
Clearing Conditions for Eurex Clearing AG

[...]

Chapter I General Provisions

[...]

Part 3 Margin and Security Interest Rights

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3.4 Margin in the form of Securities and Book-Entry Securities (Wertrechte)

- (1) Collateral in securities and in book-entry securities shall be deposited by each Clearing Member in its pledged securities account at Clearstream Banking AG or SegalInterSettle AG. In case securities are pledged by the Clearing Member, such securities shall be the property of the respective Clearing Member.
- (2) Eurex Clearing AG shall determine which securities and book-entry securities it will accept in satisfaction of the collateral requirements as well as the pledge value of such securities.
- (3) The Clearing Member shall provide the collateral required pursuant to Paragraph 1 by granting a lien in favour of Eurex Clearing AG on all securities deposited in its pledged securities account through an appropriate pledge agreement. The Clearing Member shall notify Clearstream Banking AG or SegalInterSettle AG of the execution of such a pledge agreement. To the extent that the Clearing Member provides the collateral in book-entry securities, such book-entry securities shall be assigned to Eurex Clearing AG; the foregoing provisions shall apply mutatis mutandis.
- (4) Securities or book-entry securities shall be deposited as follows: The Clearing Member shall instruct Clearstream Banking AG or SegalInterSettle AG in good time to transfer the securities to its pledge account at Clearstream Banking AG or SegalInterSettle AG. Clearstream Banking AG or SegalInterSettle AG shall then inform Eurex Clearing AG of such transfer. Eurex Clearing AG will thereupon credit the value or the Number of securities to the collateral clearing account (Number 4.4) of the Clearing Member and take such deposit into consideration when assessing the margin required to be maintained ~~for the following respective business day, provided that the relevant immediately after notification is issued~~ through Clearstream Banking AG or by SegalInterSettle AG, provided that such notification is issued no later than the point in time determined by Eurex Clearing AG for the respective market. In case the securities or book-entry securities not accepted as margin are transferred to the trust deposit, Eurex Clearing AG shall arrange for a refund.
- (5) Clearing Members may, at the point in time determined by Eurex Clearing AG for the respective market of any Business day, request that Eurex Clearing AG release pledged securities or assigned book-entry securities. Such request shall be processed by Eurex Clearing AG during that same Business day. A release of pledged securities or of assigned book-entry securities shall be carried out by Eurex Clearing AG by an appropriate entry in such Clearing Member's internal collateral clearing account (Number 4.4). If compliance with such a request would render the remaining

collateral inadequate for the next Business day of a market, Eurex Clearing AG will only notify Clearstream Banking AG or SegalInterSettle AG that it approves such release if the required collateral has been provided ~~in cash~~ by the time specified by Eurex Clearing AG, but generally prior to the commencement of trading on the next Business day of the respective market.

- (6) Debt securities deposited in pledged securities accounts that have a remaining term of 15 calendar days or less will not be accepted as cover. Each Clearing Member shall be responsible for the management of any securities deposited in its pledged securities account.
- (7) Securities or book-entry securities not or not any longer accepted by Eurex Clearing AG ~~in satisfaction of the collateral requirements but nevertheless deposited in a pledged securities account~~ will be disregarded when compliance with the collateral requirements is assessed. Eurex Clearing AG will inform the Clearing Members of any securities or book-entry securities that are no longer accepted in satisfaction of the collateral requirements; Paragraph 5 shall apply mutatis mutandis with respect to the release of any such securities.

[...]

Chapter VII Transactions Concluded European Energy Exchange (EEX)

[...]

Part 2 Clearing of Futures Contracts

The following sub-parts shall rule the clearing of transactions in futures contracts which are listed in the Contract Specifications of the European Energy Exchange and have been included in the Clearing by Eurex Clearing AG.

[...]

2.2 Sub-Part Clearing of European Carbon Futures Contracts

The following provisions shall rule the clearing of transactions in European Carbon Futures Contracts with physical delivery of EU emission allowances whose contract specifications are determined by EEX.

2.2.1 Financial Settlement upon Delivery

- (1) The number of the EU emission allowances to be delivered multiplied by the final settlement price plus any value-added taxes required by law shall form the basis of the settlement of transactions.
- (2) Financial settlement shall be effected by means of netting out the accounts receivable and the liabilities of all positions the clearing of which is effected by Eurex Clearing AG subject to the provisions contained in these Clearing Conditions into one account receivable or liability.
- (3) Financial settlement is effected on the first business day after the last trading day.

- (4) All payments including the VAT required by law shall be effected directly between the Clearing Members and Eurex Clearing AG and, as the case may be, between Eurex Clearing AG and ECC, via the German Federal Bank accounts on the business day pursuant to Paragraph 3.

[...]

2.2.3 Delivery and acceptance of EU emission allowances

- (1) The business day following the last trading day shall be the delivery day ("delivery day").
- (2) Settlement of the futures regarding EU emission allowances shall be effected directly by the EEX trading participant towards ECC subject to the provisions contained in these Clearing Conditions. On the delivery day, the EEX trading participants shall ensure their capacity to deliver by means of corresponding stocks in the account kept in trust for all EEX trading participants by ECC at the national register authority (DEHSt account).
- (3) ECC shall keep internal position accounts regarding the EU emission allowances which are booked on the DEHSt account of ECC for each EEX trading participant. The disposals and additions regarding EU emission allowances shall be booked on said internal inventory accounts by means of sales and purchases or by means of the surrender and return of such.

The delivery of EU emission allowances shall be effected by means of recording on these internal accounts directly by the trading participants towards ECC and shall effect a corresponding change in the number of shares which the trading participant holds in the total stock kept in trust in the discretionary DEHSt account of ECC at the same time.

- (4) All deliveries of EU emission allowances shall be effected step by step directly between the EEX trading participants and ECC.
- (5) Settlement with regard to the EU emission allowances to be delivered shall be considered effected as of the time at which the following prerequisites are fulfilled:

all entries in the accounts from the position account of ECC to the internal position accounts of the EEX trading participants to be supplied have been made and corresponding cash settlement (Number 2.2.1.) has been carried out

- (6) In case an EEX trading participant defaults with regard to its delivery obligations, the consequences of such default are specified in Number 2.1.3.

2.2.4 Timely Availability of the Register Account

- (1) At the time of launch of the European-Carbon Futures Contracts at EEX with due date December 2008, the timely availability of the register accounts for booking and assignment of EU emission rights is not guaranteed, since it is not clarified from a factual and legal point of view, when and how the inclusion of these registers in the central register of the United Nations, the International Transaction Log (ITL) and the European Central Register CITL (Community Independent Transaction Log) takes place.

- (2) If, due to the reasons stated in Paragraph 1, the legally binding booking or transfer of EU emission rights is not guaranteed in time before due date of European-Carbon Futures Contracts with due date December 2008, the fulfilment of the European-Carbon Futures Contracts due in December 2008 shall be carried out with physical delivery of EU emission rights in deviation of Number 2.2.3 as follows:
- For EEX trading participants and, as the case may be, their Clearing Members and the Link Clearing House which are owners of a long position at the end of the last trading day of the European-Carbon Futures contracts on EU emission rights in December 2008, a respective long position in the European-Carbon Futures contract at the settlement price with due date December 2009 will be opened in the daily end settlement of the last trading day.
 - For EEX trading participants and, as the case may be, their Clearing Members and the Link Clearing House which are owners of a short position at the end of the last trading day of the European-Carbon Futures contracts on EU emission rights in December 2008, a respective short position in the European-Carbon Futures contract at the settlement price with due date December 2009 will be opened in the daily end settlement of the last trading day.
- (3) ECC may, in consultation with the Exchange Management Board of EEX, order the procedure pursuant to Paragraph 2, if it regards the timely technical or legal availability of the register for purposes of settlement of European-Carbon Futures with physical delivery of EU emission rights and due date December 2008 as not given.

2.3 Sub-Part Clearing of Futures Contracts on Certified Emission Reductions

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2.3.2 Treatment with regard to VAT upon delivery

- (1) The Certified Emission Reductions which are introduced into delivery subject to the provisions contained in the trading conditions of EEX multiplied by the final settlement price shall form the basis for calculation of the VAT. On this basis and under consideration of the information provided by the EEX Exchange-trading participants regarding the taxation treatment, ECC shall calculate the VAT incurred with regard to the transactions separately.
- (2) The Certified Emission Reductions to be delivered multiplied by the final settlement price, increased by the delivery fees charged in case of a purchase or reduced by the delivery fees charged in case of a sale, shall form the assessment basis for the VAT .
- (3) The amount of the VAT determined in this way shall be invoiced or credited separately for each EEX trading participant.

- (4) Financial settlement shall be effected subject to the provisions contained in Number 2.3.1 netted out into one account receivable or liability by means of the respective Clearing Members in charge as the paying agent.

2.3.3 Delivery and acceptance of Certified Emission Reductions

- (1) The business day following the last trading day shall be the delivery day ("delivery day").
- (2) Settlement of the futures on Certified Emission Reductions shall be effected directly by the EEX trading participant towards ECC subject to the provisions contained in these Clearing Conditions. On the delivery day, the EEX trading participants shall ensure their capacity to deliver by means of corresponding stocks in the account kept in trust for all EEX trading participants by ECC at the national register authority (DEHSt account).
- (3) ECC shall keep internal position accounts regarding the Certified Emission Reductions which are booked on the DEHSt account of ECC for each EEX trading participant. The disposals and additions regarding EU emission allowances shall be booked on said internal inventory accounts by means of sales and purchases or by means of the surrender and return of such.

The delivery of Certified Emission Reductions shall be effected by means of recording on these internal accounts directly by the trading participants towards ECC and shall effect a corresponding change in the number of shares which the trading participant holds in the total stock kept in trust in the DEHSt account of ECC at the same time.

- (4) All deliveries of Certified Emission Reductions shall be made step by step directly between the selling EEX trading participants and ECC and accordingly between the ECC and the EEX trading participants to be delivered.
- (5) Settlement with regard to the Certified Emission Reductions to be delivered shall be considered effected as of the time at which the following prerequisites are fulfilled:
- § all entries in the accounts from the position account of ECC to the internal position accounts of the EEX trading participants to be supplied have been made and
 - § corresponding cash settlement (Number 2.2.1.) has been carried out.
- (6) In case an EEX trading participant defaults with regard to its delivery obligations, the consequences of such default are specified in Number 2.1.3.

2.3.4 Timely Availability of the Register Account

- (1) At the time of introduction of Futures Contracts on Certified Emission Reductions at EEX with maturity December 2008, the timely availability of the register accounts for recording and transfer of Certified Emission Reductions is not ensured. The question when and how the inclusion of these registers in the central register of the United Nations, the International Transaction Log (ITL) and the European Central Register CITL (Community Independent Transaction Log) is carried out is – legally and factually – unanswered.

- (2) If – due to the reasons named in Paragraph 1 –the legally binding recording or transfer of Certified Emission Reductions is not guaranteed in due time before maturity of Futures Contracts on Certified Emission Reductions with maturity December 2008, the Futures Contracts on Certified Emission Reductions shall, in deviation to Number 2.3.3, be fulfilled in according applicability pursuant to Chapter VII Number 2.2.4 Paragraph 2 and 3as follows.:
- ~~— For EEX trading participants and, as the case may be, for their Clearing Members and the Link Clearing House, who are owner of a long position at the end of the last trading day of the Futures Contracts on Certified Emission Reductions with maturity December 2008, an according long position in Futures Contracts on Certified Emission Reductions with maturity 2009 shall be opened in the batch processing of the last trading day at the settlement price of such Futures Contract.~~
 - ~~— For EEX trading participant and, as the case may be, for their Clearing Members and the Link Clearing House, who are owner of a short position at the end of the last trading day of the Futures Contracts on Certified Emission Reductions with maturity December 2008, an according short position in Futures Contracts on Certified Emission Reductions with maturity 2009 shall be opened in the batch processing of the last trading day at the settlement price of such Futures Contract.~~
- ~~(3) In consultation with the Exchange Management Board of EEx, the ECC may order the procedure pursuant to Paragraph 2 if it considers the timely technical or legal availability of the register for purposes of settlement of Futures Contracts on Certified Emission Reductions with maturity December 2008 as not given.~~

Part 3

Clearing of Options Contracts

[...]

3.2 Subpart Clearing of Options Contracts on European Carbon Futures Contracts

The following subparts shall rule the clearing of transactions in Options Contracts on European Carbon Futures Contracts with physical delivery of emission rights whose contract specifications are determined by the EEX.

[...]

3.2.4 Futures Position

For the futures positions opened according to Number 3.2.4~~3~~, the respective regulations in Chapter VII Number 2.2 shall apply.

[...]