

Chapter II of the Clearing Conditions of Eurex Clearing AG

Transactions Concluded at Eurex Deutschland

(Eurex Exchange)

As of 04.01.2021

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

[...]

Part 1 General Provisions

[...]

1.1 Clearing Licenses

[...]

1.1.2 Prerequisites for Clearing Licenses

[...]

(5) Upon request of the applicant, Eurex Clearing AG may grant an exemption from the requirement to maintain ~~securities accounts (including a cash account~~ corresponding cash to a securities account) pursuant to Chapter I Part 1 Number 2.1.2 (4) (a) ~~(ggff)~~ for the purpose of clearing Eurex Transactions, if Eurex Clearing AG determines that it would be impossible or impracticable for the applicant to ~~open and/or maintain~~ such a ~~securities account (including a corresponding cash account)~~ to a securities account. Together with the application, the applicant shall nominate the cash account(s) (which need to fulfil the requirements set out in Chapter I Part 1 Number 2.1.2 (4) (b)) that will be used for physical deliveries as laid out under lit. (c) below. If Eurex Clearing AG grants ~~such an exemption pursuant to this Number 1.1.2 (5)~~, the following conditions shall apply: (unless waived by Eurex Clearing AG):

~~(a) The Clearing Member shall avoid maintaining open positions as and when these positions require a physical delivery of securities. This applies for own positions as well as client positions of the Clearing Member, including where the Clearing Member clears Eurex Transactions for any Disclosed Direct Clients and Indirect Client Market Participants. It is the responsibility of the Clearing Member to take appropriate measures to ensure that its clients, including any Disclosed Direct Clients and Indirect Client Market Participants, do not have open positions as and when these positions require a physical delivery of securities. The Clearing Member acknowledges that in case it holds a position in an Options Contract, such Options Contract may be exercisable by or against it, and such an exercise will require an immediate physical settlement.~~

- ~~(b) If the Clearing Member for whatever reason holds any own or client positions that require a physical settlement and the physical settlement is not possible due to the lack of a securities account (including a corresponding cash account), the Clearing Member shall be required to pay a contractual penalty in accordance with Chapter I Part 1 Number 14.2.2 and the consequences with respect to a failure to deliver set out in Part 2 and 3 of this Chapter II shall not apply. In addition, Eurex Clearing AG shall be entitled, but not obliged, to~~
- ~~(i) if the Clearing Member is required to deliver Securities to Eurex Clearing AG, trigger its procedures for the purchase of the relevant Securities to acquire the Securities on or around the original due date for delivery. The Clearing Member shall compensate Eurex Clearing AG, if the price paid by Eurex Clearing AG exceeds the price Eurex Clearing AG would have owed the Clearing Member for the delivery of the Securities. If Eurex Clearing AG determines that it will not acquire the Securities, the Clearing Member shall compensate Eurex Clearing AG for any positive difference (if any) between the market price of the Securities prevailing at the time of the determination by Eurex Clearing AG and the price Eurex Clearing AG would have owed to the Clearing Member. In addition the Clearing Member shall reimburse Eurex Clearing AG for any costs and expenses incurred by Eurex Clearing AG in relation to the purchase as well as any amounts that would occur in accordance with Regulation (EU) 236/2012 on short selling and/or Regulation (EU) 909/2014 on central securities depositories and respective delegated acts, or~~
- ~~(ii) if the Clearing Member is required to take delivery of Securities, determine that a cash settlement shall take place instead of a Physical Delivery. The cash settlement shall be based on the price of a sell transaction (if any) in the respective Securities entered into by Eurex Clearing AG on or around the original due date for delivery as well as relevant costs and expenses incurred by Eurex Clearing AG in connection with the failure by the Clearing Member to take delivery of Securities. If Eurex Clearing AG determines that it, for whatever reason, is unable to enter into a sell transaction in the respective Securities, Eurex Clearing AG may apply a market price of zero for the Securities.~~
- ~~— The right of Eurex Clearing AG to claim further damages shall remain unaffected, provided that any amount received as a contractual penalty shall be deducted from any potential claim for damages based on the same facts.~~
- ~~(ea) In respect of Eurex Transactions with physical delivery, the respective Clearing Member to which an exemption was granted (for the purposes of this Paragraph (5) the “**Exempted Clearing Member**”) may only enter into Eurex Transactions which expire on a certain day per quarter.~~
- ~~(b) In particular in the 3 Business Days before the respective last trading day(s) of any Eurex Transactions with physical delivery, Eurex Clearing will monitor~~

whether the Exempted Clearing Member is party to any such open Eurex Transactions (which may be Own Transactions, DC-Related Transactions or UDC-Related Transactions).

- (c) If an Exempted Clearing Member is on the respective last trading day party to (an) Eurex Transaction(s) that require(s) a physical delivery, the physical delivery will be processed via free-of-payment settlement instructions, and the relevant cash payment will be settled via the cash account(s) nominated by the Exempted Clearing Member. Instead of a concurrent performance (*Leistung Zug um Zug*), the Exempted Clearing Member has to perform its obligations under the relevant Eurex Transaction vis-à-vis Eurex Clearing AG first before Eurex Clearing AG will perform its obligations vis-à-vis the Exempted Clearing Member.
- (d) Eurex Clearing AG may at any time revoke the exemption granted pursuant to this Number 1.1.2 (5), including (without limitation) if the Exempted Clearing Member does not comply with conditions set out herein. Eurex Clearing AG shall notify the Exempted Clearing Member in advance observing an appropriate notice period, unless Eurex Clearing AG determines that a prior notice would not be appropriate in a particular case.

[...]

1.10 ~~Early Cash Settlement~~

~~Where one or more Clearing Members have been granted an exemption by Eurex Clearing AG from the requirement to maintain a securities account (including a corresponding cash account) required for the Physical Settlement of Futures Contracts and/or Options Contracts, and Eurex Clearing AG is unable to acquire Securities in accordance with Number 1.1.2 (5) (b) (i) needed to settle a Futures Contract or Options Contract corresponding to the Eurex Transaction with the exempted Clearing Member, then the consequences with respect to a failure to deliver set out in Part 2 and 3 of this Chapter II shall not apply with respect to the Clearing Member entitled to receive delivery. Instead, Eurex Clearing AG will inform the Clearing Member entitled to receive delivery of the Securities and inform him that a cash settlement of the transaction based on the last available market price of the Securities specified in Number 1.1.2 (5) (b) (i) shall occur.~~

[...]
