

Clearing of OTC Interest Rate Derivative
Transactions, OTC FX Transactions ~~and~~,
OTC XCCY Transactions and OTC NDF
Transactions

As of 06.12.2021

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

[...]

Clearing of OTC Interest Rate Derivative Transactions, OTC FX Transactions and OTC XCCY Transactions and OTC NDF Transactions

[...]

Part 1 General Provisions

- (1) Eurex Clearing AG offers the Clearing and settlement of interest and currency related products traded over-the-counter which are **OTC Interest Rate Derivative Transactions**, (as defined in Part 2 Number 2.1.1), OTC FX Transactions (as defined in Part 3 Number 3.1.1) ~~or~~ OTC XCCY Transactions (as defined in Part 4 Number 4.1.1 and together with the OTC FX Transactions, the **“OTC Currency Transactions”**) and OTC NDF Transactions (as defined in Part 5 Number 5.1.1), provided that such OTC Interest Rate Derivative Transactions ~~and~~ OTC Currency Transactions and OTC NDF Transactions meet the applicable novation criteria.
- (2) In addition to the offering of the Clearing of OTC Interest Rate Derivative Transactions, OTC Currency Transactions and ~~OTC Currency~~ NDF Transactions under this Chapter VIII, Eurex Clearing AG offers the clearing of Interest Rate Derivative Transactions (as defined in Chapter I Number 1.1.5 of the FCM Regulations (as defined in Chapter I Part 1 Number 6)) to FCM Clearing Members (as defined in Chapter I Part 1 Number 6). If an Original OTC Transaction (as defined in Chapter I Part 1 Number 1.2.2-) that is an interest rate derivative transaction or an Original Swap Transaction (as defined in Chapter I Number 1.3.3 of the FCM Regulations), in each case concluded between a Clearing Member (or, as relevant, a Basic Clearing Member or a DC With System Access/Basic DC) and an FCM Clearing Member or an FCM Client (as defined in Chapter I Number 1.1.9 of the FCM Regulations) is accepted for inclusion into the clearing procedures of Eurex Clearing AG, an OTC Interest Rate Derivative Transaction between Eurex Clearing AG and the relevant Clearing Member in accordance with the Clearing Conditions (and subject to this Part 1 and Part 2) and an Interest Rate Derivative Transaction with corresponding terms between Eurex Clearing AG and an FCM

Clearing Member (subject to and in accordance with the FCM Clearing Conditions) will be created at the same time by way of novation.

- (3) In addition to this Chapter VIII, (i) the provisions of Chapter I, including in particular the Elementary Clearing Model Provisions, the ISA Provisions and the Basic Clearing Member Provisions shall apply to the Clearing of OTC Interest Rate Derivative Transactions ~~and~~ (ii) the provisions of Chapter I, including in particular the Elementary Clearing Model Provisions, and the ISA Provisions (but excluding Subpart D of the Elementary Clearing Model Provisions, Number 14 of the ISA Provisions and the Basic Clearing Member Provisions) shall apply to the Clearing of OTC Currency Transactions and (iii) the provisions of Chapter I, including in particular the Elementary Clearing Model Provisions and the ISA Provisions (but excluding the Basic Clearing Member Provisions), shall apply to the Clearing of OTC NDF Transactions, unless – in case of both – (i) and – (iii) – otherwise provided hereinafter.

[...]

1.1 Clearing License

1.1.1 Granting of the Clearing License

In order to participate in the Clearing of (i) OTC Interest Rate Derivative Transactions, (ii) OTC FX Transactions ~~and~~ (iii) OTC XCCY Transactions and (iv) OTC NDF Transactions, a clearing license for each relevant Transaction Type (as defined in Chapter I Part 1 Number 1.1.2) is required (each an “**OTC Clearing License**”). The OTC Clearing License may be granted by Eurex Clearing AG upon written application. Each OTC Clearing License may be restricted to certain product groups within the scope of a Transaction Type if this is provided for in respect of such OTC Clearing License. Notwithstanding Chapter I Part 1 Number 2.1.1 (4),

[...]

1.1.2 Prerequisites of the Clearing License

The prerequisites for the granting of (i) an Interest Rate Derivatives Clearing License are set out in Part 2 and (ii) an OTC Currency Products Clearing License are set out in Part 3 (in conjunction with Part 4 and Part 5).

In addition, to the extent that the Clearing of the relevant Transaction Type requires access to, or the use of, (a) any information made available by or through any Reuters service, any Bloomberg service or any other data source or (b) any market standard documentation, the relevant applicant must have represented to Eurex Clearing AG that (A) it has access to such services or data source (and, where applicable, is appropriately licensed to use such services or data source) and (B) has access to, and holds all relevant licenses to obtain and use, such market standard documentation.

1.2 Conclusion of Transactions

OTC Interest Rate Derivative Transactions, OTC Currency Transactions and OTC NDF Transactions pursuant to this Chapter VIII are concluded by way of novation. The following provisions apply to the novation of an Original OTC Transaction if at least one counterparty of such Original OTC Transaction is a Clearing Member, Basic Clearing Member or a party having designated a Clearing Member for purposes of the Clearing. If an FCM Clearing Member or an FCM Client of an FCM Clearing Member acts as the counterparty of an Original OTC Transaction, for purposes of this Chapter VIII, the term "Original OTC Transaction" means, when used in relation to such FCM Clearing Member, an Original Swap Transaction as defined in Chapter I Number 1.1.1 of the FCM Regulations, and a Swap Transaction (as defined in Chapter I Part 1 Number 6) means either an FCM Own Transaction or an FCM Client Transaction (as defined in Chapter I Number 1.3.2 (2) of the FCM Regulations). The provisions of this Number 1.2 also apply in connection with certain post-trade events, as further specified in Number 1.2.6.

1.2.1 Novation of Original OTC Transactions

- (1) For the purposes of including Original OTC Interest Rate Derivative Transactions, Original OTC FX Transactions, Original OTC XCCY Transactions and/or Original ~~OTC XCCY NDF~~ Transactions into the Clearing by Eurex Clearing AG, the trade record of the relevant Original OTC Transaction has to be transmitted to Eurex Clearing AG via an ATS.
- (2) Whenever the trade record of an Original OTC Transaction, including, as the case may be, a Credit Limit Token (as defined in Sub-Paragraph (b) (ii) below), is transmitted to Eurex Clearing AG via an ATS (such record, including, as the case may be, a Credit Limit Token, hereinafter referred to as a "**Trade Record**"); and
 - (a) (x) with respect to an OTC Interest Rate Derivative Transaction, the parties to the related Original OTC Transaction are Clearing Members or Basic Clearing Members, each holding the relevant Interest Rate Derivatives Clearing License or an FCM Clearing Member holding an FCM IRS License or (y) with respect to an OTC FX Transaction ~~or~~, an OTC XCCY Transaction or an OTC NDF Transaction, the parties to the related Original OTC Transaction are Clearing Members, each holding the relevant OTC Currency Products Clearing License; or
 - (b) with respect to (x) an OTC Interest Rate Derivative Transaction, only if any party to the Original OTC Transaction is neither a Clearing Member nor a Basic Clearing Member, in each case holding the relevant Interest Rate Derivatives Clearing License, neither an FCM Clearing Member holding an FCM IRS License nor an FCM Client, and ~~with respect to~~ (y) an OTC FX Transaction ~~or~~, an OTC XCCY Transaction or an OTC NDF Transaction, only if any party to the related Original OTC Transaction is not a Clearing Member holding the relevant OTC Currency Products Clearing License; according to such Trade Record, a Clearing Member holding the relevant Interest Rate Derivatives Clearing License or the relevant OTC Currency Products Clearing License, respectively,

has been designated as a Clearing Member for such party with respect to the relevant Original OTC Transaction, and

[...]

- (c) Eurex Clearing AG accepts such Original OTC Transaction for inclusion in the Clearing Procedures by making an OTC Trade Novation Report available to the Clearing Member or, if applicable, the Basic Clearing Member electronically via its system,

CCP Transactions will be concluded

[...]

- (ii) in case of a Basic Clearing Member Transaction, in accordance with Chapter I Part 6 Number 1.3,

in each case as further specified with respect to OTC Interest Rate Derivative Transactions in Part 2, with respect to OTC FX Transactions in Part 3 ~~and~~, with respect to OTC XCCY Transactions in Part 4 and with respect to OTC NDF Transactions in Part 5.

[...]

- (4) Under the CCP Transactions created upon novation, the relevant Clearing Member or, if applicable, the relevant Basic Clearing Member has, in economic terms, the same economic role (e.g. as floating rate payer or as fixed rate payer, respectively) as such Clearing Member or Basic Clearing Member (in case of Own Transactions), or the relevant DC With System Access/Basic DC (in case of DC-Related Transactions) or Undisclosed Direct Client (in case of UDC-Related Transactions) of the Clearing Member had under the Original OTC Transaction (in the case of STM Interest Rate Derivative Transactions, subject to the amendments pursuant to Part 2 Number 2.1.4 Paragraph (3), in the case of STM FX Transactions, subject to the amendments pursuant to Part 3 Number 3.1.4 Paragraph (3), ~~and~~ in the case of STM XCCY Transactions, subject to the amendments pursuant to Part 4 Number 4.1.4 Paragraph (3)) and, in the case of STM NDF Transactions, subject to the amendments pursuant to Part 5 Number 5.1.4 Paragraph (3).

[...]

- (7) For the purposes of this Chapter VIII,

[...]

- (b) “**CCP Transaction**” means any OTC Interest Rate Derivative Transaction, OTC FX Transaction ~~or~~, OTC XCCY Transaction or OTC NDF Transaction
(i) between Eurex Clearing AG and the relevant Clearing Member created pursuant to Chapter I Part 1 Number 1.2.2 (2) or (ii) if applicable, between

Eurex Clearing AG and the relevant Basic Clearing Member created pursuant to Chapter I Part 6 Number 1.3 (2).

[...]

- (h) **“STM Transaction”** means any STM Interest Rate Derivative Transaction, STM FX Transaction ~~and~~ STM XCCY Transaction and STM NDF Transaction.

[...]

- (l) **“STM NDF Transaction”** means an STM Eligible NDF Transaction in respect of which an NDF STM Election has been made.

- (~~h~~m) **“Settled-to-Market”** means that the outstanding exposure of (i) an STM Interest Rate Derivative Transaction is settled pursuant to Part 2 Number 2.2.1 Paragraph (5), (ii) an STM FX Transaction is settled pursuant to Part 3 Number 3.2.1 (4) ~~or~~, (iii) an STM XCCY Transaction is settled pursuant to Part 4 Number 4.2.1 (5) or (iv) an STM NDF Transaction is settled pursuant to Part 5 Number 5.2.1 (3), as applicable.

[...]

1.2.3 Novation Criteria

- (1) Eurex Clearing AG will accept an Original OTC Transaction for inclusion in the Clearing in accordance with the novation process if all of the following novation criteria are fulfilled:

[...]

3. (i) The Trade Record is transmitted to Eurex Clearing AG in a format which allows Eurex Clearing AG to import the relevant data in its system, as communicated by Eurex Clearing AG to Clearing Members or Basic Clearing Members (or the Clearing Agent acting on behalf of the relevant Basic Clearing Member) that hold an OTC Clearing License and (ii) no information required with respect to the terms of the relevant OTC Interest Rate Derivative Transaction, OTC FX Transaction ~~or~~, OTC XCCY Transaction or OTC NDF Transaction as set out in Part 2, Part 3, Part 4 or Part 45, respectively, is missing;

[...]

8. The Clearing Member(s) and, if applicable, the Basic Clearing Member(s) that shall be a party to the OTC Transaction resulting from the novation of the Original OTC Transaction and, if applicable, the FCM Clearing Member(s) that shall be a party to the Swap Transaction resulting from the novation of the relevant Original OTC Transaction must have delivered Eligible Margin Assets (with respect to an FCM Clearing Member, as defined in the FCM Regulations) to Eurex Clearing AG, in the case of OTC Interest Rate Derivative Transactions,

as required pursuant to Chapter I Part 1 Number 3, the Elementary Clearing Model Provisions, the ISA Provisions, the Basic Clearing Member Provisions, and, in the case of Interest Rate Derivative Transactions (as defined in the FCM Regulations), as required pursuant to relevant provisions in the FCM Regulations, and, in the case of OTC FX Transactions ~~and~~ OTC XCCY Transactions and OTC NDF Transactions, as required pursuant to Chapter I Part 1 Number 3, the Elementary Clearing Model Provisions and the ISA Provisions, in each case to cover the calculated risks resulting from all Transactions (or, in respect of an FCM Clearing Member, the Swap Transaction) and the CCP Transaction to be created;

9. The Clearing Member or the Basic Clearing Member, as applicable, must have complied with the scheduled intraday margin calls as further set out below and if applicable:
- (a) If Eurex Clearing AG determines that the aggregate value of the Eligible Margin Assets actually delivered to Eurex Clearing AG by the Clearing Member or the Basic Clearing Member, as relevant, is insufficient to provide the cover required in order to fulfil the margin requirements (as set forth in Part 2 Number 2.1.7, Part 3 Number 3.1.7 ~~and~~ Part 4 Number 4.1.7 and Part 5 Number 5.1.7, as applicable) also taking into account all CCP Transactions arising pursuant to Part 2 Numbers 2.5, 2.6 and 2.7, Part 3 Numbers 3.7 and 3.8 ~~and~~ Part 4 Numbers 4.8 and 4.9 and Part 5 Numbers 5.3 and 5.4 (any such shortfall of Eligible Margin Assets, the "**Shortfall Margin Requirement**"), Eurex Clearing AG will require the Clearing Member or the Basic Clearing Member, as the case may be, to provide additional Eligible Margin Assets intra-day in an amount up to the Shortfall Margin Requirement (such amount, the "**Shortfall Margin Amount**") in accordance with the following provisions.
- (b) Eurex Clearing AG shall notify the Clearing Member or Basic Clearing Member, as applicable, of (A) the Transactions arising pursuant to Part 2 Numbers 2.5, 2.6 and 2.7, Part 3 Numbers 3.7 and 3.8 ~~and~~ Part 4 Numbers 4.8 and 4.9 and Part 5 Numbers 5.3. and 5.4 to be covered by the Shortfall Margin Requirement as well as (B) the Shortfall Margin Amount in both the relevant Preliminary OTC Margin Call Report and OTC Margin Call Report.

A "**Preliminary OTC Margin Call Report**" means a preliminary report produced by Eurex Clearing AG and made available at 12:00 noon, 2 p.m. and 6 p.m. (each Frankfurt am Main time) that specifies the CCP Transactions arising pursuant to Part 2 Numbers 2.5, 2.6 and 2.7, Part 3 Numbers 3.7 and 3.8 ~~and~~ Part 4 Numbers 4.8 and 4.9 and Part 5 Numbers 5.3 and 5.4 as well as the Shortfall Margin Amount as calculated by Eurex Clearing AG as per the time when the relevant Preliminary OTC Margin Call Report is made available (the "**Preliminary Shortfall Margin Amount**").

An “**OTC Margin Call Report**” means a report produced by Eurex Clearing AG and made available at 1 p.m., 3 p.m., 7 p.m., and 10:30 p.m. (each Frankfurt am Main time) that specifies (i) the CCP Transactions arising pursuant to Part 2 Numbers 2.5, 2.6 and 2.7, Part 3 Numbers 3.7 and 3.8 ~~and~~ Part 4 Numbers 4.8 and 4.9 and Part 5 Numbers 5.3 and 5.4 and (ii) the Final Shortfall Margin Amount.

[...]

[...]

- (d) The payment made by direct debit of the Final Shortfall Margin Amount determined in the OTC Margin Call Report produced and made available by Eurex Clearing AG at 1 p.m., 3 p.m. and 7 p.m. (each Frankfurt am Main time) shall constitute cover in respect of the Margin to which the margin requirement pursuant to Part 2 Number 2.1.7, Part 3 Number 3.1.7 ~~or~~ Part 4 Number 4.1.7 or Part 5 Number 5.1.7, as applicable, relates and accordingly will constitute (i) Proprietary Margin or Omnibus Margin delivered by the Clearing Member pursuant to the Elementary Clearing Model Provisions, (ii) Margin delivered by the Clearing Member pursuant to the ISA Provisions or (iii) Basic Clearing Member Margin delivered by the Basic Clearing Member pursuant to the Basic Clearing Member Provisions, if applicable. The payment made by direct debit of the Final Shortfall Margin Amount determined in the OTC Margin Call Report produced and made available by Eurex Clearing AG at 10:30 p.m. (Frankfurt am Main time) shall be treated accordingly and shall constitute cover either in respect of (i) the Proprietary Margin or Omnibus Margin delivered by the Clearing Member pursuant to the Elementary Clearing Model Provisions, (ii) Margin delivered by the Clearing Member pursuant to the ISA Provisions or (iii) the Basic Clearing Member Margin delivered by the Basic Clearing Member pursuant to the Basic Clearing Member Provisions, if applicable.

[...]

[...]

12. All applicable additional novation criteria set forth in Part 2, Part 3, Part 4 and Part 4-5 (as applicable) (and, if one of the transactions that shall result from the novation of the Original OTC Transaction is a Swap Transaction, the applicable novation criteria pursuant to the FCM Regulations) are fulfilled.
- (2) If a novation criterion is not fulfilled but the relevant OTC Trade Novation Report has nevertheless been made available via the system of Eurex Clearing AG and, accordingly, novation is effective, Eurex Clearing AG is entitled to terminate the CCP Transactions by notifying (a) the relevant Clearing Member(s) and the relevant Basic Clearing Member(s) (or the Clearing Agent(s) acting on behalf of the relevant Basic Clearing Member(s)) in writing (including by fax or e-mail) provided that the CCP

Transaction(s) created upon novation of the Original OTC Transaction were not subject to (i) any netting or accumulation pursuant to Part 2 Number 2.6, Part 3 Number 3.7-~~or~~, Part 4 Number 4.8 or Part 5 Number 5.3 or (ii) a transfer pursuant to Part 2 Number 2.7, Part 3 Number 3.8-~~or~~, Part 4 Number 4.9 or Part 5 Number 5.4 or (iii) a trade amendment pursuant to Part 2 Number 2.7, Part 3 Number 3.8-~~or~~, Part 4 Number 4.9 or Part 5 Number 5.4 and, (b) if a Swap Transaction was created upon novation of the Original OTC Transaction, the relevant FCM Clearing Member(s), provided that such Swap Transaction was not subject to any netting, accumulation, transfer or trade amendment pursuant to the FCM Regulations.

[...]

1.2.4 Special Provisions with respect to the Conclusion of CCP Transactions

- (1) If (A) in the case of OTC Interest Rate Derivative Transactions, the Clearing Member or, if applicable, the Basic Clearing Member holds an Interest Rate Derivatives Clearing License ~~pursuant to Part 2 Number 2.1.3~~ or (B) in the case of OTC ~~FX Currency Transactions or OTC NDF~~ Transactions, the Clearing Member holds an OTC Currency Products Clearing License, the Clearing Member or, if applicable, the Basic Clearing Member (or the Clearing Agent acting on behalf of the Basic Clearing Member) (i) authorises Eurex Clearing AG to capture and maintain records vis-à-vis the respective ATS, and (ii) confirms that it has appointed the relevant ATS to receive trade communications and generate and send trade communications to Eurex Clearing AG for the Clearing Member or, if applicable, the Basic Clearing Member (or the Clearing Agent acting on behalf of the Basic Clearing Member). Eurex Clearing AG may rely on such trade communications.

[...]

1.2.5 Daily Novation Process

[...]

- (2) Original OTC Transactions that are to be included in the Clearing by way of Daily Novation may be submitted to Eurex Clearing AG at any point in time. On each Business Day between 8:00 a.m. (Frankfurt am Main time) and 9:59 p.m. (Frankfurt am Main time) Eurex Clearing AG processes and accepts or rejects Original OTC Transactions submitted to it for Clearing as quickly as technologically practicable, using automated systems. Original OTC Transactions submitted to Eurex Clearing AG at 10:00 p.m. (Frankfurt am Main time) may be processed and accepted or rejected on that or the next Business Day. Original OTC Transactions which are submitted to Eurex Clearing AG at any other time will be processed and accepted or rejected at the beginning of the next Business Day.

Original OTC Transactions which (i) have a remaining term of one Business Day between the day of submission and the settlement of the near leg or the termination date or valuation date, as applicable, and (ii) are not included in the Daily Novation

on the Business Day on which they were submitted to Eurex Clearing AG via an ATS will be rejected for Clearing.

[...]

- (6) A Clearing Member, a DC With System Access or a Basic Clearing Member may subsequently cancel the submission with respect to any CCP Transaction intended to be transferred pursuant to Part 2 Number 2.7, Part 3 Number 3.8 ~~or~~, Part 4 Number 4.9 or Part 5 Number 5.4 or to be terminated pursuant to Part 2 Number 2.8, Part 3 Number 3.9 ~~or~~, Part 4 Number 4.10 or Part 5 Number 5.5, provided that (i) the cancellation request is entered by the Clearing Member, the DC With System Access or the Basic Clearing Member into the system of, and received by, Eurex Clearing AG, and (ii) each of the responsible Clearing Member, in case the request is entered by a DC With System Access and the other Clearing Member, Basic Clearing Member or FCM Clearing Member that is involved in such transfer or termination has given its prior consent in the system of Eurex Clearing AG to such cancellation.

1.2.6 Specific Provisions with respect to the Novation of CCP Transactions resulting out of Post-Trade Events

- (1) Number 1.2 shall apply *mutatis mutandis* to the novation in connection with post-trade events pursuant to Part 2 Number 2.6 – 2.8 (in addition to the respective requirements set out therein), pursuant to Part 3 Number 3.7 – 3.9 (in addition to the respective requirements set out therein) ~~or~~, pursuant to Part 4 Number 4.8 – 4.10 (in addition to the respective requirements set out therein) or pursuant to Part 5 Number 5.3 – 5.5 (in addition to the respective requirements set out therein), in each case (i) if a CCP Transaction shall be subject to such novation or shall result from such novation and (ii) unless explicitly stated otherwise.
- (2) If a post-trade event pursuant to Part 2 Number 2.6 or 2.7, Part 3 Number 3.7 or 3.8 ~~or~~, Part 4 Number 4.8 or 4.9 or Part 5 Number 5.3 or 5.4 would lead to a novation resulting in a CCP Transaction, and all novation criteria are fulfilled except for the requirement to provide sufficient Eligible Margin Assets, the submission for novation will be pending and will remain included in the daily novation process until the end of the relevant Business Day, provided that if, prior to the end of such Business Day, further Eligible Margin Assets are provided, novations reflecting such Eligible Margin Assets will occur and at the time and in the order determined by Eurex Clearing AG's systems. At the end of each Business Day, all ~~such pending~~ submissions for novations that are still pending and which do not fulfil all novation criteria, including the requirement to provide sufficient Eligible Margin Assets, will be rejected. For the avoidance of doubt, this shall mean that the relevant CCP Transactions existing prior to such intended post-trade event will remain in place and no novation pursuant to the relevant post-trade event will take place.

[...]

1.8 Index-related Provisions

[...]

[...]

1.8.2 Permanent Index Cessation

[...]

(6) Without prejudice to the early termination provisions set out in Part 2 Number 2.8 and 4.10, Part 3 Number 3.9, Part 4 Number 4.10 and Part 5 Number 5.5 and any termination rights a Clearing Member or Basic Clearing Member may have pursuant to Chapter I, Clearing Members or Basic Clearing Members have no right to terminate transactions due to the occurrence of a Permanent Index Cessation Event.

[...]

[...]

Part 3 Clearing of OTC FX Transactions

3.1 General Provisions

3.1.1 Applicable General Provisions

The general provisions of Part 1 apply to the following types of foreign exchange transactions, each traded over the counter and be cleared by Eurex Clearing AG, except where deviating or supplementary provisions for OTC FX Transactions are set out in this Part 3: all foreign exchange spot transactions (the bilateral transactions the “**Original OTC FX Spot Transactions**” and the transactions resulting from an inclusion of such transactions in the Clearing, the “**OTC FX Spot Transactions**”), all foreign exchange swap transactions (the bilateral transactions the “**Original OTC FX Swaps**” and the transactions resulting from an inclusion in the Clearing, the “**OTC FX Swaps**”) and all foreign exchange forward transactions traded over-the-counter (the bilateral transactions the “**Original OTC FX Forwards**” and the transactions resulting from an inclusion in the Clearing, the “**OTC FX Forwards**”), and together with the OTC FX Spot Transactions and the OTC FX Swaps, “OTC FX Transactions”, each as traded over the counter and cleared by Eurex Clearing AG, except where deviating or supplementary provisions for OTC FX Transactions are set out in this Part 3.

[...]

[...]

3.1.3 OTC Currency Products Clearing License

The OTC Clearing License granted for the Clearing of OTC FX Transactions ~~and~~ OTC XCCY Transactions (as defined in Part 4 Number 4.1.1) and OTC NDF Transactions (as defined in Part 5 Number 5.1.1) (the “**OTC Currency Products Clearing License**”) entitles

- (A) the relevant General Clearing Member to clear (i) OTC FX Transactions that are Own Transactions or Client-Related Transactions (except for ECM CASS Transactions (as defined in Chapter I Part 2 Subpart D Number 2) and ISA CASS Transactions (as defined in Chapter I Part 4 Number 14)) under the Elementary Clearing Model Provisions or the ISA Provisions, as applicable, ~~and~~ (ii) subject to Part 4 Number 4.1.3, OTC XCCY Transactions that are Own Transactions or Client-Related Transactions (except for ECM CASS Transactions (as defined in Chapter I Part 2 Subpart D Number 2) and ISA CASS Transactions (as defined in Chapter I Part 4 Number 14)) under the Elementary Clearing Model Provisions or the ISA Provisions, as applicable, and (iii) subject to Part 5 Number 5.1.3, OTC NDF Transactions that are Own Transactions or Client-Related Transactions (except for ECM CASS Transactions (as defined in Chapter I Part 2 Subpart D Number 2) and ISA CASS Transactions (as defined in Chapter I Part 4 Number 14)) under the Elementary Clearing Model Provisions or the ISA Provisions, as applicable;
- (B) the relevant Direct Clearing Member to clear, under the Elementary Clearing Model Provisions, (i) OTC FX Transactions that are Own Transactions ~~and~~ (ii) subject to Part 4 Number 4.1.3, OTC XCCY Transactions that are Own Transactions and (iii) subject to Part 5 Number 5.1.3, OTC NDF Transactions that are Own Transactions. The general requirements for obtaining a Clearing License set out in Chapter I Part 1 shall apply subject to the provisions set out in this Chapter VIII. In addition, the applicant applying for an OTC Currency Products Clearing License shall meet the following requirements:

- (1) ~~The (i) With respect to OTC Currency Transactions, the applicant is (i)-~~ an institution within the meaning of Article 2 lit. (b) of the Settlement Finality Directive and has provided evidence thereof in a form satisfactory to Eurex Clearing AG and (ii) the applicant is a participant in an ATS designated by Eurex Clearing AG on its website (www.eurexclearing.com) in respect of OTC FX Transactions.
- (2) ~~The~~ With respect to OTC Currency Transactions, the applicant can make payments to and receive payments from Eurex Clearing AG in the currencies of the Currency Pairs (as defined in Number 3.1.5.1 (2)) through the **CLS CCP Service**.
- [...]
- (3) The applicant provides a confirmation that a license agreement is concluded between the applicant and Swaps Monitor Publications, Inc., New York for the

usage of data to determine the relevant Business Day and the relevant OTC NDF Business Day.

- (4) ~~In~~ With respect to OTC Currency Transactions, in addition to the cash accounts required pursuant to Chapter I Part 1 Number 2.1.2 (4) (b) the applicant maintains at all times at least one account with a CLS nostro bank for each of the currencies of the Currency Pairs (each such bank a “**CLS Nostro Bank**”) regardless of whether or not the applicant actually enters into OTC Currency Transactions in the relevant Currency Pair (the “**Currency Products Cash Accounts**” and each a “**Currency Products Cash Account**”). Chapter I Part 1 Number 2.1.2 (4) (b) (ff) (i) shall apply *mutatis mutandis* to the CLS Nostro Bank. The applicant is allowed to nominate one (but not more than one) CLS Nostro Bank for each of the currencies of the Currency Pairs at any given point in time with respect to the Clearing of OTC Currency Transactions pursuant to this Part 3 and Part 4.
- (5) ~~The~~ With respect to OTC Currency Transactions, the applicant provides evidence that each Currency Products Cash Account is established with a CLS Nostro Bank which has been recognised and approved by Eurex Clearing AG (such recognition and approval is subject to, *inter alia*, the successful participation in the Testing and Trialling by all the applicant’s CLS Nostro Banks).
- (6) ~~The~~ With respect to OTC Currency Transactions, the applicant has entered into an agreement with Eurex Clearing AG in the form appended to the Clearing Conditions as Appendix 13 (the “**FX Swap Line Agreement**”).
- (7) With respect to OTC NDF Transactions, in addition to the cash accounts required pursuant to Chapter I Part 1 Number 2.1.2 (4) (b), the applicant maintains a bank cash account in USD that is established with a Settlement Bank.

If evidence of meeting any of the above requirements (or any of the requirements set out in Part 4 Number 4.1.3 or Part 5 Number 5.1.3) that relate to a particular Transaction Type is not provided, Eurex Clearing AG will not conduct the Clearing of Transactions of the relevant Clearing Member that fall within such Transaction Type.

[...]

Part 5 Clearing of OTC NDF Transactions

5.1 General Provisions

5.1.1 Applicable General Provisions

The general provisions of Part 1 apply to all non-deliverable FX transactions traded over the counter to be cleared by Eurex Clearing AG (the bilateral transactions the “**Original OTC NDF Transactions**” and the transactions resulting from an inclusion in the Clearing, the “**OTC NDF Transactions**”), except where deviating or supplementary provisions for OTC NDF Transactions are set out in this Part 5.

5.1.2 Types of Transactions eligible for Clearing; Additional Terms

- (1) On the basis of the relevant Transaction Type specific novation criteria set out in Number 5.1.5 below, Eurex Clearing AG determines the Original OTC NDF Transactions to be included in the Clearing of Eurex Clearing AG.
- (2) Where a Trade Record relating to an Original OTC NDF Transaction recognised by Eurex Clearing AG pursuant to Paragraph (1) provides for any additional terms which are not contemplated in Number 5.2 below, such as (e.g.) optional or mandatory early termination provisions or upfront fees, such additional terms will not be included in the OTC Trade Novation Report and will not become part of the terms applicable to an OTC NDF Transaction. Eurex Clearing AG will not store or record any data relating to such additional provisions.
- (3) If Original OTC NDF Transactions containing break clauses (*Kündigungsrechte*) are submitted to Eurex Clearing AG for Clearing, such break clauses will not become part of the OTC NDF Transactions.

5.1.3 Additional Requirements for an OTC Currency Product Clearing License to clear NDF Transactions

The OTC Currency Products Clearing License granted pursuant to Part 3 Number 3.1.3 entitles the Clearing Member to also clear OTC NDF Transactions as further set out in Part 3 Number 3.1.3 if the applicant meets the requirements set out in Part 3 Number 3.1.3 in respect of OTC NDF Transactions and if the applicant is a participant in an ATS designated by Eurex Clearing AG on the Eurex Clearing Website in respect of OTC NDF Transactions.

The relevant Clearing Member may elect that, with respect to OTC NDF Transactions, the OTC Products Clearing License shall be restricted to the Clearing of OTC NDF Transactions in at least one NDF Currency Pair (as defined in Number 5.1.5.1 (2)).

5.1.4 CTM NDF Transactions and STM NDF Transactions

- (1) A Clearing Member may, by way of an NDF STM Election, elect that all (but not some only) of the STM Eligible NDF Transactions under a particular Standard Agreement shall be cleared as STM NDF Transactions.

In the case of Existing STM Eligible NDF Transactions, the CTM NDF Transactions shall be established as STM NDF Transactions on the NDF STM Effective Date pursuant to Paragraph (2). In the case of Original STM Eligible NDF Transactions, the OTC NDF Transactions created by way of novation pursuant to Part 1 Number 1.2.1 shall be converted into STM NDF Transactions upon such novation pursuant to Paragraph (3) below. In the case of Transfer STM Eligible NDF Transactions, the OTC NDF Transactions created by way of novation pursuant to Number 5.4 in connection with Chapter I Part 1 Number 1.2.2 (5) (c) shall be converted into STM NDF Transactions upon such novation pursuant to Paragraph (4) below.

- (2) If an NDF STM Election is made, all Existing STM Eligible NDF Transactions under the relevant Standard Agreement shall be amended on the NDF STM Effective Date as follows:
- (a) the additional primary payment obligations of the Clearing Member and Eurex Clearing AG set out in Number 5.2.1 (3) shall arise under the relevant STM NDF Transaction; and
 - (b) Eligible Margin Assets actually delivered as Variation Margin by the relevant Variation Margin Provider with respect to the Existing STM Eligible NDF Transaction and with respect to which a Redelivery Claim exists immediately prior to the NDF STM Effective Date shall be rededicated as NDF STM Amounts which were paid by the party that was the Variation Margin Provider to the party that was the Variation Margin Taker. Such rededication shall settle the outstanding exposure of the relevant STM NDF Transaction as of the Business Day immediately preceding the NDF STM Effective Date. The Redelivery Claim of the relevant Variation Margin Provider in relation to the Existing STM Eligible NDF Transaction shall expire.
- (3) If an NDF STM Election is made, the relevant Original STM Eligible NDF Transaction shall be amended upon the effectiveness of the novation pursuant to Part 1 Number 1.2.1 (provided the point in time of such effectiveness falls on or after the NDF STM Effective Date) so that the additional primary payment obligations of the Clearing Member and Eurex Clearing AG set out in Number 5.2.1 (3) shall arise under the relevant STM NDF Transaction.
- (4) If an NDF STM Election is made, the relevant Transfer STM Eligible NDF Transaction shall be amended upon the effectiveness of the novation pursuant to Number 5.3 in connection with Chapter I Part 1 Number 1.2.2 (5) (c) (provided the point in time of such effectiveness falls on or after the STM NDF Effective Date) so that the additional primary payment obligations of the Clearing Member and Eurex Clearing AG set out in Number 5.2.1 (3) shall arise under the relevant STM NDF Transaction.
- (5) For the avoidance of doubt, upon the occurrence of a Termination with respect to the Clearing Member or a Failure to Pay Event or an Insolvency Event with respect to Eurex Clearing AG, the additional primary payment obligations set out in

Number 5.2.1 (3) shall be taken into account when determining the Liquidation Price or CCP Market Price, respectively, of the relevant STM NDF Transaction.

- (6) For the purposes of this Chapter VIII,
- (a) “**CTM NDF Transaction**” means an OTC NDF Transaction in respect of which the Variation Margin Requirement and NDF PAI as set out in Number 5.1.7 Paragraphs (2) and (3) apply.
 - (b) “**Existing STM Eligible NDF Transaction**” means a CTM NDF Transaction that was created as a CTM NDF Transaction between the Clearing Member and Eurex Clearing AG by way of novation prior to the NDF STM Election.
 - (c) “**NDF STM Effective Date**” means the date agreed between Eurex Clearing AG and Clearing Member as effective date of the NDF STM Election.
 - (d) “**NDF STM Election**” means the election by the Clearing Member that all (but not some only) its OTC NDF Transactions under a particular Standard Agreement shall be Settled-to-Market.
 - (e) “**Original STM Eligible NDF Transaction**” means an OTC NDF Transaction that is created by way of novation pursuant to Part 1 Number 1.2.1.
 - (f) “**STM Eligible NDF Transactions**” means, with respect to a Clearing Member, all of its (i) Existing STM Eligible NDF Transactions, (ii) Original STM Eligible NDF Transactions (iii) Transfer STM Eligible NDF Transactions and (iv) Own Transactions that are OTC NDF Transactions and are created upon novation pursuant to Number 5.3.
 - (g) “**Transfer STM Eligible NDF Transaction**” means, an OTC NDF Transaction that is created by way of novation pursuant to Number 5.4 in connection with Chapter I Part 1 Number 1.2.2 (5) (c).
- (7) If, in case of a default of a Clearing Member, STM NDF Transactions are ported to a Replacement Clearing Member by way of assumption of contract (*Vertragsübernahme*) in accordance with the porting provisions of Chapter I applicable to the relevant Standard Agreement, and the relevant Replacement Clearing Member does not support the NDF STM Election with regard to the relevant Standard Agreement, then upon the porting becoming effective, (i) the affected STM NDF Transactions shall be amended to become CTM NDF Transactions and (ii), in respect of each relevant transaction, an amount equal to the NDF STM Amount that would have been payable by the relevant party on the Last NDF STM Amount Payment Date if the effective date of the porting had been the Last NDF STM Amount Payment Date shall constitute (or, as relevant, be added to) a Redelivery Claim (in respect of Variation Margin) of the other party.

5.1.5 Novation Criteria and Process Regarding OTC NDF Transactions

With regard to the novation of OTC NDF Transactions, the specific novation criteria set out in the following provisions shall apply in addition to the novation criteria pursuant to Part 1 Number 1.2.3.

5.1.5.1 Transaction Type Specific Novation Criteria

The following Transaction Type specific novation criteria must be fulfilled for OTC NDF Transactions (based on the Trade Record transmitted to Eurex Clearing AG via the ATS). To the extent the values are actually reflected in the OTC Trade Novation Report of an OTC NDF Transaction, they shall form the basis of the respective OTC NDF Transaction.

(1) Categories of OTC NDF Transactions

The OTC NDF Transaction must be a Non-Deliverable FX Transaction.

(2) Currency pairs (Reference Currency and Settlement Currency)

The currency pair of the OTC NDF Transaction must be one of the following pairs of Settlement Currency and Reference Currency: USD/BRL, USD/KRW, USD/INR, USD/TWD, USD/CLP and USD/IDR (in each case with USD as the Settlement Currency) (each, an “**NDF Currency Pair**”) and the relevant NDF Currency Pair must be covered by the OTC Currency Products Clearing License of the relevant Clearing Member.

(3) Notional Amount, Reference Currency Notional Amount, Forward Rate

The Trade Record must specify a Notional Amount, Reference Currency Notional Amount and a Forward Rate.

The minimum Notional Amount must be USD 0.01.

(4) Scheduled Valuation Date

The Scheduled Valuation Date must:

- (i) be an OTC NDF Business Day for the Reference Currency as (A) determined on the basis of the Relevant Holiday Calendar, as applicable on the envisaged date of novation pursuant to Number 5.1.10, and (B) specified with respect to the Valuation Date in the Relevant EMTA Template Terms;
- (ii) fall at least one Business Day after the envisaged date of novation; and
- (iii) fall on a date that is at least one Business Day, but not more than 10 Business Days, before the NDF Settlement Date.

For the avoidance of doubt, for purposes of compliance with the novation criteria the Scheduled Valuation Date does not have to be a TARGET Settlement Day.

(5) NDF Settlement Date

The NDF Settlement Date of the OTC NDF Transaction must be a day:

- (i) which is a New York Banking Day;
- (ii) falling at least one calendar day after the Valuation Date; and
- (iii) falling on a date no later than two years and two Business Days after the envisaged date of novation.

For the avoidance of doubt, for purposes of compliance with the novation criteria the NDF Settlement Date does not have to be a TARGET Settlement Day.

(6) Trade Date

The Trade Date of the OTC NDF Transactions may be the date of novation or a date in the past (backloading).

(7) Reference Currency Buyer and the Reference Currency Seller

The Trade Record must specify the Reference Currency Buyer and the Reference Currency Seller.

For the avoidance of doubt, but without prejudice to Number 5.2.6, the occurrence or continuation of an Unscheduled Holiday, a Price Source Disruption or a Permanent Settlement Rate Option Discontinuation shall not exclude a novation.

5.1.5.2 Documentation of Original OTC NDF Transactions

- (1) The Original OTC NDF Transaction must have been entered into on the basis of documentation incorporating the 1998 FX and Currency Option Definitions (including Annex A thereto), as published by ISDA, the Emerging Markets Traders Association, Inc. ("**EMTA**") and The Foreign Exchange Committee ("**FX Committee**") and as amended from time to time (the "**1998 FX and Currency Option Definitions**"). The relevant template terms published by EMTA (and others, where applicable) (as amended from time to time, the "**Relevant EMTA Template Terms**") in respect of a relevant NDF Currency Pair and the 1998 FX and Currency Option Definitions, but excluding the Master Confirmation Agreement for Non-Deliverable Forward FX Transactions (as published by ISDA, EMTA and the FX Committee), are hereinafter referred to as the "**OTC NDF Template Documentation**".
- (2) By entering into the relevant Clearing Agreement, the Clearing Member declares vis-à-vis Eurex Clearing AG that it has received a copy of the then applicable OTC NDF Template Documentation as of the date of such Clearing Agreement and that it has access to the 2021 ISDA Definitions including any amendments and/or supplements issued thereto as of the date of such Clearing Agreement.

The Clearing Member further agrees to the passing on to ISDA, EMTA and the FX Committee of their company name and their company address in the context of the delivery to it of the documents referred to in the foregoing paragraph.

- (3) All terms defined in the OTC NDF Template Documentation which are used in the relevant parts of this Part 5 of this Chapter VIII shall have the meaning given to them in the OTC NDF Template Documentation unless otherwise defined in these Clearing Conditions or unless context requires otherwise.

5.1.5.3 Bulk Backloading of Original OTC NDF Transactions

- (1) An Original OTC Transaction that has a Trade Date which falls more than one Business Day prior to the date of submission to Eurex Clearing AG will be considered as a backloaded trade (“**Bulk Backloaded Original OTC NDF Transaction**”).
- (2) The novation and clearing process for Bulk Backloaded Original OTC NDF Transactions which have been submitted to Eurex Clearing AG via an ATS will be carried out on each Business Day. The novation process will be performed pursuant to the following paragraphs.
- (3) Bulk Backloaded Original OTC NDF Transactions that are to be included in the Clearing by way of novation may be submitted to Eurex Clearing AG at any point in time. Bulk Backloaded Original OTC NDF Transactions which are submitted prior to 3:00 p.m. (Frankfurt am Main time) on a Business Day and which fulfil all applicable novation criteria will be included in the novation process on such Business Day.
- (4) The novation process for Bulk Backloaded Original OTC NDF Transactions which are submitted after 3:00 p.m. (Frankfurt am Main time) on a Business Day will be carried out on the next Business Day.
- (5) At 3:00 p.m. (Frankfurt am Main time) and 5:00 p.m. (Frankfurt am Main time) on each Business Day, Eurex Clearing AG will make available to the Clearing Member and the DC With System Access and the Basic DC (depending on the categorisation of such Basic DC in the systems of Eurex Clearing AG) a preliminary report indicating the Bulk Backloaded Original OTC NDF Transactions which have been received for Clearing and which fulfil the novation criteria pursuant to Number 5.1.5.1 and the Margin Requirement as well as any shortage in actually delivered Eligible Margin Assets.
- (6) Bulk Backloaded Original OTC NDF Transactions which, on the day of submission, fulfil all novation criteria shall be novated on that Business Day. The novation will become effective when the respective OTC Trade Novation Report will be made available intraday at around 5:30 p.m. (Frankfurt am Main time) and at the end of a Business Day at or around 11:00 p.m. (Frankfurt am Main time).

- (7) For Bulk Backloaded Original OTC NDF Transactions which, on the day of submission, fulfil all novation criteria except for the provision of the Eligible Margin Assets necessary to cover the margin requirement Eurex Clearing AG will debit the shortfall amount set forth in the OTC Margin Call Report produced and made available at 10:30 p.m. (Frankfurt am Main time) in the agreed Clearing Currency from the relevant Clearing Member Cash Account of the Clearing Member in accordance with the daily cash clearing procedure pursuant to Chapter I Part 1 Number 1.4.1. Such payment made by direct debit shall constitute cover in respect of the Margin to which the margin requirement referred to in the foregoing sentence relates and accordingly will constitute Proprietary Margin or Omnibus Margin delivered by the Clearing Member pursuant to the Elementary Clearing Model Provisions or Margin delivered by the Clearing Member pursuant to the ISA Provisions. Eurex Clearing AG will make available an OTC Trade Novation Report on the Business Day following the day of submission at or around 9:30 a.m. (Frankfurt am Main time) to the Clearing Member and the DC With System Access and the Basic DC (depending on the categorisation of such Basic DC in the systems of Eurex Clearing AG).
- (8) A Clearing Member or a DC With System Access (acting on behalf of the Clearing Member) may subsequently cancel the submission with respect to any Bulk Backloaded Original OTC NDF Transaction submitted to Eurex Clearing AG via an ATS and intended to be novated by the latest by 5:00 p.m. (Frankfurt am Main time) on a Business Day, provided that
- (i) the cancellation request is entered by the Clearing Member or the DC With System Access into the system of, and received by, Eurex Clearing AG, and
 - (ii) each, the responsible Clearing Member, in case the request is entered by a DC With System Access, and the other Clearing Member that is a party to the relevant Transaction has given its prior consent in the system of Eurex Clearing AG to such cancellation request.

5.1.6 Daily Evaluation Price and Discounting of Future Cashflows

- (1) Eurex Clearing AG determines the daily evaluation price on the basis of the raw market quotes underlying the discount and forecast curve provided by a recognised third party provider as of the day of the determination of the daily evaluation price (the respective quotes and third party provider to be selected at the reasonable discretion (*billiges Ermessen*) of Eurex Clearing AG). If such quotes are not available on the relevant day of the determination, Eurex Clearing AG may use the last available quotes.
- (2) If an NDF PAI Switch and/or an NDF PAA Switch occurs that necessitates a switch of the relevant discount curves used for the determination of the daily evaluation prices in accordance with Paragraph (1) (such switch an "OTC NDF Discounting Switch"), any change of the daily evaluation price induced by the OTC NDF Discounting Switch shall give rise to an offsetting cash compensation claim from Eurex Clearing against the respective Clearing Member (or vice versa, as

applicable) that is equal but opposite to the Variation Margin requirement or the NDF STM Amount requirement (as applicable) following from the change in the daily evaluation price induced by the OTC NDF Discounting Switch. Such offsetting cash compensation claim shall be due and payable upon determination thereof by Eurex Clearing AG, but no earlier than on the effective date of the OTC NDF Discounting Switch.

5.1.7 Margin Requirements

The basic provisions for the margin requirements are set forth in Chapter I Part 1 Number 3 together with Chapter I Part 2 Subpart A Numbers 4 and 5, Subpart B Numbers 5 and 6 and Subpart C Numbers 6 and 7 and Chapter I Part 4 Numbers 6 and 7. In addition thereto, the following provisions shall apply:

- (1) The applicable Margin Type with respect to CTM NDF Transactions shall be Initial Margin and Variation Margin. The applicable Margin Type with respect to STM NDF Transactions shall be Initial Margin.

The calculation of the Initial Margin with respect to NDF Transactions includes a specific component in the form of a floor that reflects the assessment of relevant sovereign risks (which may result in sudden and significant movements of foreign exchange rates) by Eurex Clearing AG. In calculating such floor Eurex Clearing AG will, in particular, take into account one or more of the following elements (each as determined by Eurex Clearing AG): risks arising in relation to potential disruption events in respect of the relevant NDF Currency Pair (i.e. the unavailability of market data, such as official exchange rate fixings), risks of changes to exchange regimes (for example, the discontinuation of a pegging of a Reference Currency to another currency) and currency depreciation and appreciation risks as a result of a sovereign crisis in a jurisdiction (for example, political instabilities, outbreak of armed conflicts, increases in credit default swap spreads, declines of country ratings, changes of main stock indices, increases in the sovereign debt ratio, changes in the growth of the gross domestic product and inflation). For the purpose of such determinations, Eurex Clearing AG applies a calibration system taking into account not only the jurisdictions of the Reference Currencies of the NDF Currency Pairs, but also certain other emerging market jurisdictions.

- (2) The Variation Margin Requirement (as defined in Chapter I Part 2 Subpart A Number 5 or Part 4 Number 7, as applicable), and/or any Redelivery Amount, as the case may be, for OTC NDF Transactions and CTM NDF Transactions shall equal the profit or loss amount determined on any Business Day on the basis of the daily evaluation price (Number 5.1.6) as follows: For each outstanding OTC NDF Transaction and is entered into prior to the relevant Business Day, the relevant profit and loss amount shall be the difference between the daily evaluation prices of the OTC NDF Transaction on the relevant Business Day and the previous Business Day. For OTC NDF Transactions and are concluded on the relevant Business Day, the relevant profit and loss amount shall be the difference between zero and the daily evaluation price for such Business Day. Additionally, the Variation Margin

includes two correction terms for considering the time delay between its calculation and settlement. For this purpose, the trade-related cash flows on the current Business Day are added and the trade-related cash flows on the next Business Day are subtracted.

The Variation Margin Requirement and/or any Redelivery Amount shall be calculated in USD with respect to each CTM NDF Transaction in accordance with the following formula:

$$VM_{\S}(t) = NPV_{\S}(t) - NPV_{\S}(t - 1) + DCF_{\S}(t - 1, t) - DCF_{\S}(t, t + 1)$$

where:

$NPV(t)$ denotes the net present value of the trade at time t , and

$DCF(t,t+1)$ denotes trade related cash flows in the respective currency at time $t+1$ discounted to time t .

(3) In addition to Variation Margin, and as part of the primary payment obligations of CTM NDF Transactions, interest (the so-called price alignment interest ("NDF PAI")) shall be payable on the cumulative Variation Margin at the applicable overnight interest rate.

(a) NDF PAI corresponds to the overnight interest paid or received on the cumulative Variation Margin over the lifetime of the respective NDF portfolio. The cumulative Variation Margin of the previous Business Day corresponds to the value of the respective NDF portfolio on the previous Business Day.

If the overnight interest rates are positive and, from a Clearing Member's perspective, the value of the NDF portfolio is positive, Eurex Clearing AG will charge NDF PAI to the Clearing Member. If the overnight interest rates are positive and, from a Clearing Member's perspective, the value of the NDF portfolio is negative, Eurex Clearing AG will credit NDF PAI to the Clearing Member. In case of negative overnight interest rates, Eurex Clearing AG (i) will credit NDF PAI to a Clearing Member if, from a Clearing Member's perspective, the value of the NDF portfolio is positive and (ii) will charge NDF PAI to the Clearing Member if, from the Clearing Member's perspective, the value of the NDF portfolio is negative.

NDF PAI shall be calculated in USD and payable on each Business Day with respect to each CTM NDF Transaction in accordance with the following formula.

$$NDF\ PAI(T) = -MtM_exCF(T - 1) * ONR(T - 1, T) * YF(T, T + 1)$$

where:

" $MtM_exCF(T - 1) = MtM(T - 1) - CF(T)$ " is the present value of the previous Business Day excluding today's trade related cash flows;

“ $ONR(T - 1, T)$ ” is the overnight rate valid from the previous Business Day to today; and

“ $YF(T, T + 1)$ ” the year fraction from today to the next Business Day.

- (b) The relevant index to determine the overnight rate for purposes of calculating NDF PAI is SOFR.

Eurex Clearing AG may switch the index to determine the NDF PAI by amending this Paragraph (3) (b) in accordance with Chapter I Part 1 Number 17.2 or by way of applying the provisions laid out in Part 1 Number 1.8.2 (each an “NDF PAI Switch”). Eurex Clearing AG may postpone the effective date of an NDF PAI Switch by amending this Paragraph (3) (b) in accordance with Chapter I Part 1 Number 17.2 or, if a Termination Event with respect to a Clearing Member, a Termination Event (as defined in the FCM Regulations) with respect to an FCM Clearing Member, an Insolvency Termination Event with respect to a Clearing Member, an Insolvency Termination Event (as defined in the FCM Regulations) with respect to an FCM Clearing Member, a Basic Clearing Member Termination Event or a Basic Clearing Member Insolvency Termination Event occurs and Eurex Clearing AG deems that such event may have an adverse impact on the proper course of the implementation of an NDF PAI Switch, by publishing an announcement in accordance with Chapter I Part 1 Number 16.1.

- (4) The rules on set-off of cash claims pursuant to Chapter I Part 1 Number 1.3.1 (1) (a) and Chapter I Part 1 Number 1.3.1 (2) (a) (aa) and (2) (c) (subject to any limitations on set-off set out in any other applicable Part of Chapter I) apply.

5.1.8 Default Fund

Contributions to the Default Fund are made in accordance with Chapter I Part 1 Number 6.

5.1.9 Calculation Agent

The Calculation Agent shall (i) calculate the Settlement Currency Amounts (including the applicable Settlement Rate) and (ii) make any other calculations and determinations designated to be made by the "Calculation Agent" pursuant to the relevant OTC NDF Template Documentation. For the avoidance of doubt, in its capacity as Calculation Agent, the liability of Eurex Clearing AG shall be restricted in accordance with the provisions set out in Chapter I Part 1 Number 14.1.2.

Notwithstanding any other specification of a "Calculation Agent" in the Trade Record, only Eurex Clearing AG shall act as Calculation Agent.

5.1.10 OTC NDF Business Days

In this Part 5, “OTC NDF Business Day” means a day, which is a "Business Day" as per the applicable OTC NDF Template Documentation, provided that for purposes of these

Clearing Conditions, (A) such OTC NDF Business Day is determined by the Calculation Agent applying the relevant holiday calendar published by Swaps Monitor Publications, Inc. from time to time with respect to the relevant Reference Currency (the “**Relevant Holiday Calendar**”); and (B) if Swaps Monitor Publications, Inc. publishes a new Relevant Holiday Calendar, such new Relevant Holiday Calendar will only be applied for purposes of determining an OTC NDF Business Day as of the beginning of the next Business Day following such publication.

5.2 Product-related terms for OTC NDF Transactions

The following product-related terms shall apply to OTC NDF Transactions.

5.2.1 Payment obligations; Adjustment of valuations and NDF Settlement Date; Effects of novation

(1) Subject to Numbers 5.2.2 to 5.2.6, the relevant Clearing Member and Eurex Clearing AG shall pay the amounts payable under and in accordance with the terms of the relevant OTC NDF Transaction as specified in the relevant OTC Trade Novation Report on the basis of the trade record submitted via the ATS in respect of Original OTC NDF Transactions and which are as follows:

(a) Settlement Currency Amount

The relevant Clearing Member and Eurex Clearing AG each agree to pay to the respective other party the applicable Settlement Currency Amount as applicable on the relevant NDF Settlement Date of the OTC NDF Transaction.

The Settlement Currency Amount is calculated by the Calculation Agent as an amount in USD on the Valuation Date (subject to Number 5.2.1(4)) as follows:

$$\text{Settlement Currency Amount} = \left[\text{Notional Amount} * \left(1 - \frac{\text{Forward Rate}}{\text{Settlement Rate}} \right) \right]$$

where:

Notional Amount means the Notional Amount (expressed in USD) specified in the Trade Record transmitted via the ATS in respect of the OTC NDF Transaction.

Forward Rate means the Forward Rate specified as such in the Trade Record transmitted via the ATS in respect of the OTC NDF Transaction.

Settlement Rate means the applicable Settlement Rate as at the Valuation Date (determined on the basis of the applicable Settlement Rate Option relating to the relevant Reference Currency), expressed as an amount of the relevant Reference Currency per one USD.

“Valuation Date” means the date specified as the Valuation Date in the Trade Record transmitted via the ATS (the date so specified, the “**Scheduled**

Valuation Date"); following the novation, the Valuation Date is subject to any adjustments as per the terms of the Relevant EMTA Template Terms set out next to the term "Valuation Date" and starting after the phrase "Scheduled Valuation Date", subject to".

"NDF Settlement Date" means, the date specified as the Settlement Date in the Trade Record transmitted via the ATS, subject to any adjustments as per the terms of the Relevant EMTA Template Terms set out next to the term "Settlement Date" and starting after the phrase "subject to"; such date (if applicable, taking into account any such adjustment as per those terms) is subject to any postponement pursuant to Number 5.2.1 (5).

If the Settlement Currency Amount (a) is a positive figure, the amount (in USD) shall be payable by the Reference Currency Buyer to the relevant other party, and (b) is a negative figure, the absolute value of that amount (in USD) shall be payable by the Reference Currency Seller to the relevant other party. The Reference Currency Buyer and the Reference Currency Seller are determined in accordance with Number 5.1.3 (6).

(b) Preliminary Settlement Currency Amount

If the applicable Settlement Rate Option as specified in the Relevant EMTA Template Terms provides for a certain period of time during which the relevant Spot Rate shall be reported ("**Spot Rate Reporting Period**") and the relevant period of time expires after the Calculation Cut-Off Time on the relevant Scheduled Valuation Date, the following provisions shall apply in case no Spot Rate is reported by the Calculation Cut-Off Time:

- (i) If on the relevant Scheduled Valuation Date no Spot Rate is published by the Calculation Cut-Off Time, Eurex Clearing AG shall calculate a preliminary Settlement Currency Amount on the Scheduled Valuation Date on the basis of the Settlement Rate reported for the preceding Business Day ("**Preliminary Settlement Currency Amount**").

"**Calculation Cut-Off Time**" means 20:30 hours (Frankfurt am Main time) on the relevant Scheduled Valuation Date.

Eurex Clearing AG will process, report and settle the Preliminary Settlement Currency Amount in the same way as a Settlement Currency Amount.

For the avoidance of doubt, the determination of a Preliminary Settlement Currency Amount by Eurex Clearing AG does not constitute a Price Source Disruption.

- (ii) If the Scheduled Valuation Date falls on a day that is not a TARGET Settlement Day, paragraph (4) and the following provisions shall apply:

If on the the next succeeding day that is a TARGET Settlement Day the relevant Spot Rate for the Scheduled Valuation Date was reported prior to the expiry of the applicable Spot Rate Reporting Period, Eurex Clearing AG shall use such Spot Rate as Settlement Rate and calculate the Settlement Currency Amount.

If on the the next succeeding day that is a TARGET Settlement Day the relevant Spot Rate for the Scheduled Valuation Date was not reported by the end of the applicable Spot Rate Reporting Period, a Price Source Disruption has occurred as of the expiry of the Spot Rate Reporting Period and Number 5.2.2 shall apply.

(iii) If after the determination of a Preliminary Settlement Currency Amount the Settlement Rate for the relevant Scheduled Valuation Date becomes available in accordance with the applicable Settlement Rate Option and prior to the expiry of the applicable Spot Rate Reporting Period, Eurex Clearing AG will as soon as technically possible re-calculate the Settlement Currency Amount on the basis of such Settlement Rate.

(A) If the Preliminary Settlement Currency Amount was already settled, Eurex Clearing AG shall calculate the difference between the Preliminary Currency Amount and the Settlement Currency Amount ("**Settlement Currency Amount Difference**"). If the Settlement Currency Amount Difference (a) is a positive figure, the Settlement Currency Amount Difference shall be payable by the Reference Currency Buyer to the relevant other party, and (b) is a negative figure, the Settlement Currency Amount Difference shall be payable by the Reference Currency Seller to the relevant other party.

(B) If the Preliminary Settlement Currency Amount was not settled and Eurex Clearing AG is able to stop the settlement of the Preliminary Settlement Amount, Eurex Clearing AG shall settle the re-calculated Settlement Currency Amount without considering the Preliminary Settlement Currency Amount.

(iv) If after the determination and settlement of a Preliminary Settlement Currency Amount the Settlement Rate for the relevant Scheduled Valuation Date does not become available prior to the expiry of the applicable Spot Rate Reporting Period, a Price Source Disruption has occurred as of the expiry of the Spot Rate Reporting Period and Number 5.2.2 shall apply.

If a Disruption Fallback for a Price Source Disruption applies as set out in the relevant OTC NDF Template Documentation and a Settlement Currency Amount is calculated by Eurex Clearing AG on the basis of the applicable Disruption Fallbacks, such Settlement Currency Amount will not be settled. Instead, Eurex Clearing AG shall calculate the difference

between the Preliminary Currency Amount and the Settlement Currency Amount determined pursuant to the relevant Disruption Fallback. If such difference (a) is a positive figure, the amount shall be payable by the Reference Currency Buyer to the relevant other party, and (b) is a negative figure, the amount shall be payable by the Reference Currency Seller to the relevant other party.

(c) Settlement Rate Option

Subject to Numbers 5.2.3 and 5.2.5 (1), the Settlement Rate Option specified in the OTC NDF Template Documentation in respect of the NDF Currency Pair of the Original OTC NDF Transaction applies.

(2) Payments under the relevant Original OTC NDF Transaction that were due on or before the day of novation will not be owed under the relevant OTC NDF Transaction and are not subject to these Clearing Conditions.

(3) The following additional primary payment obligations apply under STM NDF Transactions:

(a) The Clearing Member or Eurex Clearing AG, as the case may be, shall pay an NDF STM Amount on each Business Day (i) from (and including) the NDF STM Effective Date (in case an STM NDF Transaction was an Existing STM Eligible NDF Transaction), the date of novation pursuant to Part 1 Number 1.2.1 (in case an STM NDF Transaction was an Original STM Eligible NDF Transaction), the date of novation pursuant to Number 5.3 or the date of novation pursuant to Number 5.4 in connection with Chapter I Part 1 Number 1.2.2 (5) (c) (in the case the STM NDF Transaction was a Transfer STM Eligible NDF Transaction), as relevant, (ii) to (and including) the earlier of the NDF Settlement Date, the date of the cancellation pursuant to Number 5.3.2, the date of the release from the obligations under the Original Transaction pursuant to Number 5.4 in connection with Chapter I Part 1 Number 1.2.2 (5) (c) or the date of a termination pursuant to Number 5.5, as relevant (the relevant date under (ii) is the “**Last NDF STM Amount Payment Date**”).

“**NDF STM Amount**” means, an amount which shall equal the profit or loss amount determined with respect to an outstanding STM NDF Transaction on the relevant Business Day on the basis of the daily evaluation price (pursuant to Number 5.1.6) as follows: For STM NDF Transactions concluded on the relevant Business Day, the relevant profit or loss amount shall be the difference between zero and the daily evaluation price for such Business Day. For each outstanding STM NDF Transaction concluded (whether as STM NDF Transaction or CTM NDF Transaction) prior to the relevant Business Day, the relevant profit or loss amount shall be the difference between the daily evaluation prices of the STM NDF Transaction on the relevant Business Day and the previous Business Day. On the Last NDF STM Amount Payment Date, the relevant profit or loss amount shall be the difference between the daily evaluation price of the STM NDF Transaction of the previous Business Day and

zero. Additionally, the NDF STM Amount includes two correction terms for considering the time delay between its calculation and settlement. For this purpose, the trade-related cash flows on the current Business Day are added and the trade-related cash flows on the next Business Day are subtracted.

The NDF STM Amount shall be calculated in USD with respect to each STM NDF Transaction in accordance with the following formula:

$$\begin{aligned}
 \text{NDF STM Amount}_{\text{\$}}(t) &= NPV_{\text{\$}}(t) - NPV_{\text{\$}}(t-1) + DCF_{\text{\$}}(t-1, t) - DCF_{\text{\$}}(t, t+1)
 \end{aligned}$$

where:

$DCF(t,t+1)$ denotes trade related cash flows in the respective currency at time $t+1$ discounted to time t , and

$NPV(t)$ denotes the net present value of the trade at time t .

(b) A price alignment amount ("**NDF Price Alignment Amount**" or "**NDF PAA**") shall be payable by the Clearing Member or Eurex Clearing AG, as the case may be, together with the NDF STM Amount.

(aa) The NDF PAA corresponds to the overnight interest paid or received on the cumulative NDF STM Amounts over the lifetime of the STM NDF Transaction. The cumulative NDF STM Amounts of the previous Business Day correspond to the value of the STM NDF Transaction on the previous Business Day.

If the overnight interest rates are positive and, from the Clearing Member's perspective, the value of the STM NDF Transaction is positive, Eurex Clearing AG will charge the NDF Price Alignment Amount to the Clearing Member. If the overnight interest rates are positive and, from the Clearing Member's perspective, the value of the STM NDF Transaction is negative, Eurex Clearing AG will credit the NDF Price Alignment Amount to the Clearing Member. In case of negative overnight interest rates, Eurex Clearing AG will credit the NDF Price Alignment Amount to the Clearing Member if, from the Clearing Member's perspective, the value of the STM NDF Transaction is positive and will charge the NDF Price Alignment Amount to the Clearing Member if, from the Clearing Member's perspective, the value of the STM NDF Transaction is negative.

NDF PAA shall be calculated in USD and payable on each Business Day with respect to each STM NDF Transaction in accordance with the following formula.

$$\text{NDF PAA}(T) = -MtM_exCF(T-1) * ONR(T-1,T) * YF(T,T+1)$$

(bb) Number 5.1.7 (3) (b) shall apply *mutatis mutandis* with respect to the NDF PAA.

(c) The rules on set-off of cash claims pursuant to Chapter I Part 1 Number 1.3.1 (1) (a) and Chapter I Part 1 Number 1.3.1 (2) (a) (aa) and (2) (c) (subject to any limitations on set-off set out in any other applicable Part of Chapter I) apply.

(4) If the Valuation Date (for the avoidance of doubt, taking into account any adjustments as per the terms of the Relevant EMTA Template Terms set out next to the term "Valuation Date") or any date on which the determination of the Settlement Rate or the calculation of the Settlement Currency Amount would otherwise be due in accordance with the relevant OTC NDF Template Documentation or the provisions of this Part 5 (including, without limitation, any Disruption Fallback) falls on a day that is not a TARGET Settlement Day, the determination of the Settlement Rate and the calculation of the Settlement Currency Amount (but not the Valuation Date itself) shall be postponed to the next succeeding day that is a TARGET Settlement Day using the Settlement Rate that applied on the date on which the determination would otherwise have become due).

(5) If,

(i) the NDF Settlement Date falls on a day that is not a TARGET Settlement Day;
or

(ii) as a result of a postponement in accordance with Paragraph (4), the calculation of the Settlement Currency Amount will occur on or after the NDF Settlement Date,

the NDF Settlement Date shall be postponed in the case of (i) to the first succeeding day that is a TARGET Settlement Day and a New York Banking Day and in the case of (ii) to the first day after the date on which the Settlement Currency Amount is to be calculated (as a result of such postponement) that is a TARGET Settlement Day and a New York Banking Day. No interest shall be payable as a result of the postponement of an NDF Settlement Date pursuant to this Paragraph (5).

(6) Upon the novation of the Original OTC Transaction in accordance with this Part 5, (i) the Clearing Member set out as Reference Currency Seller in the Trade Record (or, if the party stated as Reference Currency Seller in the Trade Record is a DC With System Access or Basic DC, its relevant Clearing Member) shall become the Reference Currency Seller to Eurex Clearing AG (and Eurex Clearing AG shall become the Reference Currency Buyer vis-à-vis such party) in the OTC NDF Transaction between such party and Eurex Clearing AG and (ii) the party set out as Reference Currency Buyer in the Trade Record (or, if the party stated as Reference Currency Buyer in the Trade Record is a DC With System Access or Basic DC, its relevant Clearing Member) shall become the Reference Currency Buyer vis-à-vis Eurex Clearing AG (and Eurex Clearing AG shall become the Reference Currency

Seller to Eurex Clearing AG) in the OTC NDF Transaction between Eurex Clearing AG and such party.

5.2.2 Provisions in respect of Price Source Disruption

(1) Price Source Disruption

If with respect to an OTC NDF Transaction, it becomes impossible to obtain the applicable Settlement Rate (on the basis of the applicable Settlement Rate Option) on the Valuation Date (or, if different, the day on which rates for that Valuation Date would, in the ordinary course, be published or announced by the relevant publishing institution) from the relevant publishing institution stipulated in the OTC NDF Template Documentation and in relation to such Valuation Date no Permanent Settlement Rate Option Discontinuation has occurred or a Permanent Settlement Rate Option Discontinuation has occurred, but has not resulted in a termination of such OTC NDF Transaction prior to such Valuation Date (“**Price Source Disruption**”) then the provisions set out in Paragraph (2) shall apply.

(2) Fallback provisions for Price Source Disruption

With respect to an OTC NDF Transaction, if (where applicable in respect of the Reference Currency of such OTC NDF Transaction) a Price Source Disruption occurs, then the Disruption Fallbacks for a Price Source Disruption shall apply as set out in the OTC NDF Template Documentation (and in the order specified in the Relevant EMTA Template Terms), provided that where Calculation Agent Determination of Settlement Rate is applied as the relevant Disruption Fallback, the Calculation Agent will use as the Settlement Rate (in its reasonable discretion (*billiges Ermessen*)) either

- (A) the last rate that had been published for the relevant Reference Currency by the relevant publishing institution (as such publishing institution is specified in the OTC NDF Template Documentation or, as applicable, the publishing institution in relation to a successor determined in accordance with Number 5.2.3) prior to the occurrence of the Price Source Disruption,
- (B) a Successor Rate, if any, or
- (C) notwithstanding the application of Calculation Agent Determination of Settlement Rate as the applicable Disruption Fallback, the most recent Fallback Reference Price, if applicable, published for the relevant NDF Currency Pair.

If and when, during the application of any of the fallback provisions in accordance with the preceding paragraph, a Permanent Settlement Rate Option Discontinuation occurs, and a Successor Rate is determined, in relation to the relevant Valuation Date, the provisions of this Paragraph (2) shall no longer apply and instead such Successor Rate shall be applied in accordance with Number 5.2.3.

5.2.3 Permanent Settlement Rate Option Discontinuation

(1) A **“Permanent Settlement Rate Option Discontinuation”** means,

- (a) a public statement or publication of information by or on behalf of the relevant publishing institution of the relevant Settlement Rate Option (both as specified in the OTC NDF Template Documentation in respect of the relevant NDF Currency Pair) that it has ceased or will cease to provide the relevant Settlement Rate Option permanently or indefinitely, provided that at the time of the publication, there is no announcement of a successor administrator that will continue to provide the relevant Settlement Rate Option;
- (b) a public statement or publication of information by the regulatory supervisor of the relevant publishing institution of the relevant Settlement Rate Option, an insolvency official or a resolution authority with jurisdiction over the relevant publishing institution of the relevant Settlement Rate Option or a court or an entity with similar insolvency or resolution authority over the of the relevant publishing institution of the relevant Settlement Rate Option or (where applicable) the competent central bank for the Reference Currency of the relevant Settlement Rate Option, which states that the relevant publishing institution of the relevant Settlement Rate Option (both as specified in the OTC NDF Template Documentation in respect of the relevant NDF Currency Pair) has ceased or will cease to provide the relevant Settlement Rate Option permanently or indefinitely, provided that at the time of the publication, there is no announcement of a successor administrator that will continue to provide the relevant Settlement Rate Option;
- (c) a public statement or a decision by a regulator, a competent public entity or a court prohibiting Eurex Clearing AG the use of the relevant Settlement Rate Option; or
- (d) a statement by Eurex Clearing AG published in accordance with Chapter I Part 1 Number 16.1 that it determines that its further use of the relevant Settlement Rate Option will be a violation of laws applicable to it, provided that such announcement is based on reasonable grounds.

The Permanent Settlement Rate Option Discontinuation shall occur at the earliest point in time which has been specified in a public statement, publication of information, decision or public announcement referred to in lit. (a) – (d) or, if no point in time has been so specified, immediately after the earliest of the events listed in lit. (a) – (d) has occurred (the **“Permanent Settlement Rate Option Discontinuation Date”**).

A Permanent Settlement Rate Option Discontinuation Date shall not occur, if an amendment to the OTC NDF Template Documentation is published that addresses such Permanent Settlement Rate Option Discontinuation and, as a result of the application of such amendment, the grounds for the Permanent Settlement Rate Option Discontinuation no longer persist. If, following the occurrence of a Permanent

Settlement Rate Option Discontinuation Date and the determination of a Successor Rate in accordance with Paragraph (3), any such amendment to the OTC NDF Template Documentation is published, then such amendment shall apply pursuant to Number 5.2.9 (1).

- (2) For the avoidance of doubt, the mere change of the definition, methodology or formula of a Settlement Rate Option does not constitute a Permanent Settlement Rate Option Discontinuation.
- (3) If a Permanent Settlement Rate Option Discontinuation occurs, Eurex Clearing AG will determine the relevant Settlement Rate Option for a date from (and including) the Permanent Settlement Rate Option Discontinuation Date based on the following fallbacks (any such fallback rate a “**Successor Rate**”), whereby lit. (a) and (b) of this Paragraph (3) stipulate the order of application of the relevant fallback.
- (a) If a rate is formally designated, nominated or recommended as a fallback rate by (i) the competent central bank for the relevant Settlement Rate Option, the regulatory supervisor for either the relevant Settlement Rate Option or the relevant publishing institution, or any working group or committee officially endorsed or convened by any of the foregoing authorities, a group of any of the foregoing authorities, or the Financial Stability Board, or any part thereof, or (ii), if (i) does not apply, the relevant publishing institution of the relevant Settlement Rate Option, then, as of the Permanent Settlement Rate Option Discontinuation Date, this rate shall be applied as the Successor Rate, provided that Eurex Clearing AG communicates in accordance with Chapter I Part 1 Number 16.1 that it is operationally and legally capable to use this rate.
- (b) If Eurex Clearing AG communicates (in accordance with Chapter I Part 1 Number 16.1) the application of a rate as a fallback of the relevant Settlement Rate Option, then, as of the Permanent Settlement Rate Option Discontinuation Date, this rate shall be applied as the Successor Rate provided that Eurex Clearing AG shall take into account inter alia market practice, recommendations and documents by ISDA, EMTA, IOSCO and competent authorities. If reasonably possible, Eurex Clearing AG shall consult affected Clearing Members prior to communicating any Successor Rate in accordance with this lit. (b).
- (4) If no Successor Rate can be determined in accordance with Paragraph (3), Number 5.2.6 (2) applies.
- (5) Without prejudice to any termination rights a Clearing Member may have pursuant to Chapter I, Clearing Members are not entitled to terminate transactions due to the occurrence of a Permanent Settlement Rate Option Discontinuation.

5.2.4 Unscheduled Holiday and Cumulative Events

For the avoidance of doubt, with respect to an OTC NDF Transaction,

- (i) the provisions of the OTC NDF Template Documentation (that applies with respect to such OTC NDF Transaction and the Reference Currency thereof) in respect of an Unscheduled Holiday apply; and
- (ii) the provisions of the Relevant EMTA Template Terms set out next to the term "Cumulative Events" apply.

5.2.5 Currency Replacement and rate correction

(1) Currency Replacement

The provisions on the effects of an elimination, conversion, redenomination or exchange of currencies (a "Currency Replacement") set forth in Section 4.3 of Annex A to the 1998 FX and Currency Option Definitions apply, except that if, in the reasonable opinion of Eurex Clearing AG, as notified to the Clearing Members in accordance with Chapter I Part 1 Number 16, (A) the use of the relevant Successor Currency will not meet applicable regulatory requirements or (B) a ratio for converting the Original Currency into the Successor Currency cannot be determined, the following applies:

- (a) With respect to OTC NDF Transactions in the relevant Reference Currency for which the Scheduled Valuation Date has occurred, the Calculation Agent will use as the Settlement Rate for the OTC NDF Transactions in the relevant Reference Currency the last rate that had been published in respect of such Settlement Rate Option by the relevant publishing institution prior to the occurrence of the Currency Replacement (notwithstanding the occurrence or continuation, if any, of any Price Source Disruption).
- (b) With respect to all OTC NDF Transactions with a Reference Currency affected by the Currency Replacement in respect of which the Scheduled Valuation Date has not occurred, the provisions on a termination and a cash settlement set out in Number 5.2.6 Paragraph (3) apply.

For the avoidance of doubt, following a Currency Replacement in respect of a Reference Currency, (A) Eurex Clearing AG will not clear any OTC NDF Transactions with a currency pair (including a currency pair combining the Settlement Currency and a successor currency to the Reference Currency) other than an NDF Currency Pair and (B) an original non-deliverable FX transaction traded over the counter that was denominated in such Reference Currency and has become, or, following a novation, would be subject to the Currency Replacement, will not be eligible for a novation pursuant to this Part 5 since it will not meet the Transaction Type specific novation criteria set out in Number 5.1.5.1 Paragraph (2).

(2) Rate correction

With respect to the determination of the Settlement Rate, the provisions on corrections to published and displayed rates set forth in Section 4.7 of Annex A to the 1998 FX and Currency Option Definitions apply, except that the phrase "

together with interest on that amount at a rate per annum equal to the cost (without proof or evidence of such cost) to the relevant party (certified by it) of funding that amount for the period from, and including, the day on which, based on such correction, a payment in the incorrect amount was first made to, but excluding, the day of payment of the refund or payment resulting from such correction" in paragraph (c) of Section 4.7 of Annex A to the 1998 FX and Currency Option Definitions shall not apply.

5.2.6 Termination and cash settlement rights of Eurex Clearing AG in respect of affected NDF Currency Pairs

(1) Price Source Disruption

If the Disruption Fallback Calculation Agent Determination of Settlement Rate is conducted in respect of an OTC NDF Transaction, Eurex Clearing AG shall be entitled to terminate by giving three Business Days' prior notice to the relevant Clearing Members ("**NDF Termination Period**") and by written notice ("**NDF Termination Notice**").

- (i) all (and not only some) OTC NDF Transactions relating to the affected NDF Currency Pair in respect of which the Scheduled Valuation Date has not yet occurred,
- (ii) established between Eurex Clearing AG and all (and not only some) Clearing Members

unless at the time of the submission of such termination notice the relevant Price Source Disruption that has resulted in the application of the Calculation Agent Determination of Settlement Rate no longer continues ("**NDF Termination**").

(a) The NDF Termination shall become effective with expiry of the NDF Termination Period.

(b) If, after the submission of the NDF Termination Notice and prior to the effective date of the NDF Termination, a Scheduled Valuation Date occurs and provided that the NDF Settlement Date occurs prior to the expiry of the NDF Termination Period, the Calculation Agent shall calculate the relevant Settlement Currency Amount based on the same Settlement Rate the Calculation Agent used when the Disruption Fallback Calculation Agent Determination of Settlement Rate was conducted with respect to the relevant OTC NDF Transaction with the same Currency Pair in accordance with Number 5.2.2 (2).

If the Settlement Currency Amount (a) is a positive figure, the amount shall be payable by the Reference Currency Buyer to the relevant other party, and (b) is a negative figure, the absolute value of that amount (in USD) shall be payable by the Reference Currency Seller to the relevant other party.

For the avoidance of doubt, if the NDF Settlement Date of an OTC NDF Transaction occurs after the expiry of the NDF Termination Period, the relevant

OTC NDF Transaction shall be treated as terminated as of the expiry of the NDF Termination Period.

(c) If reasonably possible and appropriate, Eurex Clearing AG will consult individual or all affected Clearing Members before exercising its termination right. When deciding upon whether Eurex Clearing AG will exercise its termination right, Eurex Clearing AG will consider the collective interests of its Clearing Members including, in particular, the interest in a sound risk management.

(d) If Eurex Clearing AG exercises such termination right, the Calculation Agent shall calculate the net present value (in USD) of each OTC NDF Transaction so terminated on the basis of raw market quotes determined on the Business Day on which the NDF Termination Notice was submitted (Number 5.1.6, applied *mutatis mutandis*).

If such net present value is positive for Eurex Clearing AG, the Clearing Member shall, with respect to each such OTC NDF Transaction between such Clearing Member and Eurex Clearing AG, pay to Eurex Clearing AG a cash settlement amount (in USD) in the amount of such net present value and if such net present value is negative for Eurex Clearing AG, Eurex Clearing AG shall pay to the Clearing Member a cash settlement amount (in USD) in the absolute amount of such net present value. Each such payment shall become due on the date on which the termination becomes effective (or, if such date is not a TARGET Settlement Day and a New York Banking Day, the next succeeding day that is a TARGET Settlement Day and a New York Banking Day)

(2) Permanent Settlement Rate Option Discontinuation

If a Permanent Settlement Rate Option Discontinuation has occurred with respect to an Reference Currency and no Successor Rate has been determined in accordance with Number 5.2.3 (3), Paragraph (1) shall apply *mutatis mutandis* with respect to all OTC NDF Transactions with all Clearing Members (but neither some OTC NDF Transactions only nor with respect to some Clearing Members only) relating to such Reference Currency in respect of which the Scheduled Valuation Date has not yet occurred, except that (i) Eurex Clearing AG will, in such case, always exercise its termination right and (ii) the exercise of the termination right shall be with immediate effect.

(3) Currency Replacement

If a Currency Replacement has occurred with respect to a Reference Currency and, in the reasonable opinion of Eurex Clearing AG,

(A) the use of the relevant Successor Currency will not meet applicable regulatory requirements or

(B) a ratio for converting the Original Currency into the Successor Currency cannot be determined,

Paragraph (1) shall apply *mutatis mutandis* with respect to all OTC NDF Transactions with all Clearing Members (but neither some OTC NDF Transactions only nor with respect to some Clearing Members only) relating to such Reference Currency in respect of which the Scheduled Valuation Date has not occurred and the determination of the Settlement Rate has not otherwise become due, except that (i) Eurex Clearing AG will, in such case, always exercise its termination right and (ii) the exercise of the termination right shall be with immediate effect.

5.2.7 Suspension of Clearing

Eurex Clearing AG may suspend the Clearing of new OTC NDF Transactions in the relevant NDF Currency Pair in respect of which a termination notice has been published in accordance with Number 5.2.6. For the avoidance of doubt, such suspension by Eurex Clearing AG shall not become ineffective if, subsequently, the reasons for the related termination made in accordance with Number 5.2.6 cease to continue.

5.2.8 Quotation Disclaimer

Eurex Clearing AG and each Clearing Member acknowledge that each of them, acting directly or through a branch or an affiliate, may be requested to provide quotations from time to time for the purpose of determining an industry rate for the NDF Currency Pair that is the subject of an OTC NDF Transaction and that such quotation may affect the settlement of an OTC NDF Transaction.

5.2.9 References to Market Standard OTC Non-Deliverable FX Documentation

(1) Notwithstanding any other selection in the data to be transmitted via the ATS, the provisions of the OTC NDF Template Documentation applicable to Non-Deliverable FX Transactions (including the definitions set out therein) shall, unless otherwise provided in this Part 5, apply to all OTC NDF Transactions. In the event of any inconsistency between the OTC NDF Template Documentation on the one hand and the Clearing Conditions on the other hand, the Clearing Conditions shall prevail.

Any amendment to the OTC NDF Template Documentation (or any part thereof) so published will (subject to the preceding sentence) automatically be incorporated into all OTC NDF Transactions on the envisaged date on which such amendment is stated to become effective, except that such amendment shall not become effective, and shall be disregarded, for the purposes of the Clearing Conditions if Eurex Clearing AG, prior to the date on which such amendment would otherwise become effective, notifies the Clearing Members in accordance with Chapter I Part 1 Number 16.1 that it considers, at its reasonable discretion (*billiges Ermessen*), the implementation of such amendment not to be feasible for legal, operational or commercial reasons.

(2) For the purposes of these Clearing Conditions,

- (a) references in the OTC NDF Template Documentation to a "Transaction", "FX Transaction" or "Non-Deliverable FX Transaction" shall be deemed to be references to an OTC NDF Transaction;
- (b) any reference in the OTC NDF Template Documentation (excluding the Relevant EMTA Template Terms) to a "Confirmation" shall be a reference to the Clearing Conditions (including the Relevant EMTA Template Terms) in conjunction with the relevant OTC Trade Novation Report; and
- (c) provisions in the OTC NDF Template Documentation relating to "No Fault Termination" shall not apply.
- (4) Notwithstanding the fact that the Clearing Conditions (including this Part 5 and the market standard documentation incorporated herein by reference) are governed by the laws of Germany, the terms and provisions of the 1998 FX and Currency Option Definitions and the Relevant EMTA Template Terms shall be interpreted in accordance with international market practice for OTC non-deliverable FX forward transactions and shall be given the same meaning as they would have in English law-governed non-deliverable FX forward transactions incorporating the 1998 FX and Currency Option Definitions and the Relevant EMTA Template Terms.

If legal concepts applicable pursuant to such English-law governed provisions are incompatible with relevant concepts of German law, such provisions shall be applied in a manner consistent with such concepts of German law.

5.3 Trade Netting and Accumulation

- (1) Eurex Clearing AG may agree with a Clearing Member upon the mutual cancellation ("Netting") and the accumulation of OTC NDF Transactions provided that such OTC NDF Transactions form part of the same Standard Agreement. In this case, the Netting and accumulation shall be carried out on the basis of the following provisions agreed upon by Eurex Clearing AG and the Clearing Member.
- (2) To the extent the OTC NDF Transactions that are subject to Netting or accumulation pursuant to Number 5.3.1 and 5.3.2 are DC-Related Transactions or UDC-Related Transactions, it is a matter of the relevant parties to agree, whether as a result of such Netting or accumulation, any CM-Customer Transactions shall be subject to netting or accumulation. The relevant Clearing Member is obliged to obtain the required instruction from the relevant Direct Client before initiating any such Netting or accumulation.
- (3) For the avoidance of doubt, Eurex Clearing AG is not obliged to verify whether the netting or accumulation instructions were given by the relevant Direct Client to the Clearing Member and whether a netting or accumulation of CM-Customer Transactions is contractually possible or valid.

5.3.1 Inclusion of OTC NDF Transactions in the Netting and Accumulation Process

- (1) All OTC NDF Transactions are eligible for Netting provided that:

- (a) the relevant NDF Trade Criteria are identical; and
- (b) OTC NDF Transactions may not be netted with OTC NDF Transactions booked on an account that forms part of a different Transactions Accounts Group or ISA Transaction Accounts Group.

“NDF Trade Criteria” means the commercial terms of the relevant CCP-OTC NDF Transactions, in particular the following basic criteria: NDF Currency Pair (Reference Currency and Settlement Currency), Forward Rate, Valuation Date, NDF Settlement Date.

- (2) With respect to the eligibility of CCP Transactions that are OTC NDF Transactions for accumulation, Paragraph (1) (a) to (c) apply *mutatis mutandis*.
- (3) OTC NDF Transactions will be netted and/or accumulated if the OTC NDF Transactions have been designated for Netting and/or accumulation, as the case may be, by the relevant Clearing Member (or DC With System Access acting on behalf of the relevant Clearing Member) in the system of Eurex Clearing AG. Such designation shall be submitted no later than by 10:00 p.m. (Frankfurt am Main time) on the relevant Business Day.

5.3.2 Netting and Accumulation Procedure

- (1) The OTC NDF Transactions selected for Netting shall be netted with each other to the maximum extent possible on each Netting Level. Upon closing of the Netting, all OTC NDF Transactions existing before the Netting that were netted are cancelled.

The remaining OTC NDF Transactions for which there is no counter-position with which they can be netted may be accumulated and novated to one or more OTC NDF Transaction(s) with the aggregate notional amount of the accumulated CCP-OTC NDF Transactions. The OTC NDF Transactions existing before the accumulation and which are included in the accumulation shall be cancelled.

- (2) The OTC NDF Transactions to be accumulated shall be novated to one or more OTC NDF Transaction(s) with the aggregate notional amount of the accumulated OTC NDF Transactions. The OTC NDF Transactions that were accumulated shall be cancelled.
- (3) The Netting and the accumulation, respectively, of the OTC NDF Transactions will become effective when the OTC Trade Daily Summary Report, in which such event is included, is made available to the relevant Clearing Members.

5.4 Transfer of OTC NDF Transactions, Account Transfer and Trade Amendment

- (1) A OTC NDF Transaction may be transferred in accordance with Paragraphs (3) to (7) and Numbers 5.4.1 and 5.4.2 below, as applicable, or amended in accordance with Number 5.4.3.

- (2) In addition, a Clearing Member may, upon the request of any of its Disclosed Direct Clients, initiate a transfer of all DC-Related Transactions with respect to such Disclosed Direct Client to a New Clearing Member under the Elementary Clearing Model Provisions or the ISA Provisions in accordance with Chapter I Part 1 Number 8.
- (3) The transfer of a OTC NDF Transaction will be performed against payment of a cash settlement amount calculated by Eurex Clearing AG on the basis of the daily evaluation price (as set out in Number 5.1.6). Furthermore, the relevant Clearing Member(s) may specify in the system of Eurex Clearing AG an additional amount payable by a Clearing Member in connection with the transfer (in each case, as separately agreed between the relevant transferor and transferee). All amounts payable under this Paragraph (3) will be settled via Eurex Clearing AG.
- (4) Any novation through which a transfer pursuant to Number 5.4 is to be made shall take effect with respect to the relevant Clearing Members involved in the transfer (either as a transferor or as a transferee) when a respective OTC Trade Daily Summary Report is made available to the relevant Clearing Members electronically via Eurex Clearing AG's system.
- (5) If the OTC NDF Transaction to be transferred is an STM NDF Transaction and no NDF STM Election is or has been made or no NDF STM Election is permitted with respect to the OTC NDF Transaction resulting from the novation pursuant to Chapter I Part 1 Number 1.2.2 (5) (c), the relevant OTC NDF Transaction resulting from the novation pursuant to Chapter I Part 1 Number 1.2.2 (5) (c) shall be established as a CTM NDF Transaction and the additional primary payment obligations of the Clearing Member and Eurex Clearing AG set out in Number 5.2.1 (3) shall not arise with respect to such Transaction.
- (6) To the extent the OTC NDF Transactions that are subject to a transfer or account transfer pursuant to Number 5.4.1 or 5.4.2 are DC-Related Transactions or UDC-Related Transactions it is a matter of the relevant parties to agree whether, as a result of such transfer or account transfer, any CM-Customer Transactions shall be created or be subject to a transfer or cancellation. The relevant Clearing Member is obliged to obtain the required instruction from the relevant Direct Client before initiating any such transfer.
- (7) For the avoidance of doubt, Eurex Clearing AG is not obliged to verify whether the transfer or account transfer instructions were given by the relevant Direct Client to the Clearing Member.

5.4.1 Transfer of an OTC NDF Transaction to another Clearing Member

- (1) Upon request of a Clearing Member or a DC With System Access (on behalf of the Clearing Member) entered into the system of Eurex Clearing AG, a OTC NDF Transaction may be transferred from a Clearing Member to another Clearing Member holding the required OTC Currency Products Clearing License. Number 5.4 (6) applies.

- (2) Any transfer or partial transfer of a OTC NDF Transaction provided for in this Number 5.4.1 may be effected pursuant to Chapter I Part 1 Number 1.2.2 (5) (a) – (c), as applicable.

5.4.2 Account Management or Account Transfers

- (1) Clearing Members may book OTC NDF Transactions to or from any of their transaction accounts in accordance with this Number 5.4.2. Any booking will take place by way of a transfer to another Standard Agreement by way of novation pursuant to Chapter I Part 1 Number 1.2.2 (5).
- (2) Such bookings may also be made with respect to part of a OTC NDF Transaction.

5.4.2.1 Account Management in case of Own Transactions, DC-Related Transactions and UDC-Related Transactions

Upon request of a Clearing Member, Eurex Clearing AG may book

- (a) an Own Transaction from its Clearing Member Own Account to a NOSA UDC Account, DC Own Account or Indirect Client Account relating to an Indirect Client of a DC With System Access/Basic DC or Undisclosed Direct Client (thereby becoming a DC-Related Transaction or UDC-Related Transaction), or
- (b) a DC-Related Transaction or UDC-Related Transaction from a NOSA UDC Account, DC Own Account or Indirect Client Account relating to an Indirect Client of a DC With System Access/Basic DC or Undisclosed Direct Client to its Clearing Member Own Account (thereby becoming an Own Transaction).

5.4.2.2 Account Transfer in case of a DC With System Access

- (1) Upon request of a Clearing Member or a DC With System Access and subject to the consent of the Clearing Member, Eurex Clearing AG may book an account position relating to a OTC NDF Transaction that is a DC-Related Transaction from a Transaction Account relating to the relevant DC With System Access to a Transaction Account relating to another DC With System Access/Basic DC of the same Clearing Member.
- (2) To the extent the request is not entered into Eurex Clearing AG's system by the relevant DC With System Access, the Clearing Member will be responsible for obtaining the relevant instruction from such DC With System Access separately.

5.4.3 Trade Amendment

A Clearing Member or a DC With System Access may, by means of an entry in Eurex Clearing AG's system, split OTC NDF Transactions and assign new customer references to the new Transactions resulting from the trade split provided that such new Transactions are booked in the same account as the Transaction that existed before the trade split was made. As a result, new OTC NDF Transactions will be created the

aggregate nominal amount of which is equal to the nominal amount of the OTC NDF Transaction that was split.

5.5 Early Termination

- (1) A OTC NDF Transaction that is an OTC NDF Transaction may be early terminated in accordance with Paragraphs (2) to (6) and Numbers 5.5.1 to 5.5.2 below, as applicable.
- (2) A Clearing Member may, with the consent of Eurex Clearing AG, terminate a OTC NDF Transaction or, in case of a Clearing Member, convert a DC-Related Transaction into an Own Transaction of the Clearing Member in accordance with this Number 5.5.
- (3) Any early termination pursuant to this Number 5.5 shall take effect when a respective OTC Trade Daily Summary Report is made available to the relevant Clearing Members via Eurex Clearing AG's system.
- (4) Without prejudice to the early termination provisions set out in this Number 5.5 and any termination rights a Clearing Member may have pursuant to Chapter I, Clearing Members have no right to exercise any early termination option under any OTC NDF Transaction and no mandatory early termination shall apply to a OTC NDF Transaction. This paragraph shall not restrict the parties to agree on a bilateral basis that one party shall have a right to demand from the other party its consent to a termination of OTC NDF Transactions.
- (5) To the extent the OTC NDF Transactions that are subject to an early termination pursuant to this Number 5.5 are DC-Related Transactions or UDC-Related Transactions, it is the responsibility of the relevant parties to agree on a bilateral basis that, as a result of such early termination, any CM-Customer Transaction shall be early terminated.
- (6) For the avoidance of doubt, Eurex Clearing AG is not obliged to verify whether the termination instructions were given by the relevant Direct Client to the Clearing Member.

5.5.1 Conversion of DC-Related Transactions into Own Transactions

- (1) A Clearing Member may convert a DC-Related Transaction into an Own Transaction of the Clearing Member. Such conversion may also be effected with respect to part of a DC-Related Transaction. Chapter I Part 1 Number 11.3 shall apply *mutatis mutandis*.
- (2) A OTC NDF Transaction converted into an Own Transaction pursuant to Paragraph (1) will be credited to the Clearing Member Own Account. Chapter I Part 1 Number 11.3 shall apply *mutatis mutandis*.

(3) The provisions relating to the termination or close-out as a result of a default of the DC With System Access/Basic DC set out in Chapter I shall not be affected by the provisions of this Number 5.5.1.

5.5.2 Termination of Own Transactions, DC-Related Transactions and UDC-Related Transactions

A OTC NDF Transaction between the Clearing Member and Eurex Clearing AG may only be terminated (i) together with a OTC NDF Transaction between Eurex Clearing AG and another Clearing Member which has identical terms or (ii) against the payment of a cash settlement amount calculated by Eurex Clearing AG on the basis of the daily evaluation price (as set out in Number 5.1.6) and (iii) provided that:

- (a) Eurex Clearing AG and both Clearing Members have given their consent to such termination;
- (b) both Clearing Members were a party to the Original OTC Transaction; and
- (c) the OTC NDF Transaction(s) created upon novation of the Original OTC Transaction were not subject to (i) any netting or accumulation pursuant to Number 5.3 or (ii) a transfer or trade amendment pursuant to Number 5.

If both Clearing Members have given their consent to the termination request in accordance with Number 5.5.2 (a), they may cancel such a request as long as the risk check performed by Eurex Clearing AG has not yet been successfully completed.

A termination pursuant to this Number 5.5.2 may also be effected with respect to part of a OTC NDF Transaction.

All amounts payable under this Number 5.5.2 will be settled via Eurex Clearing AG.

5.6 Use of Data provided by Eurex Clearing AG

The Clearing Member (who shall also procure that its DCs With System Access and Basic DCs consent accordingly) consents not to use any data provided to it by Eurex Clearing AG in connection with the determination of the daily evaluation price or the determination of the relevant OTC NDF Business Day without the prior consent of Eurex Clearing AG, save for the purposes of fulfilling its own obligations vis-à-vis its customers relating to corresponding OTC fx non-deliverable forward transactions or in order to comply with an obligation vis-à-vis a competent regulatory authority.
