

Chapter V of the Clearing Conditions of Eurex Clearing AG

Transactions Concluded at the Frankfurter Wertpapierbörse

As of 04.12.2017

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

Preamble

This Chapter V forms an integral part of the Clearing Conditions of Eurex Clearing AG and respective references in other rules or documents to the Clearing Conditions shall also apply to this Chapter V.

~~In accordance with Chapter I Part 2 Number 2.1.1,~~ Chapter I together with this Chapter V and all references to other Chapters or Annexes of the Clearing Conditions shall apply for all Clearing Members ~~(including FCM Clearing Members)~~ with a respective Clearing License, their Non-Clearing Members, Registered Customers and, ICM Clients ~~and FCM Clients~~ as well as all Interim Participants (if applicable).

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Part 1 General Provisions

[...]

- (6) The Clearing Conditions incorporate by reference the Exchange Rules for the Frankfurter Wertpapierbörse, the Conditions for Transactions at the Frankfurter Wertpapierbörse and other rules and regulations of the Frankfurter Wertpapierbörse with respect to the Clearing of Transactions concluded on the Frankfurter Wertpapierbörse pursuant to ~~this Chapter V~~ Part 2, each in their German version and as amended from time to time.

[...]

1.2 Margin Requirement

- (1) ~~The following applies in addition to the relevant basic provisions on margin requirements set out in Chapter I: The basic provisions for the margin requirements are set forth in Chapter I Part 1 Number 3 together with Part 2 Number 6 or Part 3 Subpart A Number 5, Subpart B Number 4.~~

[...]

1.3 Clearing of OTC Transactions

Eurex Clearing AG executes, besides the Clearing of FWB Transactions, the Clearing of OTC Transactions in securities and rights pursuant to this Chapter V, provided that such OTC Transactions are transmitted for Clearing to Eurex Clearing AG via the electronic trade system of the FWB or via a financial service provider or credit institution active at the FWB. In this respect, the provisions in Chapter I, ~~and in this~~ Part 1 and ~~Part 2~~ apply *mutatis mutandis*.

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Part 2 Clearing of transactions concluded at the Frankfurter Wertpapierbörse (FWB)

[...]

2.2 Failure to Deliver

2.2.1 Failure to Deliver Securities

In case of a failure to deliver shares covered by Article 15 of Regulation (EU) No. 236/2012 (“**Shares**”) or other securities (“**Other Securities**”, and together with Shares “**Securities**”)¹ owed under a FWB Transaction, the following provisions apply.

[...]

(6) Contractual Penalty

(a) Non-delivery of Shares

A Clearing Member is obliged to pay a contractual penalty to Eurex Clearing AG if it does not deliver Shares for which the principal trading venue is in a Member State of the European Union at the latest on the delivery day until the respective Settlement Cut-Off Time. This contractual penalty applies regardless of actual damages incurred by Eurex Clearing AG.

[...]

2.2.3 Non-Delivery of Partial Rights

If the Clearing Member does not deliver partial rights or partial rights resulting from Securities to be delivered in time on the delivery day, Eurex Clearing will, following the respective Settlement Cut-Off Time on the last day of the subscription period, or, if this point in time occurs earlier, the 20th Business Day after the delivery day, determine a cash settlement in relation to the non-delivered partial rights.

The cash settlement amount is determined on the basis of the price set for the partial right by the Settlement Location on the day on which Eurex Clearing AG determines the cash settlement. Number 2.2.1 Paragraph (3) (b) (bb) ~~and (cc)~~ as well as Number 2.2.1 Paragraph (3) (c) apply accordingly.

[...]

2.5 Netting Agreement

In addition to the set-off regulated in Chapter I Part 1 Number 1.3 and Part 2 Subpart A Number 7 and 8~~5~~, Eurex Clearing AG may agree with a Clearing Member upon a same-

¹ For subscription rights securitised and held in collective safe custody, the procedure pursuant Paragraph 2 applies.

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day netting of claims from transactions pursuant to this Chapter with respect to the relevant Standard Agreement. In this case, the netting shall be carried out on basis of the following provisions agreed upon by Eurex Clearing AG and the Clearing Members.

[...]

2.5.2 Netting Units

The claims resulting from the transactions supposed to be netted shall be summarised as netting units within which the netting takes place.

A netting unit shall be generated from the transactions on respectively one security class. A netting unit shall be defined by the following characteristics:

- involved trading participant and
- account assigned as a Clearing Member Own Account, a NOSA Direct Client Account, a NCM/RC Own Account or a NOSA Indirect Client Account under Chapter I Part 1 Number 4.2.1 and
- chosen settlement institute and
- chosen settlement account.

[...]

2.5.5 Netting Effectiveness

Upon closing of the netting, all netted claims in the relationship between Eurex Clearing AG and the Clearing Member are fulfilled (in each case to the extent that they are effected by such netting).
