clear to trade

eurex clearing *circular 161/13*

Date: 30 December 2013
Recipients: All Clearing Members of Eurex Clearing AG, Non-Clearing Members and Registered Customers of Eurex Clearing AG and Vendors
Authorized by: Thomas Laux

⚠ **High priority**

Amendments to the Clearing Conditions and respective Appendices with regard to the establishment of a Security Trustee Structure for the Individual Clearing Model

Contact: Clearing Product Design, T +49-69-211-1 51 13, clearingproductdesign@eurexclearing.com

Content may be most important for:	**Attachments:**
Ü All departments	1. Amended sections of the Clearing Conditions of Eurex Clearing AG (Clearing Conditions) incl. amendments to the Clearing Agreements between Clearing Members and Non-Clearing Members/Registered Customers of Eurex Clearing AG 2. New Security Trust Agreement between a Clearing Member, a Security Trustee and Eurex Clearing AG (Annex 10 of the Clearing Conditions)

Summary:

In order to ease the administrative burden for English and Welsh Clearing Members arising from registering pledges created over any Difference Claim under the Individual Clearing Model (ICM) at the Companies House, Eurex Clearing AG (Eurex Clearing) has established a Security Trustee structure. Thereby, English and Welsh Clearing Members only need to register the pledges over the Difference Claims once in favour of a Security Trustee company holding such security for all ICM Clients of the relevant Clearing Member. The registration of every single pledge will be substituted by a single registration of a Trust Agreement according to which the CM grants the Security Trustee a pledge over all its Difference Claims against Eurex Clearing under the ICM provisions. Therefore, Eurex Clearing established a new company as a 100 percent subsidiary with the name “Eurex Clearing Security Trustee GmbH”.

Attached to this circular you will find the amended sections of the Clearing Conditions including the relevant Clearing Agreements and the new Security Trust Agreement, on which the Security Trustee Structure is based. As decided by the Executive Board of Eurex Clearing AG, the amendments as outlined in the attachments will become effective on **3 February 2014**.

Amendments to the Clearing Conditions and respective Appendices with regard to the establishment of a Security Trustee Structure for the Individual Clearing Model

Eurex Clearing launched its Individual Clearing Model (ICM) in 2011 in order to satisfy segregation and portability requirements on the highest level. In 2012, Eurex Clearing extended the ICM by including the legal mechanisms of title transfer, close-out netting and pledges, whereby they also became applicable to Registered Customers (RC).

The registration of pledges over Difference Claims is stipulated in Chapter I Part 3 Subpart B Number 12.4.3 of the Clearing Conditions for Eurex Clearing AG (Clearing Conditions) requiring Clearing Members who offer the ICM to arrange for such registration:

"To the extent required or expedient under its national laws, the Clearing Member and/or an ICM Client (in particular, a Clearing Member or an ICM Client established under Irish, English, Scottish or Welsh law) will arrange for the due filing and registration with any relevant competent authority or register of any security interest granted or to be granted pursuant to or in accordance with this Subpart B and will evidence the due filing and registration of such security interest under this Subpart B to Eurex Clearing AG."

With respect to the above requirements, usage of the ICM currently causes high administrative burdens for UK Clearing Members, as multiple registrations (i.e. for each ICM Client) need to be performed. In order to reduce such administrative burden starting with English and Welsh Clearing Members, Eurex Clearing decided to establish a Security Trustee structure. The Security Trustee structure shall result in the replacement of multiple pledge registrations by a single registration of an established "Security Trust Agreement" (newly created as Appendix 10 of the Clearing Conditions), perfecting all relevant pledges over Difference Claims for the benefit of the ICM Clients. The Security Trust Agreement needs to be entered into by Eurex Clearing, the Clearing Member (based in England or Wales) and the Security Trustee as pledgee for the benefit of the ICM Clients as third-party beneficiaries. The Security Trustee structure does not apply for Irish and Scottish Clearing Members. Clearing Members in these countries need to register on their own.

The Security Trustee was established as a new company named "Eurex Clearing Security Trustee GmbH" as a 100 percent subsidiary of Eurex Clearing.

Amendments to the Clearing Conditions

To incorporate the Security Trustee structure the following amendments to the Clearing Conditions and Appendices to the Clearing Conditions, all effective 3 February 2014, have been made:

As outlined in attachment 2 to this circular, a new Appendix 10 will be added to the Clearing Conditions:

- The Security Trustee structure is based on a Security Trust Agreement which needs to be entered into by Eurex Clearing, an English or Welsh Clearing Member and the Security Trustee.
    - Appendix 10 of the Clearing Conditions

As outlined in attachment 1 to this circular, the following provisions of the Clearing Conditions have been amended:

- The ICM provisions have to reflect the consequences in case a Security Trust Agreement has been entered into, such as the creation and enforcement of pledges on the Differences Claims being subject to the provisions of the Security Trust Agreement
    - Chapter I, Part 3, Subpart B Number 2, Number 5.1.4, Number 5.2.3 and Number 12.4.4
    - Chapter I, Part 3, Subpart D Number 3.2

- In any Tripartite Agreement, the ICM Client confirms to have received and to acknowledge the Security Trust Agreement, as the ICM Client is not a contractual party but a third party beneficiary of the Security Trust Agreement and the pledges on the Difference Claims of the CM against Eurex Clearing are, in such event, created in favour of the Security Trustee (for the ICM Clients) and not the ICM Clients themselves, as in the usual ICM.
    - Appendix 3, Part 1 Number 3.1 and 3.2 (Clearing Agreement with a Non-Clearing Member and/or Registered Customer for the Individual Clearing Model under Eurex Clearing AG Documentation)
    - Appendix 4, Part 1 Number 3.1 and 3.2 (Agreement for the Participation in the Individual Clearing Model under Client Clearing Documentation with a Non-Clearing Member and/or Registered Customer)

Amendment of the ICM registration process for Clearing Members located in England or Wales

1. Initial registration process

With effectiveness of the above changes, Clearing Members located in England or Wales have to submit to Eurex Clearing the duly signed "Security Trust Agreement" before signing any ICM Triparty Agreement and offering the ICM to its Clients.

With the "Security Trust Agreement" countersigned by Eurex Clearing, the Clearing Member has to register the pledge at the Companies House within 20 days (and herewith perform the pledge in favour of Eurex Clearing at the Companies House). Within these 20 days, the Clearing Member has to provide evidence of the pledge registration. After providing of such evidence, the Clearing Member can offer the ICM to its clients.

2. Process for already admitted ICM Clients of Clearing Members located in England or Wales

When establishing a Security Trust Agreement, the Clearing Member shall ensure that each entity which at this moment is already an ICM Client of the Clearing Member will release as soon as possible any pledge over any Difference Claim granted to it by the Clearing Member, and re-assign any Difference Claim assigned to it by the Clearing Member for security purposes according to the provisions of the Individual Clearing Model. The Clearing Member shall provide the Security Trustee and Eurex Clearing with copies of each such release and re-assignment without undue delay.

- With the form "Release of Pledge and Re-Assignment" the ICM Client releases its pledge over the Clearing Member's Difference Claim against Eurex Clearing. This form will be made available on the Eurex Clearing website www.eurexclearing.com under the link:

  Resources > Forms > Client Asset Protection

- In addition, a new (replacing) "Clearing Agreement with a Non-Clearing Member and/or Registered Customer for the Individual Clearing Model under Eurex Clearing AG Documentation" or "Agreement for the Participation in the Individual Clearing Model under Client Clearing Documentation with a Non-Clearing Member and/or Registered Customer" has to be signed.

Attached to this circular you will find all amended sections of the Clearing Conditions including the amended Appendices, as decided by the Executive Board of Eurex Clearing AG, which will come into effect on 3 February 2014.

As of 3 February 2014, the amended Clearing Conditions will be available for download on the Eurex Clearing website under the link:

Resources > Rules and Regulations > Clearing Conditions

Pursuant to Chapter I, Part 1, Number 17.2.2 of the Clearing Conditions, the amendments to the Clearing Conditions communicated with this circular shall be deemed to have been accepted by each Clearing Member, Non-Clearing Member and each Registered Customer, unless they object in writing to Eurex Clearing AG prior to the actual effective date of such amendment to the Clearing Conditions. The right to terminate the Clearing Agreement or the Clearing License according to Chapter I, Part 1, Number 2.1.4 Paragraph 2 and Number 13 of the Clearing Conditions shall remain unaffected.

For any questions you may have, please contact Member Services & Admission at tel. +49-69-211-1 17 00 or e-mail: memberservices@eurexclearing.com.

30 December 2013

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CHANGES ARE MARKED AS FOLLOWS:

AMENDMENTS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

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Chapter I

[…]

Part 3, Subpart B:
Tripartite-Provisions regarding the Individual Clearing Model for ICM-ECD and ICM-CCD

[…]

2 Creation of Security Interests

By signing the ICM Tripartite Agreement, the Clearing Member creates the following security interests for the benefit of Eurex Clearing AG or the ICM Client, unless Eurex Clearing AG, **Eurex Clearing Security Trustee GmbH** as security trustee (the "**Security Trustee**") and the Clearing Member have entered into a Security Trust Agreement in the form appended to the Clearing Conditions as Appendix 10 (the "**Security Trust Agreement**") in which case this Subpart B Number 2 shall not apply and the creation of security interests and their enforcement shall be subject to the Clearing Conditions as modified by the Security Trust Agreement.

2.1.1 Pledge by the Clearing Member to Eurex Clearing AG

[…]

(4) The Clearing Member notifies the ICM Client of the pledge granted pursuant to this Subpart B Number 2.1.1. The ICM Client confirms receipt of such notification. As a consequence of the pledge, the Clearing Member shall no longer be entitled to deal with, dispose of, encumber or receive the proceeds of the Relevant Difference Claim otherwise than in accordance with the Clearing Conditions.

[…]

2.1.2 Pledge by the Clearing Member to Eurex Clearing AG

[…]

(4) The Clearing Member notifies Eurex Clearing AG of the pledge granted pursuant to this Subpart B Number 2.1.2. Eurex Clearing AG confirms receipt of such notification. As a consequence of the pledge, the Clearing Member shall no longer be entitled to deal with, dispose of, encumber or receive the proceeds of its Difference Claim otherwise than in accordance with the Clearing Conditions.

5 Re-Establishment of Transaction upon request by ICM Client

5.1 Interim Participation of the ICM Client

[…]

5.1.4 Establishment of ICM Client as Interim Participant

[…]

(3) **Settlement**

Without any further notice, the following amounts shall be set off as of the Opening Time and the remaining difference, if any, determined by Eurex Clearing AG and notified to the ICM Client shall be paid in the Termination Currency by the ICM Client to Eurex Clearing AG by the Opening Time:

(aa) the cash equivalent amount of any Opening Margin Requirement and Opening Variation Margin Requirement (to the extent not yet settled due to the delivery of Interim Margin or Interim Variation Margin pursuant to this Subpart B Number 5.1.3, if any) applicable to the ICM Client;

(bb) the amount of the Opening Consideration to be paid by Eurex Clearing AG or the ICM Client, as the case may be; and

(cc) (1) if Eurex Clearing AG is the creditor of the determined Difference Claim against the Affected Clearing Member under the relevant Standard Agreement, an amount in the Termination Currency equal to such outstanding Difference Claim in consideration of the assignment pursuant to this Subpart B Number 5.1.8 to be paid by the ICM Client, or

(2) if the Difference Claim is owed by Eurex Clearing AG to the Affected Clearing Member under the relevant Standard Agreement, the amount of such Difference Claim pledged or assigned for security purposes for the benefit of the ICM Client to be paid by Eurex Clearing AG.

If Eurex Clearing AG, the Security Trustee and the Clearing Member and have entered into the Security Trust Agreement, the above set-off shall be applied in accordance with the Security Trust Agreement.

Eurex Clearing AG will credit the Eligible Margin Assets actually delivered (by direct payment or delivery or as a consequence of the set-off described herein in which

case the Eligible Margin Assets shall be identical to the Eligible Margin Assets forming part of the Segregated Margin and Segregated Variation Margin of the Affected Clearing Member as of the Valuation Date) in respect of the Opening Margin to an internal margin account pursuant to Subpart A Number 4.1.2.

[…]

5.2 Immediate Re-Establishment with Replacement Clearing Member

[…]

5.2.3 Re-Establishment of Transactions with ICM Client

[…]

(3) **Settlement**

Without any further notice, the following amounts shall be set off as of the Opening Time and the remaining difference, if any, determined by Eurex Clearing AG and notified to the ICM Client and the Replacement Clearing Member shall be payable in the Termination Currency by the ICM Client to Eurex Clearing AG:

(aa) the cash equivalent amount of any Opening Margin Requirement and Opening Variation Margin Requirement applicable to the ICM Client;

(bb) the amount of the Opening Consideration to be paid by Eurex Clearing AG or the ICM Client, as the case may be; and

(cc) (1) if Eurex Clearing AG is the creditor of the determined Difference Claim against the Affected Clearing Member under the relevant Standard Agreement, an amount in the Termination Currency equal to such outstanding Difference Claim in consideration of the assignment pursuant to Paragraph 5.2.4 to be paid by the ICM Client, or

(2) if the Difference Claim is owed by Eurex Clearing AG to the Affected Clearing Member under the relevant Standard Agreement, the amount of such Difference Claim pledged or assigned for security purposes for the benefit of the ICM Client to be paid by Eurex Clearing AG.

If Eurex Clearing AG, the Security Trustee and the Clearing Member and have entered into the Security Trust Agreement, the above set-off shall be applied in accordance with the Security Trust Agreement.

Eurex Clearing AG will credit the Eligible Margin Assets actually delivered (as a consequence of the set-off described herein in which case the Eligible Margin Assets shall be identical to the Eligible Margin Assets forming part of the Segregated Margin and Segregated Variation Margin of the Affected Clearing Member as of the Valuation Date) in respect of the Opening Margin to an internal margin account pursuant to Subpart A Number 4.1.2.

[…]

11 Representations and Untertakings

[..]

11.4 Undertakings by Clearing Member and ICM Client

[…]

11.4.4 The ICM Client undertakes to inform Eurex Clearing AG and the Security Trustee, if Eurex Clearing AG, the Security Trustee and the Clearing Member have entered into the Security Trust Agreement, without undue delay after any Client Clearing Termination Claim has been determined, of the amount of such Client Clearing Termination Claim.

[…]

Part 3, Subpart D: Provisions regarding transactions between Clearing Member and ICM Client under a Client Clearing Agreement for ICM-CCD

[…]

3 Specific Clearing Member Obligations, Non-Compliance with Eligible Client Clearing Agreement Type

[…]

3.2 Right to Refuse Payment of the Difference Claim in the case of Non-Compliance

Eurex Clearing AG is entitled to refuse performance (*Zurückbehaltungsrecht*) of the Difference Claim of the Clearing Member against Eurex Clearing AG pursuant to Subpart A Number 7.3.2 vis-à-vis the Clearing Member and the ICM Client and/or the Security Trustee, as applicable, as security taker as long as Eurex Clearing AG's has not received from the relevant claiming party either a confirmation that the Client Clearing Agreement and the Client Clearing Termination Claim fulfils the respective requirements of an Eligible Client Clearing Agreement Type or any other evidence to the satisfaction of Eurex Clearing AG that it is entitled to claim performance from Eurex Clearing AG.

[…]

Appendix 3 to the Clearing Conditions: Clearing Agreement with a Non-Clearing Member and/or Registered Customer for the Individual Clearing Model under Eurex Clearing AG Documentation

[…]

Part 1: General Provisions

3 Creation of Security Interest over Difference Claim

3.1 Creation of Security Interests pursuant to the Clearing Conditions

Unless Eurex Clearing AG, the Security Trustee and the Clearing Member have entered into the Security Trust Agreement, Eurex Clearing AG, the Clearing Member and the ICM Client hereby agree on the creation of the pledges and, immediately following the creation of the pledges, on the creation of the assignments for security purposes and re-assignments, in each case on the terms and the conditions set out in Subpart B Number 2 of the Individual Clearing Model Provisions. The notifications pursuant to Subpart B Number 2 are hereby given and receipt of such notifications is hereby confirmed by Eurex Clearing AG or the ICM Client, as the case may be, all in accordance with Subpart B Number 2 of the Individual Clearing Model Provisions.

3.2 Creation of Security Interests pursuant to the Security Trust Agreement

If Eurex Clearing AG, the Security Trustee and the Clearing Member have entered into the Security Trust Agreement, the following provisions apply:

3.2.1 The ICM Client confirms to have received and to acknowledge the Security Trust Agreement.

3.2.2 The notifications of the pledges and assignments for security purposes under the Security Trust Agreement, as applicable, are hereby given and receipt of such notifications is hereby confirmed by Eurex Clearing AG and the ICM Client, as the case may be, all in accordance with the Security Trust Agreement.

3.2.3 The ICM Client agrees with the Clearing Member and Eurex Clearing AG that the provisions on enforcement of the security interests created in the Security Trust Agreement and on the discharge of its Relevant Different Claim and/or Shortfall Claim (including a discharge resulting from direct payments or deliveries by Eurex Clearing AG to the ICM Client or from the discharge of the Security Trustee Claim (as defined in the Security Trust Agreement)) against the Clearing Member shall be binding as between them.

3.2.4 Upon the occurrence of a Termination Date, the ICM Client shall not be entitled to make any payment on the Relevant Difference Claim towards the Clearing Member unless Eurex Clearing AG has explicitly confirmed that the Eurex Clearing AG's Secured Claims against the Clearing Member have been fully satisfied and no further security purpose exists.

3.2.5 In case of any inconsistency between the provisions of this Agreement and/or the Clearing Conditions (incorporated herein) and the provisions of the Security Trust Agreement, the Security Trust Agreement shall prevail.

Appendix 4 to the Clearing Conditions: Agreement for the Participation in the Individual Clearing Model under Client Clearing Documentation with a Non-Clearing Member and/or Registered Customer

[…]

Part 1: General Provisions

[…]

3 Creation of Security Interest

3.1 Creation of Security Interests pursuant to the Clearing Conditions

Unless Eurex Clearing AG, the Security Trustee and the Clearing Member have entered into the Security Trust Agreement, Eurex Clearing AG, the Clearing Member and the ICM Client hereby agree on the creation of the pledges and, immediately following the creation of the pledges, on the creation of the assignments for security purposes and re-assignments in accordance with Subpart B Number 2 of the Individual Clearing Model Provisions. The notifications pursuant to Subpart B Number 2 are hereby given and receipt of such notifications is hereby confirmed by Eurex Clearing AG or the ICM Client, as the case may be, all in accordance with Subpart B Number 2 of the Individual Clearing Model Provisions.

3.2 Creation of Security Interests pursuant to the Security Trust Agreement

If Eurex Clearing AG, the Security Trustee and the Clearing Member have entered into the Security Trust Agreement, the following provisions apply:

3.2.1 The ICM Client confirms to have received and to acknowledge the Security Trust Agreement.

3.2.2 The notifications of the pledges and assignments for security purposes under the Security Trust Agreement, as applicable, are hereby given and receipt of such notifications is hereby confirmed by Eurex Clearing AG and the ICM Client, as the case may be, all in accordance with the Security Trust Agreement.

3.2.3 The ICM Client agrees with the Clearing Member and Eurex Clearing AG that the provisions on enforcement of the security interests created in the Security Trust Agreement and on the discharge of its Relevant Different Claim and/or Shortfall Claim (including a discharge resulting from direct payments or deliveries by Eurex Clearing AG to the ICM Client or from the discharge of the Security Trustee Claim (as defined in the Security Trust Agreement)) against the Clearing Member shall be binding as between them.

3.2.4 Upon the occurrence of a Termination Date, the ICM Client shall not be entitled to make any payment on the Relevant Difference Claim towards the Clearing Member unless Eurex

Clearing AG has explicitly confirmed that the Eurex Clearing AG's Secured Claims against the Clearing Member have been fully satisfied and no further security purpose exists.

3.2.5 In case of any inconsistency between the provisions of this Agreement and/or the Clearing Conditions (incorporated herein) and the provisions of the Security Trust Agreement, the Security Trust Agreement shall prevail.

* * *

Appendix 10 to the Clearing Conditions: Form of Security Trust Agreement and Pledge and Assignment Agreement for the Individual Clearing Model Provisions (Clearing Members in England and Wales)

Security Trust Agreement and Pledge and Assignment Agreement

for the Individual Clearing Model Provisions (Clearing Members in England and Wales)

between

_____

as Clearing Member

and

_____

as Security Trustee

and

Eurex Clearing AG, Frankfurt am Main

(as Eurex Clearing AG)

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SIGNATURES 17

This security trust agreement and pledge and assignment agreement (the "**Agreement**") is dated [●] and entered into

BETWEEN:

(1) **[●]**

_____
(*legal name*)
□ acting through / □ having its (□ registered) office at

_____
_____
_____
_____
as Clearing Member (the "**Clearing Member**"); and

(2) **[●]**, a company with [●] incorporated under the laws of [●], registered with [●], with its registered office at [●], as Security Trustee (the "**Security Trustee**"); and

(3) **EUREX CLEARING AG**, a stock company (*Aktiengesellschaft*) incorporated under the laws of the Federal Republic of Germany, registered in the commercial register of the local court (*Amtsgericht*) in Frankfurt am Main under HRB 44828 and having its registered seat in Frankfurt am Main, with its business address at Mergenthalerallee 61, 65760 Eschborn, Federal Republic of Germany ("**Eurex Clearing AG**").

The parties listed in (1) to (3) are hereinafter also referred to as the "**Parties**" and each of them as a "**Party**".

PREAMBLE:

(A) The Clearing Member has entered, or will enter, into one or several Relevant ICM Documentations in accordance with the Individual Clearing Model Provisions with Eurex Clearing AG and, in the case of each Relevant ICM Documentation, an ICM Client.

(B) The Clearing Member intends to appoint a Security Trustee in connection with the Individual Clearing Model Provisions and, in order to secure the Security Trustee Claim, the Clearing Member intends to pledge and assign certain rights and claims to the Security Trustee in its capacity as such for the benefit of the Secured Parties, in each case in accordance with Part C of this Agreement.

(C) The "**Secured Parties**" shall consist of all existing and future ICM Clients that, at any given time, are parties to any Relevant ICM Documentation with the Clearing Member and Eurex Clearing AG pursuant to the Individual Clearing Model Provisions, but shall exclude any ICM Client whose Relevant ICM Documentation has been terminated or otherwise ceased to exist, provided that, if such termination results in a Difference Claim of the Clearing Member against Eurex Clearing AG, such ICM Client shall only cease to be a Secured Party as soon as its Relevant Difference Claim and its Shortfall Claim against the Clearing Member have been fully and finally settled (including as a result of any enforcement of a pledge or other security interest over such Difference Claim).

(D) Further, the Clearing Member intends to pledge and assign certain rights and claims to Eurex Clearing AG (without any involvement of the Security Trustee) in accordance with Part C of this Agreement.

NOW THEREFORE, the Parties agree as follows:

Part A – Introduction

1 Definitions

1.1 Unless otherwise defined herein or the context requires otherwise, terms used in this Agreement (including the Recitals hereto) shall have the meaning given to them in the Clearing Conditions of Eurex Clearing AG including the Appendices thereto (each as amended from time to time) (the "**Clearing Conditions**").

1.2 The Parties (other than Eurex Clearing AG) confirm that they have seen, and acknowledge the current Clearing Conditions and that they are aware and agree that the Clearing Conditions may be amended from time to time in accordance with Number 17.2 of the General Clearing Provisions.

2 Time

Any reference in this Agreement to a time of day shall be construed as a reference to the statutory time (*gesetzliche Zeit*) in the Federal Republic of Germany.

Part B – Security Trust Provisions

1 Appointment of the Security Trustee; Powers of Attorney

1.1 The Clearing Member hereby appoints

[*THE SECURITY TRUSTEE*]

to hold and enforce certain security interests granted to it under this Part B as security trustee for the benefit of the Secured Parties in accordance with Part A, B and D of this Agreement; Part C of this Agreement shall not apply to the Security Trustee and the Security Trustee shall not have any rights and obligations thereunder. [●] hereby accepts such appointment by the Clearing Member.

1.2 Each of the Parties (other than the Security Trustee) hereby authorises and grants a power of attorney to, the Security Trustee to:

1.2.1 execute all other necessary agreements related to this Agreement (excluding Part C);

1.2.2 accept any pledge or other accessory right (*akzessorisches Sicherungsrecht*) or any assignment on behalf of, or for the benefit of, the Secured Parties;

1.2.3 make and receive all declarations, statements and notices which are necessary or desirable in connection with this Agreement, including, without limitation with respect to any amendment of this Agreement as a result, or for the purpose of, the addition or removal of a Secured Party, and of any other security agreements that may have to be entered into in connection with this Agreement; and

1.2.4 undertake all other necessary or desirable actions and measures, including, without limitation for the perfection of any security interest granted under or in connection with this Agreement.

The restrictions on double-representation or on self-dealing stipulated by Section 181 of the German Civil Code (*Bürgerliches Gesetzbuch* – "**BGB**") (or any similar restrictions applying under the laws of any jurisdiction other than Germany) shall not apply. Upon the Security Trustee's request, the Parties (other than the Security Trustee) shall provide the Security Trustee with a separate certificate for the powers granted in accordance with this Clause 1.2 of this Part B.

2 Declaration of Trust (*Treuhand*)

The Security Trustee shall, with respect to pledges (*Pfandrechte*) over Difference Claims granted to the Security Trustee pursuant to Clause 8 of this Part B (*Pledges of Difference Claims*), acquire, hold and enforce such pledges and, with respect to assignments for security purposes (*Sicherungsabtretungen*) of Difference Claims made to the Security Trustee pursuant to Clause 9 of this Part B (*Assignments of Difference Claims for Security Purposes*), acquire, hold and enforce such Difference Claims, in each case for the purpose of securing the Security Trustee Claims (as defined in Clause 7.1 of this Part B), as trustee (*Treuhänder*) for the benefit of the Secured Parties, and shall act in accordance with the terms and subject to the conditions of this Agreement in relation to such security interests and such Difference Claims. The Parties agree that neither the security interests granted in this Agreement nor the Difference Claims to which the security interests relate shall, in any insolvency of the Security Trustee, form part of the Security Trustee's estate, irrespective of which jurisdiction's insolvency proceedings apply.

3 Conflict of Interest

In case of a conflict of interest between the Clearing Member and the Secured Parties, the interests of the Secured Parties shall prevail.

4 Contract for the Benefit of the Secured Parties

This Agreement grants the Secured Parties the right to demand that the Security Trustee performs the Security Trustee Services (contract for the benefit of a third party (*echter Vertrag zugunsten Dritter*) pursuant to Section 328 paragraph 1 BGB). For the avoidance of doubt, Section 334 BGB shall be applicable.

5 Security Trustee Services, Limitations, Information Obligation

5.1 Security Trustee Services

The Security Trustee shall provide the following services (the "**Security Trustee Services**") subject to and in accordance with Part A, B and D of this Agreement:

5.1.1 The Security Trustee shall hold, collect, enforce and release in accordance with the terms and subject to the conditions of this Agreement and the Clearing Conditions, the security interests in the Difference Claims that are granted to it in the form of pledges (*Verpfändungen*) or assignments (*Sicherungsabtretungen*) pursuant to Clauses 8 (*Pledges of Difference Claims*) and 9 of this Part B (*Assignments of Difference Claims for Security Purposes*), as trustee (*Treuhänder*) for the benefit of the Secured Parties in accordance

with the security purpose (*Sicherungszweck*) as set forth in Clause 11 (*Purpose of Security*) of this Part B.

5.1.2 The Security Trustee shall hold the security interests in the Difference Claims and, in the case of Difference Claims assigned to the Security Trustee for security purposes hereunder, such Difference Claims, at all times separate and distinguishable from any other assets (including, without limitation, any security interests in Difference Claims of other Clearing Members) that the Security Trustee may have.

5.1.3 If, following the occurrence of a Termination Event with respect to the Clearing Member, the Security Trustee becomes aware that the security interests granted hereunder are at risk, the Security Trustee shall in its reasonable discretion take or cause to be taken all actions which in the opinion of the Security Trustee are necessary or desirable to preserve such security interests. The Clearing Member and Eurex Clearing AG will inform the Security Trustee without undue delay (*ohne schuldhaftes Zögern*) upon becoming aware that the security interests are at risk.

5.2 Limitations

5.2.1 No provision of this Agreement will require the Security Trustee to do anything which may be illegal or contrary to applicable law or regulations or to extend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties, or in the exercise of any of its rights or powers or otherwise in connection with this Agreement, if the Security Trustee determines in its sole discretion (exercised reasonably) that repayment of such funds or adequate indemnity against such risk or liability is not assured to it.

5.2.2 If the Security Trustee deems it necessary or advisable, it may, at the expense of Eurex Clearing AG, request any advice from third parties as it deems appropriate, provided that any such advisor is a person or entity that is reputable and suitable to advise it. The Security Trustee may fully rely on any such advice from a third party and shall not be liable for any damages resulting from such reliance.

5.2.3 The Security Trustee shall not be responsible for, and shall not be required to investigate, monitor, supervise or assess, the validity, suitability, value, sufficiency, existence and enforceability of any or all of the Difference Claims pledged or assigned hereunder or the occurrence of a Termination Event or Termination Date with respect to the Clearing Member or Eurex Clearing AG.

5.2.4 The Security Trustee will not be precluded from entering into agreements with Eurex Clearing AG and other Clearing Members that are similar to this Agreement.

5.2.5 Reports, notices, documents and any other information received by the Security Trustee pursuant to the Clearing Conditions are for information purposes only and the Security Trustee is not required to take any action as a consequence thereof or in connection therewith, except if appropriate in order to perform the Security Trustee Services.

5.2.6 In connection with the performance of its obligations hereunder the Security Trustee may rely upon any document believed by it to be genuine and to have been signed or presented by the proper party or parties and, for the avoidance of doubt, the Security Trustee shall not be responsible for any loss, cost, damages or expenses that may result from such reliance. The Security Trustee may further rely on the calculation of any amounts (including, without limitation, any Difference Claim or Relevant Difference Claim) made by Eurex Clearing AG, the Clearing Member or the relevant ICM Client in accordance with the respective Relevant ICM Documentation.

5.3 Information by Eurex Clearing AG

Eurex Clearing AG shall provide the Security Trustee upon request with all such information available to Eurex Clearing AG (and which Eurex Clearing AG is permitted to provide in accordance with applicable law and agreements binding on it) that is necessary or expedient in order to enable the Security Trustee to perform the Security Trustee Services.

6 Liability of Security Trustee

The Security Trustee shall be liable for breach of its obligations under this Agreement and the obligations of any of its directors, employees or vicarious agents (*Erfüllungsgehilfen*) only in cases of gross negligence (*grobe Fahrlässigkeit*) or wilful misconduct (*Vorsatz*), except if the Security Trustee (or any of its directors, employees or vicarious agents) breaches any of its essential obligations (*wesentliche Vertragspflichten*) under this Agreement or if the breach by the Security Trustee (or any of its directors, employees or vicarious agents) results in damages to life, physical integrity or health (the "**Standard of Care**").

7 Security Trustee Claim

7.1 The Clearing Member hereby irrevocably and unconditionally, by way of an independent promise to perform obligations (*abstraktes Schuldversprechen*), promises to, whenever a Clearing Member Obligation that is owed (*geschuldet*) by the Clearing Member to a Secured Party has become due (*fällig*), pay an equal amount or make a relevant delivery, respectively, to the Security Trustee. The claims of the Security Trustee against the Clearing Member pursuant to the preceding sentence that are outstanding from time to time are hereinafter collectively referred to as the "**Security Trustee Claim**".

A "**Clearing Member Obligation**" means (i) any payment and delivery claim under all Relevant Transactions and all Relevant Redelivery Claims of an ICM Client against the Clearing Member, (ii) any Relevant Difference Claim of an ICM Client against the Clearing Member and (iii) any Shortfall Claim of an ICM Client against the Clearing Member.

7.2 The Security Trustee Claim shall rank with the same priority as the Clearing Member Obligations.

7.3 The Security Trustee Claim is separate and independent from any claims in respect of any Clearing Member Obligations, provided that:

7.3.1 the Security Trustee Claim shall be reduced to the extent that any Clearing Member Obligations have been discharged (*erfüllt*);

7.3.2 the Clearing Member Obligations shall be reduced to the extent that the Security Trustee Claim has been discharged (*erfüllt*); if and to the extent that the discharge of the Security Trustee Claim can be allocated to a Clearing Member Obligation arising under a particular Clearing Agreement, only such Clearing Member Obligation shall be reduced; otherwise all Clearing Member Obligations under all Clearing Agreements with the Secured Parties shall be reduced on a pro rata basis; and

7.3.3 the Security Trustee Claim shall correspond to the Clearing Member Obligations.

7.4 The Security Trustee Claim will become due (*fällig*), if and to the extent that the Clearing Member Obligations or any of them have become due (*fällig*).

7.5 The Parties agree that prior to the occurrence of a Termination Event or a Termination Date with respect to the Clearing Member the fulfilment of any payment and delivery claim under all Relevant Transactions and all Relevant Redelivery Claims of an ICM Client against the Clearing Member shall be made solely to such ICM Client.

8 Pledges of Difference Claims

8.1 Pledges

8.1.1 The Clearing Member hereby pledges to the Security Trustee, in accordance with Section 1204 et seq. BGB all its present and future Difference Claims which it has or may have against Eurex Clearing AG in respect of any ICM Clearing Agreement that has been entered into or will be entered into by the Clearing Member with Eurex Clearing AG.

8.1.2 The Security Trustee accepts such pledges.

8.2 Notification of Pledges

The Clearing Member hereby gives notice to Eurex Clearing AG of the pledges pursuant to Clause 8.1 of this Part B and Eurex Clearing AG hereby acknowledges such pledges. As a consequence of the pledge, the Clearing Member shall no longer be entitled to deal with, dispose of, encumber or receive the proceeds of its pledged Difference Claims otherwise than in accordance with the Clearing Conditions or this Agreement.

8.3 Waiver

8.3.1 The Clearing Member expressly waives its defence pursuant to Section 1211 BGB in connection with Section 770 paragraph 1 BGB that the Security Trustee Claim may be avoided (*Anfechtung*).

8.3.2 The Clearing Member expressly waives its defence pursuant to Section 1211 BGB in connection with Section 770 paragraph 2 BGB that the Security Trustee may satisfy or discharge the Security Trustee Claim by way of set-off (*Aufrechnung*).

8.3.3 To the extent legally possible, the Clearing Member expressly waives its defences pursuant to Section 1211 paragraph 1 sentence 1 alternative 1 BGB that the principal debtor of the Security Trustee Claim has a defence against the Security Trustee Claim (*Einreden des Hauptschuldners*).

9 Assignments of Difference Claims for Security Purposes

9.1 Assignments

9.1.1 The Clearing Member hereby offers to assign to the Security Trustee for security purposes (*Sicherungsabtretung*) all its present and future Difference Claims which it has or may have against Eurex Clearing AG in respect of any ICM Clearing Agreement that has been entered into or will be entered into by the Clearing Member with Eurex Clearing AG, subject to Clause 9.1.3 of this Part B.

9.1.2 The Security Trustee hereby accepts such assignments.

9.1.3 A Difference Claim which is subject to the assignment for security purposes will only be transferred to the Security Trustee immediately upon the pledge of such Difference Claim coming into existence in accordance with Clause 8.1 of this Part B and provided further that the assignment for security purposes of a Difference Claim is subject to the condition precedent (*aufschiebende Bedingung*) that a Termination with respect to the Clearing

Member has occurred and the applicable Termination Event either (a) prevents the Security Trustee Claim against the Clearing Member from becoming due (*fällig*) or (b) renders it temporarily legally impossible (*vorübergehend unmöglich*) for the Clearing Member to perform the Security Trustee Claim.

9.1.4 The Security Trustee hereby offers to re-assign, subject to Clause 9.1.6 of this Part B, to the Clearing Member the Difference Claims assigned to it in accordance with Clause 9.1.1 of this Part B.

9.1.5 The Clearing Member accepts the reassignment pursuant to Clause 9.1.4 of this Part B.

9.1.6 Any re-assigned Difference Claim will only be transferred to the Clearing Member upon the Security Trustee Claim against the Clearing Member subsequently becoming due (*fällig*) and, if applicable, ceasing to be temporarily legally impossible (*vorübergehend unmöglich*) for the Clearing Member to perform.

9.2 Notification of Assignments

The Clearing Member hereby notifies Eurex Clearing AG of the assignments pursuant to Clause 9.1 of this Part B and Eurex Clearing AG hereby confirms receipt of such notification.

10 Unsuccessful Pledges or Assignments

10.1 Should any pledge or assignment pursuant to Clause 8 (*Pledges of Difference Claims*) or Clause 9 of this Part B (*Assignments of Difference Claims for Security Purposes*) not be recognised under any relevant applicable jurisdiction, the Clearing Member will promptly (*unverzüglich*) upon becoming aware take all actions reasonable to perfect such pledge or assignment and will make all reasonable declarations in connection therewith and shall use reasonable endeavours to procure that, if necessary, the Secured Parties do likewise.

10.2 The Clearing Member and the Security Trustee will take all such steps and comply with all such formalities as may be required or desirable to perfect or more fully evidence or secure the security interests granted to the Security Trustee hereunder.

10.3 Insofar as additional declarations or actions are reasonable for the perfection of any security interest granted to the Security Trustee hereunder, the Clearing Member shall, and shall use reasonable endeavours to procure that the Secured Parties will, at the Security Trustee's request, make such declarations or undertake such actions which are required to perfect such security interest.

11 Purpose of Security

The security interests granted hereunder are granted to the Security Trustee only and for the purpose of securing the Security Trustee Claim.

12 Independent Security Interests

Each security interest granted to the Security Trustee hereunder is independent of any other security or guarantee to, or for the benefit of, the Secured Parties or any of them that has been granted for the benefit of the Security Trustee and/or any Secured Party with respect to any obligations of the Clearing Member. No such other security or guarantee shall have any effect on the existence or substance of the security interests granted to the Security Trustee under or within this Agreement. This Agreement shall not apply to any such other security or guarantee not set out in this Agreement.

13 Enforcement of Security Interests

13.1 Enforceability

13.1.1 The pledges granted to the Security Trustee hereunder shall become enforceable (*Pfandreife*) if the Security Trustee Claim has become due (*fällig*) in whole or in part upon the occurrence of a Termination Date at the end of the Valuation Date with respect to the Clearing Member.

13.1.2 The assignments for security purposes granted to the Security Trustee hereunder shall become enforceable upon the occurrence of a Termination Date at the end of the Valuation Date with respect to the Clearing Member. Such enforcement does not require that the Security Trustee Claim is due (*fällig*).

13.1.3 The Security Trustee hereby expressly agrees that its enforcement and collection right in respect of the pledge and assignment for security purposes of a Difference Claim against Eurex Clearing AG shall, if (i) the Interim Participation Conditions or the Immediate Re-Establishment Conditions, are satisfied in respect of an ICM Client and (ii) the pledged or assigned Difference Claim against Eurex Clearing AG relates to a Clearing Agreement or ICM Participation Agreement to which such ICM Client is a party, be included in the automatic set-off provided for in Chapter I Part 3 Subpart B Number 5.1.4 Paragraph (3) or Chapter I Part 3 Subpart B Number 5.2.3 Paragraph (3) of the Clearing Conditions and be reduced or, as applicable, discharged accordingly.

13.2 Notification of the Clearing Member and the Secured Parties

13.2.1 Upon having become aware that a Termination Event or Termination Date with respect to the Clearing Member and/or the end of the related Valuation Date has occurred, both Eurex Clearing AG and the Clearing Member shall notify the Security Trustee hereof in writing without undue delay (*unverzüglich*). Eurex Clearing AG shall further notify the Security Trustee if it becomes aware of the determination and amount of any Difference Claim or Relevant Difference Claim of or against the Clearing Member resulting from the occurrence of any such event or date.

13.2.2 The Security Trustee shall, without undue delay (*unverzüglich*) upon the earlier of having received such notice or otherwise having become aware of the occurrence of such Termination Date, (i) notify the then existing Secured Parties in writing (*Textform*) accordingly and (ii) if any security interest granted to the Security Trustee hereunder has become enforceable in accordance with Clause 13.1 of this Part B above, serve an enforcement notice on the Clearing Member with a copy to Eurex Clearing AG and each of the Secured Parties.

13.3 Enforcement of the Security Interests

13.3.1 Upon the delivery of the enforcement notice, the Security Trustee shall, subject to any restrictions applicable to enforcement proceedings initiated or to be initiated against the Clearing Member, enforce the security interests granted to the Security Trustee hereunder by collecting (*einziehen*) the relevant pledged or assigned claims and, in particular and with respect to the pledges granted to the Security Trustee hereunder, pursuant to Sections 1282 paragraph 1, 1288 paragraph 2 BGB.

13.3.2 The Security Trustee hereby instructs Eurex Clearing AG to make payments, in respect of a collection pursuant to Clause 13.3.1 of this Part B, directly to the relevant ICM Client that is a party to the Relevant ICM Documentation in respect of which the relevant Difference Claim arises. The Security Trustee may revoke such instruction by giving notice to Eurex

Clearing AG at any time, in particular, if direct payments to the relevant ICM Client are not possible for any reason.

13.3.3 The Clearing Member agrees that (i) in cases in which Section 1277 BGB applies, no prior obtaining of an enforceable court order (*vollstreckbarer Titel*) will be required and (ii) the Security Trustee is not required to issue any warning (*Androhung*) to the Clearing Member before enforcing any of the security interests granted to the Security Trustee hereunder.

13.3.4 The Clearing Member waives any right it may have of first requiring the Security Trustee to proceed against or enforce any other rights or security or claim for payment from any person or entity before enforcing the security created by this Agreement.

13.4 Discharge of Difference Claims by Delivery of Eligible Margin Assets

13.4.1 The Security Trustee expressly agrees that the Difference Claims can be discharged by Eurex Clearing AG delivering Eligible Margin Assets in the form of Securities in accordance with the Individual Clearing Model Provisions and that, in the case of such delivery, the Security Trustee's right to collect the pledged or assigned claims will be discharged by the receipt of such Securities.

13.4.2 The Security Trustee hereby instructs Eurex Clearing AG to deliver, in the case of a delivery in accordance with Clause 13.4.1 of this Part B, the relevant securities directly to the relevant ICM Client that is a party to the Relevant ICM Documentation in respect of which the relevant Difference Claim arises. The Security Trustee may revoke such instruction by giving notice to Eurex Clearing AG at any time, in particular, if direct deliveries to the relevant ICM Client are not possible for any reason.

13.5 Distribution of Enforcement Proceeds

The Security Trustee shall distribute any proceeds resulting from the enforcement of the security interests granted to it hereunder to the Secured Parties as follows:

All enforcement proceeds resulting from the collection of a Difference Claim of the Clearing Member against Eurex Clearing AG arising in respect of a particular Relevant ICM Documentation shall solely be distributed to such Secured Party that is a party to such Relevant ICM Documentation, but not to any other Secured Party.

13.6 Binding Determinations

All determinations and calculations made by the Security Trustee for the purpose of the performance of the Security Trustee Services and the enforcement of the security interests granted to it hereunder shall, in the absence of manifest error, be a disputable presumption (*widerlegbare Vermutung*) in all respects and binding upon the Clearing Member and each of the Secured Parties. In making any determinations or calculations in accordance with this Agreement the Security Trustee may rely on any information given to it by the Clearing Member and the Secured Parties without being obliged to verify the accuracy of such information.

13.7 Assistance

The Clearing Member shall render at its own expense all necessary and lawful assistance in order to facilitate the enforcement of the security interests in accordance with this Clause 13 of this Part B.

13.8 Deduction or Withholding of Taxes by the Security Trustee

If the Security Trustee is compelled by law to deduct or withhold any taxes, duties or charges under any applicable law or regulation the Security Trustee shall make such deductions or withholdings. The Security Trustee shall not be obliged to pay additional amounts as may be necessary in order that the net amounts after such withholding or deduction shall equal the amounts that would have been payable if no such withholding or deduction had been made.

14 Representations, Warranties and Undertakings of the Clearing Member

14.1 Representations and Warranties

The Clearing Member represents and warrants to the Security Trustee by way of an independent guarantee irrespective of fault within the meaning of Section 311 BGB (*selbständiges verschuldensunabhängiges Garantieversprechen*) as of the date hereof that:

14.1.1 the obligations of the Clearing Member under this Agreement and the Clearing Agreement constitute legally binding and valid obligations of the Clearing Member;

14.1.2 subject to Clause 18 of this Part C, the Clearing Member may freely dispose of the Difference Claims that are subject to the security interests granted hereunder and such Difference Claims are not in any way encumbered nor subject to any rights of third parties (save for those created pursuant to this Agreement); and

14.1.3 the Clearing Member has taken all necessary steps to enable it to grant the security interests provided for in this Agreement.

14.2 Specific Undertakings

The Clearing Member undertakes with the Security Trustee:

14.2.1 not to sell, assign, transfer, pledge or otherwise encumber any of its Difference Claims that are the subject of the security interests granted to the Security Trustee hereunder;

14.2.2 to notify the Security Trustee promptly upon becoming aware that the rights of the Security Trustee in the claims pledged or assigned to the Security Trustee hereunder are impaired or jeopardised by way of an attachment or other actions of third parties and, in the event of such attachment or other action, send to the Security Trustee a copy of the attachment or transfer order or of any other document on which the enforcement by the third party is based as well as all further documents which are required or useful to enable the Security Trustee to file proceedings and take other actions in defence of its rights; and

14.2.3 to execute any additional documents and take any further actions as the Security Trustee may reasonably consider necessary or appropriate to give effect to this Agreement and the security interests granted to it hereunder.

14.3 No further liability of the Clearing Member

Without prejudice to any claims of the Security Trustee resulting from (i) any of the Clearing Member's representations and warranties set out herein not having been true when made or (ii) a breach by the Clearing Member of any of its undertakings set out herein, the Clearing Member shall not be liable for any losses incurred by the Security Trustee in the performance of the Security Trustee Services.

15 Fees, Costs and Expenses

The fees payable to the Security Trustee for, and the reimbursement of costs and expenses incurred by the Security Trustee in the course of the Security Trustee Services, in each case plus any VAT, if applicable, will be borne by Eurex Clearing AG.

16 Term; Termination

16.1 Term

This Part B of this Agreement shall automatically terminate on the later of (i) the date on which the Clearing Member ceases to be a party to any Relevant ICM Documentation under the Individual Clearing Model Provisions and (ii) the date on which all Difference Claims of the Clearing Member against Eurex Clearing AG arising with respect to any such Relevant ICM Documentation have been fully and finally settled (including by way of enforcement of the relevant security interest over such Difference Claim granted to the Security Trustee hereunder).

16.2 Termination

The Parties may only terminate Part B of this Agreement for serious cause (*aus wichtigem Grund*). Each of Eurex Clearing AG and the Security Trustee may, acting in its reasonable discretion, also terminate Part B of this Agreement upon 12 months' prior notice. In case of a termination by Eurex Clearing AG, it will consult with the relevant Clearing Members and the Security Trustee and in case of a termination by the Security Trustee, it will consult with the relevant Clearing Members and Eurex Clearing AG, in each case during the first two months of the 12 months' notice period. Any such consultation shall, however, not affect the effectiveness of the termination by Eurex Clearing AG or the Security Trustee and Part B of this Agreement shall terminate in accordance with this Clause 16.2 unless the termination is otherwise withdrawn beforehand.

16.3 Successor Security Trustee

In the event that the Security Trustee becomes insolvent, the Clearing Member shall, in consultation with the then existing Secured Parties, procure that the Security Trustee Claim and the security interests granted to the Security Trustee hereunder will be transferred to a successor security trustee that performs substantially the same functions as the Security Trustee Services.

17 Corporate Obligations of the Security Trustee

No recourse under any obligation, covenant or agreement of the Security Trustee contained in this Agreement shall be had against any shareholder, member, executive, officer and/or director (each a "**Senior Person**") of the Security Trustee. Any personal liability of a Senior Person of the Security Trustee is explicitly excluded, provided that such exclusion shall not release any Senior Person of the Security Trustee from any liability arising from wilful misconduct (*Vorsatz*) or gross negligence (*grobe Fahrlässigkeit*) by such Senior Person of the Security Trustee.

18 Release of already existing Security Interests by ICM Clients

The Clearing Member shall procure that each entity that already is an ICM Client of the Clearing Member at the date of this Agreement will release any pledge granted to it by the Clearing Member pursuant to Subpart B of the Individual Clearing Model Provisions (and

the related ICM Tripartite Agreement), and re-assign any Difference Claim assigned to it by the Clearing Member for security purposes pursuant to Subpart B of the Individual Clearing Model Provisions (and the relevant ICM Tripartite Agreement), as soon as possible. The Clearing Member shall provide the Security Trustee and Eurex Clearing AG with copies of each such release and re-assignment without undue delay.

Part C – Pledges and Assignments by Clearing Member to Eurex Clearing AG

1 Release of already existing Security Interests by Eurex Clearing AG

Eurex Clearing AG and the Clearing Member agree that any pledge over any Relevant Difference Claim granted to Eurex Clearing AG by the Clearing Member prior to the date of this Agreement pursuant to Subpart B of the Individual Clearing Model Provisions (and the related ICM Tripartite Agreement) is hereby released and any Relevant Difference Claim assigned to Eurex Clearing AG by the Clearing Member for security purposes prior to the date of this Agreement pursuant to Subpart B of the Individual Clearing Model Provisions (and the relevant ICM Tripartite Agreement) is hereby re-assigned to the Clearing Member.

The Clearing Member shall notify each ICM Client of such release and re-assignment.

2 Pledge by the Clearing Member to Eurex Clearing AG

2.1 The Clearing Member hereby pledges (*verpfändet*) to Eurex Clearing AG, in accordance with Sections 1204 et seqq. all its present and future Relevant Difference Claims it has or may have against ICM Clients in respect of any ICM Clearing Agreement for ICM-ECD or any Client Clearing Agreements with any ICM Client.

2.2 Eurex Clearing AG accepts the pledges granted pursuant to Clause 2.1 of this Part C.

2.3 The pledges granted pursuant to Clause 2.1 of this Part C shall secure all of Eurex Clearing AG's present and future (i) Covered Claims, as defined in Chapter I Part 3 Subpart A Number 2.1.3 of the Clearing Conditions, and (ii) Difference Claims, as defined in Chapter I Part 3 Subpart A Number 7.3.2 of the Clearing Conditions, against the Clearing Member under the present and future Standard Agreements between Eurex Clearing AG and the Clearing Member pursuant to the Individual Clearing Model Provisions (together "**Eurex Clearing AG's Secured Claims**").

2.4 The Clearing Member shall notify each ICM Client of the pledges granted pursuant to Clause 2.1 of this Part C and shall procure that such ICM Client will confirm receipt of such notification.

2.5 As a consequence of the pledges, the Clearing Member shall no longer be entitled to deal with, dispose of, encumber or otherwise receive the proceeds of the pledged Difference Claims otherwise than in accordance with the Clearing Conditions or this Agreement.

2.6 The pledges will become enforceable (*Pfandreife*) upon the occurrence of a Termination Date with respect to the Clearing Member at the end of the Valuation Date. The enforcement of the pledges is subject to Clauses 2.8 and 2.9 of this Part C.

2.7 Waiver:

2.7.1 The Clearing Member expressly waives its defence pursuant to Sections 1211, 770 para. 1 German Civil Code (*Bürgerliches Gesetzbuch* – "**BGB**") that any of Eurex Clearing AG's Secured Claims against the Clearing Member may be avoided (*Anfechtung*).

2.7.2 The Clearing Member expressly waives its defence pursuant to Section 1211, 770 para. 2 BGB that Eurex Clearing AG may satisfy or discharge any of Eurex Clearing AG's Secured Claims against the Clearing Member by way of set-off (*Aufrechnung*).

2.7.3 To the extent legally possible, the Clearing Member expressly waives its defences pursuant to Section 1211 para. 1 sentence 1 alternative 1 BGB that the principal debtor of any of Eurex Clearing AG's Secured Claims against the Clearing Member has a defence against any of Eurex Clearing AG's Secured Claims (*Einreden des Hauptschuldners*).

2.8 Unless the Interim Participation pursuant to and in accordance with Chapter I Part 3 Subpart B Number 5 of the Clearing Conditions becomes effective, Eurex Clearing AG shall enforce its pledges pursuant to Clause 2.1 of this Part C against the ICM Client only after the full realisation of all Contributions of all Clearing Members to the Clearing Fund in accordance with the order of priority set out in Number 6.2 of the General Clearing Provisions.

2.9 The enforcement proceeds resulting from the collection of a Relevant Difference Claim of the Clearing Member against a particular ICM Client shall solely be applied to the discharge of those of Eurex Clearing AG's Secured Claims that arise (i) if ICM-ECD is applicable with respect to such ICM Client, under the same ICM Clearing Agreement for ICM-ECD between Eurex Clearing AG, the Clearing Member and such ICM Client or (ii) if ICM-CCD is applicable with respect to such ICM Client, in respect of the relevant Standard Agreement between Eurex Clearing AG and the Clearing Member pursuant to ICM-CCD that relates to such ICM Client.

3 Assignments for Security Purposes by Clearing Member to Eurex Clearing AG

3.1 Subject to Clause 3.3 of this Part C, the Clearing Member hereby offers to assign to Eurex Clearing AG all its present and future Relevant Difference Claims which it has or may have against present or future ICM Clients to secure all of the present and future Secured Claims of Eurex Clearing AG against the Clearing Member (*Sicherungsabtretung*).

3.2 Eurex Clearing AG accepts the assignment pursuant to Clause 3.1 of this Part C.

3.3 Each Relevant Difference Claim which is subject to the assignment for security purposes will be transferred to Eurex Clearing AG immediately (and without any further actions being required on the part of the Clearing Member) upon the pledge over such Relevant Difference Claim coming into existence in accordance with Clause 2.1 of this Part C, provided that the assignment for security purposes is subject to the condition precedent (*aufschiebende Bedingung*) that a Termination has occurred with respect to the Clearing Member and the applicable Termination Event either (a) prevents Eurex Clearing AG's Difference Claim(s) against the Clearing Member from becoming due (*fällig*) or (b) renders it temporarily legally impossible (*vorübergehend unmöglich*) for the Clearing Member to perform Eurex Clearing AG's Difference Claim(s).

3.4 Upon the occurrence of a Termination Date with respect to the Clearing Member, the ICM Client shall not be entitled to make any payment on the Relevant Difference Claims towards the Clearing Member unless Eurex Clearing AG has explicitly confirmed that Eurex Clearing AG's Secured Claims against the Clearing Member have been fully satisfied and no further security purpose exists.

3.5 Subject to the occurrence of the events specified in Clause 3.7 of this Part C, Eurex Clearing AG hereby re-assigns to the Clearing Member the Relevant Difference Claims assigned to it in accordance with this Clause 3 of this Part C. This shall not apply if the Interim Participation Conditions in accordance with Chapter I Part 3 Subpart B Number 5.1.2 of the Clearing Conditions are satisfied in respect of the ICM Client and the assignments pursuant to Chapter I Part 3 Subpart B Number 5.1.8 of the Clearing Conditions have been made.

3.6 The Clearing Member accepts the reassignment pursuant to Clause 3.5 of this Part C.

3.7 The re-assigned Relevant Difference Claims will be transferred to the Clearing Member upon Eurex Clearing AG's Difference Claims against the Clearing Member subsequently becoming due (*fällig*) and, if applicable, no longer being temporarily legally impossible (*vorübergehend unmöglich*) to perform and without any further actions being required on the part of Eurex Clearing AG.

3.8 The Clearing Member shall notify each ICM Client of the assignments pursuant to this Clause 3 of this Part C and shall procure that such ICM Client will confirm the receipt of such notification.

3.9 The assignments pursuant to this Clause 3 of this Part C shall in no way affect the pledges described in Clause 2.1 of this Part C or the assigned claims as such.

3.10 Eurex Clearing AG may enforce the assigned claims upon the occurrence of a Termination Date with respect to the Clearing Member at the end of the Valuation Date. Any enforcement of the assigned claims does not require that Eurex Clearing AG's Secured Claims are due and payable.

3.11 The enforcement proceeds resulting from the collection of a Relevant Difference Claim of the Clearing Member against a particular ICM Client shall solely be applied to the discharge of those of Eurex Clearing AG's Secured Claims that arise (i) if ICM-ECD is applicable with respect to such ICM Client, under the same ICM Clearing Agreement for ICM-ECD between Eurex Clearing AG, the Clearing Member and such ICM Client or (ii) if ICM-CCD is applicable with respect to such ICM Client, in respect of the relevant Standard Agreement between Eurex Clearing AG and the Clearing Member pursuant to ICM-CCD that relates to such ICM Client.

Part D – General Provisions

1 Filing and Registration of Security Interests

To the extent required or expedient under applicable law, the Clearing Member will arrange for the due filing and registration with any relevant competent authority or register of any security interest granted or to be granted by the Clearing Member pursuant to or in accordance with this Agreement and will evidence the due filing and registration of such security interest to Eurex Clearing AG and the Security Trustee.

2 Taxes

The Clearing Member shall bear all transfer taxes and other similar taxes or charges which are imposed, among others, in the United Kingdom or the Federal Republic of Germany on or in connection with:

(i) the creation, holding or enforcement of security granted under this Agreement or any other agreement relating thereto; and

(ii) any measure taken by the Security Trustee pursuant to the terms of Part B or by Eurex Clearing AG pursuant to the terms of Part C; and

(iii) the execution of this Agreement or any other document connected thereto.

3 Notices

3.1 Form and Language of Communication

All communications under this Agreement shall be made (i) by letter, facsimile or email and (ii) in the English language.

3.2 Addresses

Any communication under this Agreement shall be directed to the addresses specified on the signature pages or to a substitute address that the relevant Party has provided to the other Parties.

4 Amendments

Amendments to this Agreement (including this Clause) require the prior written consent of all Parties, except that amendments to Part C shall not require the consent of the Security Trustee.

5 Miscellaneous

5.1 Assignability

No Party shall assign any of its rights or claims under this Agreement except with the prior written consent of all other Parties, except that the consent of the Security Trustee with respect to rights or claims under Part C of this Agreement shall not be required and except as contemplated otherwise herein.

5.2 Remedies and Waivers

5.2.1 A Party's failure to exercise, or any delay in exercising of, a right or remedy shall not operate as a waiver thereof. A partial exercise of any right or remedy shall not prevent any further or other exercise thereof or the exercise of any other right or remedy.

5.2.2 Except as otherwise provided herein, the rights and remedies provided in this Agreement are cumulative to, and not exclusive of, any rights or remedies provided by law or in any other document.

6 Governing Law, Jurisdiction

6.1 Governing Law

6.1.1 This Agreement is governed by the substantive laws (*Sachrecht*), excluding German private international law, of the Federal Republic of Germany.

6.1.2 Any non-contractual rights and obligations arising out of or in connection with this Agreement shall also be governed by the substantive laws (*Sachrecht*), excluding German private international law, of the Federal Republic of Germany.

6.2 Jurisdiction

The courts in Frankfurt am Main, Federal Republic of Germany, shall have exclusive jurisdiction (*ausschließlicher Gerichtsstand*) over any action or other legal proceedings arising out of or in connection with this Agreement.

6.3 Place of Performance

The place of performance shall be Frankfurt am Main, Federal Republic of Germany.

7 Severability Clause

If any provision contained in this Agreement is or becomes invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not be affected. Such invalid, illegal or unenforceable provision shall be replaced by means of supplementary interpretation (*ergänzende Vertragsauslegung*) by a valid, legal and enforceable provision, which most closely approximates the Parties' commercial intention. This shall also apply *mutatis mutandis* to any gaps (*Vertragslücken*) in this Agreement.

SIGNATURES

[●]
(as Clearing Member)

Attention: [●]
Fax: [●]
Telephone: [●]
E-Mail: [●]

Name:
Title:

Name:
Title:

[●]
(as Security Trustee)

Attention: [●]
Fax: [●]
Telephone: [●]
E-Mail: [●]

Name:
Title:

Name:
Title:

EUREX CLEARING AG
(as Eurex Clearing AG)

Attention: [●]
Fax: [●]
Telephone: [●]
E-Mail: [●]

Name:
Title:

Name:
Title: