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e u r e x c l e a r i n g *circular 028/14*

Date: 10 March 2014
Recipients: All Clearing Members of Eurex Clearing AG and Vendors
Authorized by: Heike Eckert

Amendments to the Clearing Conditions: Extension of the Individual Clearing Model (ICM) by further fund combination and editorial changes

Contact: Member Services & Admission, T +49-69-211-1 17 00, memberservices@eurexclearing.com

Content may be most important for:

Ü All departments

Attachments 1 to 4:

Amended sections of the Clearing Conditions for Eurex Clearing AG

Summary:

This circular contains amendments to the Clearing Conditions for Eurex Clearing AG (Clearing Conditions) in the following areas:

1. Inclusion of further combination of funds in the Individual Clearing Model (ICM)
2. Editorial changes and clarification of definitions:
   - 2.1 Delivery of margin assets
   - 2.2 Buy-in/cash settlement procedure
   - 2.3 Change of name regarding
     a. Euroclear UK & Ireland
     b. Annex to the German Clearing Framework Agreement
   - 2.4 Set-off prohibition

The updated sections of the Clearing Conditions including amendments to the Clearing Agreements as decided by the Executive Board of Eurex Clearing AG are attached to this circular.

All amendments will come into effect on **1 April 2014**.

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Executive Board: Thomas Book (CEO), Heike Eckert, Thomas Laux, Erik Tim Müller, Andreas Preuss

Aktiengesellschaft mit Sitz in Frankfurt/Main
HRB Nr. 44828
USt-IdNr. DE194821553
Amtsgericht Frankfurt/Main

Amendments to the Clearing Conditions: Extension of the Individual Clearing Model (ICM) by further fund combination and editorial changes

This circular contains amendments to the Clearing Conditions for Eurex Clearing AG (Clearing Conditions) in the following areas:

1. Inclusion of further combination of funds in the Individual Clearing Model (ICM)
2. Editorial changes and clarification of definitions:
   - 2.1 Delivery of margin assets
   - 2.2 Buy-in/cash settlement procedure
   - 2.3 Change of name regarding
     - a. Euroclear UK & Ireland
     - b. Annex to the German Clearing Framework Agreement
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The updated sections of the Clearing Conditions including amendments to the Clearing Agreements as decided by the Executive Board of Eurex Clearing AG are attached to this circular.

All amendments will come into effect on 1 April 2014.

1. Inclusion of further combination of funds in the Individual Clearing Model (ICM)

The offering of the ICM will be extended further to funds domiciled in UK and established as “Open-Ended Investment Companies / OEIC” and “Authorised Unit Trusts / AUT” for the segregation of funds in combination with Clearing Members based in France.

2. Editorial changes and clarification of definitions

2.1 Delivery of margin assets

In the ICM, the direct redelivery of margin assets from Eurex Clearing to the ICM Client can be agreed upon by marking a check box in the Clearing Agreement. Check boxes for the direct delivery of margin from the ICM Client to Eurex Clearing will be added to increase transparency.

The following provisions in the Clearing Conditions will be amended:

- Clearing Agreement with a Non-Clearing Member and/or Registered Customer for the Individual Clearing Model under Eurex Clearing AG Documentation (Appendix 3 Part 3)
- Agreement for the Participation in the Individual Clearing Model under Client Clearing Documentation with a Non-Clearing Member and/or Registered Customer (Appendix 4 Part 3)

2.2 Buy in/cash settlement procedure

Editorial change in Chapter V Part 2 Number 2.2.1 Paragraph (6)(b)

2.3 a) Renaming of CrestCo Limited to Euroclear UK & Ireland

The name of the central securities depository for Irish equities and UK securities was changed from CrestCo Limited to Euroclear UK & Ireland.

The following provisions in the Clearing Conditions will be amended:

- Chapter VI Part 1 Number 1.1.2, 1.1.4, 1.1.6 and Part 2 Number 2.1.1, 2.1.2, 2.1.5.1, 2.1.5.2 and 2.1.6
- Clearing Agreement between Eurex Clearing AG and a Clearing Member (Appendix 1 Part 2)
- Clearing Agreement with a Non-Clearing Member and/or Registered Customer for the Elementary Clearing Model (Appendix 2 Part 2)
- Clearing Agreement with a Non-Clearing Member and/or Registered Customer for the Individual Clearing Model under Eurex Clearing AG Documentation (Appendix 3 Part 2)
- Agreement for the Participation in the Individual Clearing Model under Client Clearing Documentation with a Non-Clearing Member and/or Registered Customer (Appendix 4 Part 2)

2.3 b) Change of name of Annex to the German Clearing Framework Agreement

The Eurex Clearing AG-specific Annex to the German Clearing Framework Agreement (Clearing-Rahmenvereinbarung) will be renamed to “Annex to the Clearing Framework Agreement (Framework Agreement) for the Clearing of Contracts via Eurex Clearing AG on the basis of the Individual Clearing Model Provisions”.

The following provisions in the Clearing Conditions will be amended:

- Agreement for the Participation in the Individual Clearing Model under Client Clearing Documentation with a Non-Clearing Member and/or Registered Customer (Appendix 4 Part 1 Number 2.1)

2.4 Set-off prohibition

The relevant set-off prohibitions shall be amended to clarify that set-off against undisputed or legally binding claims is permitted.

The following provisions in the Clearing Conditions will be amended:

- Chapter I Part 2 Number 5.1.3, Subpart A Number 2.3, Subpart C Number 2.3, Subpart D Number 2.1.2 (7), Part 5 Number 5
- Clearing Agreement for the Clearing of Securities Lending Transactions with the Holder of a Specific Lender License (Appendix 7 Part 7)
- Clearing Agreement for the Clearing of GC Pooling Repo Transactions with the Holder of a Specific Repo License (Appendix 9 Part 7)

As of 1 April 2014, the amended Clearing Conditions will be available for download on the Eurex Clearing website www.eurexclearing.com under the following link:

Resources > Rules and Regulations > Clearing Conditions

Pursuant to Chapter I, Part 1, Number 17.2.3 of the Clearing Conditions, the changes and amendments to the Clearing Conditions communicated with this circular shall be deemed to have been accepted by each Clearing Member, Non-Clearing Member and each Registered Customer, unless they object in writing to Eurex Clearing AG prior to the actual effective date of such change and amendment of the Clearing Conditions. The right to terminate the Clearing Agreement or the Clearing License according to Chapter I, Part 1, Number 2.1.4 Paragraph 2 Number 7.2.1 Paragraph 4 and Number 13 of the Clearing Conditions shall remain unaffected.

If you have any questions or require further information, please contact Member Services & Admission at tel. +49-69-211-1 17 00 or send an e-mail to memberservices@eurexclearing.com.

10 March 2014

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APPENDICES 3 AND 4 ARE BEING ADJUSTED.

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED.

DELETIONS ARE CROSSED OUT.

****

Appendix 3 to the Clearing Conditions: Clearing Agreement with a Non-Clearing Member and/or Registered Customer for the Individual Clearing Model under Eurex Clearing AG Documentation

[…]

Part 3 Transaction Types included in the Clearing; Direct Segregated Margin Transfer and Retransfer

[…]

2 **Direct Segregated Margin Transfer**

The Parties agree as follows:

□ The ICM Client may make Direct Segregated Margin Transfers to Eurex Clearing AG in form of Securities.

□ The ICM Client may make Direct Segregated Margin Transfers to Eurex Clearing AG in form of cash.

~~2~~3 **Direct Segregated Margin Retransfer**

[…]

Appendix 4 to the Clearing Conditions: Agreement for the Participation in the Individual Clearing Model under Client Clearing Documentation with a Non-Clearing Member and/or Registered Customer

[…]

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[…]

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□ The ICM Client may make Direct Segregated Margin Transfers to Eurex Clearing AG in form of cash.

~~2~~3 Direct Segregated Margin Retransfer

[…]

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

****

[…]

Chapter V Transactions Concluded at the Frankfurter Wertpapierbörse

[…]

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

[…]

2.2 Failure to Deliver

2.2.1 Failure to Deliver Securities

[…]

(6) Contractual Penalty

[…]

(b) Non-delivery of ~~Other~~ Securities

A Clearing Member is obliged to pay a contractual penalty to Eurex Clearing AG if it does not deliver Shares and Other Securities on which dividend or bonus payments are payable pursuant to Number 2.3 Paragraph (2)(a) or which provide for additional rights pursuant to Number 2.3 Paragraph (2)(b). This contractual penalty applies regardless of actual damages incurred by Eurex Clearing AG.

[…]

[…]

Chapter VI Transactions Concluded at the Irish Stock Exchange (ISE Dublin)

Part 1 General Provisions

[…]

1.1.2 Prerequisites for Clearing Licenses

[…]

(2) The applicant shall meet the following additional requirements:

(a) 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 requirement with respect to the customers pursuant to the minimum requirements of Eurex Clearing AG (clearing obligations). For this purpose, it is necessary that the applicant has access to both the ~~EDP~~ CREST ~~s~~ystem~~s~~ ("**CREST**") of Euroclear UK & Ireland ~~CRESTCo~~ Ltd. ("**EUI~~CREST~~**") and the systems of Eurex Clearing AG. The technical access to the system of Eurex Clearing AG is carried out under inclusion of the respectively valid version of the General Terms of Use for the network of Eurex Clearing AG or the Connection Agreement.

(b) […]

(c) Evidence of status as "**Clearing Member Undertaking**" admitted at ~~CREST~~EUI or status as "**Sponsored Clearing Member Undertaking**" pursuant to the respective contractual provisions of ~~CREST~~ EUI valid at that time.

(d) Evidence of status as CREST settlement member admitted at ~~CREST~~ EUI (including securities account and respective cash account at ~~CREST~~EUI) or evidence that a third company already admitted at ~~CREST~~ EUI as CREST settlement member (including securities account and respective cash account at ~~CREST~~EUI) acts as CREST settlement agent on behalf of the applicant pursuant to the provisions of the current regulations of ~~CREST~~EUI. In the latter case, the applicant has to name in written form to Eurex Clearing AG such third company acting on behalf of the applicant as its CREST settlement agent.

[…]

[…]

1.1.4 Conclusion of Transactions

(1) […]

It shall be a term of every central counterparty contract between Eurex Clearing AG and a Clearing Member that the obligation of each of Eurex Clearing AG and the Clearing Member as between themselves to deliver securities or pay cash in respect of that, where the Clearing Member has elected to settle a transaction on a net basis, transaction shall be discharged by and upon the delivery of the net amount of securities of the same description as the securities to which that transaction relates and/or the payment of the net amount of cash for securities of that description calculated, in accordance with the netting procedures provided by ~~CREST~~EUI, as payable and/or deliverable on the settlement date of the relevant transactions between Eurex Clearing AG and the Clearing Member.

[…]

(3) If an ISE Transaction is deleted or cancelled by the ISE according to the trading conditions of ISE, the cancellation of such ISE Transaction is carried out by ISE by entering a contra-trade in the amount of the price of the respective ISE Transaction into the electronic system of ISE. Following any such contra-trade the obligations as between any Clearing Member to which the conta-trade relates and Eurex Clearing AG shall be automatically amended to reflect the contra-trade. Each Clearing Member entitles Eurex Clearing AG to authorise ~~CREST~~ EUI on its behalf and on behalf of the entitled Clearing Members with the settlement of contra-trades. The Clearing Members are obliged to confirm the contra-trades authorised by Eurex Clearing AG in the system of EUI~~CREST~~ pursuant to Sentence 2 at the same day (Matching). Eurex Clearing AG and the relevant Clearing Members are obliged to immediately delete the ISE Transactions to be cancelled pursuant to Sentence 1 in the system of EUI~~CREST~~. Any debits booked on the accounts of Eurex Clearing AG or the relevant Clearing Members shall immediately be cancelled in the system of EUI~~CREST~~. Any debits or credits booked on the accounts of Eurex Clearing AG or the relevant Clearing Members shall be cancelled accordingly. In this case, the relevant Clearing Members are obliged, after respective notification, to confirm respectively to enter or to delete the orders entered or cancelled in the system of ~~CREST~~ EUI by Eurex Clearing AG.

(4) Eurex Clearing AG may at any time void any Transaction concluded with a Clearing Member (in this Paragraph (4), the "**Affected Clearing Member**"), send instructions to ~~CREST~~ EUI voiding any transaction with the Affected Clearing Member or take measures in the Republic of Ireland if:

[…]

(5) Neither Clearing Members nor Non-Clearing Members nor any third person may procure any other person acting on such person's behalf (i.e. any agent, affiliate, contractor, liquidator, administrator, administrative receiver or trustee in bankruptcy of any such person but excluding ~~CREST~~ EUI and Eurex Clearing AG) to seek a

Court Order to take any other step in respect of the register of securities by an issuer or registrar, whether to prevent the registration of any transferee of securities or otherwise.

[…]

1.1.6 Liability

Eurex Clearing AG is liable pursuant to the provisions of Chapter I Part 1 Number 14.1.2 Furthermore, the Clearing Member has to release and indemnify Eurex Clearing AG from all requirements and claims of third parties – in particular of ISE, ~~CREST~~ EUI or the Settlement Bank – to the extent such requirements and claims are directly or indirectly opposed to Eurex Clearing AG in its capacity as CREST Central Sponsor or as CCP Participant and to the extent they affect an obligation of the Clearing Member having been culpably violated by it and if no Eurex Clearing AG has not acted in an culpable way. Eurex Clearing AG shall immediately notify the Clearing Member of such imminent requirement respectively such claim and will provide the Clearing Member with all information it needs in order to take over the legal defense, if it intends to do so. A dispute of the settlement, provided it is not based on a judgment, needs consent of Eurex Clearing AG.

1.3 Rights and Obligations of Non-Clearing Members of Clearing Members of Eurex Clearing AG

[…]

1.3.2 Rights and Obligations of the Clearing Member of Eurex Clearing AG

[…]

(7) Each Clearing Member and Non-Clearing Member acknowledges and agrees that settlement of Transactions shall take place in accordance with and subject to provisions of the ~~Crest~~ CREST Rules, the CREST~~Crest~~ Manual and the terms and conditions applying to ~~Crest~~ CREST Members.

[…]

[…]

Part 2 Clearing of transactions concluded at the Irish Stock Exchange (ISE)

2.1 Settlement of ISE Transactions

2.1.1 General Provisions

[…]

(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 settlement day (delivery versus payment). Physical deliveries of securities are to be made through the securities account at ~~CREST~~ EUI of Eurex Clearing AG, and the payment is to occur via the respective cash settlement account.

(4) Transfer of ownership of the securities to be delivered to the Clearing Members and Eurex Clearing AG shall be effected in accordance with the requirement of ~~CREST~~ EUI and the Irish regulations. Under the Irish regulations upon generation of the **Register Update Request** as prescribed by the CREST M~~m~~anual, a transferee acquires an equitable interest in the appropriate Number of the securities underlying the relevant ISE Transaction. This equitable interest is superseded by the superior title obtained upon registration by the issuer (or his registrar). The issuer may in certain limited circumstances refuse to register a transfer of title in which case the rules of ~~CREST~~ EUI relating to bad deliveries defined in the CREST M~~m~~anual shall apply.

(5) […]

(6) All Clearing Members shall ensure their ability to pay and deliver by holding adequate stock in the securities account at ~~CREST~~ EUI and credit at the respective cash accounts.

[…]

2.1.2 Settlement Netting

With respect to ISE Transactions to be settled Eurex Clearing AG facilitates settlement netting, as provided by the ~~CRESTCo Ltd.~~Euroclear UK & Ireland Ltd. ("EUI~~CREST~~") facilities and described in the CREST Manual.

~~Crest~~ EUI provides on behalf of Eurex Clearing AG netting procedures in order to enable or facilitate, at the election of a Clearing Member of Eurex Clearing AG (and the sanction of such an election) made in accordance with such procedures, the termination of certain gross ISE Transactions attributable to that Clearing Member and their replacement upon taking a settlement netting account by a single net transaction. Where the CREST Manual refers to the "netting rules" it should be read in conjunction with the Clearing Conditions.

[…]

2.1.5 Failure to Deliver

[…]

2.1.5.1 Failure to Deliver Shares pursuant to Article 15 of Regulation (EU) No. 236/2012 and ETFs

[…]

(2) All Clearing Members affected by a cash settlement pursuant to Chapter V Number 2.2.1 Paragraph (3) are obligated to cancel in the electronic system CREST of EUI the instructions corresponding to their respective transfer and acceptance obligations.

(3) If the shares to be delivered are replaced or a cash settlement is determined, the defaulting Clearing Member has to cancel in the electronic system CREST of EUI the delivery instruction which the original ISE Transaction was based upon.

2.1.5.2 Failure to Deliver other Securities except Shares pursuant to Article 15 of Regulation (EU) No 236/2012 and ETFs

(1) If the Clearing Member fails to deliver the owed securities or part thereof to Eurex Clearing AG, Eurex Clearing AG shall have the rights pursuant to Paragraph (1) to (7):

[…]

(d) All Clearing Members concerned by a cash settlement shall be obliged to delete the instructions corresponding to the respective assignment and receipt obligations in the electronic system of EUI~~CREST~~.

[…]

(2) If the Clearing Member fails to deliver in due time the rights (e.g. subscription rights) owed as a result of an ISE Transaction (e.g. subscription rights) owed on the delivery day in line with the instructions of Eurex Clearing AG (the "**unperformed ISE Transaction**"), Eurex Clearing AG will carry out the following measures on the last day of the subscription period of the respective right in the system of ~~CREST~~EUI:

(a) Determination of a cash settlement (Cash Settlement) regarding the rights which have not been delivered in due time by the defaulting Clearing Members with the legal result that the fulfilment obligation of the defaulting Clearing Member and Eurex Clearing AG from this transaction expires with discharging effect. Instead, the defaulting Clearing Member is obliged to pay a cash settlement determined by Eurex Clearing AG to Eurex Clearing AG.

The same applies with regard to similar rights owed by Eurex Clearing AG vis-à-vis the defaulting Clearing Member or vis-à-vis one or more other Clearing Members to the extent corresponding to the number of securities owed from the unperformed ISE Transaction which have not been delivered to Eurex Clearing AG by the defaulting Clearing Member. In this case, both the defaulting Clearing Member and the Clearing Member(s) specified in Sentence 3 are

obliged to cancel the instructions underlying the respective delivery and subscription obligations in the system of ~~CREST~~EUI. Number 2.1.5 Paragraph (8) does not apply.

[…]

[…]

(4) Measures set forth in Paragraph (1), (2) and (3) shall be binding on and accepted by the Clearing Member which did not receive delivery in time.

Where Eurex Clearing AG has commenced a replacement purchase of the owed securities pursuant to Paragraph (1) or (3) by means of an auction, the Clearing member obliged to deliver shall not be authorised to deliver the securities it owes to Eurex Clearing AG on the day of the auction. If the securities to be delivered have been replaced at an auction, the delivery obligations of the Clearing Member in default deriving from the original ISE Transaction shall expire with discharging effect.

To the extent Eurex Clearing AG has made a cash settlement of Rights which have not been delivered in due time by the defaulting Clearing Member pursuant to Paragraph (2) or (3), the Clearing Member obliged to deliver is not entitled to deliver the owed Rights to Eurex Clearing AG as of the day on which the cash settlement was carried out. In such case, the defaulting Clearing Member is also obliged to delete the delivery instructions underlying the unperformed ISE Transaction in the electronic system of ~~CREST~~EUI.

[…]

2.1.6 Corporate Actions

[…]

(2) Any claim for a distribution in respect of an unsettled ISE Transaction may only be made and settled in accordance with the relevant ~~CREST~~ EUI facilities.

(3) Notwithstanding Paragraph (1),

(a) a corporate action is to be exercised and settled by a Clearing Member (or his CREST settlement agent) in accordance with the election rights pertaining to such corporate action. Eurex Clearing AG will accept instructions from buying Clearing Members – provided in electronic form by means of the CREST Manual and which are made before the buyer instruction deadline set by the CREST Manual for the acceptance of such instructions within the CREST system. The election right is only to be exercised in electronic form through ~~CREST~~EUI. The exercise of an election right which does not comply with the aforementioned provisions is null and void;

(b) If a Clearing Member does not provide instructions in relation to a elective corporate action through CREST, as set out in Paragraph (3) (a) above, then

Eurex Clearing AG shall be entitled to allow the corporate action to default to the "default option" as input by ~~CREST~~EUI. Eurex Clearing AG shall have no liability of any kind to the Clearing Member or any third party in respect thereto;

(c) for dividend payments with an election right (**scrip dividends**), the election right is excluded;

(d) instructions of buying Clearing Members are allocated to selling Clearing Members' ISE Transactions automatically by the CREST system (**automatic allocation engine**). The selling Clearing Members are bound to accept such instructions once allocated by ~~CREST~~ EUI (and as though they were received from Eurex Clearing AG) and neither party has the right to veto such instructions;

[…]

(f) Clearing Members (or their CREST Settlement Agents) are not permitted to opt out of a transformation (skip the transformation) in relation to any ISE Transactions in CREST. All original securities that were subject of an ISE Transaction shall, on a transformation arising out of a corporate action, be replaced by the **new securities** as they exist after transformation. Following an election being made in an elective corporate action, the selling Clearing Member may only deliver the original securities providing that the delivery is carried out prior to the last time for delivery in the CREST system pursuant to the provisions of the CREST M~~m~~anual; thereafter the selling Clearing Member must deliver the new securities;

[…]

[…]

(5) If a corporate action which is exercised and settled by ~~CREST~~ EUI or settled through Eurex Clearing AG is not regulated by the aforementioned provisions, the Clearing Members obliged to deliver have to transfer the relevant securities pursuant to the instructions contained in the provisions set forth by Eurex Clearing AG. Eurex Clearing AG will transfer the securities to be delivered by it which are affected by the corporate action to the Clearing Members to whom delivery is to be made accordingly. Sentence 1 and 2 apply *mutatis mutandis* regarding cash payments which are to be made by Clearing Members because of corporate actions not being regulated in the aforementioned provisions.

[…]

Appendix 1 to the Clearing Conditions: Clearing Agreement between Eurex Clearing AG and a Clearing Member

[…]

Part 2 Specific Provisions for Transaction Types

[…]

5 Specific Provisions for the Clearing of Transactions concluded on the Irish Stock Exchange (ISE) pursuant to Chapter VI of the Clearing Conditions

5.1 Applicable Legal Provisions

The Rules and Regulations of the Irish Stock Exchange as well as the Rules and the Manual of the CREST-system ("**CREST**") of Euroclear UK & Ireland Ltd. ~~CRESTCo Ltd.~~("**EUI~~CREST~~**") and the Terms and Conditions for CREST-Members shall apply.

[…]

Appendix 2 to the Clearing Conditions: Clearing Agreement with a Non-Clearing Member and/or Registered Customer for the Elementary Clearing Model

[…]

Part 2 Specific Provisions for Transaction Types

[…]

5 Specific Provisions for the Clearing of Transactions concluded on the Irish Stock Exchange (ISE) pursuant to Chapter VI of the Clearing Conditions

5.1 Applicable Legal Provisions

The Rules and Regulations of the Irish Stock Exchange as well as the Rules and the Manual of the CREST-system ("**CREST**") of Euroclear UK & Ireland Ltd. ~~CRESTCo Ltd.~~("**~~CREST~~EUI**") and the Terms and Conditions for CREST-Members shall apply.

[…]

Appendix 3 to the Clearing Conditions: Clearing Agreement with a Non-Clearing Member and/or Registered Customer for the Individual Clearing Model under Eurex Clearing AG Documentation

Part 2 Specific Provisions for Transaction Types

5 Specific Provisions for the Clearing of Transactions concluded on the Irish Stock Exchange (ISE) pursuant to Chapter VI of the Clearing Conditions

5.1 Applicable Legal Provisions

The Rules and Regulations of the Irish Stock Exchange as well as the Rules and the Manual of ~~CRESTCo Ltd.~~the CREST-system ("**CREST**") of Euroclear UK & Ireland Ltd. ("**EUI**~~CREST~~") and the Terms and Conditions for CREST-Members shall apply.

[…]

Appendix 4 to the Clearing Conditions: Agreement for the Participation in the Individual Clearing Model under Client Clearing Documentation with a Non-Clearing Member and/or Registered Customer

[…]

Part 2 Specific Provisions for Transaction Types

6 Specific Provisions for the Clearing of Transactions concluded on the Irish Stock Exchange (ISE) pursuant to Chapter VI of the Clearing Conditions

6.1 Applicable Legal Provisions

The Rules and Regulations of the Irish Stock Exchange as well as the Rules and the Manual of the CREST-system ("CREST") of Euroclear UK & Ireland Ltd. ~~CRESTCoLtd.~~("EUI~~CREST~~") and the Terms and Conditions for CREST-Members shall apply.

[…]

* * *

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APPENDIX 4 WILL BE AMENDED.

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED,

DELETIONS ARE CROSSED OUT.

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[…]

Part 1 General Provisions

[…]

2 Client Clearing Agreement

2.1 Details of Client Clearing Agreement

[…]

□ a German ~~Clearing-Master~~Framework Agreement (*Clearing-Rahmenvereinbarung*) dated_____ and an Annex to the Clearing Framework Agreement (Framework Agreement) for the Clearing of Contracts via Eurex Clearing AG on the basis of the Individual Clearing Model Provisions ~~Schedule thereto with regard to Eurex Clearing AG and the ICM-CCD~~ dated _____
(Chapter I Part 3 Subpart D Number 3.1.1 (3) (i))

[…]

2.2 Details of CLIENT CLEARING TERMINATION EVENT and CLIENT CLEARING TERMINATION CLAIM

[…]

(iii) **the event described in Number 7 (1) (Ausfall der Bank),** if a German ~~Clearing-Master~~Framework Agreement has been selected as applicable in Clause 2.1

[…]

and the CLIENT CLEARING TERMINATION CLAIM is valued and defined in the CLIENT CLEARING AGREEMENT as:

[…]

(c) **the separate difference claim (separater Ausgleichsanspruch) pursuant to Number 7 (1) (Ausfall der Bank) that arises with respect to Eurex Clearing AG and the ICM CCD** if a German ~~Clearing-Master~~Framework Agreement has been selected as applicable in Clause 2.1

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CHAPTER I, APPENDIX 7 AND APPENDIX 9 ARE BEING ADJUSTED.

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED.

DELETIONS ARE CROSSED OUT.

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Chapter 1 General Provisions

[…]

Part 2 Elementary Clearing Model Provisions

[…]

5 Set-off

5.1 Set-off in respect of Own Transactions and Elementary Omnibus Transactions

[…]

5.1.3 Any other set-off of claims between Eurex Clearing AG and the Clearing Member under an Elementary Standard Agreement shall, subject to Number 8.6.3, be prohibited. This does not apply to a set-off with claims which are undisputed or have been determined as legally binding.

[…]

Part 3 Subpart A: Provisions on Transactions between Eurex Clearing AG and the Clearing Member for ICM-ECD and ICM-CCD

[…]

2.3 Set-off

Any claims of a party to the relevant Standard Agreement arising from Covered Claims and claims to provide cover in respect of the Segregated Margin or the Segregated Variation Margin pursuant to Numbers 5 and 6 may be set off against claims arising from Covered Claims or claims to provide cover in respect of the Segregated Margin or the

Segregated Variation Margin pursuant to Numbers 5 and 6 of the respective other party. The provisions of Number 1.3.1 Paragraph (1) and (2) of the General Clearing Provisions shall apply *mutatis mutandis*.

Any other set-off of claims between the parties to a Standard Agreement shall be prohibited. This does not apply to a set-off with claims which are undisputed or have been determined as legally binding.

[…]

Part 3 Subpart C: Provisions regarding Transactions between Clearing Member and ICM Client under the Clearing Conditions for ICM-ECD

[…]

2.3 Set-off

Any claims of a party to the relevant Corresponding Standard Agreement arising from Covered Claims and claims to provide cover in respect of the Segregated Margin or the Segregated Variation Margin pursuant to Subpart C Numbers 4 and 5 may be set off against claims arising from Covered Claims or claims to provide cover in respect of the Segregated Margin or the Segregated Variation Margin pursuant to Subpart C Numbers 4 and 5 of the respective other party.

Any other set-off of claims between the parties to the relevant Corresponding Standard Agreement shall be prohibited. This does not apply to a set-off with claims which are undisputed or have been determined as legally binding.

[…]

Part 3 Subpart D: Provisions regarding transactions between Clearing Member and ICM Client under a Client Clearing Agreement for ICM-CCD

[…]

2 Conditions for Participation

2.1 Client Clearing Agreement

2.1.1 […]

2.1.2 A Client Clearing Agreement of an "**Eligible Client Clearing Agreement Type**" shall provide for the following mandatory provisions:

[…]

(7) **Set-Off**: Only claims under Client Clearing Transactions or for the delivery or redelivery of Credit Support Margin and Credit Support Variation Margin arising under the Client Clearing Agreement in respect of Client Clearing Transactions may be set-off with each other by the parties to the Client Clearing Agreement. Any set-off with other claims between the parties to the Client Clearing Agreement must be prohibited, in particular, but not limited to, (i) a set-off with claims arising from, or relating to, non-cleared transactions, (ii) a set-off with claims arising from, or relating to, cleared Transactions with other central counterparties or (iii) a set-off with fees, damage claims, regress claims or indemnities of any kind. None of the foregoing shall prevent the parties to the Client Clearing Agreement (i) to agree on a set-off or netting of claims between such parties following a default by the ICM Client under the Client Clearing Agreement (however described in the Client Clearing Agreement) or (ii) to agree on a set-off with claims which are undisputed or have been determined as legally binding.

(8) […]

(9) **No Security Interests over, no Assignment and set-off of Client Clearing Termination Claim**: The Client Clearing Termination Claim must at any time not be subject to any security interests or charges (other than pursuant to these Individual Clearing Model Provisions). An assignment of the Client Clearing Termination Claim (other than pursuant to these Individual Clearing Model Provisions) and a set-off with any other payment claims between the Clearing Member and the ICM Client (other than pursuant to these Individual Clearing Model Provisions) arising under any agreement, statutory provisions or otherwise must be prohibited (in the case of statutory provisions, to the extent possible under applicable law), provided that the ICM Client may assign or set-off its Client Clearing Termination Claim against the Clearing Member if and to the extent a Re-Establishment has not occurred pursuant to Subpart B Number 5.

[…]

Part 4 Net Omnibus Clearing Model Provisions

[…]

5 Set-off

Any claims of Eurex Clearing AG and the Clearing Member under the Standard Agreement in respect of Net Omnibus Transactions, including claims to provide cover in respect of Net Omnibus Margin or Net Omnibus Variation Margin pursuant to Numbers 6 and 7, may be set off against claims arising from Net Omnibus Transactions or claims to provide cover in respect of Net Omnibus Margin or the Net Omnibus Variation Margin pursuant to Numbers 6 and 7 of the respective other party. Number 1.3.1 Paragraph (1) and (2) of the General Clearing Provisions shall apply *mutatis mutandis*.

Any other set-off of claims between Eurex Clearing AG and the Clearing Member under the Standard Agreement as well as any set-off of the Difference Claim (as defined in Number 8.3.2) shall be prohibited except for a set-off with claims which are undisputed or have been determined as legally binding; the rights of Eurex Clearing AG under Number 8.6 shall remain unaffected.

[…]

Appendix 7 to the Clearing Conditions: Clearing Agreement for the Clearing of Securities Lending Transactions with the Holder of a Specific Lender License

[…]

7 Set off between Eurex Clearing AG and Holder of a Specific Lender License

Only Eurex Clearing AG may set off its claims vis-à-vis the Holder of a Specific Lender License, unless the Holder of a Specific Lender Licence is a German investment company (*Kapitalanlagegesellschaft*) within the meaning of the German Investment Act (*Investmentgesetz*), in which case no set off shall be permitted. This does not apply to a set-off with claims which are undisputed or have been determined as legally binding.

[…]

Appendix 9 to the Clearing Conditions: Clearing Agreement for the Clearing of GC Pooling Repo Transactions with the Holder of a Specific Repo License

[…]

7 Set off between Eurex Clearing AG and Holder of a Specific Repo License

Only Eurex Clearing AG may set off its claims vis-à-vis the Holder of a Specific Repo License. This does not apply to a set-off with claims which are undisputed or have been determined as legally binding.

[…]

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