
CLEARING CONDITIONS FOR EUREX CLEARING AG

(...)

I. Chapter:
General Provisions

(...)

1 Part:
General Provisions - Clearing

1.1 Subpart:
Clearing Licenses

(...)

1.1.2 Prerequisites for General or Direct Clearing Licenses

- (1) Prerequisite for a General Clearing License is a liable equity capital (haftendes Eigenkapital) of the applying institution in an amount determined by Eurex Clearing AG. For institutions beyond the scope of the KWG, own funds must be equivalent to the liable equity capital.

Prerequisite for a Direct Clearing License is a liable equity capital of the applying institution in an amount determined by Eurex Clearing AG. For institutions beyond the scope of the KWG, own funds must be equivalent to the liable equity capital.

When calculating the liable equity capital for granting a clearing license for clearing futures transactions carried out at Eurex Deutschland and Eurex Zürich in accordance with Chapter I, that equity capital shall be considered which the applicant has already provided evidence for when applying for a clearing license for clearing transactions in accordance with Chapter III (Eurex Repo GmbH). Such equity capital which the applicant has already provided evidence for when applying for a clearing license for clearing transactions in accordance with Chapter II (Eurex Bonds GmbH) and / or in accordance with Chapter IV (Frankfurt Stock Exchange) shall not be considered.

The liable equity capital or equivalent own funds shall be calculated in accordance with the legal provisions in force in the country in which the institution is domiciled. Evidence of the amount of the liable equity capital or the equivalent own funds as of 31 December of every year (*Stichtag* – “Qualifying Date”) shall, in an appropriate manner, be provided to Eurex Clearing AG not only together with the application but thereafter once every year during the Clearing Membership. Such yearly evidence of the liable equity capital or the equivalent own funds as of the Qualifying Date must be provided to Eurex Clearing AG by no later than 30 June of the year following the respective Qualifying Date. Any change in the liable equity capital or the equivalent own funds as a result of which the value of the liable equity or the equivalent own funds determined by Eurex Clearing AG pursuant to paragraph (1) would be undercut must be notified to Eurex Clearing AG immediately.

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Eurex Clearing AG may request such evidence at any time and may assign an auditor for verification of the liable equity capital or the equivalent own funds at the expense of the applying institution.

- (2) Should the applying institution have insufficient liable equity capital or equivalent own funds for a Clearing License, Eurex Clearing AG may determine that the shortfall may be made up by a bank guarantee and/or collateral in cash or securities.

The bank guarantee shall be furnished by a bank domiciled in the European Union or Switzerland recognised by Eurex Clearing AG. The applying institution and the bank which furnishes the guarantee must be different legal entities. The form and extent of an admissible group relation between the applying institution and the bank which furnishes the guarantee shall be determined by Eurex Clearing AG. The bank guarantee shall contain the bank's unconditional and irrevocable obligation to provide for payment of the guaranteed amount into an account indicated by Eurex Clearing AG upon its first demand. The type, contents and form of the bank guarantee shall be determined by Eurex Clearing AG.

Cash margin shall be provided according to subsection 1.3.4. Securities collateral and margin in the form of book-entry securities (Wertrechte) in accordance with subsection 1.3.5 shall be provided via transfer of ownership by way of security or assignment for security purposes onto a safe custody with Clearstream Banking AG or SegalIntersettle AG to be determined by Eurex Clearing AG.

The bank guarantees as well as the cash and securities collateral shall safeguard compliance with the contractual obligations of the respective Clearing Member and with all other claims of Eurex Clearing AG vis-à-vis the respective Clearing Member in connection with the Clearing of its contracts (provision of margin).

- (3) The applicant shall meet the following additional requirements:
- (a) Evidence shall be provided for a pledged securities account with Clearstream Banking AG or with SegalIntersettle AG.
 - (b) Evidence shall be provided for at least one securities account at a bank for central depository of securities which is recognized by Eurex Clearing AG or respectively at a Custodian or a Central Securities Depository. Upon written request by the applicant, Eurex Clearing AG may permit the applicant to use for the delivery of debt securities a securities account of one or more institutions recognized by Eurex Clearing AG in addition to or instead of an own securities account in accordance with sentence 1.
 - (c) Evidence shall be provided for an account at a branch of the Central Bank of Germany (Deutsche Bundesbank) and an account at the Schweizerische Nationalbank ("SNB"), including an SIC account, as well as the foreign currency accounts with a bank recognised by Eurex Clearing AG required for the settlement of the foreign currency products tradable at Eurex Deutschland and Eurex Zürich through which the Clearing Member will settle its transactions on Eurex Deutschland and Eurex Zürich; Eurex Clearing AG may allow the use of accounts of a correspondent bank recognised by Eurex Clearing AG for purposes of cash clearing with Eurex Clearing AG.
 - (d) Technical connection to the systems of Eurex Clearing AG.

- (e) Eurex Clearing AG may allow the use of accounts of a correspondent bank recognized by Eurex Clearing AG for purposes of cash clearing with Eurex Clearing AG.
 - (f) The use of appropriate technical equipment (back-office facilities) to ensure the orderly recording, booking and supervision of all transactions, as well as the provision of margin and the calculation of margin requirements with respect to the customers pursuant to the minimum requirements of Eurex Clearing AG (clearing obligations); the Implementation Regulations of Eurex Deutschland and Eurex Zürich Concerning Technical Equipment shall apply mutatis mutandis in all other respects.
 - (g) The use of at least one sufficiently qualified member of staff in the back-office for the orderly fulfilment of the clearing obligations; a sufficient qualification shall be presumed if the aptitude test for members of staff of the back-office offered by Eurex Clearing AG ("Clearer Test") has been successfully passed; it is required that at least one sufficiently qualified member of staff is present at any time during the business day and that he or she is available by telephone or fax.
 - (h) Payment of the contribution to the Clearing Fund according to subsection 1.6.1.
- (4) Evidence of compliance with the prerequisites set forth in subsection 1.1.2 paragraphs (1) to (3) must be provided upon submission of the application. General and Direct Clearing Members are obligated, upon request by Eurex Clearing AG, to provide Eurex Clearing AG with evidence of compliance with the prerequisites for a Clearing License as set forth in subsection 1.1.2 paragraph (1) by no later than six months after the end of each fiscal year of the General or Direct Clearing Member.

(...)

III Chapter:
Transactions at Eurex Bonds GmbH

(...)

1.1 Subpart:
Clearing Licenses

(...)

1.1.2 Prerequisites for Clearing Licenses

- (1) Prerequisite for a General Clearing License is a liable equity capital (haftendes Eigenkapital) of the applying institution in an amount determined by Eurex Clearing AG. For institutions beyond the scope of the KWG, own funds must be equivalent to the liable equity capital.

Prerequisite for a Direct Clearing License is a liable equity capital of the applying institution in an amount determined by Eurex Clearing AG. For institutions beyond the scope of the KWG, own funds must be equivalent to the liable equity capital.

When calculating the liable equity capital for granting a clearing license for clearing transactions carried out at Eurex Bonds GmbH in accordance with Chapter II, that equity capital shall be considered which the applicant has already provided evidence for when applying for a clearing license for clearing transactions carried out in accordance with Chapter III (Eurex Repo GmbH). The equity capital which the applicant has already provided evidence for when applying for a Clearing License for clearing transactions pursuant to Chapter ~~II~~ (Eurex Deutschland and Eurex Zürich) and Chapter IV (Frankfurt Stock Exchange) shall not be considered.

The aforementioned prerequisites shall apply irrespective of the existence of a General Clearing License or a Direct Clearing License of the respective applicant for the clearing at Eurex Deutschland and Eurex Zürich.

- (2) The liable equity capital or equivalent own funds shall be calculated in accordance with the legal provisions in force in the country in which the institution is domiciled. Evidence of the amount of the liable equity capital or the equivalent own funds as of 31 December of every year (*Stichtag* – “Qualifying Date”) shall, in an appropriate manner, be provided to Eurex Clearing AG not only together with the application but thereafter once every year during the Clearing Membership. Such yearly evidence of the liable equity capital or the equivalent own funds as of the Qualifying Date must be provided to Eurex Clearing AG by no later than 30 June of the year following the respective Qualifying Date. Any change in the liable equity capital or the equivalent own funds as a result of which the value of the liable equity or the equivalent own funds determined by Eurex Clearing AG pursuant to paragraph (1) would be undercut must be notified to Eurex Clearing AG immediately. Eurex Clearing AG may request such evidence at any time and may assign an auditor for verification of the liable equity capital or the equivalent own funds at the expense of the applying institution.
- (3) Should the liable equity capital or the equivalent own funds of the applying institution not be sufficient for granting a clearing license, Chapter I, section 1.1.2, paragraph (2) shall apply mutatis mutandis.

- (4) The applicant shall meet the following additional requirements and provide evidence to Eurex Clearing AG as follows:
- (a) ~~Evidence shall be provided for a~~ pledged securities account with Clearstream Banking AG or SegalIntersettle AG.
 - (b) A securities account along with the corresponding cash account at a Securities Deposit Bank recognized by Eurex Clearing AG or at a Custodian or a Central Securities Depository which allows the clearing of securities in collective safe custody, and another securities account along with the corresponding cash account at a Securities Deposit Bank recognized by Eurex Clearing AG or at a Custodian or a Central Securities Depository which allows the clearing of securities in non-collective safe custody. Provided that the clearing of both securities in collective safe custody as well as securities in non-collective safe custody is guaranteed by the nomination of only one securities account along with the corresponding cash account pursuant to Clause 1, such a nomination will also be accepted by Eurex Clearing AG.~~Evidence shall be provided for at least one securities account at a bank for central depository of securities recognized by Eurex Clearing AG or respectively at a Custodian or Central Securities Depository.~~ Upon written request by the applicant, Eurex Clearing AG may permit the applicant to use for the delivery of debt securities a securities account of one or more ~~institutions~~ settlement institutions recognized by Eurex Clearing AG pursuant to paragraph (5) in addition to or instead of an own securities account in accordance with sentence 1 or 2. In this respect, paragraph (5) applies mutatis mutandis. Eurex Clearing AG may also allow upon written request that accounts of a correspondent bank recognized by Eurex Clearing AG are used for the cash accounting with Eurex Clearing AG.
 - (c) ~~Evidence shall be provided for an~~ An account at a branch of the Central Bank of Germany (Deutsche Bundesbank) or an account at the Swiss National Bank (SNB) including a SIC account for the provision of daily collateral in cash, through which the Clearing Member will settle its transactions on Eurex Bonds GmbH; Eurex Clearing AG may allow the use of accounts of a correspondent bank recognised by Eurex Clearing AG for purposes of cash clearing with Eurex Clearing AG.
 - (d) Technical connection to the systems of Eurex Clearing AG and evidence shall be provided, in the event of participation in the clearing for Euro GC Pooling® Repo, for the possibility of utilization and technical connection to the Collateral Management System Xemac® of Clearstream Banking AG.

1 For Clearing Members already admitted for the clearing of transactions entered into at Eurex Bonds GmbH, the respective evidence of a securities account along with the corresponding cash account in order to allow the clearing of securities not able for collective deposit must be provided by April 30, 2006 at the latest.

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- (e) The use of appropriate technical equipment (back-office facilities) to ensure the orderly recording, booking and supervision of all transactions, as well as the provision of margin and the calculation of margin requirements with respect to the customers pursuant to the minimum requirements of Eurex Clearing AG (clearing obligations); the Implementation Regulations of Eurex Deutschland and Eurex Zürich Concerning Technical Equipment shall apply mutatis mutandis in all other respects.
 - (f) During the business day of Eurex Clearing AG at least one sufficiently qualified member of staff must be present and available by telephone or fax at any time for the orderly fulfilment of the clearing obligations in the back-office.
 - (g) Payment of the contribution to the Clearing Fund according to Chapter III subsection 1.1.5.
- (5) Upon written request and after submission of respective evidence by the applicant or a Clearing Member, Eurex Clearing AG may allow that the prerequisites for granting a Clearing License pursuant to paragraph (4) items b and additionally, as an option, the prerequisites pursuant to paragraph (4) items f are wholly complied with and evidence is provided for by one or more settlement institutions in the name and on behalf of the applicant or the Clearing Member.

Prerequisite for the recognition as settlement institution and for the permission to fulfil the requirements set forth in Chapter I subsection 1.1.2 paragraph (4) and, in addition, the requirements set forth in paragraph (4) items f, if applicable, is the conclusion of a Form Agreement made available by Eurex Clearing AG between the applicant or the Clearing Member concerned, the settlement institution and Eurex Clearing AG. Eurex Clearing AG is entitled to request from a settlement institution or the respective Clearing Member at any time and at the expense of such settlement institution or the Clearing Member, as the case may be, written evidence of compliance with the aforementioned prerequisites for granting a Clearing License, or to commission an approved expert for purposes of investigation of compliance with these prerequisites at the business premises of the settlement institution or the Clearing Member.

- (6) If a Clearing Member or a settlement institution avails itself of the services of third parties other than those indicated in paragraphs (4) and (5), such Clearing Member or settlement institution shall ensure that the respective third party complies with the Clearing Conditions. If such third party shall independently perform the activities set forth in paragraph (4), this shall require evidence of the obligation of the third party pursuant to sentence 1 through an appropriate agreement between the third party, the Clearing Member, Eurex Clearing AG and, to the extent that the Clearing Member avails itself of the services of a settlement institution, also with such institution.

(...)

1.1.5 Clearing Fund

- (1) The Clearing Fund set up by Eurex Clearing AG pursuant to Chapter I subsection 1.6.1 shall also serve to ensure the performance of all transactions concluded at Eurex Bonds GmbH which are cleared by Eurex Clearing AG.
- (2) With respect to the amount of the contribution to the Clearing Fund to be provided pursuant to Chapter III subsection 1.1.2 paragraph (4) item g, Chapter I subsection 1.6.1 ~~paragraph (1)~~ shall apply mutatis mutandis. Such contribution to the Clearing Fund is not required in the event that the applicant has already paid a respective contribution to the Clearing Fund when applying for a Clearing License for clearing transactions within the meaning of Chapter ~~III~~ (Eurex Deutschland and Eurex Zürich) subsection 1.6.1 paragraph (1) and / or Chapter IV (Eurex Repo GmbH) subsection 1.1.6 and/or Chapter V (Frankfurt Stock Exchange) subsection 1.2.1.

(...)

2 Part: Clearing of Transactions at Eurex Bonds GmbH

(...)

~~2.1.12~~ General Provisions

- (1) Eurex Clearing AG shall be a contracting party to all deliveries and payments arising out of the settlement of Eurex Bonds-Transactions.
- (2) Clearing Members must fulfil their delivery and payment obligations in accordance with the instructions of Eurex Clearing AG.
- (3) The following shall apply to the procedures for delivery and payment pursuant to paragraph (1):

All physical deliveries and payments shall be concurrently performed between the Clearing Members and Eurex Clearing AG and, accordingly, between Eurex Clearing AG and the Clearing Member which is to receive delivery, on the ~~third business day after the trading day~~ contractual delivery day after the trading day. Eurex Clearing AG shall, with respect to the possession of the securities delivered to it, act as an intermediary of the Clearing Members which are obligated to deliver in order to subsequently deliver such securities to the Clearing Members which are to receive delivery. Physical deliveries of securities shall be made through a bank of central depository of securities determined by Eurex Clearing AG or respectively through a Custodian or Central Securities Depository, and payments shall be made through the corresponding account determined by such bank for central depository of securities or respectively by such Custodian or Central Securities Depository. With respect to the settlement of ~~proprietary~~ concluded transactions ~~of by~~ Clearing Members, the transfer of ownership in respect of the securities to be delivered will thus be performed directly between the Clearing Members involved.

- (4) Transfer of ownership of the securities to be delivered shall be deemed to occur when the following conditions have been met:

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- the bank for central depository of securities involved in the securities transfer has posted all bookings from the securities account of Eurex Clearing AG in respect of the transactions settled or not settled by Eurex Clearing AG to the securities accounts of the Clearing Members to be delivered with securities, and
- the bank for central depository of securities or the custodian or the Central Securities Deposit has conducted cash clearing, and
- Eurex Clearing AG has prepared for Clearing Members the delivery report showing the actually delivered individual transactions.

(5) Each Clearing Member and Eurex Clearing AG must ensure, through appropriate instruction to the respective bank for central depository of securities or respectively to the Custodian or Central Securities Depository, that transactions can be processed on the business day on which delivery and payment obligations have to be fulfilled. The Clearing Members shall authorize Eurex Clearing AG, by providing the appropriate power of attorney vis-à-vis the respective bank for central depository of securities or respectively the Custodian or Central Securities Depository, to give, release and transmit all delivery instructions in the name of the Clearing Member and binding for and against such Clearing Member and to supplement, change or cancel the delivery instructions necessary for the timely and correct fulfilment of its delivery and payment obligations vis-à-vis Eurex Clearing AG arising from transactions through the System of Eurex Bonds GmbH. All Clearing Members must ensure their ability to effect deliveries and payments thereof through sufficient deposits in the securities account with the respective bank for central depository of securities or respectively with the Custodian or Central Securities Depository and credit balances in the corresponding cash accounts.

(46) Chapter I Number 1.3.6 applies accordingly for securities delivered by the Clearing Member in order to fulfil obligation deriving from transaction at Eurex Bonds.

2.1.23 Daily Settlement

- (1) For each delivery of securities not yet performed and resulting from Eurex Bonds-Transactions, profits and losses will be determined on the business day concerned and set off against the collateral provided. For all deliveries not yet performed, the amount of the collateral to be provided shall equal the difference between the price at which the transaction was concluded and the daily settlement price for such business day.
- (2) The daily settlement price shall be determined by Eurex Clearing AG.

2.1.34 Margin Requirements

- (1) The basic provisions for margin requirements with respect to positions in securities resulting from Eurex Bonds-Transactions are set forth in Chapter I subsection 1.3.1, paragraphs (1), (2), (4) and (5), and subsections 1.3.3 through 1.3.5. In addition thereto, paragraphs (2) to (4) shall apply.
- (2) The margin requirements of a Clearing Member shall be calculated separately for Principal Position Accounts and Agent Position Accounts.
- (3) Cash and securities positions shall be handled separately. Each cash position shall be calculated by discounting back the respective amount using the current market interest rate (calculation of the cash value on the valuation date). Each securities position shall be evaluated on the basis of the current market rate including interest accrued.
- (4) In addition to the margin required under paragraph (2), a further margin requirement ("Additional Margin") shall be calculated in an amount sufficient to cover any change to the cost of closing all deliveries not yet performed that cannot be netted in accordance with paragraph (2) assuming the least favourable price developments, as determined by Eurex Clearing AG, until the next calculation of the margin requirements.

2.1.45 Default in Delivery or Payment

- (1) In the event that a Clearing Member which is obligated to deliver fails to deliver the securities sold by it by way of a Eurex Bonds-Transaction on the value date and pursuant to the instructions of Eurex Clearing AG, Eurex Clearing AG shall be entitled or, on request of the Clearing Member which did not receive delivery in a timely manner, obligated to make a replacement purchase with respect to the undelivered securities as from the fifth business day following the value date and to deliver these to the Clearing Member which did not receive delivery in a timely manner. Eurex Clearing AG may determine at its complete discretion how replacement purchases of securities are to be made and up to which maximum purchase price such securities may be purchased.
- (2) Measures set forth in paragraph (1) shall be binding on and accepted by the Clearing Member which did not receive delivery in a timely manner.
- (3) Any costs arising from the measures taken in accordance with paragraph (1) must be paid by the Clearing Member obligated to deliver.

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- (4) In the event that the Clearing Member fails to provide the margin demanded for any business day or fails to pay when due a daily settlement payment or other fees in a timely manner, or if such Clearing Member has failed to fulfil any other obligation to Eurex Clearing AG arising under these Conditions, Chapter I subsections 1.7.1 paragraphs (1) to (3) and subsections 1.7.2 through 1.8.1 shall apply mutatis mutandis.
- (5) The right of Eurex Clearing AG and the Clearing Member which did not receive delivery in a timely manner to claim further damages shall be excluded.

2.6 Gross delivery management

Eurex Clearing AG shall offer an automated service in connection with the clearing of Eurex Bonds transactions which will enable Clearing Members and settlement institutions (Chapter IV section 1.1.2 paragraph (5)) to conduct gross delivery management. All Clearing Members, and, where Clearing Members avail themselves of a settlement institution, those institutions too shall receive all individual transaction data for the management of Eurex Bonds transactions which have been concluded. The use of gross delivery management necessitates a technical connection, to Eurex Clearing AG specifications, to the relevant interface of the technical systems used by Eurex Clearing AG.

IV Chapter:
Clearing of Transactions at Eurex Repo GmbH

(...)

1.1 Subpart:
Clearing Licenses

(...)

1.1.2 Prerequisites for Clearing Licenses

- (1) Prerequisite for a General Clearing License is a liable equity capital (haftendes Eigenkapital) of the applying institution in an amount determined by Eurex Clearing AG. For institutions beyond the scope of the KWG, own funds must be equivalent to the liable equity capital.

Prerequisite for a Direct Clearing License is a liable equity capital of the applying institution in an amount determined by Eurex Clearing AG. For institutions beyond the scope of the KWG, own funds must be equivalent to the liable equity capital.

When calculating the liable equity capital for granting a clearing license for clearing transactions carried out through the System of Eurex Repo GmbH in accordance with Chapter III, that equity capital shall be considered which the applicant has already provided evidence for when applying for a clearing license for clearing transactions carried out in accordance with Chapter I-II (Eurex Deutschland and Eurex Zürich) as well as for a clearing license for clearing transactions carried out in accordance with Chapter II (Eurex Bonds GmbH). The equity capital which the applicant has already provided evidence for when applying for a Clearing License for clearing transactions pursuant to Chapter IV (Frankfurt Stock Exchange) shall not be considered.

- (2) The liable equity capital or equivalent own funds shall be calculated in accordance with the legal provisions in force in the country in which the institution is domiciled. Evidence for the amount of the liable equity capital or the equivalent own funds as of 31 December of every year (*Stichtag* – “Qualifying Date”) shall, in an appropriate manner, be provided to Eurex Clearing AG not only together with the application but thereafter once every year during the Clearing Membership. Such yearly evidence of the liable equity capital or the equivalent own funds as of the Qualifying Date must be provided to Eurex Clearing AG by no later than 30 June of the year following the respective Qualifying Date. Any change in the liable equity capital or the equivalent own funds as a result of which the value of the liable equity or the equivalent own funds determined by Eurex Clearing AG pursuant to paragraph (1) would be undercut must be notified to Eurex Clearing AG immediately. Eurex Clearing AG may request such evidence at any time and may assign an auditor for verification of the liable equity capital or the equivalent own funds at the expense of the applying institution.
- (3) Should the liable equity capital or the equivalent own funds of the applying institution not be sufficient for granting a clearing license, Chapter I, section 1.1.2, paragraph (2) shall apply mutatis mutandis.

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- (4) The applicant shall meet the following additional requirements and provide evidence to Eurex Clearing AG as follows:
- (a) Evidence shall be provided for a pledged securities account with Clearstream Banking AG or SegalIntersettle AG.
 - (b) ~~Evidence shall be provided for at least one securities account at a bank for central depository of securities which is recognized by Eurex Clearing AG or respectively at a Custodian or a Central Securities Depository. A securities account along with the corresponding cash account at a Securities Deposit Bank recognized by Eurex Clearing AG or at a Custodian or a Central Securities Depository which allows the clearing of securities in collective safe custody, and another securities account along with the corresponding cash account at a Securities Deposit Bank recognized by Eurex Clearing AG or at a Custodian or a Central Securities Depository which allows the clearing of securities in non-collective safe custody. Provided that the clearing of both securities in collective safe custody as well as securities in non-collective safe custody is guaranteed by the nomination of only one securities account along with the corresponding cash account pursuant to Clause 1, such a nomination will also be accepted by Eurex Clearing AG.² In this respect, paragraph (5) applies mutatis mutandis.~~ Upon written request by the applicant, Eurex Clearing AG may permit the applicant to use for the delivery of debt securities a securities account of one or more institutions recognized by Eurex Clearing AG pursuant to paragraph (5) in addition to or instead of an own securities account in accordance with sentence 1 or two. In this respect, paragraph (5) applies mutatis mutandis. Eurex Clearing AG may allow upon written request that accounts of a correspondent bank recognized by Eurex Clearing AG are used for the cash accounting with Eurex Clearing AG.
 - (c) An account at a branch of the Central Bank of Germany (Deutsche Bundesbank) or an account at the Swiss National Bank (SNB) including a SIC account for the provision of daily securities in cash, through which the Clearing Member will settle its transactions at Eurex Repo GmbH; Eurex Clearing AG may allow the use of accounts of a correspondent bank recognised by Eurex Clearing AG for purposes of cash clearing with Eurex Clearing AG.
 - (d) Technical connection to the systems of Eurex Clearing AG and evidence shall be provided, in the event of participation in the clearing for Euro GC Pooling[®] Repo, for the possibility of utilization and technical connection to the Collateral Management System Xemac[®] of Clearstream Banking AG.

² For Clearing Members already admitted for the clearing of transactions entered into at Eurex Bonds GmbH, the respective evidence of a securities account along with the corresponding cash account in order to allow the clearing of securities in non-collective safe custody must be provided by April 30, 2006 at the latest.

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- (e) The use of appropriate technical equipment (back-office facilities) to ensure the orderly recording, booking and supervision of all transactions, as well as the provision of margin and the calculation of margin requirements with respect to the customers pursuant to the minimum requirements of Eurex Clearing AG (clearing obligations); the Implementation Regulations of Eurex Deutschland and Eurex Zürich Concerning Technical Equipment shall apply mutatis mutandis in all other respects.
 - (f) During the business day of Eurex Clearing AG at least one sufficiently qualified member of staff must be present and available by telephone or fax at any time for the orderly fulfilment of the clearing obligations in the back-office.
 - (g) Payment of the contribution to the Clearing Fund pursuant to Chapter IV subsection 1.1.6.
- (5) Upon written request and after submission of respective evidence by the applicant or a Clearing Member, Eurex Clearing AG may allow that the prerequisites for granting a Clearing License pursuant to paragraph (4) items b and i and additionally, as an option, the prerequisites pursuant to paragraph (4) items f and g are wholly complied with and evidence is provided for by one or more settlement institutions in the name and on behalf of the applicant or the Clearing Member.

Prerequisite for the recognition as settlement institution and for the permission to fulfil the requirements set forth in Chapter II subsection 1.1.2 paragraph (4) items b and i and, in addition, the requirements set forth in paragraph (4) items f and g, if applicable, is the conclusion of a Form Agreement made available by Eurex Clearing AG between the applicant or the Clearing Member concerned, the settlement institution and Eurex Clearing AG. Eurex Clearing AG is entitled to request from a settlement institution or the respective Clearing Member at any time and at the expense of such settlement institution or the Clearing Member, as the case may be, written evidence of compliance with the aforementioned prerequisites for granting a Clearing License, or to commission an approved expert for purposes of investigation of compliance with these prerequisites at the business premises of the settlement institution or the Clearing Member.

- (6) If a Clearing Member or a settlement institution avails itself of the services of third parties other than those indicated in paragraphs (4) and (5), such Clearing Member or settlement institution shall ensure that the respective third party complies with the Clearing Conditions. If such third party shall independently perform the activities set forth in paragraph (4), this shall require evidence of the obligation of the third party pursuant to sentence 1 through an appropriate agreement between the third party, the Clearing Member, Eurex Clearing AG and, to the extent that the Clearing Member avails itself of the services of a settlement institution, also with such institution.

(...)

1.1.6 Clearing Fund

- (1) The Clearing Fund set up by Eurex Clearing AG pursuant to Chapter I subsection 1.6.1 shall also serve to ensure the performance of all transactions concluded through the System of Eurex Repo GmbH which are cleared by Eurex Clearing AG.
- (2) With respect to the amount of the contribution to the Clearing Fund to be provided pursuant to Chapter IV subsection 1.1.2 paragraph (4) item g, Chapter I subsection 1.6.1. ~~paragraph (1)~~ shall apply mutatis mutandis. Such contribution to the Clearing Fund is not required in the event that the applicant has already paid a respective contribution to the Clearing Fund when applying for a Clearing License for clearing transactions within the meaning of Chapter I (Eurex Deutschland and Eurex Zürich) subsection 1.6.1. paragraph (1) and / or Chapter III (Eurex Bonds GmbH) subsection 1.1.5 and/or Chapter V (Frankfurt Stock Exchange) subsection 1.2.1.-

(...)

2 Part: Clearing of Transactions at Eurex Repo GmbH

(...)

2.2 General Provisions

- (1) Eurex Clearing AG shall be a contracting party to all deliveries and payments arising out of the settlement of Repo Transactions concluded through the System of Eurex Repo GmbH to the extent that these transactions comply with the provisions set forth in subsection 2.1.
- (2) Clearing Members must fulfil their delivery and payment obligations in accordance with the instructions of Eurex Clearing AG.
- (3) The procedure for delivery and payment pursuant to paragraph (1) shall be governed by the following provisions:
 - a) Purchase Agreement (Front Leg):

All physical deliveries and payments shall be concurrently performed between the Clearing Member obligated to deliver and Eurex Clearing AG, and, accordingly, between Eurex Clearing AG and the Clearing Member which is to receive delivery on the agreed delivery day of the Front Leg. Physical deliveries shall be made through a bank for central depository of securities determined by Eurex Clearing AG or respectively through a Custodian or Central Securities Depository, and payments shall be made through the corresponding account determined by such bank for central depository of securities or respectively by such Custodian or Central Securities Depository.
 - b) Repurchase Agreement (Term Leg):

All physical deliveries and payments shall be concurrently performed between the Clearing Member obligated to deliver and Eurex Clearing AG, and, accordingly, between Eurex Clearing

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AG and the Clearing Member which is to receive delivery on the agreed delivery day of the Term Leg. Physical deliveries shall be made through a bank for central depository of securities determined by Eurex Clearing AG or respectively through a Custodian or Central Securities Depository, and payments shall be made through the corresponding account determined by such bank for central depository of securities or respectively by such Custodian or Central Securities Depository.

c) Physical Deliveries:

Eurex Clearing AG shall, with respect to the possession of the securities delivered to it pursuant to items a and b, act as an intermediary of the Clearing Members which are obligated to deliver in order to subsequently deliver such securities to the Clearing Members which are to receive delivery. With respect to the settlement of ~~proprietary~~ transactions concluded by Clearing Members, the transfer of ownership in respect of the securities to be delivered will thus be performed directly between the Clearing Members involved.

(4) Transfer of ownership of the securities to be delivered shall be deemed to occur when the following conditions have been met:

- the bank for central depository of securities involved in the securities transfer has posted all bookings from the securities account of Eurex Clearing AG in respect of the transactions settled or not settled by Eurex Clearing AG to the securities accounts of the Clearing Members to be delivered with securities, and
- the bank for central depository of securities or the custodian or the Central Securities Deposit has conducted cash clearing, and
- Eurex Clearing AG has prepared for Clearing Members the delivery report showing the actually delivered individual transactions.

(5d) Other Obligations: Each Clearing Member and Eurex Clearing AG must ensure, through appropriate instruction to the respective bank for central depository of securities or respectively to the Custodian or Central Securities Depository, that transactions can be processed on the business day on which delivery and payment obligations have to be fulfilled. In the event of Euro GC Pooling® Repo transactions the assignment of delivery instructions concerning existing delivery and payment obligations shall be carried out by Eurex Clearing AG on the basis of the selection of securities to be delivered, effected by the Collateral Management System Xemac® of Clearstream Banking AG according to the Special Conditions for Collateral Management (SC Xemac®) in its respective valid version. The Clearing Members shall authorize Eurex Clearing AG, by providing the appropriate power of attorney vis-à-vis the respective bank for central depository of securities or respectively the Custodian or Central Securities Depository, to give, release and transmit all delivery instructions in the name of the Clearing Member and binding for and against such Clearing Member and to supplement, change or cancel the delivery instructions necessary for the timely and correct fulfilment of its delivery and payment obligations vis-à-vis Eurex Clearing AG arising from transactions through the System of Eurex Repo GmbH. An obligation to provide the appropriate power of attorney exists also as regards to the execution of a substitution of securities which has been transferred as collateral in relation with an Euro GC Pooling® Repo transaction. All Clearing Members must ensure their ability to effect deliveries and payments thereof through sufficient deposits in the securities account with the respective bank for

central depository of securities or respectively with the Custodian or Central Securities Depository and credit balances in the corresponding cash accounts.

- (46) Chapter III- Number 1.3.6 applies accordingly for securities delivered by the Clearing member in order to fulfil obligation deriving from transaction at Eurex Repo.

(...)

2.6 Payment of Interests (Coupon Compensation)

If interests are paid on the underlying security during the term of a Repo Transaction, e.g. during the Purchase Agreement and the Repurchase Agreement, Eurex Clearing AG shall arrange for the credit of the accrued amount of interests to the Clearing Member which has sold the respective securities. Besides, Eurex Clearing AG shall arrange for the charge of an amount equal to the amount of interests to the Clearing Member which has purchased the respective securities. Cash settlement shall be made through the account of the Clearing Members involved with the Central Bank of Germany - Main Office in Frankfurt / Main-, with Euroclear Bank S.A./N.V. in Brussels or with Clearstream Banking Luxembourg S.A.

2.7 Default in Delivery or Payment

- (1) Default in delivery shall be governed by the following procedure:

- (a) Default on the delivery day of the Front Leg:

In the event that a Clearing Member which is obligated to deliver fails to transfer the underlying securities on the delivery day of the Front Leg of the respective Repo Transaction and pursuant to the instructions of Eurex Clearing AG, Eurex Clearing AG shall be entitled ~~and~~, on request of the Clearing Member which did not receive delivery in a timely manner, obligated to set the present business day, at the latest the delivery day of the Term Leg, as an advanced repurchase date of the Term Leg. As a consequence thereto, the mutual obligations arising out of the Repo Transaction which had originally been agreed upon, shall be offset against each other so that the parties, with the exception of the Repo interests agreed upon, do not owe each other any further payment or delivery. The payable Repo interests shall be calculated on the basis of the period of default, in each case for the period from the purchase date (inclusive) until the business day to which the Term Leg was advanced (exclusive).

At the same time, Eurex Clearing AG shall be entitled to set an earlier date as repurchase date for the Term Leg of the equivalent Repo Transaction concerned between Eurex Clearing AG and the Clearing Member which did not receive delivery from Eurex Clearing AG in a timely manner; the legal consequence thereof will be the same as described above. In connection with the delivery of Euro GC Pooling® Repo transactions the aforementioned procedure shall apply, if the Clearing Member obliged to deliver shall not dispose of the necessary bulk of securities, which are admissible for the delivery in the respective basket, on delivery day in its collateral pool within the Collateral Management System Xemac®.

Eurex Clearing AG shall be, if necessary, informed of this matter by Clearstream Banking AG.

(b) Default on the delivery day of the Term Leg

In the event that a Clearing Member which is obligated to deliver fails to deliver the underlying securities on the delivery day of the Term Leg of the respective Repo Transaction and pursuant to the instructions of Eurex Clearing AG, Eurex Clearing AG shall be entitled ~~and~~, on request of the Clearing Member which did not receive delivery in a timely manner, obligated to make a replacement purchase with respect to the undelivered securities as from the fifth day following the delivery date of the Term Leg and to deliver these to the Clearing Member which did not receive delivery in a timely manner. Measures set forth in paragraph (1) shall be binding on and accepted as performance by the Clearing Member which did not receive delivery in a timely manner. Eurex Clearing AG may determine at its complete discretion how replacement purchases of securities are to be made and up to which maximum purchase price such securities may be purchased.

- (2) Measures set forth in paragraph (1) shall be binding on and accepted by the Clearing Member which did not receive delivery in a timely manner.
- (3) Any costs arising from the measures taken in accordance with paragraph (1) must be paid by the defaulting Clearing Member.
- (4) In the event that the Clearing Member fails to provide the margin demanded for any business day or fails to pay when due a daily settlement payment or other fees in a timely manner, or if such Clearing Member has failed to fulfil any other obligation to Eurex Clearing AG arising under these Conditions, Chapter I subsections 1.7.1 through 1.8.1 shall apply mutatis mutandis.
- (5) The right to claim further damages shall be excluded for Eurex Clearing AG as well as for the Clearing Member which did not receive delivery in a timely manner.

2.8 Gross delivery management

Eurex Clearing AG shall offer an automated service in connection with the clearing of FSE transactions which will enable Clearing Members and settlement institutions (Chapter IV section 1.1.2 paragraph (5)) to conduct gross delivery management. All Clearing Members, and, where Clearing Members avail themselves of a settlement institution, those institutions too shall receive all individual transaction data for the management of FSE transactions which have been concluded. The use of gross delivery management necessitates a technical connection, to Eurex Clearing AG specifications, to the relevant interface of the technical systems used by Eurex Clearing AG.

V Chapter:
Transactions Concluded at the Frankfurt Stock Exchange ³

(...)

1.1 Subpart:
Clearing Licenses

(...)

1.1.2 Prerequisites for Clearing Licenses

- (1) Prerequisite for a General Clearing License is a liable equity capital (haftendes Eigenkapital) of the applying institution in an amount determined by Eurex Clearing AG. For institutions beyond the scope of the KWG, own funds must be equivalent to the liable equity capital.

Prerequisite for a Direct Clearing License is a liable equity capital of the applying institution in an amount determined by Eurex Clearing AG. For institutions beyond the scope of the KWG, own funds must be equivalent to the liable equity capital.

The aforementioned prerequisites shall apply irrespective of the existence of a General Clearing License or a Direct Clearing License of the respective applicant for the clearing of transactions effected via another trading platform. The equity capital which the applicant has already provided evidence for when applying for other Clearing Licenses pursuant to Chapter I (Eurex Deutschland and Eurex Zürich), Chapter II (Eurex Bonds GmbH) and / or Chapter III (Eurex Repo GmbH) shall not be considered when applying for a General Clearing License or a Direct Clearing License for the clearing of FSE transactions.

- (2) The liable equity capital or equivalent own funds shall be calculated in accordance with the legal provisions in force in the country in which the institution is domiciled. Evidence of the amount of the liable equity capital or the equivalent own funds as of 31 December of every year (*Stichtag* – “Qualifying Date”) shall, in an appropriate manner, be provided to Eurex Clearing AG not only together with the application but thereafter once every year during the Clearing Membership. Such yearly evidence of the liable equity capital or the equivalent own funds as of the Qualifying Date must

³ With regard to the clearing of transactions concluded at the Rhenish-Westfalian Exchange in Düsseldorf (Rheinisch-Westfälische Börse zu Düsseldorf) which share the characteristics of transactions concluded on FSE as described in Chapter IV and are included in the clearing process through Eurex Clearing AG, Chapter IV and all remaining provisions of the Clearing Conditions for Eurex Clearing AG shall apply.

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be provided to Eurex Clearing AG by no later than 30 June of the year following the respective Qualifying Date. Any change in the liable equity capital or the equivalent own funds as a result of which the value of the liable equity or the equivalent own funds determined by Eurex Clearing AG pursuant to paragraph (1) would be undercut must be notified to Eurex Clearing AG immediately. Eurex Clearing AG may request such evidence at any time and may assign an auditor for verification of the liable equity capital or the equivalent own funds at the expense of the applying institution.

- (3) Should the liable equity capital or the equivalent own funds of the applying institution not be sufficient for granting a Clearing License, Chapter I subsection 1.1.2 paragraph (2) shall apply mutatis mutandis.
- (4) The applicant shall meet the following additional requirements and provide evidence to Eurex Clearing AG as follows:
 - (a) A pledged securities account with Clearstream Banking AG or with SegalIntersettle AG.
 - (b) ~~At least one~~ One securities account along with the corresponding cash account at a bank for central depository of securities recognised by Eurex Clearing AG or respectively at a Custodian or Central Securities Depository which allows the clearing of securities in collective safe custody, and another securities account along with the corresponding cash account at a Securities Deposit Bank recognized by Eurex Clearing AG or at a Custodian or a Central Securities Depository which allows the clearing of securities in non-collective safe custody. Provided that the clearing of both securities in collective safe deposit as well as securities in non-collective safe custody is guaranteed by the nomination of only one securities account along with the corresponding cash account pursuant to Clause 1, such a nomination will also be accepted by Eurex Clearing AG. Upon written request by an enterprise or a Clearing Member, Eurex Clearing AG may permit the applicant to use for the delivery of debt securities a securities account of one or more clearing institutions recognised by Eurex Clearing AG pursuant to paragraph (5) in addition to or instead of an own securities account in accordance with sentence 1. In this respect, paragraph (5) shall apply mutatis mutandis.
 - (c) ~~At least one account at a branch of the Central Bank of Germany (Deutsche Bundesbank) or at a Custodian or a Central Securities Depository, respectively, through which the Clearing Member will settle its transactions in the electronic trading system of the Frankfurt Stock Exchange. Eurex Clearing AG may allow the use of accounts of a correspondent bank recognised by Eurex Clearing AG for purposes of cash clearing with Eurex Clearing AG. Upon written request, Eurex Clearing AG may permit Clearing Members that have a pledged securities account with SegalIntersettle AG to provide the daily margin required by Eurex Clearing AG wholly or partially in the form of cash (CHF) by means of or an account at the Schweizerische Nationalbank ("SNB") including a SIC account for the provision of daily securities in cash.~~
 - (d) The use of appropriate technical equipment (back-office facilities) to ensure the orderly recording, booking and supervision of all transactions, as well as the provision of margin and the calculation of margin requirements pursuant to the minimum requirements of Eurex Clearing AG (clearing obligations). For this purpose, it is required that the applicant has access to the EDP systems of the Frankfurt Stock Exchange and Eurex Clearing AG. In this respect, the Implementation Regulations of the Frankfurt Stock Exchange Concerning Technical Equipment for the Electronic Trading System and the Implementation Regulations of Eurex

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Deutschland and Eurex Zürich Concerning Technical Equipment shall apply mutatis mutandis. The respective access to the EDP system may, instead of using dedicated lines, also be made via the Internet, i.e. by means of the connection alternative iAccess pursuant to the aforementioned Implementation Regulations.

- (e) A technical and functional connection to the gross delivery management (Chapter V subsection 2.1.2).
 - (f) During the business day of Eurex Clearing AG at least one sufficiently qualified member of staff must be present and available by telephone or fax at any time for the orderly fulfilment of the clearing obligations in the back-office.
 - (g) Payment of the contribution to the Clearing Fund according to Chapter V subsection 1.2.1.
 - (h) Authorisation to use the securities lending facility offered by Clearstream Banking AG, Frankfurt, for settlement purposes.
- (5) Upon written request and after submission of respective evidence by the applicant or a Clearing Member, Eurex Clearing AG may allow that the prerequisites for a Clearing License pursuant to paragraph (4) items b and h and additionally, as an option, the prerequisites pursuant to paragraph (4) items e and f are wholly complied with and evidence is provided for by one or more settlement institutions in the name and on behalf of the applicant or the Clearing Member.

Prerequisite for the recognition as settlement institution and for the permission to fulfil the requirements set forth in Chapter V subsection 1.1.2 paragraph (4) items b and h and, in addition, the requirements set forth in paragraph (4) items e and f, if applicable, is the conclusion of a Form Agreement made available by Eurex Clearing AG between the applicant or the Clearing Member concerned, the settlement institution and Eurex Clearing AG. Eurex Clearing AG is entitled to request from a settlement institution or the respective Clearing Member at any time and at the expense of such settlement institution or the Clearing Member, as the case may be, written evidence of compliance with the aforementioned prerequisites for granting a Clearing License, or to commission an approved expert for purposes of investigation of compliance with these prerequisites at the business premises of the settlement institution or the Clearing Member.

- (6) If a Clearing Member or a settlement institution avails itself of the services of third parties other than those indicated in paragraphs (4) and (5), such Clearing Member or settlement institution shall ensure that the respective third party complies with the Clearing Conditions. If such third party shall independently perform the activities set forth in paragraph (4), this shall require evidence of the obligation of the third party pursuant to sentence 1 through an appropriate agreement between the third party, the Clearing Member, Eurex Clearing AG and, to the extent that the Clearing Member avails itself of the services of a settlement institution, also with such institution.

(...)

1.2 Subpart: Clearing Fund

1.2.1 Contribution to the Clearing Fund

- (1) The Clearing Fund set up by Eurex Clearing AG pursuant to Chapter I subsection 1.6.1 shall also serve to ensure the performance of all transactions concluded at the Frankfurt Stock Exchange, to the extent that Eurex Clearing AG has included such transactions in the clearing process.
- (2) With regard to the amount of the contribution to the Clearing Fund to be provided in accordance with Chapter V subsection 1.1.2 paragraph (4) item g, Chapter I subsection 1.6.1 ~~paragraph (1)~~ shall apply accordingly.

This contribution shall be provided by bank guarantees and / or cash or securities collateral. Chapter I subsection 1.1.2 paragraph (2) sentence 2 to 7 shall apply accordingly.

- (3) Eurex Clearing AG may use funds from its annual surplus to set aside reserves for the Clearing Fund pursuant to paragraph (1) to contribute to the fulfilment of the obligations of any Clearing Member that may default on its obligations.

(...)

2 Part: Clearing of transactions concluded at the Frankfurt Stock Exchange (FSE)

2.1 Subpart: Settlement of FSE transactions

2.1.1 General Provisions

- (1) Eurex Clearing AG shall be a contracting party for all deliveries and payments at the performance of FSE transactions within the meaning of Chapter V section 1 paragraph (1).
- (2) Clearing Members must fulfill their delivery and payment obligations in accordance with the instructions of Eurex Clearing AG.
- (3) The following shall apply to the procedures for delivery and payment pursuant to paragraph (1):

All physical deliveries and payments shall be concurrently performed between the Clearing Members and Eurex Clearing AG and, accordingly, between Eurex Clearing AG and the Clearing Members which are to receive delivery, on the second business day after the trading day. Eurex Clearing AG shall, with respect to the possession of the securities delivered to it, act as an intermediary of the Clearing Members which are obligated to deliver, in order to subsequently deliver such securities to the Clearing Members which are to receive delivery. Physical deliveries of securities are to be made through a bank for central depository of securities via the account of Eurex Clearing AG recognized by Eurex Clearing AG or a Custodian or Central Securities Depository, and the payment is to occur via the respective account determined by the bank for central depository of securities or the Custodian or Central Securities Depository. With respect to the settlement of ~~proprietary transactions~~

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transactions concluded by of Clearing Members, the transfer of ownership of the securities to be delivered will thus be performed directly between the Clearing Members involved.

- (4) Transfer of ownership of the securities to be delivered shall be deemed to occur when the following conditions have been met:
- the bank for central depository of securities involved in the securities transfer or Custodian or Central Securities Depository has posted all bookings from the securities account of Eurex Clearing AG in respect of the transactions settled or not settled by Eurex Clearing AG to the securities accounts of the Clearing Members to be delivered with securities, and
 - the bank for central depository of securities or the Custodian or the Central Securities Depository has conducted cash clearing, and
 - Eurex Clearing AG has prepared for Clearing Members the delivery report showing the actually delivered individual transactions.
- (5) Each Clearing Member and Eurex Clearing AG must ensure, through appropriate instruction to the respective bank for central depository of securities or respectively to the Custodian or Central Securities Depository, that the transaction can be processed on the business day on which the value date was fixed. The Clearing Members shall authorize Eurex Clearing AG, by providing the appropriate power of attorney vis-à-vis the respective bank for central depository of securities or the Custodian or Central Securities Depository, to give, release and transmit all delivery instructions in the name of the Clearing Member and binding for and against such Clearing Member and to supplement, change or cancel the delivery instructions necessary for the timely and correct fulfillment of its delivery and payment obligations vis-à-vis Eurex Clearing AG arising from FSE transactions within the meaning of Chapter V section 1 paragraph (1).
- (6) All Clearing Members must ensure their ability to effect deliveries and payments through sufficient deposits in the securities account with the bank for central depository of securities or with the Custodian or Central Securities Depository, and through credit balances on the corresponding cash accounts.

2.1.2 Gross Delivery Management

Eurex Clearing AG ~~shall offer~~ an automated service in connection with the clearing of FSE transactions which will enable Clearing Members and settlement institutions (Chapter V section 1.1.2 paragraph (5)) to conduct gross delivery management. ~~All~~ The respective Clearing Members using such automated service, and, where such Clearing Members avail themselves of a settlement institution, those institutions too shall receive all individual transaction data concerned for the management of FSE transactions which have been concluded. The use of gross delivery management necessitates a technical connection, to Eurex Clearing AG specifications, to the relevant interface of the technical systems used by Eurex Clearing AG.

(...)