

Chapter I of the Clearing Conditions of Eurex Clearing AG

General Provisions

As of 09.01.2017

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED,

DELETIONS ARE CROSSED OUT.

Part 1 General Clearing Provisions

1 General Rules

1.1 Scope of Application

[...]

1.2 Clearing Procedures

1.2.1 General

[...]

1.2.2 Conclusion of Transactions and Transfer of Transactions

Transactions pursuant to these Clearing Conditions will be concluded and may be transferred in accordance with this Number 1.2.2.

[...]

(4) Transactions pursuant to the Default Management Process; Settlement failures

(a) Eurex Clearing AG may conclude Transactions of any Transaction Type with a Clearing Member, a Clearing Agent or a Basic Clearing Member pursuant to the Clearing Conditions as part of Eurex Clearing AG's default management process pursuant to Number 7.5 below and include such Transactions in the Clearing.

(b) Eurex Clearing AG may conclude Transactions of any Transaction Type with a Clearing Member or a Basic Clearing Member pursuant to the Clearing Conditions as part of Eurex Clearing AG's procedurs to hedge or manage liquidity risks or any other risks that Eurex Clearing AG may be exposed to with respect to a failed settlement of a Transaction on the scheduled settlement day.

[...]

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1.4 Settlement of Transactions

Unless otherwise provided in the relevant Special Clearing Provisions, the following provisions shall apply in relation to the settlement of Transactions, in each case following a set-off (if any) effected pursuant to Number 1.3 or pursuant to any other provisions in the Clearing Conditions.

[...]

1.4.3 Rights of appropriation of Eurex Clearing AG

[...]

(2) Right of appropriation with regard to German book entry securities with a Custodian outside of Germany

(a) Each Clearing Member or Basic Clearing Member (or Clearing Agent acting on behalf of the Basic Clearing Member) authorises Eurex Clearing AG to partially or fully pledge for security purposes the German book entry securities with a custodian abroad and delivered by the Clearing Member or the Basic Clearing Member (or the Clearing Agent acting on behalf of the Basic Clearing Member) by way of book-entry credit in an account of Eurex Clearing AG with a Settlement Location in order to fulfil its obligations arising from securities Transactions concurrently (*Zug um Zug*) versus payment of the purchase price by Eurex Clearing AG. German book entry securities are pledged pursuant to Sentence 1 to a Settlement Location only.

(b) The pledge granted by Eurex Clearing AG in favour of the respective Settlement Location pursuant to Paragraph (2) (a) above expires either in case Eurex Clearing AG delivers the pledged German book entry securities with a custodian abroad to the receiving Clearing Member or Basic Clearing Member (or the Clearing Agent acting on behalf of the Basic Clearing Member) by book-entry credit or in case the pledge is exercised by the respective Settlement Location by means of appropriation in an event of default.

(3) If, at any time, a Clearing Member or Basic Clearing Member to whom delivery of Securities is to be made under a Transaction fails to perform when due any of its payment obligations towards Eurex Clearing AG for the delivery of these Securities (for the purpose of this Number 1.4.3 paragraph (3) a "Payment Default"), Eurex Clearing AG shall, notwithstanding that a settlement of the Transaction may still be technically possible on the same settlement day, be entitled to refuse the settlement of the relevant Transaction with such Clearing Member or Basic Clearing Member

(i) on the day on which the Payment Default occurs and

(ii) on any subsequent settlement day on which the Payment Default is not remedied at the first available settlement time on that day.

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Eurex Clearing AG may enter into trades, including but not limited to cleared Transactions, to hedge or manage liquidity risks or any other risks that Eurex Clearing AG may be exposed to with respect to the Payment Default.

For this purpose, Eurex Clearing AG shall be entitled to dispose of the Securities that the Clearing Member or Basic Clearing Member obliged to deliver has transferred to the custody account of Eurex Clearing AG with the relevant Settlement Location (and which have not yet been transferred to the Clearing Member or Basic Clearing Member to whom delivery was scheduled to be made), if

- (i) Eurex Clearing AG has discharged the related payment obligations owed by Eurex Clearing AG to the Clearing Member or Basic Clearing Member obliged to deliver and
- (ii) Eurex Clearing AG has due to the Payment Default refused to settle the related Transaction and deliver Securities to the Clearing Member or Basic Clearing Member to whom delivery of Securities was scheduled to be made on the relevant settlement day.

The Clearing Member or Basic Clearing Member that is in Payment Default shall bear the costs arising from such Payment Default, including but not limited to any costs of Eurex Clearing AG to hedge or manage liquidity risks or any other risks that Eurex Clearing AG may be exposed to with respect to the Payment Default.

For the avoidance of doubt, the foregoing shall neither

- (i) release the Clearing Member or Basic Clearing Member that is in Payment Default from any of its obligations under the relevant Transaction, nor
- (ii) prevent Eurex Clearing AG from exercising any of its other rights or remedies with respect to the Payment Default, including, but not limited to, any claims for further damages, contractual penalties and/or a Termination pursuant to Number 7.2.1.

[...]
