of the Aggregate Value of the Redelivery Claims as well as on the inclusion of the Aggregate Value of the Redelivery Claims in the determination of the Difference Claims shall apply *mutatis mutandis* to any Principal Collateral Redelivery Claims of the Borrower Clearing Member.

(43) With respect to any Non-Performed Transaction between Eurex Clearing AG and the Borrower Clearing Member which is a Securities Loan, Eurex Clearing AG is entitled to, or (as applicable) shall, vis-à-vis the Borrower Clearing Member to commence a buy-in vis-à-vis the Borrower Clearing Member and to purchase Underlying Securities equivalent to the Equivalent Loaned Securities subject to and in accordance with: ~~the terms and conditions of~~

(a) Paragraphs ~~(56)~~, if the Non-Performed Transaction relates to Loaned Securities not falling within the scope of Article 7 of the CSD Regulation or falls within the exemption set out in Article 7(4)(b) of the CSD Regulation; and

(b) Paragraph ~~(6)~~, if the Non-Performed Transaction relates to Loaned Securities falling within the scope of Article 7 of the CSD Regulation (and the Non-Performed Transaction does not fall within the exemption set out in Article 7(4)(b) of the CSD Regulation)

and, in each case, to the extent that Eurex Clearing AG has not informed the Borrower Clearing Member in accordance with Paragraph ~~(3)~~(b) of the receipt of a Buy-In Notice ~~through (9) below~~ (a "Buy-In") ~~if the conditions for a Buy-In pursuant to Paragraph ~~(4) or (5) below~~ are satisfied.~~

(45) If (i) the Non-Performed Transaction relates to Loaned Securities not falling within the scope of Article 7 of the CSD Regulation or (ii) the exemption set out in Article 7(4)(b) of the CSD Regulation applies to the Non-Performed Transaction, the buy-in process is subject to following provisions:

(a) In respect of Open Term Loans, a Buy-In in relation to a Securities Loan shall take place in accordance with ~~sub-p~~Paragraphs ~~(6c)~~ through ~~(f9)~~ below ~~shall take place upon after~~ the receipt by Eurex Clearing AG of a Buy-In request of the Lender Clearing Member (a "Buy-In Request"). A Buy-In Request may only be given by the Lender Clearing Member if and to the extent a Recall request pursuant to Number 2.2.2 Paragraph (3) has been given by the Lender Clearing Member before the Buy-In Request and has not been withdrawn. If a Buy-In Request has not been received by Eurex Clearing AG by the end of trading on the first Business Day after the end of the Extension Period, the related Recall request shall be cancelled automatically and the related Securities Lending Transactions shall be reinstated with the terms applicable immediately prior to the occurrence of their original Maturity Date.

In the case of Open Term Loans in which fixed income securities are to be delivered as Equivalent Loaned Securities, a Buy-In Request may not be placed ~~no~~ later than the tenth Business Day preceding the maturity of the fixed income securities.

If provided for by the rules of the relevant Third Party Flow Provider, the Lender Clearing Member is entitled to withdraw a Buy-In Request provided that a Buy-In Request can not be withdrawn after the end of trading on the Business Day preceding the Buy-In Date (as defined in sub-Paragraph (c6)(i) below).

~~If no Buy-In Request has been received by Eurex Clearing AG within ten Business Days following the date set as Maturity Date in the relevant Recall request or if the Buy-In Request has been withdrawn, Eurex Clearing is entitled to cancel the Recall request. Eurex Clearing AG is entitled to cancel the Recall request with regard to an Open Term Loan in which fixed income securities are to be delivered as Equivalent Loaned Securities, if a Buy-In Request has not been received until the tenth Business Day preceding the maturity of the fixed income securities.~~

~~(b5) In respect of Fixed Term Loans, a Buy-In in accordance with sub-Paragraphs (c6) through (9f) below shall (without a Buy-In Request) also take place if the Non-Performed Transaction has not been redeemed by the end of the Extension Period third Business Day following the Maturity Date pursuant to Paragraph (i) (b) or (ii) of the definition of Maturity Date in Number 2.2.2 Paragraph (8), provided that, on the last Business Day preceding the Buy-In Date as defined in sub-Paragraph (c6) (bii), no failure to deliver Equivalent Principal Collateral by the Lender Clearing Member pursuant to Number 2.6.5 occurs at the same time.~~

(c6) The Buy-In shall take place on the Buy-In Date if and to the extent the obligations under the Non-Performed Transaction have not been satisfied in full by the end of trading on the Business Day preceding the Buy-In Date; the Borrower Clearing Member must not deliver the relevant Equivalent Loaned Assets after that point in time.

The "**Buy-In Date**" shall, for the purposes of this Paragraph (5), be the first Business Day after the end of the Extension Period,

~~(a) in the case of Paragraph (4) above, be the latest of~~

~~(i) the second Business Day after the date set as Maturity Date in the Recall, and~~

~~(ii) if the respective Securities Lending Transaction is already a Non-Performed Transaction, the Business Day following the receipt of a Buy-In Request by the Lender Clearing Member in accordance with Paragraph (4) above, and~~

~~(iii) if the respective Securities Lending Transaction has not been subject to a prior settlement, the second Business Day following the receipt of a Buy-In~~

~~Request by the Lender Clearing Member in accordance with Paragraph (4) above, or~~

~~(b) in the case of Paragraph (5) above, the third Business Day after the Maturity Date,~~

~~— in each case subject to changes by Eurex Clearing AG which reserves the right to defer the Buy-In Date by one or more Business Days or, upon good cause shown, to determine another Business Day for the Buy-In Date.~~

~~Eurex Clearing AG will inform the involved Clearing Members about the Buy-In and the results of a Buy-In ~~per~~ via fax or telephone.~~

~~[...]~~

~~For the purposes of any Buy-In, Eurex Clearing AG may also appoint a buy-in agent.~~

~~(7d) In the event a Buy-In pursuant to ~~sub-p~~Paragraph (c6) is successful with respect to the entirety of the Equivalent Loaned Securities to which such Non-Performed Transaction relates, (i) the purchase price for the securities purchased in such Buy-In shall be borne by the Borrower Clearing Member and shall be paid on the Business Day following the Buy-In Date in accordance with the daily cash clearing procedure pursuant to Chapter I Part 1 Number 1.4.1 and (ii) the delivery obligations of the Borrower Clearing Member under the Non-Performed Transaction shall be replaced by the obligation of the Borrower Clearing Member to pay such purchase price.~~

~~Number 2.2.2 Paragraph (1) and Number 2.3.3 apply *mutatis mutandis* with respect to the delivery of Equivalent Principal Collateral by Eurex Clearing AG to the Borrower Clearing Member.~~

~~— For the avoidance of doubt, if the Lender Clearing Member does not return the Equivalent Principal Collateral on the applicable payment date, then Number 2.6.5 Paragraph (2) (h) applies.~~

~~(e8) In the event a Buy-In pursuant to ~~sub-p~~Paragraph (c6) is not successful or only partially successful on the Buy-In Date, then (i) sub-paragraph (d) shall apply *mutatis mutandis* with respect to such number and amount of Equivalent Loaned Securities (if any) for which the Buy-In has been successfully conducted and (ii) with respect to such number and amount of Equivalent Loaned Securities (if any) for which the Buy-In has not been successfully conducted a cash settlement shall take place on the Business Day following the Buy-In Date with respect to the Non-Performed Transaction and the related Securities Lending Transaction.~~

~~Eurex Clearing AG will inform the ~~involved~~ relevant Clearing Members ~~about~~ of the cash settlement pursuant to this ~~sub-p~~Paragraph (e8).~~

~~The cash amount to be paid by the Borrower Clearing Member to Eurex Clearing Lender and by Eurex Clearing Borrower to the Lender Clearing~~

Member shall be denominated in the currency of the Underlying Securities and shall be determined by Eurex Clearing AG as follows:

- ~~■ in case the Underlying Securities, the settlement price of the Underlying Securities determined by Eurex Clearing AG multiplied by 2 and multiplied by the relevant number of Equivalent Loaned Securities; and~~
- ~~■ in case the Underlying Securities are fixed income securities, the settlement price of the Underlying Securities as determined by Eurex Clearing AG, plus 300 bp and with such sum to be multiplied by the number of Loaned Securities.~~

Upon determination of the cash amount, the delivery obligations of the Borrower Clearing Member under the Non-Performed Transaction and of Eurex Clearing Borrower under the related Securities Lending Transaction, in each case in relation to the Equivalent Loaned Securities to which the cash settlement relates, shall be replaced by the obligation of the Borrower Clearing Member to pay such cash amount to Eurex Clearing Lender and by the obligation of Eurex Clearing Borrower to pay such cash amount to the Lender Clearing Member, respectively, and the cash amount payable by the Borrower Clearing Member to Eurex Clearing AG shall be paid in accordance with the daily cash clearing procedure pursuant to Chapter I Part 1 Number 1.4.1.

Number 2.2.2 Paragraph (1) and Number 2.3.3 apply *mutatis mutandis* with respect to the delivery of Equivalent Principal Collateral or, as applicable, a release of pledges over Principal Collateral.

- (9f) If the Underlying Securities of a Non-Performed Transaction are subscription rights, no Buy-In shall take place following a Buy-In Request. Instead, a cash settlement shall occur on the earlier of the Buy-In Date or the Business Day following the end of the subscription period for that subscription right at a price determined by Eurex Clearing AG in accordance with Number 2.4.1 Paragraph (2) (d) ~~multiplied by two and~~ multiplied by the number of Equivalent Loaned Securities. Such cash amount shall be paid by the Borrower Clearing Member to Eurex Clearing Lender and by Eurex Clearing Borrower to the Lender Clearing Member. Upon determination of the price by Eurex Clearing AG, the delivery obligations of the Borrower Clearing Member under the Non-Performed Transaction and of Eurex Clearing Borrower under the related Securities Lending Transaction shall be replaced by the obligation of the Borrower Clearing Member to pay such cash amount to Eurex Clearing Lender and by the obligation of Eurex Clearing Borrower to pay such cash amount to the Lender Clearing Member, respectively, and the cash amount payable by the Borrower Clearing Member to Eurex Clearing AG shall be paid in accordance with the daily cash clearing procedure pursuant to Chapter I Part 1 Number 1.4.1.
- (g10) In the event that a Non-Performed Transaction in which fixed income securities are to be delivered as Equivalent Loaned Securities, is not fulfilled until the sixth Business Day preceding the maturity of the fixed income securities, and in particular no successful Buy-In has been performed, a cash

settlement relating to the Non-Performed Transaction and the related Securities Lending Transaction shall be performed on the fifth Business Day preceding the maturity of the fixed income securities. In such case, ~~sub-Paragraph (8e)~~ Sentence 2 to 5 shall apply *mutatis mutandis*.

- (6) If (i) the Non-Performed Transaction relates to Loaned Securities falling within the scope of Article 7 of the CSD Regulation and (ii) the exemption set out in Article 7(4)(b) of the CSD Regulation does not apply to the Non-Performed Transaction, the Buy-In process is subject to the following provisions:
- (a) Eurex Clearing AG will, on the Business Day following the lapse of the applicable Extension Period, initiate a Buy-In process (by launching an auction or by appointing a buy-in agent) only for such number and amount of Equivalent Loaned Securities in respect of which Eurex Clearing AG has not informed the Borrower Clearing Member in accordance with Paragraph (3)(b) of the receipt of a Buy-In Notice. Such Buy-In process will be initiated and conducted in accordance with and subject to the provisions of Article 7 of the CSD Regulation (and the applicable provisions of the CSDR Delegated Regulation II) with the Borrower Clearing Member being the "failing participant", in accordance with the following provisions of this Paragraph (6) and unless a buy-in is not possible (as defined in the CSDR Delegated Regulation II). For the avoidance of doubt, the initiation of any such Buy-In will not depend on the submission of a buy-in request.
 - (b) Eurex Clearing AG will notify the Lender Clearing Member and the Borrower Clearing Member of (i) the initiation of the Buy-In process and (ii) the results of the Buy-In (including, where applicable, the quantity and price of the bought-in securities), in each case, via fax or telephone.
 - (c) Upon the receipt by the Borrower Clearing Member of the notice on the initiation of the Buy-In process pursuant to sub-paragraph (b) (i), the Borrower Clearing Member shall no longer be entitled to deliver to Eurex Clearing AG the Equivalent Loaned Securities (in such aggregate number and amount referred to in sub-paragraph (a)) in performance of its obligations under the Non-Performed Transaction.
 - (d) If a Buy-In pursuant to sub-paragraph (a) is successful, (i) the purchase price for the securities purchased in such Buy-In shall be borne by the Borrower Clearing Member and shall be paid on the Business Day following the date of the Buy-In in accordance with the daily cash clearing procedure pursuant to Chapter I Part 1 Number 1.4.1 and (ii) the delivery obligations of the Borrower Clearing Member under the Non-Performed Transaction in relation to the Equivalent Loaned Securities to which the Buy-In relates shall be replaced by the obligation of the Borrower Clearing Member to pay such purchase price.
- Number 2.2.2 Paragraph (1) and Number 2.3.3 apply *mutatis mutandis* with respect to the delivery of Equivalent Principal Collateral by Eurex Clearing AG to the Borrower Clearing Member.

For the avoidance of doubt, if the Lender Clearing Member does not return the Equivalent Principal Collateral on the applicable payment date, then Number 2.6.5 Paragraph (2) (h) applies.

(e) If a Buy-In pursuant to sub-paragraph (a) is not successful or only partially successful on the date on which it was conducted (such date, for the purpose of this Paragraph (6), the "**Buy-In Date**") or if a Buy-In of Equivalent Loaned Securities is impossible (within the meaning of Article 7(7) of the CSDR in conjunction with Article 21 of the CSDR Delegated Regulation II), then

(i) sub-paragraph (d) shall apply *mutatis mutandis* with respect to such number and amount of Equivalent Loaned Securities (if any) for which the Buy-In has been successfully conducted; and

(ii) with respect to such number and amount of Equivalent Loaned Securities for which the Buy-In has not been successfully conducted (including where a Buy-In has been impossible), a cash settlement of the Borrower Clearing Member's relevant obligation to deliver Equivalent Loaned Securities shall occur on the first Business Day after the Buy-In Date.

Eurex Clearing AG will inform the relevant Clearing Members of the cash settlement pursuant to this sub-paragraph (g).

The cash amount to be paid by the Borrower Clearing Member to Eurex Clearing Lender and by Eurex Clearing Borrower to the Lender Clearing Member shall be denominated in the currency of the Underlying Securities and shall be equal to the market value of the Underlying Securities determined by Eurex Clearing AG (in accordance with the applicable provisions of Article 32(3) of the CSDR Delegated Regulation II) multiplied by the relevant number of Equivalent Loaned Securities.

Upon determination of the cash amount, the delivery obligations of the Borrower Clearing Member under the Non-Performed Transaction and of Eurex Clearing Borrower under the related Securities Lending Transaction, in each case in relation to the Equivalent Loaned Securities to which the cash settlement relates, shall be replaced by the obligation of the Borrower Clearing Member to pay such cash amount to Eurex Clearing Lender and by the obligation of Eurex Clearing Borrower to pay such cash amount to the Lender Clearing Member, respectively, and the cash amount payable by the Borrower Clearing Member to Eurex Clearing AG shall be paid in accordance with the daily cash clearing procedure pursuant to Chapter I Part 1 Number 1.4.1.

Number 2.2.2 Paragraph (1) and Number 2.3.3 apply *mutatis mutandis* with respect to the delivery of Equivalent Principal Collateral or, as applicable, a release of pledges over Principal Collateral.

(744) Measures set forth in Paragraphs (45) through and (640) shall be binding on the Lender Clearing Member of the related Securities Lending Transaction.

- ~~(812)~~ If a Buy-In in accordance with Paragraph (5) or (6) has been conducted (and irrespective of whether such Buy-In has been successful),
- (a) Eurex Clearing AG will, in relation to internal costs, charge a buy-in fee from the Borrower Clearing Member if a Buy-In has taken place (irrespective of whether it has been successful or not) (the “Buy-In Fee”); ~~the Buy-In Fee shall be denominated in the Transaction Currency and amount to 10 per cent. of the market value of the Equivalent Loaned Securities bought or to be bought in the Buy-In, with a minimum of EUR 250 or CHF 375 and a maximum of EUR 5,000 or CHF 7,000; and-~~
- (b) in addition, the Borrower Clearing Member shall reimburse Eurex Clearing AG for any costs and expenses (other than internal costs) incurred by Eurex Clearing AG in relation to such Buy-In (including, without limitation, the fees charged by any buy-in agent).
- ~~(913)~~ For the avoidance of doubt, if the Lender Clearing Member does not return the Equivalent Principal Collateral on the applicable payment date for the relevant cash amount pursuant to Paragraph ~~(57), (8), (9) and (640)~~, then Number 2.6.5 applies *mutatis mutandis*.

2.6.5 Failure to Deliver by the Lender Clearing Member on the Maturity Date

- (1) If the Lender Clearing Member fails to actually deliver the relevant Eligible Principal Collateral Assets which are due to be returned in respect of Equivalent Principal Collateral in the form of Cash Principal Collateral to Eurex Clearing Borrower in full on the Maturity Date with respect to a specific Securities Lending Transaction (for the purpose of this Paragraph (1), the “**Non-Returned Transaction**”), the redemption of such Non-Returned Transaction and return of the Equivalent Principal Collateral and the redemption of the related Securities Lending Transaction and return of the Equivalent Principal Collateral of the related Securities Lending Transaction shall be postponed to the next following Business Day. Number 2.2.1 Paragraph (3) shall apply *mutatis mutandis* in respect of any Equivalent Loaned Securities for which EUI acts as the settlement location in relation to the required instruction of the Borrower Clearing Member for a return by Eurex Clearing Lender to the Borrower Clearing Member, unless a Termination Date has occurred with respect to the relevant other party and, as a result thereof, the corresponding return obligation of such other party is not enforceable.

[...]

- (2) (a) If the Lender Clearing Member fails to actually deliver the Equivalent Principal Collateral in the form of Non-Cash Principal Collateral (in respect of which a delivery obligation has become due) to Eurex Clearing Borrower in full on the Maturity Date or on any Business Day thereafter with respect to a specific Securities Lending Transaction (for the purpose of this Paragraph (2), the “**Non-Returned Transaction**”), the redemption of such Non-Returned Transaction and return of the Equivalent Principal Collateral and the redemption of the related Securities Lending Transaction and return of the Equivalent Principal

Collateral of the related Securities Lending Transaction shall be postponed to the next following Business Day.

If any party to a Non-Returned Transaction or the related Securities Lending Transaction has already received any Equivalent Loaned Assets or Equivalent Principal Collateral from the respective other party on such Maturity Date or such Business Day prior to the postponement in relation to such Non-Returned Transaction or the related Securities Lending Transaction, such party shall return such assets on such Business Day, unless a Termination Date has occurred with respect to the relevant other party and, as a result thereof, the corresponding return obligation of such other party is not enforceable.

[...]

(c) The cash amount pursuant to Paragraph (b) shall be ~~determined as follows:~~

- ~~■ in the case of equity securities, the settlement price of the relevant financial instruments comprising the Equivalent Principal Collateral that have not been delivered, as determined by Eurex Clearing AG, multiplied by 2 and multiplied by the number of such financial instruments that have not been delivered; and~~
- ~~■ in the case of fixed income securities, the settlement price of the financial instruments comprising the Equivalent Principal Collateral that have not been delivered, as determined by Eurex Clearing AG, plus 300 bp and with such sum to be multiplied by the number of such financial instruments that have not been delivered.~~

[...]

(h) If after a successful Buy-In pursuant to Number 2.6.4 Paragraph ~~(75)~~ or (6) or in the event of a cash settlement after an unsuccessful or only partially successful Buy-In pursuant to 2.6.4 Paragraph ~~(58)~~ or (6) with respect to a specific Securities Lending Transaction, the Lender Clearing Member fails to actually deliver the Equivalent Principal Collateral in the form of Non-Cash Principal Collateral (in respect of which a delivery obligation has become due) to Eurex Clearing Borrower in full until 14:00 (Frankfurt am Main time) for Principal Collateral held on accounts with Clearstream Banking S.A. and until 15:00 (Frankfurt am Main time) for Principal Collateral held on accounts with Euroclear Bank S.A./N.V., Brussels, on the Business Day after the relevant Buy-In Date, Eurex Clearing AG shall be entitled to determine that the Lender Clearing Member's obligation under such Securities Lending Transaction to return the Equivalent Principal Collateral shall be replaced by an obligation of the Lender Clearing Member to pay to Eurex Clearing Borrower, and that Eurex Clearing Lender's obligation to return the Equivalent Principal Collateral under the related Securities Lending Transaction shall be replaced by an obligation of Eurex Clearing Lender to pay to the Borrower Clearing Member, in each case, a cash amount in the Transaction Currency determined by Eurex Clearing AG in accordance with Paragraph (c).

[...]

2.6.6 Failure to Deliver by the Borrower Clearing Member on the due date for a Securities Distribution or a Dividend With Options with respect to Securities for which EUI acts as the settlement location

For the purposes of this Number 2.6.6, "Extension Period" has the same meaning as such term is defined in Number 2.6.4 Paragraph (3), except that, for the purposes of this Number 2.6.6, the extension period shall be calculated from the original due date of the Non-Performed Delivery Obligation (as defined below), i.e. not taking into account any postponement in accordance with Paragraph (1) below.

- (1) If, in any of the circumstances set out in Number 2.4.1 Paragraph (3) or Number 2.4.2 Paragraph (3) (e) (B) or, with respect to Option Securities, Number 2.4.4~~2~~ Paragraph (4) (cf) or (d) and (f) (B), the Borrower Clearing Member fails to actually deliver the relevant securities to Eurex Clearing Lender on the relevant due date or, if such delivery obligation has been postponed, on the relevant next Business Day (the "Non-Performed Delivery Obligation" and the securities not delivered, the "Non-Delivered Securities"), such delivery obligation (and the corresponding delivery obligation of Eurex Clearing Borrower to the Lender Clearing Member) shall, subject to Paragraph (2~~3~~), be postponed to the next following Business Day and, if the Borrower Clearing Member fails to actually deliver the relevant securities with respect to the Non-Performed Delivery Obligation in full on such Business Day, the Non-Performed Delivery Obligation and the corresponding delivery obligation in respect of the related Securities Lending Transaction shall be further postponed for consecutive intervals of one Business Day each, provided that no such postponement shall be made beyond the end of the Extension Period. Such postponement of (only) the corresponding delivery obligation of Eurex Clearing Borrower to the Lender Clearing Member in respect of the related Securities Lending Transaction shall also occur if the non-delivery of the Non-Delivered Securities by the Borrower Clearing Member relates to the occurrence of a Termination Date with respect to the Borrower Clearing Member or if a Termination Date with respect to the Borrower occurs following any such non-delivery.

If any party to a Securities Lending Transaction or related Securities Lending Transaction to which the Non-Performed Delivery Obligation relates has already received any such securities from the respective other party on such due date or such Business Day prior to the postponement, such party shall return such assets on such Business Day, unless a Termination Date has occurred with respect to the relevant other party and, as a result thereof, the corresponding return obligation of such other party is not enforceable. Number 2.2.1 Paragraph (3) shall apply *mutatis mutandis* in respect of any such securities for which EUI acts as the settlement location (i) in relation to the required instruction of the Lender Clearing Member for a return by the Lender Clearing Member to Eurex Clearing Borrower and (ii) in relation to the required instruction of the Borrower Clearing Member for a return by Eurex Clearing Lender to the Borrower Clearing Member.

- (2) The provisions of Number 2.6.4 Paragraph (3) shall apply *mutatis mutandis* in relation to the Non-Performed Delivery Obligation, the Non-Delivered Securities and the corresponding delivery obligation of Eurex Clearing Borrower to the Lender Clearing Member, provided that (i) references therein to the Non-Performed

Transaction shall be read as references to the Non-Performed Delivery Obligation, (ii) references therein to the Maturity Date shall be read as references to the due date of the Non-Performed Delivery Obligation, (iii) provisions therein relating to a Return or Recall shall not apply, (iv) references therein to Loaned Securities or Equivalent Loaned Securities shall be read as references to the Non-Delivered Securities or to securities equivalent to the Non-Delivered Securities and (v) Number 2.6.4 Paragraph (3) (h), first sub-paragraph shall not apply.

(3) With respect to any Non-Performed Delivery Obligation of the Borrower Clearing Member, Eurex Clearing AG is entitled to, or (as applicable) shall, commence a buy-in vis-à-vis the Borrower Clearing Member and purchase securities equivalent to the Non-Delivered Securities subject to and in accordance with:

(a) Paragraph (4), if the Non-Delivered Securities do not fall within the scope of Article 7 of the CSD Regulation or fall within the exemption set out in Article 7(4)(b) of the CSD Regulation; and

(b) Paragraph (5), if the Non-Delivered Securities fall within the scope of Article 7 of the CSD Regulation (and the exemption set out in Article 7(4)(b) of the CSD Regulation does not apply)

(a "Securities Buy-In").

(4) If (i) the Non-Delivered Securities do not fall within the scope of Article 7 of the CSD Regulation or (ii) the exemption set out in Article 7(4)(b) of the CSD Regulation applies to the Non-Delivered Securities, the buy-in process is subject to following provisions:

(2a) If the Borrower Clearing Member has not actually delivered the relevant Non-Delivered Securities until the end of the Extension Period on the third Business Day after such delivery obligation had originally become due (without taking into account any postponement in accordance with Paragraph (1)), Eurex Clearing AG is entitled, vis-à-vis the Borrower Clearing Member, to commence a Securities Buy-In and to purchase securities equivalent to the Non-Delivered Securities in accordance with the terms and conditions of Paragraphs (b3) to (f8) below (a "Securities Buy-In").

(b3) The Securities Buy-In shall be conducted on the fourth first Business Day after the end of the Extension Period delivery obligation in respect of the Non-Delivered Securities had originally become due (without taking into account any postponement in accordance with Paragraph (1)) (such date, for the purposes of this Paragraph (4), the "Securities Buy-In Date") if the Non-Performed Delivery Obligation has not been discharged in full by the end of trading on the Business Day preceding the Securities Buy-In Date; the Borrower Clearing Member is not entitled to deliver the relevant Non-Delivered Securities after that point in time. Eurex Clearing AG is entitled to defer the Securities Buy-In Date by one or more Business Days.

Eurex Clearing AG will inform the Borrower Clearing Member and the Lender Clearing Member of the Securities Buy-In and the results thereof via fax or telephone.

For the purposes of any Securities Buy-In, Eurex Clearing AG may also appoint a buy-in agent.

- (c4) If and to the extent that a Securities Buy-In pursuant to sub-pParagraphs (2a) and (b3) is successful, (i) the Borrower Clearing Member shall, on the Business Day following the Securities Buy-In Date and in accordance with the daily cash clearing procedure pursuant to Chapter I Part 1 Number 1.4.1, pay to Eurex Clearing AG an amount equal to the purchase price paid or payable by Eurex Clearing AG for the securities purchased by Eurex Clearing AG in such Securities Buy-In and (ii) the delivery obligations of the Borrower Clearing Member in respect of the Non-Delivered Securities shall be replaced by the obligation of the Borrower Clearing Member to pay the amount referred to in (i).
- (d5) If and to the extent that a Securities Buy-In pursuant to sub-pParagraphs (2a) and (b3) is not successful, a cash settlement shall occur on the Business Day following the Securities Buy-In Date with respect to the remaining Non-Performed Delivery Obligations as well as the corresponding delivery obligations of Eurex Clearing Borrower vis-à-vis the Lender Clearing Member in connection with the related Securities Lending Transaction. Number 2.6.4 Paragraph (58)(e) shall apply to such cash settlement *mutatis mutandis*, except for the references to Number 2.2.2 Paragraph (1) and Number 2.3.3 set out therein.
- (e6) If the Non-Delivered Securities are subscription rights, no Securities Buy-In shall be made. Instead, the Market Default shall be applied with respect to such Non-Delivered Securities on the date relevant for the exercise of such subscription rights.
- (f7) If the Non-Delivered Securities constitute fixed income securities and such securities have not been actually delivered to Eurex Clearing Lender by the sixth Business Day preceding the maturity of such fixed income securities (and no successful Securities Buy-In has been conducted) a cash settlement shall occur on the fifth Business Day preceding the maturity of the fixed income securities. Number 2.6.4 Paragraph (58)(e) Sentences 2 and 3 shall apply *mutatis mutandis* to such cash settlement.

(54) If (i) the Non-Delivered Securities fall within the scope of Article 7 of the CSD Regulation and (ii) the exemption set out in Article 7(4)(b) of the CSD Regulation does not apply to the Non-Delivered Securities, the Buy-In process is subject to the following provisions:

- (a) Eurex Clearing AG will, on the Business Day following the lapse of the applicable Extension Period, initiate a Securities Buy-In process (by launching an auction or by appointing a buy-in agent) in respect of securities equivalent to the Non-Delivered Securities. Such Securities Buy-In process will be initiated and conducted in accordance with and subject to the provisions of Article 7 of

the CSD Regulation (and the applicable provisions of the CSDR Delegated Regulation II) with the Borrower Clearing Member being the "failing participant", in accordance with the following provisions of this Paragraph (5) and unless a buy-in is not possible (as defined in the CSDR Delegated Regulation II). For the avoidance of doubt, the initiation of any such Securities Buy-In will not depend on the submission of a buy-in request.

- (b) Eurex Clearing AG will notify the Lender Clearing Member and the Borrower Clearing Member of (i) the initiation of the Securities Buy-In process and (ii) the results of the Securities Buy-In (including, where applicable, the quantity and price of the bought-in securities), in each case, via fax or telephone.
- (c) Upon the receipt by the Borrower Clearing Member of the notice on the initiation of the Securities Buy-In process pursuant to sub-paragraph (b) (i), the Borrower Clearing Member shall no longer be entitled to deliver to Eurex Clearing AG (securities equivalent to) the Non-Delivered Securities in performance of its Non-Performed Delivery Obligation.
- (d) If a Securities Buy-In pursuant to sub-paragraph (a) is successful, (i) the purchase price for the securities purchased in such Securities Buy-In shall be borne by the Borrower Clearing Member and shall be paid on the Business Day following the date of the Securities Buy-In in accordance with the daily cash clearing procedure pursuant to Chapter I Part 1 Number 1.4.1 and (ii) the Non-Performed Delivery Obligations of the Borrower Clearing Member shall be replaced by the obligation of the Borrower Clearing Member to pay such purchase price.
- (e) If a Buy-In pursuant to sub-paragraph (a) is not successful or only partially successful on the date on which it was conducted (such date, for the purpose of this Paragraph (5), the "**Securities Buy-In Date**") or if a Securities Buy-In of securities equivalent to the Non-Delivered Securities is impossible (within the meaning of Article 7(7) of the CSDR in conjunction with Article 21 of the CSDR Delegated Regulation II), then
- (i) sub-paragraph (d) shall apply *mutatis mutandis* with respect to such number and amount of securities equivalent to the Non-Delivered Securities (if any) for which the Securities Buy-In has been successfully conducted; and
- (ii) with respect to such number and amount of securities equivalent to the Non-Delivered Securities for which the Securities Buy-in has not been successfully conducted (including where a Securities Buy-In has been impossible), a cash settlement of the Borrower Clearing Member's relevant obligation to deliver the Non-Delivered Securities shall occur on the first Business Day after the Securities Buy-In Date.

Eurex Clearing AG will inform the relevant Clearing Members of the cash settlement pursuant to this sub-paragraph (e).

The cash amount to be paid by the Borrower Clearing Member to Eurex Clearing Lender and by Eurex Clearing Borrower to the Lender Clearing Member shall be denominated in the currency of the Non-Delivered Securities and be equal to the market value of the Underlying Securities determined by Eurex Clearing AG (in accordance with the applicable provisions of Article 32(3) of the CSDR Delegated Regulation II) multiplied by the relevant number of Non-Delivered Securities.

Upon determination of the cash amount, the delivery obligations of the Borrower Clearing Member in respect of the Non-Delivered Securities and the corresponding delivery obligations of Eurex Clearing Borrower in respect of the related Securities Lending Transaction, in each case in relation to the (securities equivalent to the) Non-Delivered Securities to which the cash settlement relates, shall be replaced by the obligation of the Borrower Clearing Member to pay such cash amount to Eurex Clearing Lender and by the obligation of Eurex Clearing Borrower to pay such cash amount to the Lender Clearing Member, respectively, and the cash amount payable by the Borrower Clearing Member to Eurex Clearing AG shall be paid in accordance with the daily cash clearing procedure pursuant to Chapter I Part 1 Number 1.4.1.

(68) If a Securities Buy-In in accordance with Paragraph (4) or (5) has been conducted (and irrespective of whether such Securities Buy-In has been successful),

(a) Eurex Clearing AG will, in relation to internal costs, charge a buy-in fee from the Borrower Clearing Member if a Securities Buy-In has been conducted (irrespective of whether it has been successful or not) (the “**Securities Buy-In Fee**”). The Securities Buy-In Fee shall be denominated in the Transaction Currency and amount to 10 per cent of the market value of the securities (that are equivalent to the Non-Delivered Securities) bought or to be bought in the Securities Buy-In, with a minimum of EUR 250 or CHF 375 and a maximum of EUR 5,000 or CHF 7,000; and-

(b) the Borrower Clearing Member shall reimburse Eurex Clearing AG for any costs and expenses (other than internal costs) incurred by Eurex Clearing AG in relation to such Securities Buy-In (including, without limitation, the fees charged by any buy-in agent).

[...]

2.7 Specific Provisions relating to Termination Events and Default Management Process

[...]

2.7.2 Termination/Return

[...]

(4) (a) Upon the occurrence of a Termination Event or Insolvency Termination Event and a Termination Date with respect to a Borrower Clearing Member, Eurex

Clearing Borrower shall be entitled to conduct a Return in respect of the related Securities Lending Transactions ~~which are Fixed Term Loans~~ with the relevant SLLH (Pledge), Lender Clearing Member (Pledge) or SLLH (Title Transfer/Pledge) in accordance with Number 2.2.2 (which shall, if such related Securities Lending Transactions are Fixed Term Loans, for the purposes of this Paragraph (4) be applied *mutatis mutandis* to such Fixed Term Loans as if these were Open Term Loans).

[...]

(7) Unless expressly provided otherwise in this Chapter IX, the provisions of Chapter I on the occurrence and the consequences of an Insolvency Termination Event and a Termination Date with respect to a Lender Clearing Member (other than a SLLH (Pledge), Lender Clearing Member (Pledge) or SLLH (Title Transfer/Pledge)) and a Borrower Clearing Member shall remain unaffected.

[...]

2.7.4 Effect of Termination on Process relating to Voluntary Reorganisations

(1) Termination in respect of Borrower Clearing Member

- (a) If, after the Notification Date of a Voluntary Reorganisation relating to a Securities Lending Transaction, but prior to the processing of any Outturn relating thereto, a Termination Event or Insolvency Termination Event and a Termination Date occurs in respect of the relevant Borrower Clearing Member, Eurex Clearing Borrower shall be entitled to request a Return of the Equivalent Loaned Securities in respect of the related Securities Lending Transaction to the Lender Clearing Member in accordance with Number 2.2.2 Paragraph (2) (and, as applicable, Number 2.7.2 Paragraph (4)) irrespective of whether such Securities Lending Transaction is an Open Term Loan or a Fixed Term Loan. If, at the time such right to a Return is exercised, either the applicable Eurex Clearing Deadline has lapsed or the settlement of such Return (in the relevant account of the Lender Clearing Member) would not be possible (including in the case that Eurex Clearing Borrower is unable to make a replacement purchase of the relevant Equivalent Loaned Securities) prior to the applicable Eurex Clearing Deadline, this constitutes a **"Settlement Time Shortfall"**.
