
AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

Chapter I of the Clearing Conditions of Eurex Clearing AG

General Provisions

As of 23.04.2018

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Clearing Conditions of Eurex Clearing AG

Preamble

As provided for in these clearing conditions of Eurex Clearing AG (hereinafter referred to as “**Clearing Conditions**”) Eurex Clearing AG, having its registered office in Frankfurt am Main, acts as central counterparty for (a) (i) transactions in securities and *Wertrechte*, including German book-entry securities (*Gutschriften in Wertpapierrechnung*) and Swiss intermediated securities (*Schweizer Bucheffekten*) (hereinafter together the “**Securities**”) and (ii) futures, options and other derivative transactions, which, in each case, result from either matching orders and quotes of trading participants (the “**Matching**”) on the markets Eurex Deutschland, ~~Eurex Zürich~~, Eurex Repo, Frankfurter Wertpapierbörse and Irish Stock Exchange (hereinafter collectively referred to as “**Markets**” and each a “**Market**”, each transaction resulting from Matching a “**Market Transaction**”), (b) novations of transactions executed over-the-counter (each transaction resulting from an over-the-counter transaction an “**OTC Transaction**”) or (c) novations of executed over-the-counter securities or cash lending transactions or securities lending transactions executed on Eurex Repo (each transaction resulting from a novation of any such **securities** (or cash) **lending transaction** a “**Securities Lending Transaction**”, and each Market Transaction, OTC Transaction and Securities Lending Transaction, a “**Transaction**”).

Hereinafter (i) the conclusion of Transactions of one or more Transaction Types (as defined in Number 1.1.2), (ii) the processing by Eurex Clearing AG of Transactions, and (iii) the related services rendered by Eurex Clearing AG, in each case as set out in Chapters I–IX of the Clearing Conditions, shall together be referred to as “**Clearing**”.

The following Chapter I forms an integral part of the Clearing Conditions and respective references in any other rules or documents to the Clearing Conditions also apply to this Chapter I.

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Part 1 General Clearing Provisions

1 General Rules

1.1 Scope of Application

1.1.1 The procedures maintained and operated by Eurex Clearing AG for the Clearing of the Transactions specified in Number 1.1.2 (the **"Clearing Procedures"**) shall be carried out on the basis of a Clearing Agreement to be entered into between Eurex Clearing AG and a Clearing Member and/or one or more Clearing Agreements between Eurex Clearing AG, the relevant Clearing Member and a Non-Clearing Member (as defined in Number 1.1.5) or a Registered Customer (as defined in Number 1.1.6), respectively, in the form appended hereto as Appendix 1 – 4 (as applicable) or (in the case of a Clearing Agreement with a holder of a Specific Lender License) Appendix 6 and (in the case of a Clearing Agreement with a holder of a Specific Repo License) Appendix 5 or one or more Clearing Agreements between Eurex Clearing AG, an OTC IRS OTC IRS FCM Clearing Member (as defined in Number 2.3.1) and an OTC IRS FCM Client (as defined in Part 4 Number 1.2) in the form appended hereto as Appendix 9 or one or more Clearing Agreements between Eurex Clearing AG, a Clearing Agent (as defined in Part 5 Number 1.1) and a Basic Clearing Member (as defined Number 1.1.4) in the form appended hereto as Appendix 10, which, in each case, incorporate the Clearing Conditions (each, a **"Clearing Agreement"**). The Transaction Types (as defined below) covered by a Clearing Agreement may be extended by execution of an amendment to such Clearing Agreement.

In case of any conflicts between the provisions contained in (i) a Clearing Agreement between Eurex Clearing AG and a Clearing Member and (ii) a Clearing Agreement between Eurex Clearing AG, such Clearing Member and a Non-Clearing Member or Registered Customer, respectively, the provisions contained in the Clearing Agreement between Eurex Clearing AG, such Clearing Member and such Non-Clearing Member or Registered Customer, respectively, prevail.

1.1.2 The Clearing Procedures refer to the following types of Transactions (each a **"Transaction Type"**): Transactions resulting from:

- (1) the matching of orders and quotes regarding futures contracts and options contracts in the trading systems of Eurex Deutschland ~~and Eurex Zürich (together,~~ the **"Eurex Exchanges"**) or the novation of trades concluded off-book, in each case pursuant to Chapter II (the resulting Transactions being referred to as **"Eurex Transactions"**);
- (2) the matching of orders and quotes regarding securities in the trading system of Eurex Repo GmbH (**"Eurex Repo"**) pursuant to Chapter IV (the resulting Transactions being referred to as **"Eurex Repo Transactions"**);
- (3) the matching of orders and quotes regarding securities in the trading system of Frankfurter Wertpapierbörse (**"FWB"**) or the novation of trades concluded off-

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exchange, in each case pursuant to Chapter V Part 2 (the resulting Transactions being referred to as “**FWB Transactions**”);

- (4) the matching of orders and quotes regarding securities in the trading system of the Irish Stock Exchange (“**ISE**”) pursuant to Chapter VI (the resulting Transactions being referred to as “**ISE Transactions**”);
- (5) the novation of over-the-counter transactions in interest rate derivatives pursuant to Chapter VIII Part 2 (the resulting Transactions being referred to as “**OTC Interest Rate Derivative Transactions**”);
- (6) the novation of securities lending transactions pursuant to Chapter IX (the resulting Transactions being “**Securities Lending Transactions**”).

1.1.3 Only entities which have been granted a Clearing License (as defined in Number 2.1) by Eurex Clearing AG (each a “**Clearing Member**”), and, subject to the U.S. Clearing Model Provisions, entities that have been admitted as OTC IRS FCM Clients (as defined in Part 4 Number 1.2) and, subject to the Basic Clearing Member Provisions, entities that have been admitted as Basic Clearing Members (as defined in Number 1.1.4) and, subject to Part 3, Interim Participants, are authorised to directly participate in the Clearing of Transactions. A Clearing Member that is legally organised and has its principal place of business in the United States of America (or any state thereof) and which holds a Clearing Licence for OTC Interest Rate Derivative Transactions is hereinafter referred to as a “**OTC IRS U.S. Clearing Member**”. Unless otherwise specified, references in this Part 1, in Part 2, Chapter VIII and Appendix 1 to “Clearing Member” shall include references to “OTC IRS U.S. Clearing Member” and/or “OTC IRS FCM Clearing Member”. A Clearing Member that is legally organised and has its principal place of business in the United States of America (or any state thereof) and which does not qualify as an OTC IRS U.S. Clearing Member is hereinafter referred to as a “U.S. Clearing Member”. Unless otherwise specified, references in the Clearing Conditions to “Clearing Member” shall include references to “**U.S. Clearing Member**”. Only a General Clearing Member (as defined in Number 2.1.1 below) may act as a Clearing Agent (as defined in Part 5 Number 1.1) with respect to the Clearing of Basic Clearing Member Transactions (as defined in Part 5 Number 1.2).

1.1.4 Direct clients of a Clearing Member which may participate in the Clearing shall comprise each of the following types of clients (each a “**Direct Client**”):

- (1) a Non-Clearing Member pursuant to Number 1.1.5;
- (2) a Registered Customer pursuant to Number 1.1.6;
- (3) a Specified Client pursuant to Number 1.1.11: and
- (4) a direct client of a Clearing Member other than a Non-Clearing Member, Registered Customer or Specified Client (“**Undisclosed Direct Client**”).

A client of a Direct Client that participates in the Clearing is an “**Indirect Client**”.

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The Interim Participation rules in Part 3 Subpart A Number 11.1, the U.S. Clearing Model Provisions and the Basic Clearing Member Provisions shall remain unaffected. A Basic Clearing Member Clearing License (as defined in Part 5 Number 2.1) entitles the holder thereof to participate in the Clearing of proprietary Transactions as a basic clearing member (hereinafter referred to as a “**Basic Clearing Member**”) acting through a Clearing Agent in accordance with Part 5.

- 1.1.5 An entity other than a Clearing Member which is a trading participant on one or more Markets may enter into a Clearing Agreement in the form appended to the Clearing Conditions as Appendix 2 to 4 with a Clearing Member and Eurex Clearing AG as a non-clearing member (each a “**Non-Clearing Member**”). If the Non-Clearing-Member enters into a Clearing Agreement in the form appended to the Clearing Conditions as Appendix 2, 3 or 4, the Non-Clearing Member also agrees that it must have a technical connection to the systems of Eurex Clearing AG in place and that the General Terms and Conditions on Technical Connection to the Clearing EDP of Eurex Clearing AG form part of the relevant Clearing Agreement. A Non-Clearing Member is not required to have a technical connection to the systems of Eurex Clearing AG if such Non-Clearing Member (i) outsources all its functions pursuant to Number 15 and (ii) participates in the Elementary Clearing Model. Subject to the Special Clearing Provisions, a Non-Clearing Member may with respect to a certain Transaction Type enter into one Clearing Agreement with one Clearing Member only. If, with respect to a Transaction Type, an entity has entered into a Clearing Agreement in the form appended to the Clearing Conditions as Appendix 2 as a Non-Clearing Member, such entity may not act as a Specified Client for such Transaction Type.
- 1.1.6 An entity may enter into a Clearing Agreement (Appendix 2, 3 or 4) with a Clearing Member and Eurex Clearing AG as a registered customer (each a “**Registered Customer**”) in accordance with the following conditions.
- (1) The Registered Customer must be:
 - (a) a legal entity (*juristische Person*);
 - (b) an investment fund with own legal personality (an “**Incorporated Fund**”);
 - (c) an investment fund without legal personality (an “**Unincorporated Fund**”);
 - (d) a sub-fund of an Incorporated Fund or an Unincorporated Fund (a “**Sub-Fund**”);
or
 - (e) a fund segment (i.e. a pool of assets and obligations segregated for book-keeping and technical settlement purposes) of an Incorporated Fund, an Unincorporated Fund or a Sub-Fund (a “**Fund Segment**”);
 - (2) The Registered Customer has a technical connection to the systems of Eurex Clearing AG and has executed:
 - (a) an Agreement on Technical Connection to the Clearing EDP of Eurex Clearing AG that incorporates the General Terms and Conditions to the

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Agreement on Technical Connection to the Clearing EDP of Eurex Clearing AG;
or

- (b) a Clearing Agreement that incorporates the General Terms and Conditions to the Agreement on Technical Connection to the Clearing EDP of Eurex Clearing AG;
- (3) Only with respect to Eurex Transactions, the Registered Customer does not already participate in the Clearing through a Clearing Member as a Non-Clearing Member.
- (4) The Registered Customer may only participate in the Clearing of Eurex Transactions and/or OTC Interest Rate Derivative Transactions (each an “**RC-Eligible Transaction Type**”). If, with respect to an RC-Eligible Transaction Type, an entity has entered into a Clearing Agreement in the form appended to the Clearing Conditions as Appendix 2 as a Registered Customer, such entity may not act as a Specified Client for such RC-Eligible Transaction Type.

1.1.7 With respect to Registered Customers or Basic Clearing Members that are Unincorporated Funds, Sub-Funds or Fund Segments, the following provisions apply:

- (1) Each reference in a Clearing Agreement to a “**Registered Customer**”, an “**ICM Client**” or a “**Basic Clearing Member**” shall be to a particular Unincorporated Fund and/or Sub-Fund (a “**Relevant Fund**”) or a particular Fund Segment (a “**Relevant Fund Segment**”), in each case as listed in Annex B to the Clearing Agreement.
- (2) A Relevant Fund or Relevant Fund Segment without own legal personality may enter into the Clearing Agreement or Transactions only through a manager, general partner, trustee (or, in the case of a Sub-Fund or Fund Segment of an Incorporated Fund, the Incorporated Fund) (an “**Authorised Manager**”), in each case acting on behalf and for the account of the respective Relevant Fund or Relevant Fund Segment.
- (3) When entering into a Transaction for the account of a Relevant Fund or Relevant Fund Segment, the Authorised Manager shall inform Eurex Clearing AG and the Clearing Member or Clearing Agent for which Relevant Fund or Relevant Fund Segment that Transaction is being entered into.
- (4) The set-off of claims of a Relevant Fund or Relevant Fund Segment with or against any other claims (including those of another ICM Client, Registered Customer or Basic Clearing Member) is excluded.
- (5) If the Registered Customer or the Basic Clearing Member is (i) a unit trust in the form of an authorised unit trust scheme in England and Wales (as defined in Section 237 of the Financial Services and Markets Act), (ii) a unit trust established under the Irish Unit Trusts Act 1990 in Ireland or (iii) a unit trust operating as a mutual fund in compliance with the Cayman Islands Mutual Funds Law (2013 Revision) (each a “**Unit Trust**”) acting through an Authorised Manager, such Authorised Manager shall act as a trustee of that Unit Trust and the Clearing Agreement and each Transaction shall be construed accordingly.

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- (6) For each Relevant Fund and each Relevant Fund Segment, the Authorised Manager acting for the account of that Relevant Fund or Relevant Fund Segment represents and warrants by way of an independent guarantee and irrespective of fault (*selbständiges, verschuldensunabhängiges Garantieversprechen*) to Eurex Clearing AG that:
- (a) the Authorised Manager has the power to enter into and perform the Clearing Agreement and each Transaction, as applicable, for the account of that Relevant Fund or Fund Segment;
 - (b) the Relevant Fund or Relevant Fund Segment, as applicable, has been established in compliance with applicable law and is legally existent;
 - (c) in case the Relevant Fund is a Unit Trust, the Authorised Manager has the right to be indemnified out of the assets of the Relevant Fund or Relevant Fund Segment in respect of any obligation undertaken or to be undertaken by the Authorised Manager under a Clearing Agreement or in relation to Transactions for the account of the Relevant Fund or Relevant Fund Segment.
- (7) Eurex Clearing AG may require the Relevant Fund or Relevant Fund Segment (or if applicable, the relevant Authorised Manager) to provide, at its own expense, a legal opinion from leading counsel approved by Eurex Clearing AG that verifies and confirms the accuracy of the representations set forth under Paragraph (6) and Number 1.7.1.
- (8) The Authorised Manager acting for the account of a Relevant Fund Segment further represents and warrants by way of an independent guarantee and irrespective of fault (*selbständiges, verschuldensunabhängiges Garantieversprechen*) to Eurex Clearing AG with respect to each Relevant Fund Segment that:
- (a) it has informed the investors of the Relevant Fund Segment of the contractual segregation between fund segments in connection with the Clearing and of any potential adverse economic effects that the entering into the Clearing Agreement and Transactions may have for that Relevant Fund Segment in comparison to an entering into the Clearing Agreement and Transactions without such contractual segregation;
 - (b) the investors of the Relevant Fund Segment are willing to bear the potential economic risks and adverse effects which are related to a contractual segregation of that Relevant Fund Segment; and
 - (c) to the extent applicable, the prospectus relating to the relevant funds discloses the contractual segregation of fund segments and any potential economic risk of such contractual segregation between fund segments as set forth under (a) above.
- (9) An amendment to the relevant Clearing Agreement due to an accession, change in name, termination or merger of a Relevant Fund or Relevant Fund Segment may be effected by the submission of an amended Annex B to the Clearing Agreement to

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Eurex Clearing AG signed by the Clearing Member and the Registered Customer or by the Clearing Agent and the Basic Clearing Member, as relevant, and acceptance thereof by Eurex Clearing AG through respective entries in its production system. In the case of an accession of a new Relevant Fund or new Relevant Fund Segment, or a merger by new establishment (*Verschmelzung durch Neugründung*) of a Relevant Fund or Relevant Fund Segment, such amendment shall constitute a new Clearing Agreement pursuant to the applicable Appendix with the new or newly established Relevant Fund or Relevant Fund Segment acting through the Authorised Manager and shall relate, with respect to a Clearing Agreement pursuant to Appendix 2, to the Standard Agreement as specified by the Authorised Manager.

(10) The termination of the Clearing Agreement entered into by the Authorised Manager acting for the account of a Relevant Fund or Relevant Fund Segment pursuant to Number 13.2.1 in connection with Number 13.1.1 may also be effected by the Authorised Manager submitting to Eurex Clearing AG and the Clearing Member or the Clearing Agent, as relevant, an amended Annex B to the Clearing Agreement in which that Relevant Fund or Relevant Fund Segment has been deleted.

(11) Each reference in this Number 1.1.7 and in a Clearing Agreement to Annex B of such Clearing Agreement shall be a reference to the then current version of that Annex.

- 1.1.8 A Registered Customer or a Basic Clearing Member which is an Incorporated Fund or another legal entity may elect to act through an Authorised Manager and shall following such election be deemed to be a Relevant Fund for the purpose of Number 1.1.7, which shall then apply *mutatis mutandis*. Such Registered Customer or Basic Clearing Member shall nonetheless make the representations and warranties set out in Number 1.1.7 (6) and Number 1.7 independently and with respect to itself each time it enters (acting through the Authorised Manager) into a Clearing Agreement or a Transaction. The election takes effect upon submission of the relevant details in Annex B to the relevant Clearing Agreement in accordance with Number 1.1.7 (9).
- 1.1.9 An OTC IRS FCM Client may only enter into a Clearing Agreement in the form appended to the Clearing Conditions as Appendix 9 with an OTC IRS FCM Clearing Member and Eurex Clearing AG.
- 1.1.10 A Basic Clearing Member may only enter into one or more Clearing Agreements in the form appended to the Clearing Conditions as Appendix 10 with a Clearing Agent and Eurex Clearing AG.
- 1.1.11 Any entity (including, subject to Paragraph (2), an Authorised Manager, a Relevant Fund or a Relevant Fund Segment) that is a direct client (other than a Non-Clearing Member or a Registered Customer) of a Clearing Member with respect to which such Clearing Member has provided the Specified Client Information to Eurex Clearing AG and that has not been rejected by Eurex Clearing AG on the basis of its compliance checks shall be a "**Specified Client**". A Specified Client shall not have a contractual relationship with Eurex Clearing AG and shall not be required to enter into a Clearing Agreement.

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“Specified Client Information” means, subject to Paragraph (2), (i) the name of the Specified Client, (ii) the address of its statutory seat, (iii) the e-mail address (for default management purposes) or alternative contact details of the Specified Client, (iv) the telephone number of the Specified Client and (v) the legal entity identifier (LEI) of the Specified Client.

- (1) A Specified Client may participate in the Clearing of Eurex Transactions (Chapter II) and OTC Interest Rate Derivative Transactions (Chapter VIII) only.
- (2) If Transactions of the Clearing Member relating to Relevant Funds or Relevant Fund Segments acting through an Authorised Manager shall become subject to the Clearing as SC-Related Transactions, upon the request of the Clearing Member either
 - (a) the Authorised Manager acting for the account of such Relevant Funds or Relevant Fund Segments may be set up as a single Specified Client collectively with respect to all Transactions of the Clearing Member relating to these Relevant Funds or Relevant Fund Segments for whose account such Authorised Manager acts; or
 - (b) the individual Relevant Funds or individual Relevant Fund Segments for whose account the Authorised Manager acts may be set up as separate Specified Clients (in each case, acting through such Authorised Manager), in each case separately and independently for only those Transactions of the Clearing Member relating to such respective particular Relevant Fund or such particular Relevant Fund Segment.

In the case of (a) above, references in these Clearing Conditions to a "Specified Client" shall, for the avoidance of doubt, constitute references to the Authorised Manager acting for the account of all such Relevant Funds and all such Relevant Fund Segments collectively.

If a Specified Client shall be established in accordance with (b) above, the Specified Client Information also includes the name of the Relevant Fund or the Relevant Fund Segment.

Eurex Clearing AG assumes no responsibility, and accordingly, it shall remain the responsibility of the relevant Clearing Member and the relevant Authorised Manager, to ensure that the Authorised Manager has the power to act for the account of the Relevant Fund or Fund Segment and verify whether any set-up of the Authorised Manager or of any Relevant Fund or Relevant Fund Segment (on whose account the Authorised Manager acts) as a Specified Client complies with any applicable law or regulatory requirements.

- (3) If, with respect to a Transaction Type, an entity already acts as a Specified Client, such entity may not act as a Non-Clearing Member or Registered Customer for such Transaction Type. For the avoidance of doubt, an Authorised Manager may

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simultaneously act in different capacities with respect to different Relevant Funds or Fund Segments.

1.2 Clearing Procedures

1.2.1 General

- (1) The specific Clearing Procedures applicable to a Transaction shall be determined on the basis of:
 - (a) the general clearing provisions set out in Part 1 of these General Provisions (the “**General Clearing Provisions**” (*Allgemeine Clearing-Bedingungen*)); and
 - (b) either
 - (aa) the elementary clearing model provisions set out in Part 2 of these General Provisions (the “**Elementary Clearing Model Provisions**”) (*Grund-Clearingmodell-Bedingungen*),
 - (bb) the individual clearing model provisions set out in Part 3 of these General Provisions (the “**Individual Clearing Model Provisions**” (*Individual-Clearingmodell-Bedingungen*)), either pursuant to the Individual Clearing Model Provisions under Eurex Clearing AG Documentation (as defined in Part 3 of these General Provisions, the “**ICM-ECD Provisions**”) or pursuant to the Individual Clearing Model Provisions under Client Clearing Documentation (as defined in Part 3 of these General Provisions, the “**ICM-CCD Provisions**”),
 - (cc) the U.S. clearing model provisions set out in Part 4 of these General Provisions (the “**U.S. Clearing Model Provisions**” (*U.S.-Clearingmodell-Bestimmungen*)), or
 - (dd) the basic clearing member provisions set out in Part 5 of these General Provisions (the “**Basic Clearing Member Provisions**”); and
 - (c) the provisions applicable to the relevant Transaction Type set out in Chapters II-IX (together with all contract specifications, rules and regulations incorporated by reference or specified therein, as applicable, the “**Special Clearing Provisions**” (*Besondere Clearing-Bedingungen*)) which *inter alia* comprise provisions relating to the settlement of the relevant Transaction Type by payment of a cash amount determined by reference to a Security or asset (“**Cash Settlement**”) or by physical delivery of the relevant Security or asset against payment or free of payment as set out in the Special Clearing Provisions (“**Physical Delivery**”).
- (2) In case of any conflicts between (i) the General Clearing Provisions and (ii) the Elementary Clearing Model Provisions, the Individual Clearing Model Provisions, the U.S. Clearing Model Provisions or the Basic Clearing Member Provisions, as applicable, the Elementary Clearing Model Provisions, the Individual Clearing Model

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Provisions, the U.S. Clearing Model Provisions or the Basic Clearing Member Provisions, as applicable, prevail. In case of any conflicts between the Elementary Clearing Model Provisions, the Individual Clearing Model Provisions, the U.S. Clearing Model Provisions or the Basic Clearing Member Provisions, as applicable, and the Special Clearing Provisions, the Special Clearing Provisions prevail.

- (3) The Clearing Conditions provide for terms and conditions with regard to (i) the legal relationship between Eurex Clearing AG and the relevant Clearing Member, (ii) the legal relationship between the Clearing Member and a Non-Clearing Member or a Registered Customer, (iii) the legal relationship between Eurex Clearing AG and the relevant OTC IRS FCM Client and (iv) the legal relationship between Eurex Clearing AG and the relevant Basic Clearing Member, in each case in accordance with the following principles:
- (a) All rights and obligations of Eurex Clearing AG and the relevant Clearing Member under and with respect to their mutual Transactions under one or more Clearing Agreements shall be construed as rights and obligations under one or more separate arrangements (each hereinafter a “**Standard Agreement**” (*Grundlagenvereinbarung*)), in accordance with the specific provisions of the Elementary Clearing Model Provisions or the Individual Clearing Model Provisions.
 - (b) If provided for in the Elementary Clearing Model Provisions or the ICM-ECD Provisions, all rights and obligations of the relevant Clearing Member and a Non-Clearing Member under and with respect to their mutual Transactions under a Clearing Agreement shall be construed as rights and obligations under a separate arrangement (each hereinafter also a “**Standard Agreement**” (*Grundlagenvereinbarung*)). If the ICM-CCD Provisions apply, no Standard Agreement will be established between the Clearing Member and the Non-Clearing Member by these Clearing-Conditions.
 - (c) If provided for in the Elementary Clearing Model Provisions or the ICM-ECD Provisions, all rights and obligations of the relevant Clearing Member and a Registered Customer under and with respect to their mutual Transactions under a Clearing Agreement shall be construed as rights and obligations under a separate arrangement (each hereinafter also a “**Standard Agreement**” (*Grundlagenvereinbarung*)). If the ICM-CCD Provisions apply, no Standard Agreement will be established between the Clearing Member and the Registered Customer by these Clearing-Conditions.
 - (d) If provided for in the Elementary Clearing Model Provisions and if a Clearing Member and the same entity acting as both Non-Clearing Member and Registered Customer have entered into a Clearing Agreement in the form appended to the Clearing Conditions as Appendix 2, all rights and obligations (if any) of the relevant Clearing Member and the relevant entity acting as Non-Clearing Member and Registered Customer under and with respect to their

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mutual Transactions under such Clearing Agreement shall be subject to one and the same Standard Agreement.

- (e) If provided for in the ICM-ECD Provisions and if Eurex Clearing AG, a Clearing Member and the same entity acting as both Non-Clearing Member and Registered Customer have entered into a Clearing Agreement in the form appended to the Clearing Conditions as Appendix 3, all rights and obligations of the Clearing Member and the relevant entity acting as Non-Clearing Member and Registered Customer under and with respect to their mutual Transactions under such Clearing Agreement shall be subject to one and the same Standard Agreement.
- (f) If provided for in the U.S. Clearing Model Provisions, all rights and obligations of Eurex Clearing AG and an OTC IRS FCM Client under and with respect to their mutual OTC IRS FCM Client Transactions under a Clearing Agreement in the form appended to the Clearing Conditions as Appendix 9 shall be subject to one and the same OTC IRS FCM Client Standard Agreement (each hereinafter also a “**Standard Agreement**” (*Grundlagenvereinbarung*)) in accordance with the U.S. Clearing Model Provisions.
- (g) If provided for in the Basic Clearing Member Provisions, all rights and obligations of Eurex Clearing AG and a Basic Clearing Member with respect to their mutual Basic Clearing Member Transactions (as defined in Part 5 Number 1.2) under a Clearing Agreement in the form appended to the Clearing Conditions as Appendix 10 shall constitute a separate arrangement (each hereinafter also a “**Standard Agreement**” (*Grundlagenvereinbarung*)) in accordance with the Basic Clearing Member Provisions.

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. However, the conclusion of Market Transactions and OTC Transactions between Eurex Clearing AG and a Basic Clearing Member is exclusively subject to the Basic Clearing Member Provisions and the conclusion of OTC Transactions between Eurex Clearing AG and an OTC IRS FCM Client is exclusively subject to the U.S. Clearing Model Provisions.

(1) Market Transactions

Market Transactions are concluded as follows:

- (a) Whenever an order or quote entered into the trading systems of a Market by a Clearing Member is matched with another order or quote, in each case a Market Transaction with identical terms shall be concluded between Eurex Clearing AG and the relevant Clearing Member(s) (each hereinafter also an “**executing Clearing Member**”).

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- (b) All entries made by a Non-Clearing Member in its capacity as such into the trading system, if applicable, shall be directly binding for and against its Clearing Member. Whenever an order or quote entered into the trading systems of a Market by a Non-Clearing Member is matched with another order or quote, in each case a Market Transaction with identical terms shall be concluded between Eurex Clearing AG and the relevant Clearing Member(s) and a corresponding Transaction shall be concluded simultaneously between such Non-Clearing Member (hereinafter also an **“executing Non-Clearing Member”**) and its Clearing Member.
- (c) Whenever after conclusion of a Market Transaction pursuant to Paragraph (a) or (b) above,
- (aa) the executing Clearing Member requests Eurex Clearing AG to book the relevant Market Transaction from a NOSA Direct Client Account of the Clearing Member to a Transaction Account of the Clearing Member relating to a specific Registered Customer (NCM/RC Own Account or Customer Account), either by way of an account booking within the same Standard Agreement or by way of a transfer to another Standard Agreement of such Clearing Member in accordance with the Special Clearing Provisions and Number 1.2.2 Paragraph (5) (a) or
- (bb) another Clearing Member requests Eurex Clearing AG to book the relevant Market Transaction to a Transaction Account of the Clearing Member relating to a specific Registered Customer (NCM/RC Own Account or Customer Account) following a transfer of the Market Transaction to it from the executing Clearing Member in accordance with the Special Clearing Provisions and pursuant to Number 1.2.2 Paragraph (5) (a)),

and Eurex Clearing AG accepts such request, a corresponding Transaction on identical terms shall be concluded between such Clearing Member and such Registered Customer.

The relevant Clearing Member is obliged to obtain the required instruction from the relevant Registered Customer before a conclusion of the Transaction between the relevant Clearing Member and the Registered Customer pursuant to the first Sub-Paragraph.

It is the responsibility of the executing Clearing Member or the executing Non-Clearing Member and its respective customer, to agree on a bilateral basis that any back-to-back transaction concluded between them, if any, upon a matching pursuant to Paragraph (a) or (b) in accordance with their bilateral arrangement, shall be cancelled upon the conclusion of the Transaction between the relevant Clearing Member and the Registered Customer pursuant to the first Sub-Paragraph.

(2) OTC Transactions

OTC Transactions will be concluded by way of novation.

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Whenever

- (i) an over-the-counter transaction (the “**Original OTC Transaction**”) is submitted to Eurex Clearing AG by Clearing Members or by a Non-Clearing Member or a Registered Customer, respectively, either directly or via a third party information provider, as provided for in the Special Clearing Provisions, and
- (ii) Eurex Clearing AG accepts such Original OTC Transaction for inclusion in the Clearing Procedures in accordance with the Special Clearing Provisions,

Eurex Clearing AG will, subject to the following provisions, interpose itself by means of a novation as central counterparty between the parties of the Original OTC Transaction.

Any novation of Original OTC Transactions shall be subject to the novation procedures, criteria and effectiveness requirements specified in the Special Clearing Provisions. The OTC Transactions resulting from the novation shall not be subject to the valid existence of the Original OTC Transaction (abstract novation).

The Original OTC Transaction shall – subject to the Special Clearing Provisions – upon the novation becoming effective be replaced by two OTC Transactions, each on terms that are identical to the terms of the other OTC Transaction, between Eurex Clearing AG and the relevant Clearing Member(s). To the extent that a Non-Clearing Member or a Registered Customer, respectively, which is a party to a Clearing Agreement, is a counterparty to the Original OTC Transaction, upon conclusion of the OTC Transactions between Eurex Clearing AG and the Clearing Member(s) a corresponding OTC Transaction will, simultaneously, be concluded between the Non-Clearing Member or Registered Customer, respectively, and its Clearing Member.

Unless expressly set out otherwise in the Special Clearing Provisions, it is the responsibility of the parties to the Original OTC Transaction to agree on a bilateral basis on the effects of the novation with respect to the Original OTC Transaction, in particular whether, upon the novation becoming effective, (i) the Original OTC Transaction shall be cancelled, (ii) the parties to the Original OTC Transaction shall be released from their obligations to each other under such Original OTC Transaction and (iii) any outstanding obligations relating to payments and deliveries that have become due, but have not been paid or delivered on or before the date of novation shall continue to exist in accordance with the contractual provisions of the Original OTC Transaction.

The relevant Clearing Member is obliged to obtain the required instruction from the Registered Customer before the conclusion of an RC-Related Transaction.

(3) Securities Lending Transactions

Securities Lending Transactions will be concluded by way of novation in accordance with Chapter IX.

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- (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.
- (5) Transfer of Transactions
- (a) Subject to the terms and conditions set out in the Special Clearing Provisions and this Paragraph (5), a Clearing Member or a Basic Clearing Member (the "**Transferor Clearing Member**" for the purposes of Paragraph (a) through (c)) may with the consent of Eurex Clearing AG transfer a Transaction concluded with Eurex Clearing AG (for the purposes of Paragraph (c) each an "**Original Transaction**") (i) into another Standard Agreement between such Transferor Clearing Member and Eurex Clearing AG or (ii) upon a prior agreement with another Clearing Member or a Basic Clearing Member holding the applicable Clearing License or Basic Clearing Member Clearing License, respectively, for such Transaction, to such Clearing Member or Basic Clearing Member (for the purposes of Paragraph (a) through (c) the "**Transferee Clearing Member**").
- (b) If the Transaction to be transferred pursuant to Paragraph (a) above is an NCM-Related Transaction (as defined in Number 1.2.3 Paragraph (1) (c)) or a RC-Related Transaction (as defined in Number 1.2.3 Paragraph (1) (d)), the transfer of the relevant Transaction requires the consent of the relevant Non-Clearing Member or Registered Customer (which consent may, in each case, be generally given in the relevant Clearing Agreement); if such consent is given, the Transaction between Eurex Clearing AG and the Transferor Clearing Member and the Transaction between the Transferor Clearing Member and the Non-Clearing Member or Registered Customer, as the case may be, (for the purposes of Paragraph (c) each an "**Original Transaction**") shall, subject to the Special Clearing Provisions, be transferred simultaneously.
- (c) Any transfer of an Original Transaction shall occur by way of novation and, subject to the provisions of the Special Clearing Provisions, (i) the parties to the relevant Original Transaction shall be released from their obligations to each other under such Original Transaction (provided that any outstanding obligations relating to payments and deliveries that have become due, but have not been paid or delivered on or before the date of novation shall continue to exist under the contractual provisions of the Original Transaction, but shall be deemed to have been discharged under the newly established Transactions)

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and (ii), the following new Transactions shall be established on terms identical to such Original Transaction:

- (aa) in the case of a transfer pursuant to Paragraph (a), item (i) above, a Transaction between the Transferor Clearing Member and Eurex Clearing AG pursuant to the terms of such other Standard Agreement; or
- (bb) in the case of a transfer pursuant to Paragraph (a), item (i) in connection with Paragraph (b) above, a Transaction between the Transferor Clearing Member and Eurex Clearing AG and, in the case of Paragraph (b) above, a Transaction between the Transferor Clearing Member and the relevant Non-Clearing Member or Registered Customer, as the case may be, in both cases pursuant to the terms of the relevant Standard Agreement, as applicable to such Non-Clearing Member or Registered Customer; or
- (cc) in the case of a transfer pursuant to Paragraph (a), item (ii) above, a Transaction between the Transferee Clearing Member and Eurex Clearing AG pursuant to the terms of the relevant applicable Standard Agreement selected by the Transferee Clearing Member and Eurex Clearing AG; or
- (dd) in the case of a transfer pursuant to Paragraph (a), item (ii) in connection with Paragraph (b) above, a Transaction between the Transferee Clearing Member and Eurex Clearing AG, and, in the case of Paragraph (b) above, a Transaction between the Transferee Clearing Member and the relevant Non-Clearing Member or Registered Customer, as the case may be, in both cases pursuant to the terms of the relevant Standard Agreement, as applicable to such Non-Clearing Member or Registered Customer.

The Transactions resulting from the novation shall not be subject to the valid existence of the Original Transaction (abstract novation).

- (d) Subject to the provisions set out in the Special Clearing Provisions and if the Elementary Clearing Model Provisions apply a Clearing Member may agree with a Non-Clearing Member or Registered Customer, respectively, (for the purposes of this Paragraph (d) the “**Transferor**”) on a transfer of a Transaction (for the purposes of this Paragraph (d) an “**Original Transaction**”) from the Transferor to another Non-Clearing Member or Registered Customer, respectively, (for the purposes of Paragraph (d) the “**Transferee**”) upon a prior consent by such party (which consent may be generally given in the relevant Clearing Agreements).

Any such transfer shall occur by way of novation and, and subject to the provisions of the Special Clearing Provisions, (i) the parties to the relevant Original Transaction shall be released from their obligations to each other under such Original Transaction (provided that any outstanding obligations relating to payments and deliveries that have become due, but have not been paid or delivered on or before the date of novation shall continue to exist under the

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contractual provisions of the Original Transaction, but shall be deemed to have been discharged under the newly established Transaction) and (ii) a new Transaction between the Clearing Member and the Transferee shall be established on terms identical to such Original Transaction pursuant to the terms of the relevant Standard Agreement, as applicable to such Transferee.

The Transaction resulting from the novation shall not be subject to the valid existence of the Original Transaction (abstract novation).

- (e) Subject to the terms and conditions set out in the Special Clearing Provisions, a Non-Clearing Member or Registered Customer, respectively, (the “**Transferor**” for the purposes of this Paragraph (e)) may, with the prior consent of its Clearing Member (for the purposes of this Paragraph (e) the “**Transferor Clearing Member**”) and Eurex Clearing AG, agree on the transfer of (i) a Transaction concluded by the Transferor with the Transferor Clearing Member and (ii) the corresponding Transaction between the Transferor Clearing Member and Eurex Clearing AG (for the purposes of this Paragraph (e) each an “**Original Transaction**”) to another Non-Clearing Member or Registered Customer, respectively, (for the purposes of this Paragraph (e) the “**Transferee**”) and to the Transferee's Clearing Member (for the purposes of this Paragraph (e) the “**Transferee Clearing Member**”) provided that the Transferee Clearing Member holds the applicable Clearing License for such Original Transactions and has given its prior consent to the transfer.

Any such transfer shall occur by way of novation and, subject to the provisions of the Special Clearing Provisions, (i) the parties to the relevant Original Transaction shall be released from their obligations to each other under such Original Transaction (provided that any outstanding obligations relating to payments and deliveries that have become due, but have not been paid or delivered on or before the date of novation shall continue to exist under the contractual provisions of the Original Transaction, but shall be deemed to have been discharged under the newly established Transactions) and (ii) new Transactions between (x) the Transferee and the Transferee Clearing Member and (y) the Transferee Clearing Member and Eurex Clearing AG shall be established on terms identical to the relevant Original Transaction pursuant to the terms of the relevant Standard Agreement, as applicable to such Transferee and Transferee Clearing Member.

- (f) (i) In the case of a transfer of a Transaction which is subject to the ICM-CCD Provisions or (ii) in the case of a transfer of a Transaction which shall become subject to the ICM-CCD Provisions after such transfer, Paragraphs (a) through (c) and Paragraph (e) shall only apply with respect to Transactions subject to a Standard Agreement pursuant to the Clearing Conditions. For the avoidance of doubt, the transfer of a Transaction by way of novation or otherwise which is or shall become subject to a Client Clearing Agreement with a Non-Clearing Member or Registered Customer, as the case may be, (as defined in Part 3 Subpart C Number 2.1.1 of the Individual Clearing Model Provisions), will be

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novated or established on identical terms pursuant to the terms of such Client Clearing Agreement.

- (g) Sub-paragraphs (d) to (f) do not apply in respect of any Basic Clearing Member Transactions. For transfers of OTC IRS FCM Client Transactions the U.S. Clearing Model Provisions apply.

(6) Restrictions

- (a) With regard to any single Transaction, unless explicitly stated in the Clearing Conditions, neither party shall have a contractual right to rescission (*Rücktrittsrecht*) or termination (*Kündigungsrecht*) for reason of errors, price corrections or similar causes or for any adjustment of such Transaction.
- (b) Any statutory rights of rescission or termination with regard to any single Transaction shall be excluded unless such right is based on a breach of duty (*Pflichtverletzung*) Eurex Clearing AG is responsible for (*Vertretenmüssen*). The right for termination of the Clearing Agreement for serious cause (*aus wichtigem Grund*) shall remain unaffected.
- (c) A party to a Transaction may not avoid such Transaction (*anfechten*) for mistake (*Irrtum*) or incorrect transmission (*falsche Übermittlung*). To the extent that German law governs the relevant legal relationship, the statutory right of avoidance for wilful deceit (*arglistige Täuschung*) or unlawful threat (*widerrechtliche Drohung*) shall remain unaffected.
- (d) All claims for unjust enrichment or similar claims against Eurex Clearing AG, if any, which may arise in connection with an abstract novation under these Clearing Conditions are excluded. The novation of the Original OTC Transaction shall, however, not exclude any claims for unjustified enrichment (*ungerechtfertigte Bereicherung*), or any other restitution or compensation claims under any applicable laws, between the parties to the Original OTC Transaction. Neither the valid existence of an Original OTC Transaction nor the conformity of the transmitted trade details of the Original OTC Transaction with the actual terms of the OTC Transaction shall constitute an inherent basis (*Geschäftsgrundlage*) for an OTC Transaction.

1.2.3 Categories of Transactions between Eurex Clearing AG and the Clearing Member, Relationship to Transactions with Non-Clearing Members and Registered Customers

- (1) A Transaction concluded between Eurex Clearing AG and a Clearing Member will, for the purpose of the Clearing Conditions, be categorised as:
- (a) an “**Own Transaction**” if it is concluded for the relevant Clearing Member's own account;
- (b) a “**Client-Related Transaction**” if it is any of the following transactions:

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- (aa) a “**UDC-Related Transaction**” if it refers to a corresponding transaction between such Clearing Member and an Undisclosed Direct Client;
- (bb) an “**NCM-Related Transaction**” if it refers to a corresponding Transaction between such Clearing Member and a Non-Clearing Member;
- (cc) an “**RC-Related Transaction**” if it refers to a corresponding Transaction between such Clearing Member and a Registered Customer; or
- (dd) an “**SC-Related Transaction**” if it refers to a Transaction between such Clearing Member and a Specified Client;

in each case including own transactions of the relevant Direct Client and transactions of such Direct Client that relate to Indirect Clients.

- (2) Unless otherwise provided for in the Clearing Conditions or agreed between the Clearing Member and the Non-Clearing Member or Registered Customer, respectively with respect to Transactions pursuant to the Elementary Clearing Model Provisions, upon conclusion or establishment of an NCM-Related Transaction or an RC-Related Transaction, any amendment to such NCM-Related Transaction or RC-Related Transaction or termination of such NCM-Related Transaction or RC-Related Transaction (except for a Termination pursuant to Number 7 which provides for specific provisions) shall have the same legal effect on the corresponding Transaction (and any termination notice by a Clearing Member in respect of an NCM-Related Transaction or RC-Related Transaction shall also constitute a termination notice in respect of the corresponding Transaction between the Clearing Member and the Non-Clearing Member or Registered Customer, respectively) between the Clearing Member and the Non-Clearing Member or Registered Customer, respectively. The relevant Clearing Member is obliged to obtain the required instruction from the relevant Non-Clearing Member or Registered Customer before initiating any such amendment or termination.

This Number 1.2.3 Paragraph (2) shall not apply in the case of the Clearing of Transactions pursuant to the ICM-CCD Provisions. For any termination or amendment of a transaction between the Clearing Member and a Non-Clearing Member or Registered Customer, as the case may be, by reference to a Covered Transaction between Eurex Clearing AG and the Clearing Member, the Clearing Member and the Non-Clearing Member or Registered Customer, as the case may be, are required to agree on a bilateral basis on such termination or amendment on or before initiating any such termination or amendment.

The Clearing Conditions do not apply to transactions between (i) a Clearing Member and an Undisclosed Direct Client and (ii) a Clearing Member and a Specified Client. It is the responsibility of the Clearing Member and its Undisclosed Direct Client or Specified Client to agree on a bilateral basis on the terms governing such transactions.

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- (3) The Registered Customer, by entering into the relevant Clearing Agreement, irrevocably authorises (*bevollmächtigt*) Eurex Clearing AG to receive, also on behalf of the Registered Customer, any notice, termination notice or other declaration by the Clearing Member resulting in an amendment or termination of an RC-Related Transaction and/or a corresponding Transaction between the Clearing Member and the Registered Customer.
- (4) This Number 1.2.3 does not apply with respect to Transactions between Eurex Clearing AG and an OTC IRS FCM Client and with respect to Basic Clearing Member Transactions.

1.2.4 Certain Definitions and Interpretation

In these Clearing Conditions:

- (1) **“Business Days”** means
- (a) for the Clearing of Eurex Transactions (Chapter II): the exchange days determined by the management boards of the Eurex Exchanges;
 - (b) for the Clearing of Eurex Repo Transactions (Chapter IV): the trading days determined by the management board of Eurex Repo;
 - (c) for the Clearing of FWB Transactions (Chapter V Part 1 and 2): the exchange days determined by the management board of FWB;
 - (d) for the Clearing of ISE Transactions (Chapter VI): the days determined by Eurex Clearing AG on which a clearing of ISE Transactions is carried out;
 - (e) for the Clearing of OTC Transactions (Chapter VIII): the days determined by the Executive Board of Eurex Clearing AG;
 - (f) for the Clearing of Securities Lending Transactions (Chapter IX): the days determined by the Executive Board of Eurex Clearing AG; and
 - (g) in any other case, a day (other than Saturday or Sunday) on which commercial banks in Frankfurt am Main, Germany, are open for general business.
- (2) **“Clearing Currency”** means either Euro (**“EUR”**), Swiss Francs (**“CHF”**) or British Pounds (**“GBP”**) as agreed in writing between Eurex Clearing AG and the Clearing Member in respect of each Standard Agreement or between Eurex Clearing AG and the Clearing Agent (acting on behalf of the relevant Basic Clearing Member) in respect of the Basic Clearing Member Clearing Agreement (as defined in Part 5 Number 1.1). In these Clearing Conditions **“Euro”** means the lawful currency of the member states of the European Union that continue to have adopted the single currency in accordance with the Treaty establishing the European Community (signed in Rome on March 25, 1957), as amended by the Treaty on the European Union (signed in Maastricht on February 7, 1992), the Treaty of Amsterdam (signed in Amsterdam on October 2, 1997), the Treaty of Nice (signed in Nice on

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February 26, 2001) and the Treaty of Lisbon (signed in Lisbon on December 13, 2007).

- (3) The terms “**Margin**” or “**Variation Margin**”, “**Proprietary Margin**” or “**Proprietary Variation Margin**” and “**Omnibus Margin**” or “**Omnibus Variation Margin**” shall have the meaning given to such terms in the Elementary Clearing Model Provisions, the terms “**Segregated Margin**” or “**Segregated Variation Margin**” shall have the meaning given to such terms in the Individual Clearing Model Provisions, the terms “**OTC IRS FCM Client Margin**” or “**OTC IRS FCM Client Variation Margin**” shall have the meaning given to such terms in the U.S. Clearing Model Provisions and the terms “**Basic Clearing Member Margin**” or “**Basic Clearing Member Variation Margin**” shall have the meaning given to such terms in the Basic Clearing Member Provisions, provided that (i) “**Margin**” shall refer to “**Proprietary Margin**”, “**Omnibus Margin**”, “**Segregated Margin**”, “**OTC IRS FCM Client Margin**” or “**Basic Clearing Member Margin**” and (ii) “**Variation Margin**” shall refer to “**Proprietary Variation Margin**” and “**Omnibus Variation Margin**”, “**Segregated Variation Margin**”, “**OTC IRS FCM Client Variation Margin**” or “**Basic Clearing Member Variation Margin**”, respectively, in the General Clearing Provisions and the Special Clearing Provisions where the context so provides or requires.
- (4) References to laws, rules, regulations and agreements shall mean such laws, rules, regulations and agreements (that are not part of the Clearing Conditions) as they are amended and updated from time to time.

1.2.5 Transfer of Securities and Rights

- (1) Securities which are held in collective safe custody (*Girosammelverwahrung*) pursuant to Section 5 German Safe Custody Act (*Depotgesetz*) shall be transferred by way of agreement and delivery according to property law principles of the German Civil Code (*Bürgerliches Gesetzbuch*).
- (2) Book-entry securities (*Gutschriften in Wertpapierrechnung*) which are governed by German law shall be transferred according to the principles of the law of obligation (*schuldrechtliche Grundsätze*) of the German Civil Code (*Bürgerliches Gesetzbuch*) by way of transfer of the respective legal position underlying such German book-entry securities. This transfer is effected by assignment of the return/delivery claim (*schuldrechtlicher Herausgabe-/Lieferanspruch*) to Eurex Clearing AG. Such return/delivery claim is held by the Clearing Member, the Clearing Agent or the Basic Clearing Member against the securities depository bank or the custodian or central securities depository recognised by Eurex Clearing AG (hereinafter each a “**Settlement Location**”) which holds the legal position underlying such German book-entry securities on trust and in favour of such Clearing Member, the Clearing Agent or Basic Clearing Member. This applies *mutatis mutandis* to the transfer of German book entry securities between Eurex Clearing AG and the Clearing Member or the Basic Clearing Member (or the Clearing Agent acting for the account of the Basic Clearing Member) to whom delivery is to be made.

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- (3) The transfer of securities or rights held on accounts outside of Germany, shall be carried out according to the relevant applicable local legal provisions and general conditions (usages). Insofar, the Special Clearing Provisions may provide for separate provisions in relation to such respective markets.

1.2.6 Mandatory Business Hours

Clearing Members, Clearing Agents, Non-Clearing Members, Registered Customers, OTC IRS FCM Clients and Basic Clearing Members are obliged to procure that they are prepared to handle Clearing-related business, including the assessment of reports and notifications in accordance with Number 4.6, on each Business Day (in the case of Clearing Members or Clearing Agents from 7:00 hours until 23:30 hours CET).

However, in case a Clearing Member or Non-Clearing Member is involved in the Clearing of instruments which are admitted to trading on the Eurex Exchanges and are available for 23 hours trading, it is required to procure that they are prepared to handle Clearing-related business, including the assessment of reports and notifications in accordance with Number 4.6, on each Business Day for these instruments from 00:00 hours until 23:00 hours CET.

1.2.7 Default Rules

The Clearing Conditions provide for provisions relating to a default, non-performance or breach of obligations by the Clearing Member, the Clearing Agent, the OTC IRS FCM Client, the Basic Clearing Member or Eurex Clearing AG (the “**Default Rules**”).

The Default Rules comprise (i) with respect to a Clearing Member (other than an OTC IRS FCM Clearing Member in relation to OTC IRS FCM Client Transactions), Numbers 6 and 7 in the General Clearing Provisions, Subpart A Number 6 in the Elementary Clearing Model Provisions, Subpart A Number 7 and Number 14 of the Individual Clearing Model Provisions, (ii) with respect to an OTC IRS FCM Clearing Member in relation to OTC IRS FCM Client Transactions, Numbers 6 and 7 of the General Clearing Provisions and Numbers 1.6.10, 7 and 8 of the U.S. Clearing Model Provisions, (iii) with respect to an OTC IRS FCM Client, Number 9 of the U.S. Clearing Model Provisions, (iv) with respect to a Clearing Agent, Number 11 of the Basic Clearing Member Provisions, (v) with respect to a Basic Clearing Member, Number 10 of the Basic Clearing Member Provisions and (vi) with respect to Eurex Clearing AG, Number 9 of the General Clearing Provisions, as well as, in each case, the specific provisions relating thereto set out in the Specific Clearing Provisions.

1.2.8 Prohibition of Assignment

Unless otherwise provided for in the Clearing Conditions, the assignment of claims and rights arising from Transactions under a specific Standard Agreement by the relevant Clearing Member, Non-Clearing Member, Registered Customer, OTC IRS FCM Client or Basic Clearing Member shall be excluded.

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Eurex Clearing AG will not assign any of its claims or rights arising from Transactions under a specific Standard Agreement against a Clearing Member, Non-Clearing Member, Registered Customer, OTC IRS FCM Client or Basic Clearing Member, unless such assignment is necessary in order to comply with statutory or regulatory requirements.

1.2.9 Finality

- (1) Eurex Clearing AG operates based on these Clearing Conditions, the Clearing Agreements incorporating these Clearing Conditions as well as any further related agreements, regulations and other documents, a system within the meaning of Sections 1 paragraph 16 and 24b German Banking Act as well as Article 2 letter a of the Directive 98/26/EC of the European Parliament and of the Council of 19 May 1998 on the settlement finality in payment and securities settlement systems (**Settlement Finality Directive**). The system has been reported to the European Securities and Markets Authority by the German Bundesbank in accordance with § 1 paragraph 16 sentence 1 German Banking Act.
- (2) Payment orders and transfer orders within the meaning of Article 2 letter i of the Settlement Finality Directive from participants and indirect participants of the system operated by Eurex Clearing AG are entered into the system of Eurex Clearing AG and are irrevocable, as of the time as of which
 - (a) with regard to Transactions that are not included in the Clearing by way of novation, an order or quote entered into the trading system of a market is matched with another order or quote in accordance with the rulebooks of such market or
 - (b) with regard to Transactions that are included in the Clearing by way of novation, a novation within the meaning of Number 1.2.2 takes effect in accordance with the conditions specified in this regard in the Special Clearing Conditions.
- (3) In deviation from paragraph (2), all other payment orders and transfer orders within the meaning of Article 2 letter i of the Settlement Finality Directive, as well as any changes to or cancellations of payment orders and transfer orders including those referred to in paragraph (2) (together referred to as "**Orders**") from participants and indirect participants of the system operated by Eurex Clearing AG are entered into the system of Eurex Clearing AG and are irrevocable, as of the moment as of which the respective Orders can pursuant to the underlying contractual rules no longer be deleted unilaterally and Eurex Clearing AG identifies or records the respective Orders in the technical systems of Eurex Clearing AG.
- (4) To the extent that paragraphs (2) and (3) contain no specific regulation, § 130 of the German Civil Code shall apply accordingly.

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1.3 Set-off

1.3.1 Set-off of claims between the Clearing Member or Basic Clearing Member and Eurex Clearing AG

Unless otherwise provided in the relevant Special Clearing Provisions, the Elementary Clearing Model Provisions, the Individual Clearing Model Provisions, the U.S. Clearing Model Provisions or the Basic Clearing Member Provisions, Eurex Clearing AG is at any time entitled to set off its claims vis-à-vis a Clearing Member or Basic Clearing Member against claims of such Clearing Member or Basic Clearing Member vis-à-vis Eurex Clearing AG in accordance with the rules set forth below.

Subject to the limitations under Article 39 Paragraph 9 b) Regulation (EU) 648/2012 (“**EMIR**”) Clearing Members are entitled to set off own claims that are uncontested or have been finally and non-appealably established with claims of Eurex Clearing AG.

(1) Set-off Procedure within Standard Agreements

(a) Set-off of Cash Claims

Eurex Clearing AG shall be entitled to set off any of its cash claims under a specific Standard Agreement (other than an OTC IRS FCM Client Standard Agreement) against other cash claims of the Clearing Member or Basic Clearing Member under that Standard Agreement, in each case excluding Settlement Claims in cash and Residual Payment Claims (each as defined in Paragraph (b) below).

(b) Set-off of Settlement Claims

Settlement Claims against a Clearing Member or Basic Clearing Member under a specific Standard Agreement can only be set off by Eurex Clearing AG against Settlement Claims of that Clearing Member or Basic Clearing Member arising under that Standard Agreement in accordance with the following:

(aa) only Settlement Claims arising from the same Transaction Type may be set off; and

(bb) only Settlement Claims being part of the same Set-Off Cluster (as defined below) may be set off.

Notwithstanding Paragraph (aa) above, Eurex Clearing AG and the Clearing Member may agree in advance to include in a Set-Off Cluster Settlement Claims arising from different Transaction Types in accordance with the following provisions:

(A) Settlement Claims pursuant to Chapter II and Settlement Claims pursuant to Chapter V Part 2;

(B) Settlement Claims pursuant to Chapter IV.

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Any residual cash claims resulting from a set-off within a particular Set-Off Cluster may be set off against other residual cash claims in the same currency resulting from a set-off within any other Set-Off Cluster under the same Standard Agreement (each of these cash claims resulting from such set-off a “**Residual Payment Claim**”).

“**Settlement Claims**” means, with respect to Transactions that provide for a Physical Delivery, (i) all payment and delivery claims arising from Transactions under Chapter II from, and including, the time of the exercise or assignment (*Zuteilung*) of the relevant Transaction and (ii) all payment and delivery claims arising from Transactions under Chapters III, IV and V.

Settlement Claims will be divided into one or more clusters (each a “**Set-Off Cluster**”). At any time, a Set-Off Cluster shall be composed of Settlement Claims only in accordance with the following pre-requisites:

- (I) the Settlement Claims shall relate to Securities with the same securities identifier; and
- (II) the Settlement Claims shall to be settled in the same currency; and
- (III) the Settlement Claims shall be settled by crediting the same Securities account at the Settlement Location; and
- (IV) the set-off of the Securities delivery obligations arising under the selected Settlement Claims shall result in a full set-off of all such Securities delivery obligations; for such purposes Eurex Clearing AG may also partially include certain Settlement Claims in the relevant Set-Off Cluster.

(c) **Processing Method**

The Clearing Member or the Clearing Agent (acting on behalf of the Basic Clearing Member) may opt to either allow Eurex Clearing AG to generally set off all Settlement Claims (the “**Net Processing**”) or to generally exclude all Settlement Claims from such set-off (the “**Gross Processing**”). The Clearing Member or the Clearing Agent (acting on behalf of the Basic Clearing Member) is entitled to specify exemptions for certain Settlement Claims from the relevant applicable processing method.

(d) **Chaining**

The Clearing Member or the Clearing Agent (acting on behalf of the Basic Clearing Member) may require that Settlement Claims of certain buy and sell Transactions shall form part of the same Set-Off Cluster in whole or in part.

(e) **Cash Deferral**

If a Clearing Member or the Clearing Agent (acting on behalf of the Basic Clearing Member) elected the Positive Procedure pursuant to Number 1.4.2

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Paragraph (2) (a), such Clearing Member or the Clearing Agent (acting on behalf of the Basic Clearing Member) may require a further exemption from the Net Processing method and block the set-off of Settlement Claims from certain sell Transactions in which case Eurex Clearing AG may assign Settlement Claims from buy Transactions to such Settlement Claims from sell Transactions. Such blocked Settlement Claims from sell Transactions and assigned Settlement Claims from buy Transactions shall neither be subject to a set-off nor be fulfilled before the blocking of such Settlement Claims from sell Transactions is released by the Clearing Member or the Clearing Agent (acting on behalf of the Basic Clearing Member).

(f) **Declaration of Set-off**

Eurex Clearing AG shall declare the set-off by the provision (*Zurverfügungstellung*) of the daily internal cash account (set out in Number 4.3) statement with respect to any set-off pursuant to Paragraph (1) (a) above, or of the settled cash transaction report or the actual settlement delivery report (*Ist-Lieferreport*) with respect to any set-off pursuant to Paragraph (1) (b) above.

(g) **Effectiveness of Set-off**

Each set-off effected pursuant to this Paragraph (1) shall become effective on the latest due date of any of the claims subject to such set-off.

(2) **Set-off procedure across Standard Agreements**

(a) **General Rules**

(aa) Eurex Clearing AG shall be entitled to set off cash payment claims arising from Transactions other than Settlement Claims (the “**Payment Claims**”) under a specific Standard Agreement with the Clearing Member with other Payment Claims of the Clearing Member in the same currency which, in each case, are due and payable under any other Standard Agreement.

The Clearing Member and Eurex Clearing AG may agree in writing to exclude the set-off of Payment Claims across Standard Agreements or to limit such set-off to specific groups of Standard Agreements.

(bb) Further, Eurex Clearing AG shall be entitled to set off Payment Claims and Residual Payment Claims, but excluding cash claims which are to be settled against Physical Delivery under a specific Standard Agreement with the Clearing Member with other Residual Payment Claims of the Clearing Member in the same currency which, in each case, are due and payable under any other Standard Agreement.

(b) **Set-off Declaration**

Eurex Clearing AG shall declare the set-off by the provision (*Zurverfügungstellung*) of the daily internal cash account (set out in Number 4.3)

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statement with respect to any set-off pursuant to Paragraph (2) (a) (aa) above, or the settled cash transaction report or the actual settlement delivery report (*Ist-Lieferreport*) with respect to any set-off pursuant to Paragraph (2) (a) (bb) above.

(c) **Effectiveness of Set-off**

Each set-off effected pursuant to Paragraph (2) (a) above shall become effective upon payment of the relevant balance resulting from such set-off in accordance with Number 1.4 or instantly if no payment is due as a consequence of such set-off.

1.3.2 Set-off of claims between a Clearing Member and its Non-Clearing Member, Registered Customer or OTC IRS FCM Client and between a Clearing Agent and its Basic Clearing Member

Unless otherwise provided for in the Clearing Conditions, (i) a Clearing Member may agree with its Non-Clearing Member, Registered Customer or OTC IRS FCM Client, respectively, and (ii) a Clearing Agent may agree with its Basic Clearing Member, on specific set-off provisions.

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.

1.4.1 Cash Clearing

- (1) In order to make cash payments in EUR, the Clearing Member or, with respect to the Clearing of Basic Clearing Member Transactions, the Clearing Agent or the Basic Clearing Member is obliged to instruct the bank of its relevant RTGS Account or relevant euroSIC Account to honour the transfer instructions (*Lastschriften*) received from Eurex Clearing AG.
- (2) In order to make cash payments in CHF, the Clearing Member or, with respect to the Clearing of Basic Clearing Member Transactions, the Clearing Agent or the Basic Clearing Member is obliged to instruct the Swiss National Bank (“**SNB**”) to honour the transfer instructions (*Lastschriften*) received from Eurex Clearing AG with respect to its SIC Account (as defined in Number 2.1.2 Paragraph (4) (b) (bb)).
- (3) If the Clearing Member uses the cash account of a Correspondent Bank in accordance with Number 2.1.2 Paragraph (4) (b) (ee), the Clearing Member shall procure that the transfer instructions (*Lastschriften*) received from Eurex Clearing AG with respect to such account are honoured by the Correspondent Bank. If the Clearing Member uses the cash account maintained with a Settlement Bank in accordance with Number 2.1.2 Paragraph (4) (b) (ff), the Clearing Member shall procure that the transfer instructions (*Lastschriften*) received from Eurex Clearing

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AG with respect to such account are honoured by the Settlement Bank. If the Clearing Member uses a cash account maintained with a Settlement Bank in the name of a bank in accordance with Number 2.1.2 Paragraph (4) (b) (gg), the Clearing Member shall procure that the transfer instructions (*Lastschriften*) received from Eurex Clearing AG with respect to such account are honoured by the Settlement Bank.

- (4) In order to make cash payments in currencies other than EUR and CHF, the Clearing Member shall instruct its Settlement Bank with respect to the relevant currency account to honour the transfer instructions (*Lastschriften*) received from Eurex Clearing AG with respect to such cash account.
- (5) In order to make cash payments in respect of Margin in currencies other than a Clearing Currency accepted by Eurex Clearing AG, the Clearing Member or, with respect to the Clearing of Basic Clearing Member Transactions, the Clearing Agent or the Basic Clearing Member shall transfer the relevant cash amounts to the account of Eurex Clearing AG as notified to the Clearing Member, the Clearing Agent or the Basic Clearing Member (as applicable) from time to time by the date specified by Eurex Clearing AG with respect to the relevant currency. The Clearing Member, the Clearing Agent or the Basic Clearing Member (as applicable) may instruct its Settlement Bank with respect to the relevant currency account, to honour the transfer instructions (*Lastschriften*) received from Eurex Clearing AG with respect to such account.
- (6) In order to make payments in respect of Eurex-Fees (as defined in Number 5.1), the Clearing Member or, with respect to the Clearing of Basic Clearing Member Transactions, the Clearing Agent or the Basic Clearing Member may by way of derogation from Paragraphs (1) and (2) also instruct its bank for the relevant currency to honour the transfer instructions (*Lastschriften*) received from Eurex Clearing AG.
- (7) The debit instructions provided by the Clearing Member in accordance with this Number 1.4.1 and relating to one or more Clearing License(s) may only be revoked by the Clearing Member if the Clearing Member also terminates such Clearing License(s). If the Clearing Member has declared such revocation and termination, such revocation of debit instructions and the termination of the related Clearing License(s) shall only become effective after all Transactions of the Clearing Member (and, in the case of an OTC IRS FCM Clearing Member, of each of its OTC IRS FCM Clients) of the relevant Transaction Type(s) have been cancelled, closed or fulfilled. If a Clearing License ends for any other reasons, all related debit instructions shall terminate and such termination shall become effective in accordance with the foregoing sentence.
- (8) The debit instructions provided by the Basic Clearing Member in accordance with this Number 1.4.1 and relating to one or more Basic Clearing Member Clearing License(s) may only be revoked by the Basic Clearing Member if the Basic Clearing Member also terminates such Basic Clearing Member Clearing License(s). If the

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Basic Clearing Member has declared such revocation and termination, such revocation of debit instructions and the termination of the related Basic Clearing Member Clearing License(s) shall only become effective after all Basic Clearing Member Transactions of the Basic Clearing Member of the relevant Transaction Type(s) have been cancelled, closed or fulfilled. If a Basic Clearing Member Clearing License ends for any other reasons, all related debit instructions shall terminate and such termination shall become effective in accordance with the foregoing sentence.

- (9) The debit instructions provided by the Clearing Agent in accordance with this Number 1.4.1 may only be revoked by the Clearing Agent (i) if the Clearing Agent also terminates its General Clearing License or (ii) in accordance with Number 3.8 of the Basic Clearing Member Provisions. If the Clearing Agent has declared such revocation and termination pursuant to item (i) above, such revocation of debit instructions and the termination of its General Clearing License shall only become effective after all Basic Clearing Member Transactions of each of its Basic Clearing Members have been cancelled, closed or fulfilled. If the General Clearing License of the Clearing Agent ends for any other reasons, all related debit instructions shall terminate and such termination shall become effective in accordance with the foregoing sentence.

1.4.2 Settlement of Transactions in Securities

- (1) The Clearing Members or the Basic Clearing Members (acting through their Clearing Agent, as applicable) shall fulfil the relevant delivery and payment obligations resulting from Transactions in accordance with the instructions of Eurex Clearing AG.
- (2) For Transactions to be fulfilled through delivery of Securities, Eurex Clearing AG offers an electronically supported service in order to improve the delivery process (the “**Gross Delivery Management**”).

The use of the Gross Delivery Management requires technical access to the respective interface of the network provided by Eurex Clearing AG; such access shall be in line with the specifications defined by Eurex Clearing AG.

The Gross Delivery Management includes two release methods:

- (a) The delivery of all Transactions is not released. In case individual Transactions shall be delivered, they shall be indicated by the Clearing Member or the Basic Clearing Member (or the Clearing Agent acting on its behalf) (the “**Positive Procedure**”). The indication of parts of a Transaction is permissible.
- (b) The delivery of all Transactions is released. In case individual Transactions shall not be delivered, they shall be indicated by the Clearing Member or the Basic Clearing Member (or the Clearing Agent acting on its behalf) (the “**Negative Procedure**”). The indication of parts of a Transaction is permissible.

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In connection with the use of the Gross Delivery Management, Clearing Members, Clearing Agents (acting on behalf of their Basic Clearing Members) or third parties designated by the Clearing Member shall receive individual transaction data from Eurex Clearing AG.

- (3) Each Clearing Member or Basic Clearing Member (or Clearing Agent acting on its behalf) and Eurex Clearing AG shall ensure, through appropriate instruction of the respective Settlement Location, that Transactions can be processed at the time specified in the relevant Special Clearing Provisions, on the delivery days agreed, respectively. The Clearing Members or Basic Clearing Members (or the Clearing Agents acting on behalf of their Basic Clearing Members) shall authorise Eurex Clearing AG, by providing the appropriate power of attorney (or, as applicable, sub-power of attorney) for use vis-à-vis the respective Settlement Location, to give, release and transmit all delivery instructions and to supplement, change or cancel the delivery instructions as required for the timely and correct fulfilment of its delivery and payment obligations against Eurex Clearing AG. The same applies with regard to the corresponding payment instructions.
- (4) The fulfilment of delivery and payment obligations arising from Transactions with regard to Securities held in collective safe custody (*Girosammelverwahrung*), is subject to the following provisions as well as to Paragraph (9) (unless otherwise provided in the relevant Special Clearing Provisions).
 - (a) All physical deliveries are carried out versus payment between the Clearing Members or the Basic Clearing Members obliged to deliver and Eurex Clearing AG and, accordingly, between Eurex Clearing AG and the Clearing Members or the Basic Clearing Members to whom delivery is to be made at the points in time specified in the relevant Special Clearing Provisions, respectively on the agreed delivery days. Unless otherwise provided for in the relevant Special Clearing Provisions, Eurex Clearing AG hereby acts as intermediary (*Besitzmittler*) of the Clearing Members or the Basic Clearing Members obliged to deliver in order to transfer such Securities to the Clearing Members or the Basic Clearing Members to whom delivery is to be made. The physical deliveries shall be carried out via a Settlement Location; the payment shall be effected via the respective account determined by the Settlement Location.
 - (b) The transfer of ownership shall be carried out when the following prerequisites have been fulfilled:
 - (aa) the Settlement Location included in the Securities transfer has, where required, carried out all bookings with regard to the Transactions having been set off or netted or not having been set off or netted by Eurex Clearing AG from the custody account of Eurex Clearing AG with the Settlement Location to the custody accounts of the Clearing Members or Basic Clearing Members (or the Clearing Agent acting on their behalf) to whom delivery is to be made with the Settlement Location; and

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- (bb) the respective cash netting has been carried out by the Settlement Location; and
- (cc) the Clearing Members or the Clearing Agents (acting on behalf of their respective Basic Clearing Member) and the Basic Clearing Members have been provided with the actual settlement delivery report (*Ist-Lieferreport*) by Eurex Clearing AG, such report specifying the single transactions that have actually been delivered.
- (5) The fulfilment of delivery and payment obligations arising from Transactions with regard to German book-entry securities held in the giro trust system (*Treuhandgiroverkehr*) is subject to Paragraphs (6), (7) and (9) (unless otherwise provided in the relevant Special Clearing Provisions).
- (6) All assignments of German book-entry securities (*Gutschriften in Wertpapierrechnung*) shall be carried out versus payment between the Clearing Members or the Basic Clearing Members (or the Clearing Agents acting on behalf of the relevant Basic Clearing Members) and Eurex Clearing AG and, accordingly, between Eurex Clearing AG and the Clearing Members or Basic Clearing Members (or the Clearing Agents acting on behalf of the relevant Basic Clearing Members) to whom delivery is to be made at the points in time specified in the relevant Special Clearing Provisions or on the agreed delivery days, respectively. With regard to the legal position underlying the German book-entry securities transferred to Eurex Clearing AG, Eurex Clearing AG shall for a limited period of time act as fiduciary owner in favour of the acquiring Clearing Members or Basic Clearing Members in order to transfer the legal position underlying the German book-entry securities to the Clearing Members or the Basic Clearing Members to whom delivery is to be made by granting the respective book-entries (*Gutschriften*) under designation of the country of custody (*Lagerland*). The respective book-entries (*Gutschriften*) shall thereby be granted by the Settlement Location, and the payment shall be effected via the respective account determined by the Settlement Location.
- (7) The assignment of the return/delivery claim under the law of obligation (*schuldrechtlicher Herausgabe-/Lieferanspruch*) of the legal position underlying the German book-entry securities is deemed to occur when the following prerequisites are cumulatively fulfilled:
- (a) The Settlement Location included in the assignment of the return/delivery claim has, where required, entered all bookings in relation to all Transactions having been set off or netted or not having been set off or netted by Eurex Clearing AG from the custody account of Eurex Clearing AG with such Settlement Location to the custody accounts of the Clearing Members or the Basic Clearing Members (or the Clearing Agents acting on behalf of their Basic Clearing Members) to whom delivery is to be made with such Settlement Location; and
- (b) the respective cash netting has been carried out in the relevant currency by the Settlement Location.

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- (8) The powers of attorney granted by the Clearing Member or the Basic Clearing Member (or the Clearing Agent acting on behalf of the Basic Clearing Member) in accordance with this Number 1.4.2 and relating to one or more Clearing License(s) may only be revoked by the Clearing Member or the Basic Clearing Member if the Clearing Member or the Basic Clearing Member also terminates such Clearing License(s). If the Clearing Member or the Basic Clearing Member has declared such revocation and termination, such revocation of powers of attorney and such termination of the related Clearing License(s) shall only become effective after all Transactions of the Clearing Member or all Basic Clearing Member Transactions of the Basic Clearing Member of the relevant Transaction Type(s) have been cancelled, closed or fulfilled. If a Clearing License ends for any other reasons, all related powers of attorney shall terminate and such termination shall become effective in accordance with the foregoing sentence.
- (9) The usage of the T2S system for the settlement of securities transactions facilitates partial deliveries of securities during the day. Thus, deliveries of securities may also occur by means of partial deliveries which, accordingly, have a discharging effect.

1.4.3 Rights of appropriation of Eurex Clearing AG

- (1) Right of appropriation with regard to Securities held in collective safe custody (*Girosammelverwahrung*)
- (a) Each Clearing Member or Basic Clearing Member (or the Clearing Agent acting on behalf of such Basic Clearing Member) authorises Eurex Clearing AG to fully or partially acquire at any time the Securities held in collective safe custody (*Girosammelverwahrung*) which have been delivered by such Clearing Member or such Basic Clearing Member (or the Clearing Agent acting on behalf of such Basic Clearing Member) versus payment of the acquisition price on an account of Eurex Clearing AG at the Settlement Location in order to fulfil Transactions, respectively to transfer such acquisition right to third parties for security purposes. The right of appropriation of Eurex Clearing AG or of the third party it was transferred to expires either with the transfer of title in favour of the Clearing Member or the Basic Clearing Member (or the Clearing Agent acting on behalf of the Basic Clearing Member) to whom delivery is to be made or in case Eurex Clearing AG exercises the appropriation right. The delivery of Securities pursuant to Sentence 1 of this sub-paragraph (a) occurs either in the course of the regular clearing process for Markets cleared by Eurex Clearing AG or, upon special instruction of Eurex Clearing AG, on an account of Eurex Clearing AG concurrently (*Zug um Zug*) versus payment of the purchase price in case of a default of the Clearing Member or the Basic Clearing Member to whom delivery is to be made.
- (b) In case Eurex Clearing AG or a third party to which the right of appropriation was partially or fully transferred exercises the right of appropriation, the Clearing Member or Basic Clearing Member obliged to deliver waives its claim of re-delivery of Securities of the same kind and nominal amount against Eurex

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Clearing AG under the condition that Eurex Clearing AG pays the purchase price to the delivering Clearing Member or the Basic Clearing Member (or the Clearing Agent acting on behalf of the Basic Clearing Member) concurrently (*Zug um Zug*) with the delivery of the Securities pursuant to Number 1.4.3 Paragraph (1) (a) in favour of an account 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.

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

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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.

1.4.4 Buy-In Right and Buy-In Auction

- (1) The Special Clearing Provisions may provide that in the event of a failure by a Clearing Member or Basic Clearing Member under a Transaction to deliver Securities to Eurex Clearing AG on the applicable delivery date, Eurex Clearing AG shall be entitled at the cost of the defaulting Clearing Member or the defaulting Basic Clearing Member to enter into a replacement purchase by way of a transaction with a third party or by way of an auction, as further set out in the Special Clearing Provisions. Any replacement purchase by way of an auction shall be subject to the buy-in auction rules published by Eurex Clearing AG on its website (www.eurexclearing.com); such published buy-in auction rules shall form part of these Clearing Conditions.
- (2) Without prejudice to the provisions of the Special Clearing Provisions, Eurex Clearing AG shall be entitled to enter into a replacement purchase pursuant to Paragraph (1) above in case a Clearing Member or a Basic Clearing Member fails under a Transaction to deliver Securities to Eurex Clearing AG on the applicable delivery date, causing the inability of Eurex Clearing AG to fulfill its due delivery obligation towards another Clearing Member or Basic Clearing Member and Eurex Clearing AG has received a Second Notification pursuant to Number 9.3.3 (3) of these General Clearing Provisions from the respective Clearing Member or Clearing

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Agent (acting on behalf of the Basic Clearing Member). The respective rules of the Special Clearing Provisions regarding costs and a potential cash settlement shall apply accordingly.

1.4.5 FX Disruption

If an FX Disruption Event has occurred and is continuing, and

- (i) a payment by Eurex Clearing AG to a Clearing Member, OTC IRS FCM Client or Basic Clearing Member is or becomes due in a currency other than Euro and
- (ii) Eurex Clearing AG is unable (in whole or in part) to source the required amount in the relevant currency at a rate of exchange that Eurex Clearing AG deems reasonable (such currency the “**Unavailable Currency**”),

then Eurex Clearing AG shall, after having considered potential alternative measures (if any) available to it, be entitled to discharge the relevant payment obligation owed by it in the Unavailable Currency by paying to the Clearing Member, OTC IRS FCM Client or Basic Clearing Member a corresponding amount in Euro.

Such corresponding amount in Euro shall be based on such reasonable rate or rates of exchange as Eurex Clearing AG may determine.

When determining a reasonable rate of exchange, Eurex Clearing AG shall take into account all circumstances it deems relevant, including the circumstances leading to the determination of the occurrence of the FX Disruption Event and the last available rates of exchange (if any) prior to the occurrence of the FX Disruption Event as well as at the time of the conversion.

“**FX Disruption Event**” means, as determined by Eurex Clearing AG,

- (a) events or circumstances which affect or may affect the orderly Clearing, the orderly settlement or the existence or orderly functioning of the Clearing Process with respect to foreign currencies;
- (b) other market disruptions which render impossible, illegal or impracticable the orderly determination of one or more relevant rates of exchange and/or the conversion of the relevant currency or currencies through the customary channels generally available to and used by Eurex Clearing AG; or
- (c) events or circumstances which establish non tolerable insecurity, volatility or risks with regard to transactions in foreign currencies or the Clearing which may negatively impact on the financial or foreign exchange markets relevant for the Clearing, which, in each case, render it impracticable for Eurex Clearing AG to continue to settle transactions in one or more foreign currencies in accordance with the Clearing Conditions while sufficiently managing its risks.

An FX Disruption Event may even occur if only a single Clearing Member, a single OTC IRS FCM Client, a single Basic Clearing Member (e.g. in case of a default) or a group of

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Clearing Members, OTC IRS FCM Clients or Basic Clearing Members is/are affected, provided that any of the events or circumstances described in (a) to (c) exist. The default of a Clearing Member, OTC IRS FCM Client or a Basic Clearing Member does not per se constitute an FX Disruption Event.

1.5 EMIR Risk Committee

1.5.1 Eurex Clearing AG will establish pursuant to Art. 28 Regulation (EU) 648/2012 (“**EMIR**”) a risk committee as a comprehensive committee (*Gesamtausschuss*) (the “**EMIR Risk Committee**”) in order to advise the supervisory board of Eurex Clearing AG (the “**Supervisory Board**”) with respect to EMIR Matters (as defined in Number 1.5.2 below) and the Executive Board of Eurex Clearing AG (the “**Executive Board**”) with respect to Relevant Matters (as defined in Number 1.5.3 below) and the Additional Matters (as defined in Number 1.5.4 below) to the extent this would not constitute a breach of law, a breach of an order of a court of competent jurisdiction or applicable governmental, quasi-governmental, or regulatory body.

1.5.2 “**EMIR Matters**” shall be the following risk-related matters beyond daily-operations if and to the extent they may have an impact on the risk management of Eurex Clearing AG:

- (1) significant changes of the risk model of Eurex Clearing AG;
- (2) changes to the default procedures including the process description relating thereto as published by Eurex Clearing AG on its website www.eurexclearing.com (the “**Procedures Manual**”);
- (3) changes to the categories of admissible clearing members (as defined in EMIR) and the admission criteria for clearing members (as defined in EMIR);
- (4) the Clearing of new classes of instruments;
- (5) outsourcing of functions by Eurex Clearing AG; and
- (6) all other matters beyond daily-operations which may have an impact on the risk management of Eurex Clearing AG including, but not limited to, material changes to the Clearing Conditions, such as (without limitation)
 - (i) to the provisions regarding the Default Fund (as in particular defined in Number 6);
 - (ii) to the method to determine Eligible Margin Assets (as defined in Number 3.2.1) or the methods to determine haircuts; and
 - (iii) to the Interim Participation Conditions (as defined in Part 3 Subpart A Number 11.1.2) or the Immediate Re-Establishment Conditions (as defined in Part 3 Subpart A Number 11.2.2).

EMIR-Matters are also

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- (7) the internal policy framework defining types of extreme but plausible market conditions Eurex Clearing AG could be exposed to;
- (8) the liquidity plan; and
- (9) a policy for the use of derivative contracts as highly liquid financial instruments for the purpose of Art 47 (1) EMIR.

1.5.3 The Executive Board shall seek advice from the EMIR Risk Committee with respect to the following “**Consultation Matters**” (and together with the EMIR Matters the “**Relevant Matters**”):

- (1) review and material revisions and adjustments to the models, their methodologies and the liquidity risk management framework used to quantify, aggregate, and manage the risks of Eurex Clearing AG;
- (2) material revisions and adjustments to Eurex Clearing AG’s policies used to test its margins, Default Fund and other financial resources methodologies and framework for calculating liquid financial resources;
- (3) the systems and valuation models used for validating Eurex Clearing AG’s models where pricing data is not readily available;
- (4) review of Eurex Clearing AG’s margin model;
- (5) review of the reverse stress tests developed by Eurex Clearing AG, and
- (6) the formation of new, and changes to existing, Liquidation Groups (as defined in Number 7.5.1) (except when an existing Liquidation Group is separated into parts in accordance with Number 7.5.3 Paragraph (1) (b) and Paragraph (3)).

1.5.4 The Executive Board may seek advice from the EMIR Risk Committee with respect to EMIR-Matters and all other matters which, in the view of the Executive Board, may have an impact on the risk management of Clearing Members and/or of Non-Clearing Members, Registered Customers or their clients (the “**Additional Matters**”).

1.5.5 The statutes for the EMIR Risk Committee as published by Eurex Clearing AG on its website www.eurexclearing.com represent an integral part of the Clearing Conditions.

1.5.6 The Executive Board will promptly inform the BaFin (as defined in Number 2.1.2) of any decision of the Supervisory Board or the Executive Board in which the Supervisory Board or the Executive Board decided not to follow advice given by the EMIR Risk Committee with respect to any Relevant Matter.

1.6 **Additionally Monitored Risks and Risk Mitigating Measures**

In respect of an OTC IRS FCM Clearing Member references in this Number 1.6 to Transactions of the Clearing Member shall include OTC IRS FCM Client Transactions to which the OTC IRS FCM Clearing Member Guarantee of such OTC IRS FCM Clearing

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Member relates. References in this Number 1.6 to Clearing Members shall, as relevant, include Clearing Members acting as Clearing Agents.

1.6.1 General Rules

- (1) Eurex Clearing AG monitors and, when necessary, mitigates the following risks that Eurex Clearing AG is exposed to in relation to the Clearing Member or the Basic Clearing Member, including its Clearing Agent; the assessment will take into account risks resulting from an entity acting in more than one capacity under the Clearing Conditions:
 - (a) the potential loss which Eurex Clearing AG may suffer if a Clearing Member or Basic Clearing Member fails to fulfil its contractual obligations under its Transactions (“**Credit Risk**”),
 - (b) the potential loss which Eurex Clearing AG may suffer during the default management process, due to insufficient diversification in respect of the Eligible Margin Assets provided by the Clearing Member Basic Clearing Member or or in respect of the instruments underlying the Clearing Member’s Transactions or the Basic Clearing Member’s Basic Clearing Member Transactions (“**Concentration Risk**”), and
 - (c) the potential loss which Eurex Clearing AG may suffer during the default management process, due to an unfavourable interrelatedness between the Clearing Member’s or Basic Clearing Member’s creditworthiness, the value of the Eligible Margin Assets provided by the Clearing Member or Basic Clearing Member and the notional exposure arising from the Clearing Member’s Transactions or the Basic Clearing Member’s Basic Clearing Member Transactions (“**Wrong Way Risk**”, together with the Credit Risk and the Concentration Risk, the “**Additionally Monitored Risks**”).
- (2) Eurex Clearing AG determines dedicated thresholds or limits for each of the Additionally Monitored Risks. The Clearing Member and the Basic Clearing Member are required to comply with these thresholds and limits at all times.
- (3) Eurex Clearing AG will publish further details and guidelines regarding the determination of thresholds and limits and the applicable mitigation measures (together the “**Framework**”) on its homepage (www.eurexclearing.com). The Framework may be amended from time to time and published accordingly.
- (4) Eurex Clearing AG conducts an internal assessment of the creditworthiness of the Clearing Member and the Basic Clearing Member (taking into account, where applicable the aggregate value of the assets under management with respect to a Basic Clearing Member). Based on this assessment, Eurex Clearing AG classifies the Clearing Member and the Basic Clearing Member into one of multiple pre-defined classification levels (the “**Clearing Member Classification**”). Eurex Clearing AG performs such Clearing Member Classification (i) prior to the granting of a Clearing Licence or a Basic Clearing Member Clearing License, (ii) at least once

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annually, and (iii) on an ad-hoc basis when it is deemed necessary. Eurex Clearing AG notifies the Clearing Member or the Basic Clearing Member, as relevant, about the Clearing Member Classification and any changes thereof.

- (5) Eurex Clearing AG conducts an internal assessment of the creditworthiness of each country, which is (i) the home country of any Clearing Member or Basic Clearing Member, or (ii) the home country of an issuer of securities that qualify as Eligible Margin Assets or (iii) the home country of an issuer of instruments qualifying as underlyings of Transactions. Based on this assessment, Eurex Clearing AG classifies such countries into one of multiple pre-defined classification levels (the "**Country Classification**"). Eurex Clearing AG reviews each Country Classification on a regular basis and on an ad-hoc basis when it is deemed necessary.
- (6) Eurex Clearing AG conducts an internal assessment of the creditworthiness of each supranational organisation which has issued (i) securities that qualify as Eligible Margin Assets, or (ii) instruments underlying any Transactions. Based on this assessment, Eurex Clearing AG classifies such supranational organisations into one of multiple pre-defined classification levels (the "**Supranational Organisation Classification**"). Eurex Clearing AG reviews each Supranational Organisation Classification on a regular basis and on an ad-hoc basis when it is deemed necessary.
- (7) Eurex Clearing AG will publish the Country Classification and the Supranational Organisation Classification in the member section on its website (www.eurexclearing.com).

1.6.2 Assessment and Mitigation of Credit Risk

- (1) Based on the Clearing Member Classification, Eurex Clearing AG is entitled to define one or more Credit Risk thresholds for the Clearing Member and the Basic Clearing Member ("**Credit Risk Thresholds**"). Eurex Clearing AG reviews each Credit Risk Threshold on a regular basis and on an ad-hoc basis when it is deemed necessary. Eurex Clearing AG notifies the Clearing Member and the Basic Clearing Member about all Credit Risk Thresholds, and any changes thereof.
- (2) Credit Risk Thresholds can be defined as maximum Margin Requirement or as maximum notional exposure arising from the Clearing Member's Transactions or the Basic Clearing Member's Basic Clearing Member Transactions, in each case under the relevant Standard Agreement.
- (3) In case the Clearing Member or the Basic Clearing Member breaches any Credit Risk Threshold, applicable at that point in time, Eurex Clearing AG is entitled to take the following mitigation measures:
 - (a) Eurex Clearing AG will notify the Clearing Member or the Basic Clearing Member (as well as its Clearing Agent) about the breach of the relevant Credit Risk Threshold and will request the reduction of the relevant Margin Requirement or notional exposure, as the case may be, within a reasonable

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period of time and in an amount which is necessary to remedy the relevant breach.

- (b) In case the Clearing Member or the Basic Clearing Member does not remedy the breach of the relevant Credit Risk Threshold within the reasonable period of time pursuant to (a), Eurex Clearing AG is entitled to demand the provision of Supplementary Margin in accordance with Number 3.5.

1.6.3 Assessment and Mitigation of Concentration Risk

- (1) Eurex Clearing AG defines Concentration Risk limits for any Eligible Margin Assets in the form of Securities ("**Concentration Risk Limits**").
 - (a) Eurex Clearing AG reviews each Concentration Risk Limit on a regular basis and on an ad-hoc basis when it is deemed necessary.
 - (b) Eurex Clearing AG will publish the Concentration Risk Limits, and any changes thereof on its website (www.eurexclearing.com).
 - (c) In case the Clearing Member or the Basic Clearing Member breaches any Concentration Risk Limit applicable at that point in time, Eurex Clearing AG is entitled to take the following mitigating measures:
 - (i) Eurex Clearing AG will notify the Clearing Member or the Basic Clearing Member (as well as its Clearing Agent) about the breach of the relevant Concentration Risk Limit and will request the replacement of Eligible Margin Assets in the form of Securities by other Eligible Margin Assets ("**New Eligible Margin Assets**") within a reasonable period of time and in an amount which is necessary to remedy the relevant breach. The **New Eligible Margin Assets** shall be provided pursuant to the terms of the relevant Standard Agreement. Subject to the actual delivery of the New Eligible Margin Assets, the Redelivery or release of the replaced Eligible Margin Assets shall be effected pursuant to the terms of the applicable Standard Agreement.
 - (ii) In case the Clearing Member or Basic Clearing Member does not remedy the breach of the relevant Concentration Risk Limit, within the reasonable period of time pursuant to (i), Eurex Clearing AG is entitled to demand the provision of Supplementary Margin in accordance with Number 3.5.
- (2) Notwithstanding Paragraph (1), Eurex Clearing AG defines Concentration Risk thresholds in relation to (i) Eligible Margin Assets in the form of Securities and (ii) the notional exposure arising from the instruments underlying the Clearing Member's Transactions or the Basic Clearing Member's Basic Clearing Member Transactions ("**Concentration Risk Thresholds**").
 - (a) Concentration Risk Thresholds are defined with respect to each Country Classification and Supranational Organisation Classification.

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- (b) Eurex Clearing AG reviews the Concentration Risk Thresholds on a regular basis and on an ad-hoc basis when it is deemed necessary.
- (c) Eurex Clearing AG will publish the Concentration Risk Thresholds, and any changes thereof, on its website (www.eurexclearing.com).
- (d) In case the Clearing Member or Basic Clearing Member breaches a Concentration Risk Threshold, applicable at that point in time, Eurex Clearing AG is entitled to take the following mitigating measures:
 - (i) Eurex Clearing AG will notify the Clearing Member or Basic Clearing Member (as well as its Clearing Agent) about the breach of the relevant Concentration Risk Threshold and will request (i) the reduction of the relevant notional exposure or (ii) the replacement of Eligible Margin Assets in the form of Securities by New Eligible Margin Assets within a reasonable period of time and to the extent necessary to remedy the relevant breach. The provisions under Number 1.6.3 (1) (c) (i) Sentence 2 and 3 shall apply accordingly.
 - (ii) In case the Clearing Member or Basic Clearing Member does not remedy the breach of the relevant Concentration Risk Threshold within the reasonable period of time pursuant to (i), Eurex Clearing AG is entitled to demand the provision of Supplementary Margin in accordance with Number 3.5.

1.6.4 Assessment and Mitigation of Wrong Way Risk

- (1) Eurex Clearing AG defines Wrong Way Risk thresholds in relation to (i) Eligible Margin Assets in the form of Securities and (ii) the notional exposure arising from the instruments underlying the Clearing Member's Transactions or the Basic Clearing Member's Basic Clearing Member Transactions ("**Wrong Way Risk Thresholds**").
- (2) Wrong Way Risk Thresholds are defined with respect to each Clearing Member Classification and Country Classification.
- (3) Eurex Clearing AG reviews the Wrong Way Risk Thresholds on a regular basis and on an ad-hoc basis when it is deemed necessary.
- (4) Eurex Clearing AG will publish the Wrong Way Risk Thresholds, and any changes thereof, on its website (www.eurexclearing.com).
- (5) In case the Clearing Member or Basic Clearing Member breaches any Wrong Way Risk Threshold applicable at that point in time, Eurex Clearing AG is entitled to take the following mitigating measures:
 - (a) Eurex Clearing AG will notify the Clearing Member or Basic Clearing Member (as well as its Clearing Agent) about the breach of the relevant Wrong Way Risk Threshold and will request (i) the reduction of the relevant notional exposure, or (ii) the replacement of Eligible Margin Assets in the form of Securities by New

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Eligible Margin Assets within a reasonable period of time and to the extent necessary to remedy the relevant breach. The provisions under Number 1.6.3 (1) (c) (i) Sentence 2 and 3 shall apply accordingly.

- (b) In case the Clearing Member or Basic Clearing Member does not remedy the breach of the relevant Wrong Way Risk Threshold within the reasonable period of time pursuant to (a), Eurex Clearing AG is entitled to demand the provision of Supplementary Margin in accordance with Number 3.5.

1.7 Representations and Undertakings with respect to Clearing Agreements

1.7.1 At the time it enters into a Clearing Agreement, each Clearing Member, Clearing Agent, Non-Clearing Member, Registered Customer, OTC IRS FCM Client and Basic Clearing Member, each holder of a Specific Repo License and each holder of a Specific Lender License, severally but not jointly, represents and warrants with respect to itself by way of an independent guarantee and irrespective of fault (*selbständiges, verschuldensunabhängiges Garantieverprechen*) to Eurex Clearing AG that:

- (a) it has the power to enter into and perform the Clearing Agreement and any other documentation relating to the Clearing Agreement to which it is a party and has taken all necessary action to authorise such execution and performance;
- (b) its entry into and performance of the Clearing Agreement and any other documentation relating to this Clearing Agreement to which it is a party do not conflict with any law or regulation applicable to it, any provision of its constitutional documents, any order or judgment of any court or agency of government applicable to it or any of its assets or any agreement or instrument by which it is bound or which affects any of its assets;
- (c) it has all governmental and other consents that are required by it with respect to its entry into and performance of the Clearing Agreement and such consents are in full force and effect and all conditions of any such consents have been complied with;
- (d) no order has been made or applied for or resolution passed for the suspension of payments or dissolution, termination of existence, liquidation, winding-up, reorganisation, bankruptcy, insolvency, judicial management or curatorship, in each case, with respect to it;
- (e) no moratorium in respect of all or any debts or a composition or an arrangement with creditors or any similar proceeding or arrangement by which its assets are submitted to the control of its creditors is ordered, declared or applied for, in each case, with respect to it;
- (f) no liquidator, trustee, administrator, receiver or similar officer has been appointed in respect of it or in respect of all or a substantial part of its assets;
- (g) it is able to pay its debts as and when they fall due, will not become unable to pay its debts as a consequence of entering into the Clearing Agreement and, where such entity is incorporated in Germany, is not imminent illiquid (*drohend zahlungsunfähig*)

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within the meaning of Section 18 German Insolvency Code (*Insolvenzordnung*, “**InsO**”), illiquid (*zahlungsunfähig*) within the meaning of Section 17 of the InsO or over-indebted (*überschuldet*) within the meaning of Section 19 of the InsO;

- (h) it is acting as principal in respect of the Clearing Agreement (and, with the exception of the Clearing Agent, all Transactions entered into under the Clearing Agreement); and
- (i) no event has occurred or circumstance arisen with respect to it which would (whether or not with the giving of notice and/or the passage of time and/or the fulfilment of any other requirement) constitute a Termination Event or Insolvency Termination Event (or, with respect to the Basic Clearing Member, a Basic Clearing Member Termination Event or a Basic Clearing Member Insolvency Termination Event) under the Clearing Agreement.

1.7.2 At the time it enters into the Clearing Agreement, each Clearing Member, Clearing Agent and Basic Clearing Member (as relevant) further represents and warrants by way of an independent guarantee and irrespective of fault (*selbständiges, verschuldensunabhängiges Garantieversprechen*) to Eurex Clearing AG that it is entitled to pledge, or, as relevant, transfer full legal and beneficial ownership of, all assets (including, without limitation, all Eligible Margin Assets, Securities or Loaned Securities) to be so pledged or so transferred by it pursuant to the Clearing Agreement (including, in the case of an OTC IRS FCM Clearing Member, pursuant to its OTC IRS FCM Clearing Member Guarantee relating to the obligations of the relevant OTC IRS FCM Client), free from any liens, encumbrances, charges or other rights or claims and upon any such transfer, the transferee will receive all right, title and interest in the relevant assets free and clear of any such liens, encumbrances, charges or other rights and claims, arising, including pursuant to applicable regulation or under any statutory or other trust (save, with respect to CASS Transactions (as defined in Part 2 Subpart D Number 2), for any statutory trust under the Client Assets Sourcebook).

1.7.3 **Additional representations and undertakings**

- (1) At the time it enters into an ICM Clearing Agreement, each Clearing Member and each Non-Clearing Member and Registered Customer that is an ICM Client pursuant to the Individual Clearing Model Provisions, severally but not jointly, further represents and warrants by way of an independent guarantee and irrespective of fault (*selbständiges, verschuldensunabhängiges Garantieversprechen*) to Eurex Clearing AG that it is and will be the legal and beneficial owner of the Difference Claim or Relevant Difference Claim and, to the extent applicable, no security interest (other than that provided under the Individual Clearing Model Provisions) exists over any of its rights or claims under an ICM Clearing Agreement or Transactions, as relevant, the Eligible Margin Assets transferred by it, the Difference Claim or Relevant Difference Claim, the Shortfall Claim and the Regress Claim.
- (2) At the time it enters into a Clearing Agreement in the form of Appendix 1 or (if it is an OTC IRS FCM Clearing Member) Appendix 9 to the Clearing Conditions, each OTC IRS U.S. Clearing Member further represents and warrants by way of an

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independent guarantee and irrespective of fault (*selbständiges, verschuldensunabhängiges Garantieverprechen*) to Eurex Clearing AG that:

- (i) it is not subject to a disqualification pursuant to Section 8 a of the U.S. Commodity Exchange Act (“**CEA**”);
- (ii) it has implemented risk management processes that sufficiently address operational capacity, including the ability to process expected volumes and/or values of transactions within required time frames, including at peak times, the ability to fulfil collateral, payment, and delivery obligations, and the ability to participate in default management;
- (iii) it maintains written risk management policies and procedures which address the risks that such OTC IRS U.S. Clearing Member may pose to Eurex Clearing AG.

The OTC IRS U.S. Clearing Member further undertakes

- (a) to make such risk management policies and procedures available to Eurex Clearing AG for inspection;
- (b) to disclose to Eurex Clearing AG whether it has been audited by another derivatives clearing organisation as well as the pertinent results of any such risk management audit; and
- (c) to make information and documents regarding its risk management policies, procedures and practices available to the CFTC upon the CFTC's request.

1.7.4 Each Clearing Member, each Clearing Agent, each Non-Clearing Member, each Registered Customer, each OTC IRS FCM Client and each Basic Clearing Member agrees with Eurex Clearing AG that it will repeat the representations set out in Number 1.7.1 to 1.7.3, to the extent that they are relevant to it, to Eurex Clearing AG with regard to the facts and circumstances then existing whenever the relevant Clearing Agreement is amended or it (or, in the case of an OTC IRS FCM Clearing Member or a Clearing Agent, any of its OTC IRS FCM Clients or its Basic Clearing Members, respectively) enters into a Transaction, transfers Margin or Variation Margin or delivers Eligible Margin Assets in respect thereof or delivers assets equivalent to such Eligible Margin Assets.

1.7.5 Each Registered Customer and Non-Clearing Member that is an ICM Client pursuant to the Individual Clearing Model Provisions further agrees, when acting in its capacity as Interim Participant, with Eurex Clearing AG that:

- (a) by submitting the ICM Porting Election Notice, it represents and warrants by way of an independent guarantee and irrespective of fault (*selbständiges, verschuldensunabhängiges Garantieverprechen*) to Eurex Clearing AG that it has obtained and will retain all licenses and complies with all regulatory requirements applicable to an Interim Participant; and

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- (b) it will repeat the representations and warranties set out in Number 1.7.1 to Eurex Clearing AG by reference to the facts and circumstances then existing by sending the ICM Porting Election Notice to Eurex Clearing AG and by entering into a Transaction, transferring Margin or Variation Margin or delivering Eligible Assets in respect of the Margin or the Variation Margin or delivering assets equivalent to such Eligible Assets.

1.7.6 Eurex Clearing AG represents and warrants by way of an independent guarantee and irrespective of fault (*selbständiges, verschuldensunabhängiges Garantieverprechen*) to the relevant Clearing Member, the Clearing Agent, the Non-Clearing Member/Registered Customer, the OTC IRS FCM Client and the Basic Clearing Member at the time it enters into the Clearing Agreement:

- (a) it has the power to enter into and perform the Clearing Agreement and any other documentation relating to this Clearing Agreement to which it is a party and has taken all necessary action to authorise such execution and performance;
- (b) no order has been made or applied for or resolution passed for the suspension of payments or dissolution, termination of existence, liquidation, winding-up, reorganisation, bankruptcy, insolvency, judicial management or curatorship, in each case, with respect to it;
- (c) no moratorium in respect of all or any debts or a composition or an arrangement with creditors or any similar proceeding or arrangement by which its assets are submitted to the control of its creditors is ordered, declared or applied for, in each case, with respect to it;
- (d) no liquidator, trustee, administrator, receiver or similar officer has been appointed in respect of it or in respect of all or a substantial part of its assets;
- (e) it is able to pay its debts as and when they fall due, will not become unable to pay its debts as a consequence of entering into the Clearing Agreement and is not imminent illiquid (*drohend zahlungsunfähig*) within the meaning of Section 18 of the InsO, is illiquid (*zahlungsunfähig*) within the meaning of Section 17 of the InsO or over-indebted (*überschuldet*) within the meaning of Section 19 of the InsO;
- (f) it has all governmental and other consents that are required by it with respect to its entry into and performance of the Clearing Agreement under the applicable laws in Germany and such consents are in full force and effect and all conditions of any such consents have been complied with; and
- (g) no event has occurred or circumstances arisen with respect to it which would (whether or not with the giving of notice and/or the passage of time and/or the fulfilment of any other requirement) constitute a Failure to Pay Event or Insolvency Event under the Clearing Agreement.

1.7.7 Eurex Clearing AG shall promptly inform the Clearing Member or the Clearing Agent and the Basic Clearing Member if Eurex Clearing AG becomes aware that any representation or warranty in Number 1.7.6 ceases to be true. Each Clearing Member, Clearing Agent,

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Non-Clearing Member, Registered Customer, OTC IRS FCM Client, Basic Clearing Member, holder of a Specific Repo License and holder of a Specific Lender License shall promptly inform Eurex Clearing AG if it becomes aware that any of its representations or warranties in this Number 1.7 ceases to be true.

- 1.7.8 The Clearing Member shall provide Eurex Clearing AG at any time or upon request of Eurex Clearing AG with (i) any update of the Specified Client Information, (ii) a list of authorised signatories of a Specified Client of such Clearing Member that are entitled to represent such Specified Client and (iii) any information in relation to any of its Specified Clients that Eurex Clearing AG reasonably requires or requests in order to comply with any statutory or regulatory obligations. Eurex Clearing AG may, at any time, rely on the respective information provided by the Clearing Member and will not conduct own investigations in this regard.
- 1.8 No Clearing of OTC Interest Rate Derivative Transactions for U.S. Persons**
- 1.8.1 In relation to OTC Interest Rate Derivative Transactions, the Clearing Member (other than any OTC IRS U.S. Clearing Member) represents and warrants by way of an independent guarantee and irrespective of fault (*selbständiges, verschuldensunabhängiges Garantieverprechen*) to Eurex Clearing AG that, at the time it enters into a Clearing Agreement and each time when entering into an OTC Interest Rate Derivative Transaction, it (i) reasonably believes that it does not fall within any of the U.S. Person Categories and believes in good faith that it would not otherwise be deemed to be a **“U.S. person”** under the Interpretive Guidance (the **“CM-OTC U.S. Person Representation”**) and (ii) will not submit any UDC-Related Transaction or SC-Related Transaction for Clearing to Eurex Clearing AG, unless the Clearing Member (a) has either obtained a representation from the relevant Undisclosed Direct Client or Specified Client that such Undisclosed Direct Client or Specified Client reasonably believes that it does not fall within any of the U.S. Person Categories and/or believes in good faith that it would not otherwise be deemed to be a **“U.S. person”** under the Interpretive Guidance, or (b) in case the Clearing Member has not obtained a representation as described under (a) above, reasonably believes that the relevant Undisclosed Direct Client or Specified Client does not fall within any of the U.S. Person Categories and believes in good faith that the relevant Undisclosed Direct Client or Specified Client would not otherwise be deemed to be a **“U.S. person”** under the Interpretive Guidance (the **“CM-Customer OTC U.S. Person Representation”**). Number 7.2.1 (2) shall apply accordingly.
- 1.8.2 The Clearing Member (other than an OTC IRS U.S. Clearing Member) shall promptly inform Eurex Clearing AG (i) if it becomes aware that its CM-OTC U.S. Person Representation ceases to be true or (ii) if the relevant Undisclosed Direct Client or Specified Client has informed the Clearing Member that the relevant CM-Customer OTC U.S. Person Representation has ceased to be true or in any other case in which the Clearing Member becomes aware that the relevant CM-Customer OTC U.S. Person Representation has ceased to be true.
- 1.8.3 In relation to OTC Interest Rate Derivative Transactions, the Registered Customer represents and warrants by way of an independent guarantee and irrespective of fault

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(*selbständiges, verschuldensunabhängiges Garantieversprechen*) to Eurex Clearing AG that at the time it enters into a Clearing Agreement, it (i) reasonably believes that it does not fall within any of the U.S. Person Categories and believes in good faith that it would not otherwise be deemed to be a **“U.S. person”** under the Interpretive Guidance (the **“RC OTC U.S. Person Representation”**) and (ii) will not submit any Transaction relating to an Indirect Client for Clearing to Eurex Clearing AG, unless the Registered Customer (a) has either obtained a representation from the relevant Indirect Client that the Indirect Client reasonably believes that it does not fall within any of the U.S. Person Categories and/or believes in good faith that it would not otherwise be deemed to be a **“U.S. person”** under the Interpretive Guidance, or (b) in case the Registered Customer has not obtained a representation as described under (a) above, reasonably believes that the relevant Indirect Client does not fall within any of the U.S. Person Categories and/or believes in good faith that the relevant Indirect Client would not otherwise be deemed to be a **“U.S. person”** under the Interpretive Guidance (the **“RC-Customer OTC U.S. Person Representation”**); the Registered Customer repeats these representations at each time the Registered Customer directly or indirectly submits an Original OTC Transaction for Clearing to Eurex Clearing AG.

- 1.8.4 The Registered Customer shall promptly inform Eurex Clearing AG (i) if it becomes aware that the RC OTC U.S. Person Representation ceases to be true or (ii) if any of its Indirect Clients has informed the Registered Customer that the relevant RC-Customer OTC U.S. Person Representation has ceased to be true or in any other case in which the Registered Customer becomes aware that the relevant RC-Customer OTC U.S. Person Representation has ceased to be true.
- 1.8.5 In relation to OTC Interest Rate Derivative Transactions, the Clearing Agent represents and warrants by way of an independent guarantee and irrespective of fault (*selbständiges, verschuldensunabhängiges Garantieversprechen*) to Eurex Clearing AG that, at the time it enters into a Basic Clearing Member Clearing Agreement, it reasonably believes that it does not fall within any of the U.S. Person Categories and believes in good faith that it would not otherwise be deemed to be a **“U.S. person”** under the Interpretive Guidance (the **“CA OTC U.S. Person Representation”**); the Clearing Agent repeats such representation each time when any of its Basic Clearing Members enters into an OTC Interest Rate Derivative Transaction. Number 7.2.1 (2) shall apply accordingly.
- 1.8.6 The Clearing Agent shall promptly inform Eurex Clearing AG (i) if it becomes aware that its CA OTC U.S. Person Representation ceases to be true or (ii) if the relevant Basic Clearing Member has informed the Clearing Agent that the relevant Basic Clearing Member OTC U.S. Person Representation (as defined in Number 1.8.7) has ceased to be true or in any other case in which the Clearing Agent becomes aware that the relevant Basic Clearing Member OTC U.S. Person Representation has ceased to be true.
- 1.8.7 In relation to OTC Interest Rate Derivative Transactions, the Basic Clearing Member represents and warrants by way of an independent guarantee and irrespective of fault (*selbständiges, verschuldensunabhängiges Garantieversprechen*) to Eurex Clearing AG that at the time it enters into a Basic Clearing Member Clearing Agreement, it reasonably

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believes that it does not fall within any of the U.S. Person Categories and believes in good faith that it would not otherwise be deemed to be a **“U.S. person”** under the Interpretive Guidance (the **“Basic Clearing Member OTC U.S. Person Representation”**); the Basic Clearing Member repeats such representations at each time when it directly or through its Clearing Agent submits an Original OTC Transaction for clearing to Eurex Clearing AG. The Basic Clearing Member shall promptly inform Eurex Clearing AG if it becomes aware that the Basic Clearing Member OTC U.S. Person Representation ceases to be true.

1.8.8 **“U.S. Person Categories”** means the enumerated categories of **“U.S. persons”** that are provided in the **“Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations”**, (78 Fed. Reg. 45,292, Jul. 26, 2013) by the Commodity Futures Trading Commission (the **“CFTC”**) (the **“Interpretive Guidance”**) within its jurisdiction pursuant to Section 722(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, as may be amended or otherwise interpreted in writing by the CFTC from time to time.

1.9 **No Clearing of FX Options Transactions for U.S. Persons**

1.9.1 In relation to FX Options Transactions, the Clearing Member represents and warrants by way of an independent guarantee and irrespective of fault (*selbständiges, verschuldensunabhängiges Garantieverprechen*) to Eurex Clearing AG that, at the time it enters into a Clearing Agreement and each time when the Clearing Member enters an order or quote into the trading systems in relation to a FX Options Transaction, it (i) reasonably believes that it does not fall within any of the U.S. Person Categories and believes in good faith that it would not otherwise be deemed to be a **“U.S. person”** under the Interpretive Guidance (the **“CM-FX U.S. Person Representation”**) and (ii) will not enter an order or quote into the trading systems in relation to a UDC-Related Transaction or SC-Related Transaction, unless the Clearing Member (a) has either obtained a representation from the relevant Undisclosed Direct Client or Specified Client that such Undisclosed Direct Client or Specified Client reasonably believes that it does not fall within any of the U.S. Person Categories and/or believes in good faith that it would not otherwise be deemed to be a **“U.S. person”** under the Interpretative Guidance, or (b) in case the Clearing Member has not obtained a representation as described under (a) above, reasonably believes that the relevant Undisclosed Direct Client or Specified Client does not fall within any of the U.S. Person Categories and/or believes in good faith that the relevant Undisclosed Direct Client or Specified Client would not otherwise be deemed to be a **“U.S. person”** under the Interpretive Guidance (the **“CM-Customer FX U.S. Person Representation”**). Number 7.2.1 (2) shall apply accordingly.

1.9.2 The Clearing Member shall promptly inform Eurex Clearing AG (i) if it becomes aware that the CM-FX U.S. Person Representation ceases to be true or (ii) if the relevant Undisclosed Direct Client or Specified Client has informed the Clearing Member that the relevant CM-Customer FX U.S. Person Representation has ceased to be true or in any other case in which the Clearing Member becomes aware that the relevant CM-Customer FX U.S. Person Representation has ceased to be true.

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- 1.9.3 In relation to FX Options Transactions, each Registered Customer and/or Non-Clearing Member represents and warrants by way of an independent guarantee and irrespective of fault (*selbständiges, verschuldensunabhängiges Garantieversprechen*) to Eurex Clearing AG that at the time it enters into a Clearing Agreement, it (i) reasonably believes that it does not fall within any of the U.S. Person Categories and believes in good faith that it would not otherwise be deemed to be a **“U.S. person”** under the Interpretive Guidance (the **“RC/NCM-FX U.S. Persons Representation”**) and (ii) will not enter an order or quote into the trading systems in relation to a Transaction relating to an Indirect Client and/or will not instruct its Clearing Member to book a Transaction relating to an Indirect Client to a Transaction Account of the Registered Customer or the Non-Clearing Member, unless the Non-Clearing Member and/or the Registered Customer (a) has either obtained a representation from the relevant Indirect Client that such Indirect Client reasonably believes that it does not fall within any of the U.S. Person Categories and/or believes in good faith that it would not otherwise be deemed to be a **“U.S. person”** under the Interpretative Guidance, or (b) in case the Non-Clearing Member and/or the Registered Customer has not obtained a representation as described under (a) above, reasonably believes that the relevant Indirect Client does not fall within any of the U.S. Person Categories and/or believes in good faith that the relevant Indirect Client would not otherwise be deemed to be a **“U.S. person”** under the Interpretive Guidance (the **“RC/NCM-Customer FX U.S. Persons Representation”**); the Non-Clearing Member shall repeat such representation each time when it enters an order or quote into the trading systems in relation to a Transaction relating to an Indirect Client and the Registered Customer shall repeat such representation each time when it instructs its Clearing Member to book a Transaction relating to an Indirect Client to the Transaction Account of the Registered Customer.
- 1.9.4 The Non-Clearing Member and/or the Registered Customer shall promptly inform Eurex Clearing AG (i) if it becomes aware that the RC/NCM-FX U.S. Persons Representation ceases to be true or (ii) if any of its Indirect Clients has informed the Non-Clearing Member and/or the Registered Customer that the relevant RC/NCM-Customer FX U.S. Persons Representation has ceased to be true or in any other case in which the Non-Clearing Member and/or the Registered Customer becomes aware that the relevant RC/NCM-Customer FX U.S. Persons Representation has ceased to be true.
- 1.9.5 In relation to FX Options Transactions, the Clearing Agent represents and warrants by way of an independent guarantee and irrespective of fault (*selbständiges, verschuldensunabhängiges Garantieversprechen*) to Eurex Clearing AG that, at the time it enters into a Basic Clearing Member Clearing Agreement, it reasonably believes that it does not fall within any of the U.S. Person Categories and believes in good faith that it would not otherwise be deemed to be a **“U.S. person”** under the Interpretive Guidance (the **“CA FX U.S. Person Representation”**); the Clearing Agent repeats such representations at each time when the Clearing Agent enters an order or quote into the trading systems in relation to a FX Options Transaction. Number 7.2.1 (2) shall apply accordingly.
- 1.9.6 The Clearing Agent shall promptly inform Eurex Clearing AG (i) if it becomes aware that the CA FX U.S. Person Representation ceases to be true or (ii) if the relevant Basic

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Clearing Member has informed the Clearing Agent that the relevant CA Basic Clearing Member FX U.S. Person Representation (as defined in Number 1.9.7) has ceased to be true or in any other case in which the Clearing Agent becomes aware that the relevant CA Basic Clearing Member FX U.S. Person Representation has ceased to be true.

- 1.9.7 In relation to FX Options Transactions, each of the Basic Clearing Members represents and warrants by way of an independent guarantee and irrespective of fault (*selbständiges, verschuldensunabhängiges Garantieverprechen*) to Eurex Clearing AG that at the time it enters into a Clearing Agreement, it reasonably believes that it does not fall within any of the U.S. Person Categories and believes in good faith that it would not otherwise be deemed to be a **“U.S. person”** under the Interpretive Guidance (the **“Basic Clearing Member FX U.S. Persons Representation”**); the Basic Clearing Member repeats such representations at each time when it enters directly or through its Clearing Agent an order or quote into the trading systems. The Basic Clearing Member shall promptly inform Eurex Clearing AG if it becomes aware that the Basic Clearing Member FX U.S. Persons Representation ceases to be true.

2 Clearing Members

2.1 Clearing License

2.1.1 Granting of Clearing License

- (1) A license issued by Eurex Clearing AG for each Transaction Type (each, a **“Clearing License”**) is required in order to be authorised to participate in the Clearing of the relevant Transactions as a Clearing Member.
- (2) Upon written application, Eurex Clearing AG may grant a Clearing License for a Transaction Type if the relevant applicant meets the general prerequisites pursuant to Numbers 2.1.2, 2.1.3 or 2.3, as applicable, and the special prerequisites for the relevant Transaction Type set forth in the Special Clearing Provisions.
- (3) A Clearing License will be granted upon the conclusion of, or an amendment to this effect to, a Clearing Agreement for the relevant Transaction Type. For holders of a respective Clearing License (including OTC IRS FCM Clearing Members and Clearing Agents), their Non-Clearing Members, Registered Customers, OTC IRS FCM Clients and Basic Clearing Members as well as Interim Participants (if applicable), this Chapter I as well as the Chapter for the relevant Transaction Types as well as any references in such Chapter to other Chapters or Annexes of the Clearing Conditions, shall be applicable.
- (4) As specified in the relevant Clearing Agreement, a Clearing License is issued either as a general clearing license (a **“General Clearing License”**) or a direct clearing license (a **“Direct Clearing License”**). Unless otherwise provided in the relevant Special Clearing Provisions, a General Clearing License entitles the holder thereof (a **“General Clearing Member”**) (i) to clear Own Transactions, Client-Related Transactions or, in respect of OTC IRS U.S. Clearing Members, Own Transactions and, if the OTC IRS U.S. Clearing Member is an OTC IRS FCM Clearing Member,

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also OTC IRS FCM Client Transactions, and (ii) to participate in the Clearing of Basic Clearing Member Transactions as a Clearing Agent subject to further requirements as set out in the Basic Clearing Member Provisions. A Direct Clearing License entitles the holder thereof (a “**Direct Clearing Member**”) to clear Own Transactions, UDC-Related Transactions, RC-Related Transactions, SC-Related Transactions and only those NCM-Related Transactions referring to Transactions by Non-Clearing Members affiliated with it.

- (5) A Clearing Agreement may only be entered into by a Non-Clearing Member and a Direct Clearing Member if the Non-Clearing Member is an affiliated company (as determined by Eurex Clearing AG and notified to the Clearing Members) of the Direct Clearing Member. The Non-Clearing Member and the Direct Clearing Member shall be obliged to inform Eurex Clearing AG promptly in the event that they cease to meet such prerequisites.
- (6) Clearing Licenses as well as any rights and obligations resulting from a Clearing License may not be assigned or transferred by way of contractual agreement.

2.1.2 General Prerequisites for Clearing Licenses

- (1) A Clearing License for a Transaction Type may only be granted to an applicant if such applicant meets the general prerequisites pursuant to Paragraphs (2) to (6) below and the special prerequisites set forth in Chapters II-IX for the relevant Transaction Type. This Number 2.1.2 shall, unless otherwise provided in Part 5 Number 2, not apply to applicants for a Basic Clearing Member Clearing License.
- (2) Personal prerequisites
 - (a) Subject to Paragraph (2) (b) and Number 2.1.3 below, a Clearing License may only be granted to:
 - (aa) an institution domiciled in a member state of the European Union (“**EU**”) or in Switzerland which is (i) permitted in its country of domicile to provide credit to customers in relation to Transactions and receive collateral in the form of cash or securities and (ii) supervised by the competent authorities according to the applicable regulatory standards of the EU or, if domiciled in Switzerland, by the Swiss Financial Market Supervisory Authority (*Eidgenössische Finanzmarktaufsicht – FINMA*);
 - (bb) a branch or branch office of an institution within the meaning of Sections 53, 53b or 53c of the German Banking Act (*Gesetz über das Kreditwesen*, the “**KWG**”) provided that such branch or branch office and the institution comply with the conditions set forth in Paragraph (2) (a) (aa) above and Paragraph (2) (c) below;
 - (cc) a branch within the meaning of Art. 2 Paragraph 1 of the Swiss Federal Banking and Savings-Bank Act in connection with Section 1 et seq. of the Regulation of the Swiss Financial Market Supervisory Authority

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(*Eidgenössische Finanzmarktaufsicht – FINMA*) concerning Foreign Banks in Switzerland, provided that such branch complies with the conditions set forth in Paragraph (2) (c) below;

- (dd) a branch of a financial institution or securities trading enterprise domiciled in a member state of the EU (“**host member state**”) provided that (i) the main office of such financial institution or securities trading enterprise is domiciled in another member state of the EU (“**home member state**”), (ii) a notification procedure has been completed in the host member state, and that (iii) the branch and the institution comply with the conditions set forth in Paragraph (2) (a) (aa) above and Paragraph (2) (c) below;
- (ee) an institution domiciled outside the EU or Switzerland which is (i) permitted in its country of domicile to provide credit to customers in relation to Transactions and receive collateral in the form of cash or securities and (ii) supervised in its country of domicile according to standards equivalent to the applicable regulatory standards of the EU as determined by Eurex Clearing AG, provided that (iii) the competent supervisory authority is a signatory to Appendix A of the IOSCO Multilateral Memorandum of Understanding or has signed an applicable bilateral memorandum of understanding with the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht – “BaFin”*);
- (ff) a branch of an institution not falling within one of the categories pursuant to Paragraph (2) (a) (bb) to (dd) above, provided that (i) if either the branch or the main office of the institution is domiciled outside the EU or Switzerland, such branch or main office complies with the conditions set forth in Paragraph (2) (a) (ee) above, (ii) if either the branch or the main office of the institution is domiciled in a member state of the EU or Switzerland, such branch or main office complies with the conditions set forth in Paragraph (2) (a) (aa) above, and that (iii) the branch and the institution comply with the conditions set forth in Paragraph (2) (c) below;
- (gg) with respect to a Direct Clearing License for the Clearing of Own Transactions only, an applicant that is an insurance undertaking, reinsurance undertaking, collective investment undertaking (in the case of an Unincorporated Fund, Sub-Fund or Fund Segment, acting through an Authorised Manager) as defined in Article 4 Paragraph (1) of the CRR or an institution for occupational retirement provision as defined in Article 6(a) of Directive 2003/41/EC; in each case domiciled in a member state of the EU or in Switzerland, or in a country outside of the EU and Switzerland and supervised in its country of domicile according to standards equivalent to the applicable regulatory standards of the EU as determined by Eurex Clearing AG; or
- (hh) with respect to a Direct Clearing License for the Clearing of only (i) Own Transactions and (ii) Client-Related Transactions, provided that the

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relevant Direct Client is an affiliated company of the applicant, an applicant that is a Proprietary Trading Firm legally organised and with its principal place of business in the United States of America (or any state thereof), which is sufficiently supervised as determined by Eurex Clearing AG.

- (b) The license of an applicant which intends to conclude Own Transactions only does not need to cover the provision of credit to customers in relation to products cleared and/or the receipt of collateral in the form of cash or securities.
 - (c) Applicants pursuant to Paragraphs (2) (a) (bb), (cc), (dd) and (ff) above must provide a written guarantee on first demand issued vis-à-vis Eurex Clearing AG by the institution to which the applicant belongs, to the effect that such institution will guarantee all obligations of its branches, offices or branch offices arising out of, and in connection with, the Clearing of Transactions by these branches, offices and branch offices. In order to verify the legal validity and enforceability of this guarantee, Eurex Clearing AG may demand from the relevant institution, at the institution's expense, all necessary information and evidence, including the opinion of a legal expert designated by Eurex Clearing AG.
 - (d) Eurex Clearing AG may require the applicant to provide, at its own expense, a legal opinion from leading counsel approved by Eurex Clearing AG that verifies the legal validity and enforceability of the Clearing Conditions in the respective jurisdiction according to standards provided by Eurex Clearing AG from time to time.
 - (e) The granting of a Clearing License requires that Eurex Clearing AG has obtained all licenses and approvals that are required for the provision of Clearing towards the applicant in the relevant jurisdiction.
- (3) The applicant for a Clearing License must
- (i) if the applicant is subject to the own fund requirements under the CRD IV and CRR: have available own funds (*Eigenmittel*) pursuant to the European Capital Requirements Directive 2013/36/EU ("**CRD IV**") and the European Capital Requirements Regulation (EU) No. 575/2013 ("**CRR**") in an amount determined by Eurex Clearing AG from time to time,
 - (ii) if the applicant is not subject to the own fund requirements under the CRD IV and CRR: have available equivalent regulatory capital or
 - (iii) in case of an applicant pursuant to Paragraph 2(a)(gg), where Eurex Clearing AG determines that the financial resources of the applicant shall be assessed on the basis of the assets under management of the applicant (including in the case of collective investment undertakings and in the case of applicants with assets being subject to certain forms of segregation): provide evidence of a value in respect of their assets under management in an amount and frequency as determined by Eurex Clearing AG in its sole discretion from time to time.

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Regulatory capital is considered equivalent when it is (i) used as a measure of adequate solvency for the applicant by its competent supervisory authority, (ii) reported to the applicant's competent supervisory authority on a regular basis and (iii) audited at least yearly.

- (a) In case an applicant applies for multiple Clearing Licenses covering multiple Transaction Types, the required own funds are calculated as follows:
- (aa) Unless specifically provided otherwise in (bb) below, the own funds required for multiple Clearing Licenses is the sum of the own funds required for each Clearing Licence.
- (bb) When calculating the liable equity capital for granting a Clearing License for FWB Transactions (Chapter V Part 1 and 2), those own funds shall be taken into account which the applicant has already provided evidence for due to the granting of a Clearing License for ISE Transactions (Chapter VI) and vice versa.
- (b) The own funds or equivalent regulatory capital shall be calculated in accordance with the supervisory provisions applicable to the relevant applicant. Evidence of the amount of the own funds or equivalent regulatory capital 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 annual evidence of the own funds or equivalent regulatory capital 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. In case the business year of a Clearing Member deviates from the calendar year, annual evidence of the amount of the own funds or equivalent regulatory capital at the end of the respective business year has to be provided for with both the application and once every year at the latest six months after the end of the respective business year. Any change in the own funds or equivalent regulatory capital as a result of which the value of the own funds or equivalent regulatory capital determined by Eurex Clearing AG pursuant to Paragraph (3) would fall below the relevant requirements 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 own funds or equivalent regulatory capital at the expense of the applying institution.
- (c) Evidence of own funds or equivalent regulatory capital must be provided on an individual basis unless the applicant provides written confirmation that it is subject to consolidated supervision pursuant to Article 7 of the CRR or correspondent applicable legislation.
- (d) Should an applicant have insufficient own funds, equivalent regulatory capital or assets under management for a Clearing License, Eurex Clearing AG may allow that the shortfall may be made up by collateral in cash or securities accepted by Eurex Clearing AG. The cash and securities collateral shall

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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 collateral).

Securities collateral shall be posted by transfer of ownership for security purposes (*Eigentumsübertragung zu Sicherungszwecken*) into a custody account with Clearstream Banking AG (in Xemac the relevant transfer is being effected by labelling the relevant Securities with “pledge” by way of Earmarking), Clearstream Banking S.A. (also using the Triparty Collateral Management Service CmaX of Clearstream Banking S.A. (“**CmaX**”)) or SIX SIS AG.

- (4) The applicant (other than an applicant that intends to become an OTC IRS U.S. Clearing Member) shall have available the following accounts:
- (a) Securities Accounts:
- (aa) (i) in case the Value Based Allocation is the Applicable Allocation Method, a securities account or sub-account with Clearstream Banking AG, Clearstream Banking S.A. or with SIX SIS AG, pledged to Eurex Clearing AG with respect to Margin in accordance with the Elementary Clearing Model Provisions (the “**Pledged Securities Account**”), unless the Clearing Member uses the Collateral Management System Xemac of Clearstream Banking AG (“**Xemac**”) to grant the pledges in accordance with Subpart A Number 4.3.2.2 of the Elementary Clearing Model Provisions; or
- (ii) in case the Asset Based Allocation is the Applicable Allocation Method, (x) a securities account or sub-account with Clearstream Banking AG, Clearstream Banking S.A. or with SIX SIS AG, pledged to Eurex Clearing AG with respect to Proprietary Margin in accordance with the Elementary Clearing Model Provisions (the “**Pledged Securities Account**”), unless the Clearing Member uses Xemac to grant the pledges in accordance with Subpart A Number 4.3.2.2 of the Elementary Clearing Model Provisions in respect of Proprietary Margin and (y) one or more securities accounts or sub-accounts (including any subset of securities booked on an account and identified by a common identifier) with Clearstream Banking AG, Clearstream Banking S.A. or with SIX SIS AG, pledged to Eurex Clearing AG with respect to Omnibus Margin in accordance with the Elementary Clearing Model Provisions (each an “**Omnibus Pledged Securities Account**”), unless the Clearing Member uses Xemac to grant the pledges in accordance with Subpart A Number 4.3.2.2 of the Elementary Clearing Model Provisions in respect of Omnibus Margin;
- (bb) for purposes of providing Segregated Margin in the form of Securities pursuant to the Individual Clearing Model Provisions through accounts with

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Clearstream Banking AG, (i) one or several securities accounts with Clearstream Banking AG for each of its Non-Clearing Members and Registered Customers pursuant to the Individual Clearing Model Provisions and/or (ii) a securities account with Clearstream Banking AG for several of its Non-Clearing Members and/or Registered Customers pursuant to the Individual Clearing Model Provisions, in each case if applicable and if the Clearing Member does not use Xemac in order to transfer title to the Securities which form part of the Segregated Margin to Eurex Clearing AG; the Securities are attributed to the relevant Non-Clearing Member or Registered Customer, respectively, in the case of (i), by booking them into the securities account and in the case of (ii), by booking them into the securities account and stating the specific customer identifier pursuant to Part 3 Subpart A Number 4.3 (the “**Securities Margin Account**”);

- (cc) one or more securities accounts or sub-accounts (including any subset of securities booked on an account and identified by a common identifier) with Clearstream Banking AG, Clearstream Banking S.A. or with SIX SIS AG, pledged to Eurex Clearing AG with respect to Omnibus Margin for CASS Transactions in accordance with Part 2 Subpart D (each a “**CASS Omnibus Pledged Securities Account**”), unless the Clearing Member uses Xemac to grant the pledges in accordance with Subpart A Number 4.3.2.2 of the Elementary Omnibus Clearing Model Provisions;
- (dd) if the Clearing Member uses Xemac on the basis of the relevant applicable provisions of the Special Conditions for Collateral Management (“**SC Xemac**”), a securities account with Clearstream Banking AG with respect to which pledges are granted or title transfers effected with respect to Securities by a respective labelling of the Securities in the system and modification of the bailment intention (*Besitzmittlungswille*) by Clearstream Banking AG in favour of Eurex Clearing AG (“Earmarking”); and
- (ee) settlement securities accounts required for the Physical Delivery of Securities (including German book-entry securities and Swiss intermediated securities) for the relevant Transaction Types, which shall be maintained with a Settlement Location and which must be connected with a corresponding cash account.

The applicant is not required to maintain Securities Accounts pursuant to Paragraph (4) (a) (aa) to (cc) if it provides Margin in the form of cash only.

(b) Cash Accounts:

- (aa) for cash payments in EUR: (i) an account within the payment module at a central bank of the Euro system which participates in TARGET2 with its TARGET2 component system or an account at another central bank which is not a central bank of the Euro system and, due to a special agreement, connected to TARGET2 (“**RTGS Account**”), (ii) an account with SECB Swiss Euro Clearing Bank GmbH (“**SECB Account**”) and an euroSIC

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account with SIX Interbank Clearing AG (both accounts jointly the “**euroSIC Account**”), (iii) an account with a Correspondent Bank in accordance with (ee), (iv) an account with a Settlement Bank in accordance with (ff), or (v) an account with a bank which maintains an account with a Settlement Bank in accordance with (gg);

(bb) for cash payments in CHF: (i) an account with the SNB (the “**SNB Account**”) and an account with SIX Interbank Clearing AG (both accounts in the following jointly the “**SIC Account**”), (ii) an account with a Correspondent Bank in accordance with (ee), (iii) an account with a Settlement Bank in accordance with (ff), or (iv) an account with a bank which maintains an account with a Settlement Bank in accordance with (gg);

(cc) for cash payments in GBP: (i) an account with a Settlement Bank in accordance with (ff), or (ii) an account with a bank which maintains an account with a Settlement Bank in accordance with (gg)

(any RTGS Account and SIC Account each being referred to as a “**Central Bank Account**”); and

(dd) for payment of Eurex-Fees (as defined in Number 5.1) according to Number 1.4.1 Paragraph (6), an account with a bank for the respective currency

(all such accounts together with any other cash accounts provided for in the Special Clearing Provisions, the “**Clearing Member Cash Accounts**”).

(ee) The applicant may choose for EUR and CHF to use a Central Bank Account maintained in the name of a correspondent bank (“**Correspondent Bank**”).

(ff) The applicant may choose to use an account with a commercial bank recognized by Eurex Clearing AG (“**Settlement Bank**”). For cash payments in EUR, CHF and GBP the following provisions apply:

- (i) The Settlement Bank shall not be an affiliate of the applicant. The scope of the term affiliate shall be determined by Eurex Clearing AG.
- (ii) Any payment obligation of the applicant towards Eurex Clearing AG which may arise under the relevant Clearing Agreement, Standard Agreement or Transaction shall only be deemed discharged with the actual credit of the relevant cash amount to the designated TARGET2 account of Eurex Clearing AG, account of Eurex Clearing AG with the SNB or Bank of England (each an “**ECAG Central Bank Account**”) or an account of Eurex Clearing AG with the SIX Interbank Clearing AG or Swiss Euro Clearing Bank GmbH (each an “**ECAG euroSIC Account**”), respectively. Eurex Clearing AG ensures that it will instruct its Settlement Bank immediately after any cash amount has been

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credited to its account with the Settlement Bank to transfer such amounts to the relevant ECAG Central Bank Account or ECAG euroSIC Account.

- (iii) Any payment obligation of Eurex Clearing AG towards the applicant which may arise under the relevant Clearing Agreement, Standard Agreement or Transaction shall already be deemed discharged with the actual credit of the relevant cash amount to Eurex Clearing AG's account maintained with the Settlement Bank. Eurex Clearing AG ensures that it will instruct its Settlement Bank immediately after any cash amount has been credited to its account with the Settlement Bank to transfer such amounts to the applicant's account with the Settlement Bank.
 - (iv) At the time the applicant enters into a Clearing Agreement with Eurex Clearing AG, the applicant further represents and warrants by way of an independent guarantee and irrespective of fault (*selbständiges, verschuldensunabhängiges Garantieverprechen*) to Eurex Clearing AG that it will indemnify Eurex Clearing AG against any and all damages and losses which may arise from (a) a non-transfer of the relevant cash amounts from the account of Eurex Clearing AG with the Settlement Bank to the relevant ECAG Central Bank Account of Eurex Clearing AG or (b) a non-transfer of the relevant cash amounts from the account of Eurex Clearing AG with the Settlement Bank to the applicant's account with the Settlement Bank, unless such non-transfer has been caused by an wilful action or omission by Eurex Clearing AG. Eurex Clearing AG will assign any claim it may have against the Settlement Bank with respect to such non-transferred cash amount to the applicant.
 - (gg) The applicant may choose to use an account with a Settlement Bank maintained in the name of another bank. The provisions under (ff) shall apply accordingly.
- (5) The applicant shall provide evidence for compliance with the following requirements:
- (a) Technical connection to the systems of Eurex Clearing AG and, unless incorporated in the relevant Clearing Agreement, execution of the Agreement on Technical Connection to the Clearing EDP of Eurex Clearing AG (Connection Agreement) under inclusion of the General Terms and Conditions on Technical Connection to the Clearing EDP of Eurex Clearing AG.
 - (b) 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).

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- (c) The use of at least one sufficiently qualified (as defined by Eurex Clearing AG and published pursuant to Number 16.1) clearing staff member in the back office for the orderly fulfilment of the clearing obligations Number 1.2.6 shall remain unaffected. A Clearing Member is not obliged to use a qualified clearing staff member in case of outsourcing to an Insourcer according to Number 15.2 that has a qualified clearing staff member.
- (d) Payment of the Contribution to the Default Fund in accordance with Number 6.1.
- (e) Granting of an authorisation to Eurex Clearing AG for purposes of delivery instructions by Eurex Clearing AG vis-à-vis a Settlement Location, provided this is necessary for the Clearing of Transactions of the relevant Transaction Type.
- (f) A waiver of the obligation to pay the US American withholding tax in case of Clearing of Transactions in Securities which the US American revenue authority (Internal Revenue Service) defines as being subject to US American withholding tax. In case of Clearing of Securities being subject to US American withholding tax within the meaning of Sentence 1, Eurex Clearing AG will comply with the legal obligation to register under consideration of its fiscal status as well as the fiscal status of the respective applicant vis-à-vis the US American revenue authority (Internal Revenue Service). In case evidence pursuant to Sentence 1 is not provided by the applicant, Eurex Clearing AG shall, in case of Clearing of Transactions pursuant to Sentence 1, comply with its obligation to register vis-à-vis the US-American revenue authority (Internal Revenue Service) and retain the accrued remuneration where applicable and pay the same to the US-American revenue authority (Internal Revenue Service). In case the applicant uses one or more settlement institutions pursuant to Paragraph (7) and (8) below, it shall provide evidence pursuant to Sentence 1 with regard to the accounts and custody accounts maintained with the settlement institutions used or authorised in connection with transactions concluded on the Markets.
- (g) Each Clearing Member shall appoint at least one of its employees as emergency contact for Eurex Clearing AG to initiate necessary measures in emergency cases who shall be available during regular business hours; the Clearing Member needs to register the contact with Eurex Clearing AG.
- (6) Evidence of compliance with the general prerequisites set forth in Paragraphs (2) – (5) above must be provided upon submission of the application.
- (7) Eurex Clearing AG may, upon written application and upon submission of appropriate evidence, permit the applicant or a Clearing Member that the prerequisites for the granting of a Clearing License pursuant to Paragraph (4) (a) (ee) above as well as – optionally – the prerequisites pursuant to Paragraph (5) (e) will be fulfilled by one or more settlement institutions on behalf of and for the applicant or the Clearing Member, respectively. The Clearing Member shall ensure that the appointed settlement institution(s) complies with the Clearing

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Conditions. Eurex Clearing AG is authorised to request at any time written evidence regarding the compliance with the Clearing Conditions in accordance with Sentence 1 and 2; the costs shall be borne by the Clearing Member.

- (8) In case a Clearing Member or a settlement institution uses other third parties not listed in Paragraphs (5) and (7) above, it has to ensure the compliance with the Clearing Conditions also by such third parties. Paragraph (7) Sentence 3 shall apply accordingly.

2.1.3 Prerequisites for Governmental Entities and Supranational Organisations

- (1) Upon request and upon the sole risk assessment of Eurex Clearing AG, certain governmental entities and supranational organisations may be admitted as Clearing Members under modified conditions. These are:
- (a) the member countries of the EU and Switzerland as well as other non-EU countries, their central governments, regional governments and ministries, as well as their legally dependent special funds;
 - (b) the central banks of the countries named under (a);
 - (c) the European Central Bank, multilateral development banks and international organisations within the meaning of Articles 117 and 118 of the CRR, including the Kreditanstalt für Wiederaufbau (KfW);
 - (d) legally independent institutions and companies which are commissioned with or responsible for the management of assets or liabilities of one of the countries named under (a); and
 - (e) public sector entities within the meaning of Article 4 Paragraph 1 Number 8 of the CRR and comparable institutions.
- (2) Applicants within the meaning of Paragraph (1) are required to fulfil the general prerequisites set out in Number 2.1.2 Paragraphs (3) to (6) and the special prerequisites for the relevant Transaction Type, unless they have been exempted in whole or in part from the fulfilment of these prerequisites by Eurex Clearing AG.

Applicants within the meaning of Paragraph (1) (a) to (d) may in particular be exempted from the requirement to:

- (a) have available own funds pursuant to Number 2.1.2 Paragraph (3);
- (b) have available Securities Accounts pursuant to Number 2.1.2 Paragraph (4);
- (c) pay Contributions to the Default Fund pursuant to Number 2.1.2 Paragraph (5) (d);
- (d) meet Margin Requirements pursuant to Number 3 for specific Transaction Types; and/or to

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- (e) participate in DM Auctions pursuant to Number 7.5.3 in connection with the DM Auction Rules.

Applicants within the meaning of Paragraph (1) (e) may only be exempted from the requirements mentioned in (a), (b) and (e).

Applicants within the meaning of Paragraph (1) are exempt from the requirement to participate in a Default Management Committee pursuant to Number 7.5 unless they apply for participation and meet the participation requirements pursuant to Number 7.5 in connection with the DMC Rules.

- (3) Any exemption pursuant to Paragraph (2) will be granted only upon request and upon the sole risk assessment of Eurex Clearing with the option of revoking such exemption at any time. An exemption from the requirements mentioned in Paragraph (2) (c) and (d) presupposes that the creditworthiness of the applicant determined on the basis of Eurex Clearing AG's internal assessment pursuant to Number 1.6.1 Paragraph (4) corresponds at least to a rating of A by Standard & Poor's Financial Services LLC, a part of McGraw Hill Financial Inc. ("**S&P**"). If the applicant has an unlimited guarantee or declaration of liability from a guarantor that falls within one of the categories listed in Paragraph (1), the rating of that guarantor is decisive.
- (4) Clearing Members which have been exempted from the requirements mentioned in Paragraph (2) (c) and (d) are entitled to conclude a Clearing Agreement with a Non-Clearing Member or a Registered Customer only if such Non-Clearing Member or Registered Customer falls itself within one of the categories listed in Paragraph (1) (a) to (d) and meets the minimum rating requirement pursuant to Paragraph (3).

2.1.4 Rejection and Termination of Clearing Licenses

- (1) Eurex Clearing AG may reject to grant a Clearing Licence, if Eurex Clearing AG, based on its evaluation, determines that this is necessary to avoid or mitigate risks for Eurex Clearing AG. In respect of the evaluation pursuant to Sentence 1 Eurex Clearing AG will take the following criteria into account: (i) credit ratings by generally accepted rating agencies relating to the applicant, (ii) Eurex Clearing AG's credit ratings relating to the applicant, (iii) market indications relating to the applicant (e.g. share price and CDS spreads), (iv) a state guarantee or state support relating to the applicant, and (v) the type of Clearing Licence applied for.
- (2) Clearing Licenses may be terminated by Eurex Clearing AG or the Clearing Member in accordance with Number 13.
- (3) Upon the occurrence of a Termination Date (as defined in Number 7.2), all Clearing Licenses of the Affected Clearing Member (as defined in Number 6.2) shall expire automatically.

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2.2 Certain continuing obligations of Clearing Members

- 2.2.1 Each Clearing Member shall ensure that, at any time, sufficient funds are credited to the Clearing Member Cash Accounts and that sufficient amounts of Securities and cash amounts for the settlement of Settlement Claims are credited to relevant settlement security accounts and the corresponding cash accounts.
- 2.2.2 Each Clearing Member shall – in accordance with any mandatory laws applicable to it – promptly inform Eurex Clearing AG if it is no longer in compliance with any of the prerequisites for any Clearing License granted to it or if any other circumstances prevail, which might render any of these prerequisites no longer satisfied or if a Termination Event or Insolvency Termination Event (as defined in Number 7.2) has occurred.
- 2.2.3 Clearing Members are obliged, at the request of Eurex Clearing AG, to provide Eurex Clearing AG with evidence of continued compliance with the prerequisites for a Clearing License. Eurex Clearing AG may in particular, at the expense of the relevant Clearing Member, require an update of the legal opinion that has been provided pursuant to Number 2.1.2 Paragraph (2) (d) or retain an auditor within the meaning of the KWG or of equivalent regulations for purposes of further investigation of continued compliance.
- 2.2.4 Each Clearing Member shall promptly notify Eurex Clearing AG immediately and without request if it is unable to fulfil any obligations under a Transaction or any other obligations under a Standard Agreement or Clearing Agreement, including its obligations to deliver Margin or Variation Margin.

2.3 Specific Provisions and additional continuing Obligations for OTC IRS U.S. Clearing Members

The general prerequisites for Clearing Licenses set out in Number 2.1.2 Paragraphs (2) (a) (ee), (2) (d) and 2 (e), (3) (b), (3) (c) and (3) (d), (5) (a) - (d) and (g), (6), (7) and (8) and the continuing obligations set out in Number 2.2 above also apply in respect of applicants applying for a participation in the Clearing as an OTC IRS U.S. Clearing Member (including as an OTC IRS FCM Clearing Member). In addition, the following provisions set out in this Number 2.3 apply with respect to such applicants.

2.3.1 Special prerequisites and provisions for OTC IRS U.S. Clearing Members

- (1) A Clearing Licence for the participation in the Clearing as an OTC IRS U.S. Clearing Member may only be granted to an entity that is legally organised and has its principal place of business in the United States of America (or any state thereof) and only with respect to the Clearing of OTC Interest Rate Derivative Transactions.
- (2) If the applicant for a Clearing License for the participation in the Clearing as an OTC IRS U.S. Clearing Member intends to clear OTC Interest Rate Derivative Transactions for customers, the applicant needs to be registered with the CFTC as a “futures commission merchant” (as defined in the CEA), and such Clearing License can only be granted for the Clearing of OTC Interest Rate Derivative Transactions as an agent for OTC IRS FCM Clients (as defined in the U.S. Clearing Model Provisions) in accordance with the U.S. Clearing Model Provisions (each OTC IRS

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U.S. Clearing Member that is a futures commission merchant and holds such Clearing License for the Clearing of OTC Interest Rate Derivative Transactions as an agent for OTC IRS FCM Clients, an “**OTC IRS FCM Clearing Member**”).

- (3) An OTC IRS U.S. Clearing Member that does not qualify as an OTC IRS FCM Clearing Member may only participate in the Clearing of OTC Interest Rate Derivative Transactions that are Own Transactions of such OTC IRS U.S. Clearing Member. An OTC IRS U.S. Clearing Member that qualifies as an OTC IRS FCM Clearing Member may additionally participate in the Clearing as an agent for OTC IRS FCM Clients as set out in Paragraph (2).
- (4) The applicant for a Clearing License must have available own funds or other regulatory capital in an amount determined by Eurex Clearing AG from time to time, provided that Eurex Clearing AG will not require a minimum capital of more than USD 50,000,000 (fifty million U.S. Dollars) at the time of the application.
- (5) Without prejudice to the obligations of the OTC IRS U.S. Clearing Member set out in any part of the Clearing Conditions, the OTC IRS U.S. Clearing Member shall ensure that it has adequate operational capacity to meet obligations arising from the participation in the Clearing with Eurex Clearing AG including (but not limited to): (i) the ability to process expected volumes and values of Transactions cleared by the OTC IRS U.S. Clearing Member (including in its capacity as an OTC IRS FCM Clearing Member) within required time frames, including at peak times and on peak days, (ii) the ability to fulfil any collateral, payment and delivery obligations imposed by Eurex Clearing AG, and (iii) the ability to participate in the default management process pursuant to Number 7.5 (subject to, in the case of an OTC IRS FCM Clearing Member, the U.S. Clearing Model Provisions).
- (6) Instead of the accounts set out in Number 2.1.2 Paragraph (4) the applicant shall have available the following accounts (as applicable):
 - (a) Securities Accounts:
 - (aa) with respect to the Clearing of Own Transactions: a Pledged Securities Account with Clearstream Banking AG;
 - (bb) with respect to the Clearing of Transactions for OTC IRS FCM Clients and for purposes of granting pledges over the Securities that shall form part of the OTC IRS FCM Client Margin to Eurex Clearing AG in accordance with the U.S. Clearing Model Provisions: one securities account or sub-account (including any subset of securities booked on an account and identified by a specific customer identifier of the relevant OTC IRS FCM Client pursuant to Number 3.4 of the U.S. Clearing Model Provisions) in relation to each OTC IRS FCM Client with Clearstream Banking AG to which the pledges with respect to OTC IRS FCM Client Margin in accordance with the U.S. Clearing Model Provisions relate (each such account, sub-account or subset identified by a common identifier, an “**OTC IRS FCM Client Pledged Securities Account**”).

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The applicant is not required to maintain securities accounts pursuant to Paragraph (6) (a) (aa) and (bb) if it provides Margin only in the form of cash.

(b) Cash Accounts:

(aa) for cash payments in Euro: an RTGS Account in respect of payments relating to its Own Transactions and, in the case of an OTC IRS FCM Clearing Member, a further RTGS Account in respect of payments relating to the OTC IRS FCM Client Transactions of such OTC IRS FCM Clearing Member's OTC IRS FCM Clients; and

(bb) if the OTC IRS U.S. Clearing Member wishes to pay Eurex-Fees (as defined in Number 5.1) according to Number 1.4.1 Paragraph (6), an account with a bank for the respective currency

(together with any other cash accounts provided for in the Special Clearing Provisions, the "**OTC IRS U.S. Clearing Member Cash Accounts**").

Eurex Clearing AG may, upon written request, allow the use of the required cash accounts pursuant to this Paragraph (6) (b) of a correspondent bank recognised by Eurex Clearing AG.

2.3.2 Additional continuing obligations for OTC IRS U.S. Clearing Members

- (1) An OTC IRS U.S. Clearing Member shall promptly inform Eurex Clearing AG if it is in material non-compliance with any applicable regulations of the CFTC or with any of the prerequisites or conditions included in this Number 2.3. An OTC IRS U.S. Clearing Member shall provide to Eurex Clearing AG, without undue delay, information that concerns any financial or business developments that may materially affect the OTC IRS U.S. Clearing Member's ability to continue to comply with any prerequisites or conditions set out in Numbers 2.1, 2.2 or 2.3.
- (2) An OTC IRS U.S. Clearing Member is obliged to file periodic statements of their financial condition with Eurex Clearing AG within 17 days of the end of each calendar month. An OTC IRS FCM Clearing Member must file copies of the CFTC form "1-FR-FCM" in fulfilment of this requirement completed in accordance with 17 C.F.R. § 1.18.

"**C.F.R.**" means the U.S. Code of Federal Regulations.

- (3) An OTC IRS U.S. Clearing Member is obliged, at the request of Eurex Clearing AG, to provide Eurex Clearing AG with evidence of compliance with the prerequisites for a Clearing License, including, in particular, evidence of implementation of risk management processes. An OTC IRS U.S. Clearing Member is further obliged to respond in full and on a timely basis to requests for information about their financial condition from Eurex Clearing AG's managers or staff or from authorised agents acting on behalf of Eurex Clearing AG.

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- (4) Eurex Clearing AG may, at the cost of the relevant OTC IRS U.S. Clearing Member, conduct audits of OTC IRS U.S. Clearing Members which may include financial, operational, risk management and business practice aspects. An OTC IRS U.S. Clearing Member is obliged to cooperate with such audits and promptly provide access to any books or records that Eurex Clearing AG's managers or staff or any authorised agents acting on behalf of Eurex Clearing AG may request as part of the audit, and to make their facilities available for review and inspection by Eurex Clearing AG's managers or staff or authorised agents acting on behalf of Eurex Clearing AG as such persons may request. Eurex Clearing AG's audit may include all such information that would allow Eurex Clearing AG to ascertain that the OTC IRS U.S. Clearing Member continues to fulfil the prerequisites for participation in the Clearing and compliance with the Clearing Conditions. Eurex Clearing AG may, in its discretion, have any such audit conducted by a third party.
- (5) An OTC IRS U.S. Clearing Member shall respond promptly and completely to requests for information from Eurex Clearing AG's chief compliance officer or the chief compliance officer's authorised designee and to provide access to books and records and operating facilities upon request from Eurex Clearing AG's chief compliance officer or the chief compliance officer's authorised designee.
- (6) An OTC IRS U.S. Clearing Member shall (as a prerequisite for obtaining a Clearing License and, after having obtained a Clearing License, without undue delay after any changes are made to the relevant policies, procedures or practices) provide Eurex Clearing AG with its written anti-money laundering procedures and written risk management policies and procedures and practices, addressing the risks that such OTC IRS U.S. Clearing Member may pose to Eurex Clearing AG, including, but not limited to, information and documents relating to the liquidity of such OTC IRS U.S. Clearing Member's financial resources and settlement procedures.
- (7) An OTC IRS FCM Clearing Member shall be obliged (to the extent permitted by applicable law) to provide Eurex Clearing AG with any information that Eurex Clearing AG may reasonably require in relation to the clearing services provided by the OTC IRS FCM Clearing Member to its OTC IRS FCM Clients, including the following information:
- (i) the text of any OTC IRS FCM Client Clearing Agreement entered into between the OTC IRS FCM Clearing Member and the relevant OTC IRS FCM Client; and
 - (ii) any document reflecting the recording of the OTC IRS FCM Client Transactions in the different accounts held by the OTC IRS FCM Clearing Member per Business Day, the details of such OTC IRS FCM Client Transactions, the margin assets, including excess margin, if any, held in respect of such OTC IRS FCM Client Transactions (reflected on a customer-by customer basis).

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2.4 **Specific Provisions and additional continuing Obligations for Clearing Agents and Basic Clearing Members**

The Clearing Agent must hold a General Clearing License and meet the general and special prerequisites for each Transaction Type that the Basic Clearing Member intends to clear. The Clearing Agent (in such capacity) shall comply with the obligations of Clearing Members set out in Number 2.2.

1.1.1 **Special prerequisites and provisions for Basic Clearing Members**

- (1) Eurex Clearing AG retains the right to reject a Clearing Agent for a given Basic Clearing Member in order to prevent and control adverse risk constellations in accordance with Eurex Clearing AG's risk management policy.
- (2) With respect to each applicant for a Basic Clearing License, the applicant shall procure that the following accounts are available (as applicable):
 - (a) Securities Accounts:
 - (aa) With respect to the Clearing of Transactions for Basic Clearing Members and for purposes of granting pledges over the Securities that shall form part of the Basic Clearing Member Margin to Eurex Clearing AG in accordance with the Basic Clearing Member Provisions:
 - (A) one securities account or sub-account of the Clearing Agent (including any subset of securities booked on an account and identified by a specific customer identifier of the relevant Basic Clearing Member pursuant to Number 5.5 of the Basic Clearing Member Provisions) in relation to such Basic Clearing Member with Clearstream Banking AG, Clearstream Banking S.A. or with SIX SIS AG, to which the pledges with respect to Basic Clearing Member Margin in accordance with the Basic Clearing Member Provisions relate;
 - (B) one securities account or sub-account of the Basic Clearing Member with Clearstream Banking AG, Clearstream Banking S.A. or with SIX SIS AG, to which the pledges with respect to Basic Clearing Member Margin in accordance with the Basic Clearing Member Provisions relate;
 - (C) one securities account or sub-account of a third party acceptable to Eurex Clearing AG ("**Third Party Account Holder**") with Clearstream Banking S.A., to which the pledges with respect to Basic Clearing Member Margin in accordance with the Basic Clearing Member Provisions relate; and/or
 - (D) such other securities account or sub-account as may be agreed between the applicant and Eurex Clearing AG

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(each such account, sub-account or subset identified by a common identifier, a “**Basic Clearing Member Pledged Securities Account**”), unless the Basic Clearing Member Margin shall be provided by using an Accepted Collateral Management System.

“**Accepted Collateral Management System**” means CmaX, Xemac, the triparty collateral management service of SIX SIS (“**TCM SIX SIS**”) and any other collateral management system accepted by ECAG.

(bb) No securities accounts pursuant to Paragraph (2) (a) (aa) shall be required if Basic Clearing Member Margin is only provided in the form of cash.

(b) Cash Accounts:

(aa) for cash payments in Euro: an RTGS Account held by the Clearing Agent or the Basic Clearing Member in respect of payments relating to the Basic Clearing Member Transactions of the Basic Clearing Member; and

(bb) for cash payments in CHF: a SIC Account held by the Clearing Agent or the Basic Clearing Member in respect of payments relating to the Basic Clearing Member Transactions of the Basic Clearing Member. In case the Clearing Agent (if the Clearing Agent is the holder of the relevant account) or the Basic Clearing Member (if the Basic Clearing Member is the holder of the relevant account) is located outside of Switzerland and without a branch in Switzerland and provided CHF has not been chosen as a Clearing Currency for the Basic Clearing Member, the SIC Account may be substituted with an account with a correspondent bank recognised by Eurex Clearing AG; and/or

(cc) such other cash account as may be agreed between the applicant and Eurex Clearing AG

(the “**Basic Clearing Member Cash Accounts**”).

Eurex Clearing AG may, upon written request from the Basic Clearing Member (including via its Clearing Agent), allow the use of the required cash accounts pursuant to this Paragraph (2) (b) of a correspondent bank recognised by Eurex Clearing AG.

1.1.2 Additional continuing obligations for Clearing Agents

A Clearing Agent shall be obliged (to the extent permitted by applicable law) to provide Eurex Clearing AG with any information that Eurex Clearing AG may reasonably require in relation to the clearing services provided by the Clearing Agent to its Basic Clearing Members (excluding the content of any bilateral agreement entered into between the Clearing Agent and the relevant Basic Clearing Member pursuant to Number 4.1.5 of the Basic Clearing Member Provisions).

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2.5 **Specific provisions and additional continuing obligations for U.S. Clearing Members**

For applicants legally organised and with their principal place of business in the United States of America (or any state thereof), the general prerequisites for Clearing Licenses set out in Number 2.1.2 Paragraphs (2) to (8) shall apply accordingly if not stated otherwise below. In addition, the following provisions set out in this Number 2.5 shall also apply with respect to such applicants.

For the avoidance of doubt, this Number 2.5 does not apply to OTC IRS U.S. Clearing Members and OTC IRS FCM Clearing Members.

2.5.1 **Special prerequisites and provisions for U.S. Clearing Members**

- (1) An applicant legally organised and with its principal place of business in the United States of America (or any state thereof) can only apply for a Clearing Licence for Eurex Transactions as determined from time to time by Eurex Clearing AG. Eurex Clearing AG will publish a list of all futures contract transactions and options contract transactions which can be cleared through Eurex Clearing AG by U.S. Clearing Members on its website (www.eurexclearing.com).
- (2) The applicant must either qualify as a futures commission merchant (as defined in the CEA) registered with the CFTC ("**FCM**") or as a Proprietary Trading Firm.

"**Proprietary Trading Firm**" means an entity which (a) is organised as a corporation, limited liability company, general or limited partnership, statutory business trust or common law business trust under the laws of a state of the United States of America and has its principal place of business in the United States of America, (b) is not a bank, insurance company, stockbroker (including a stockbroker registered with the U.S. Securities and Exchange Commission under Section 15(b) of the U.S. Securities Exchange Act of 1934, as amended, 15 U.S. Code § 78o(b), a commodity broker (including an FCM registered as such with the CFTC) or a railroad, and (c) only clears transactions for its own account or the account of its Affiliates and not for the account of either a "30.7 customer" within the meaning of CFTC Rule 30.1 (f) or a foreign futures customer as described in Section 761(9) of the Bankruptcy Code.

"**Affiliate**" means with respect to a Proprietary Trading Firm, any entity that controls, directly or indirectly, the Proprietary Trading Firm, any entity controlled, directly or indirectly, by the Proprietary Trading Firm or any entity directly or indirectly under common control with such Proprietary Trading Firm. For this purpose, "control" of an entity or of a Proprietary Trading Firm means ownership of a majority of the voting power of the entity or the Proprietary Trading Firm. The term Affiliate also covers any legal entity, corporation, partnership, association, trust, sovereign state, or agency whose account, when carried by the Proprietary Trading Firm, would be considered a proprietary account pursuant to CFTC Regulation 1.3(y) (or any successor or replacement regulation thereto).

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- (3) Proprietary Trading Firms may only participate in the Clearing of Eurex Transactions that are (i) Own Transactions or (ii) Client-Related Transactions of an Affiliate of such Proprietary Trading Firm. FCMs may participate in the Clearing of Eurex Transactions that are (i) Own Transactions, or (ii) Client-Related Transactions. For the avoidance of doubt, Affiliates of a Proprietary Trading Firm and Affiliates of an FCM will be set up as Direct Clients in the systems of Eurex Clearing AG.
- (4) With respect to Proprietary Trading Firms, Number 2.1.2 (3) shall not apply. Instead of requiring evidence of sufficient own funds or equivalent regulatory capital, Eurex Clearing AG will determine at its own discretion whether the applicant has available sufficient financial resources. For this purpose, the Proprietary Trading Firm will submit its most recent Form 1-FR (as such Form is defined by the CFTC) to Eurex 1 Special prerequisites and provisions for U.S. Clearing Members Clearing AG. Should Eurex Clearing AG determine that the applicant has insufficient financial resources for a Clearing License, Eurex Clearing AG may allow the shortfall to be made up by collateral in cash or securities accepted by Eurex Clearing AG. The provisions under Number 2.1.2 (3) (d) shall apply accordingly.
- (5) With respect to the Clearing of Eurex Transactions in accordance with the Elementary Clearing Model Provisions, the only Applicable Allocation Method for U.S. Clearing Members is the Asset Based Allocation.
- (6) Proprietary Trading Firms must be themselves clearing members, for purposes of clearing exchange-traded derivatives, of a derivatives clearing organisation that is registered with the CFTC as such and that is legally organised and has its principal place of business in the United States of America (or any state thereof).

2.5.2 Additional continuing obligations for U.S. Clearing Members

- (1) With respect to Direct Clients, with their registered seat in the European Union ("**European Clients**"), a U.S. Clearing Member shall, prior to entering into a Clearing Agreement with European Clients, inform the relevant European Client that the level of protection of the Elementary Clearing Model and the Individual Clearing Model with regards to porting mechanics and a direct payment of a Difference Claim (if any) to the relevant European Client cannot be offered when the relevant European Client clears its Transactions through a U.S. Clearing Member.

The U.S. Clearing Member must offer to European Clients, which intend to clear their Transactions through the U.S. Clearing Member, the availability of the Elementary Clearing Model and the Individual Clearing Model for European Clients through an affiliated Clearing Member or another Clearing Member with its registered seat in the European Union. If – notwithstanding the aforementioned alternatives offered – the relevant European Client chooses to clear its Transactions through the U.S. Clearing Member, the U.S. Clearing Member shall disclose to the relevant European Client any risks which arise from Clearing through such U.S. Clearing Member.

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- (2) With respect to a U.S. Clearing Member qualifying as an FCM, the following additional continuing obligations shall apply:
- (i) The U.S. Clearing Member shall inform Eurex Clearing AG, without undue delay, if it is in non-compliance with any of the prerequisites or conditions included in Number 2.1.2 (if applicable) and Number 2.5.
 - (ii) The U.S. Clearing Member shall file a copy of its monthly Form 1-FR or, if applicable, FOCUS Report (as defined by the U.S. Securities and Exchange Commission) and its annual audited financial report with Eurex Clearing AG, promptly, but in any event no later than 30 Business Days after such report is available.
 - (iii) The U.S. Clearing Member is further obliged to respond on a timely basis to requests for information about its financial condition from Eurex Clearing AG or from authorised agents acting on behalf of Eurex Clearing AG.
 - (iv) The U.S. Clearing Member shall inform Eurex Clearing AG without undue delay of any decline in equivalent regulatory capital of 20% or more from that shown on its most recent monthly Form 1-FR or, if applicable, FOCUS Report.
- (3) With respect to a U.S. Clearing Member qualifying as Proprietary Trading Firm, the following additional continuing obligations shall apply:
- (i) The U.S. Clearing Member shall promptly inform Eurex Clearing AG if it is in non-compliance with:
 - (a) any of the prerequisites or conditions included in Number 2.1.2 (if applicable) and Number 2.5; or
 - (b) any applicable regulations of a CFTC-registered derivatives clearing organisation of which it is a clearing member.
 - (ii) The U.S. Clearing Member shall file a copy of its monthly Form 1-FR and its annual audited financial reports with Eurex Clearing AG promptly, and in any event no later than 30 Business Days after such report is available.
 - (iii) The U.S. Clearing Member is further obliged to respond on a timely basis to requests for information about its financial condition from Eurex Clearing AG or from authorised agents acting on behalf of Eurex Clearing AG.
 - (iv) The U.S. Clearing Member shall inform Eurex Clearing AG, without undue delay, of any decline in its financial resources of 20% or more from that shown on its most recent Form 1-FR submitted to Eurex Clearing AG.
 - (v) For the entire term of the Clearing-Agreement, entered into between Eurex Clearing AG and the U.S. Clearing Member, the U.S. Clearing Member shall continue to be a clearing member, for purposes of clearing exchange-traded derivatives, of a derivatives clearing organisation registered with the CFTC as

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such and that is legally organised and has its principal place of business in the United States of America (or any state thereof).

- (vi) The U.S. Clearing Member shall inform Eurex Clearing AG, without undue delay, if any formal investigation, disciplinary action, or enforcement action is commenced against it by a derivatives clearing organisation in which it is a clearing member, the CFTC, or any other applicable regulatory or governmental body in the United States of America (or any state thereof).

3 General Provisions regarding Margin

The parties to a Standard Agreement are required to provide cover in respect of Proprietary Margin, Omnibus Margin, Segregated Margin, OTC IRS FCM Client Margin or Basic Clearing Member Margin, as applicable, relating to that Standard Agreement as further set out in this Number 3 and the specific provisions of the Elementary Clearing Model Provisions, the Individual Clearing Model Provisions, the U.S. Clearing Model Provisions and the Basic Clearing Member Provisions, as applicable.

3.1 Margin Requirement and Types of Margin

- 3.1.1 The applicable margin requirement, which shall be determined by Eurex Clearing AG, shall consist of the sum of all relevant margin requirements separately calculated by Eurex Clearing AG in accordance with the relevant applicable Margin Methodology (as defined in Number 3.1.2) subject to and in accordance with the Elementary Clearing Model Provisions, the Individual Clearing Model Provisions, the U.S. Clearing Model Provisions or the Basic Clearing Member Provisions, as applicable.
- 3.1.2 In the member section on the website of Eurex Clearing AG (www.eurexclearing.com), each Clearing Member (and, with respect to a Basic Clearing Member, its Clearing Agent acting on behalf of the Basic Clearing Member) may opt for any one Liquidation Group (as defined in Number 7.5.1) with respect to any particular Transaction Account whether it wants Eurex Clearing AG to calculate its (or, in the case of a Clearing Agent, its Basic Clearing Member's) respective margin requirement in accordance with the Risk Based Margining methodology or in accordance with the Eurex Clearing Prisma methodology (the "**Margin Methodologies**" and each a "**Margin Methodology**"). If no choice is made in the member section by the Clearing Member (or the Clearing Agent) for any Liquidation Group with respect to any particular Transaction Account (or, in the case of (i) an OTC IRS FCM Clearing Member acting for the account of one or more OTC IRS FCM Clients, the relevant OTC IRS FCM Client Own Account and (ii) a Clearing Agent acting for the account of one or more Basic Clearing Members, the relevant Basic Clearing Member Own Account (as defined in Number 5.1 of Basic Clearing Member Provisions)), Eurex Clearing AG shall apply the Risk Based Margining methodology for such Liquidation Group with respect to the respective Transaction Account (or OTC IRS FCM Client Own Account or Basic Clearing Member Own Account, respectively).
- 3.1.3 With regard to the Margin Methodologies, Eurex Clearing AG will publish the relevant applicable calculation method for all relevant types of margin in Number 1.6.1 on its

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homepage www.eurexclearing.com; each published Margin Methodology shall form part of these Clearing Conditions.

- 3.1.4 Each margin requirement calculated by Eurex Clearing AG shall equal, in respect of a Transaction or a group of Transactions after a netting thereof, if applicable, the sum of the Current Liquidating Margin requirement and the Premium Margin requirement and the Additional Margin requirement and the Initial Margin requirement and any other margin type requirement, as specified in the Special Clearing Provisions, (the “**Margin Type**”). The Current Liquidating Margin requirement and the Additional Margin requirement apply to all securities transactions (*Wertpapiergeschäfte*) pursuant to Chapters II through VI.
- 3.1.5 The “**Current Liquidating Margin**” requirement equals the value of loss Eurex Clearing AG would suffer as of the time of the determination of the margin requirement from a closing of a Transaction by entering into an inverse transaction (*Glattstellung*) being subject to such margin requirement taking into account cash and securities positions under those Transactions separately. Each cash position shall be determined by discounting it with the current market interest rate (calculation of cash value on the valuation date). Each securities position shall be valued after the end of trading of the respective Market on the basis of the Daily Settlement Price (as defined, in each case, in Chapter II-VI) taking into account any accrued interest, if applicable.
- 3.1.6 The “**Premium Margin**” requirement equals the aggregate value of the potential loss Eurex Clearing AG would suffer as of the time of the determination of the margin requirement from a closing of an option by entering into an inverse transaction (*Glattstellung*) with immediate premium payment obligations where Eurex Clearing AG is the buyer of the option.
- 3.1.7 The “**Additional Margin**” requirement equals the amount of any potential losses from a closing of the Transaction(s) by entering into (an) inverse transaction(s) (*Glattstellung*) taking into account assumed price changes due to extreme price movements in the market (worst case scenario) and shall be in addition to the amount calculated by the Current Liquidating Margin, the Premium Margin, or any other Margin Type.
- 3.1.8 The “**Initial Margin**” requirement equals the amount of any potential losses Eurex Clearing AG would suffer as of the time of the determination of the margin requirement from a closing of the Transaction(s) in a particular Liquidation Group by entering into (an) inverse transaction(s) (*Glattstellung*) within the respectively applicable holding period for the respective Liquidation Group, as published by Eurex Clearing AG on its website (www.eurexclearing.com), taking into account assumed price changes due to extreme price movements in the market, and shall be in addition to the amount calculated by the Premium Margin or any other Margin Type.
- 3.2 Eligible Margin Assets and Valuation**
- 3.2.1 Eligible assets to be provided as cover (i) in respect of Margin are such currency amounts and such Securities, as are accepted to Eurex Clearing AG from time to time in its

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reasonable discretion and (ii) in respect of Variation Margin such currency amounts specified in the Special Clearing Provisions (the “**Eligible Margin Assets**”). Eurex Clearing AG will publish the relevant applicable list of Eligible Margin Assets in accordance with Number 16.1 (ii). Unless otherwise provided for in such list, debt securities that have a remaining term of 15 calendar days or less will not be accepted as Eligible Margin Assets.

3.2.2 For the purpose of assessing compliance with each of the margin requirements pursuant to the Elementary Clearing Model Provisions, the Individual Clearing Model Provisions, the U.S. Clearing Model Provisions or the Basic Clearing Member Provisions, the following general provisions apply:

- (1) The value of any Eligible Margin Asset actually delivered (as defined in the Elementary Clearing Model Provisions, the Individual Clearing Model Provisions, the U.S. Clearing Model Provisions or the Basic Clearing Member Provisions) in respect of Margin will be based on the latest valuation method and haircuts determined by Eurex Clearing AG from time to time in its reasonable discretion and published in accordance with Number 16.1 (ii).
- (2) If Eligible Margin Assets in the form of cash are provided in a currency other than the Clearing Currencies, the relevant cash amount shall – for the purpose of assessing compliance with the relevant margin requirement – be deemed to have been actually delivered on the Business Day following confirmation by Eurex Clearing AG’s receiving bank of the receipt of such cash amount vis-à-vis Eurex Clearing AG.
- (3) If Eligible Margin Assets in the form of Securities are credited to the Pledged Securities Account, Omnibus Pledged Securities Account, Securities Margin Account (or, if, for the purpose of providing Segregated Margin, Eligible Margin Assets in the form of Securities are delivered to a securities account of Eurex Clearing AG with Clearstream Banking S.A., to such securities account), CASS Omnibus Pledged Securities Account or Basic Clearing Member Pledged Securities Account, as applicable, such Securities shall – for the purpose of assessing compliance with the margin requirement – be deemed to be actually delivered immediately after notification by Clearstream Banking AG, Clearstream Banking S.A. or SIX SIS AG of such credit. If such notification occurs after the cut-off time specified by Eurex Clearing AG from time to time with respect to each of Clearstream Banking AG, Clearstream Banking S.A. or SIX SIS AG, as applicable, such Securities shall – for the purpose of assessing compliance with the margin requirement – be actually delivered on the Business Day following such confirmation.
- (4) Currency amounts or Securities, in each case actually delivered in respect of Margin, which are no longer accepted by Eurex Clearing AG as Eligible Margin Assets will be disregarded for the purpose of assessing compliance with the margin requirement; the relevant Redelivery Claim (as defined in the Elementary Clearing Model Provisions, the Individual Clearing Model Provisions, the U.S. Clearing Model Provisions or the Basic Clearing Member Provisions, as applicable) with respect to any such assets shall remain unaffected. Eurex Clearing AG will, without undue

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delay, inform the Clearing Members (and in respect of (i) Covered Transactions, the ICM Clients and (ii) Basic Clearing Member Transactions, the Basic Clearing Members and their Clearing Agents) of any currency amounts or Securities that are no longer accepted in satisfaction of their respective margin requirements.

- 3.2.3 Deliveries of currency amounts or Securities not accepted by Eurex Clearing AG as Eligible Margin Assets to Eurex Clearing AG shall be returned without undue delay.
- 3.2.4 If Eurex Clearing AG becomes aware of circumstances, which justify a higher risk assessment of Eurex Clearing AG with respect to the Clearing Member, Basic Clearing Member or OTC IRS FCM Clearing Member (in accordance with the OTC IRS FCM Clearing Member Guarantee), or unanticipated market developments, which have an adverse impact on actually delivered Eligible Margin Assets, Eurex Clearing AG is entitled to request at any time and in its discretion from the Clearing Member, Basic Clearing Member or OTC IRS FCM Clearing Member in respect of Margin the delivery of other Eligible Margin Assets as specified by Eurex Clearing AG as replacement for Eligible Margin Assets which have been actually delivered to Eurex Clearing AG.
- (1) The request pursuant to sentence 1 shall be made in writing and shall include the specification of the relevant Eligible Margin Assets to be delivered, their value, and a reasonable period of time within which such Eligible Margin Assets shall actually be delivered to Eurex Clearing AG.
 - (2) If the relevant Eligible Margin Assets requested pursuant to sentence 1 have been actually delivered to Eurex Clearing AG, the Clearing Member, Basic Clearing Member or OTC IRS FCM Clearing Member may request the release or redelivery of other Eligible Margin Assets in accordance with the relevant provisions of the Elementary Clearing Model Provisions, the Individual Clearing Model Provisions, the U.S. Clearing Model Provisions or the Basic Clearing Member Provisions, as applicable.
 - (3) To the extent Eligible Margin Assets requested pursuant to sentence 1 have not been delivered within the specified period of time, Eurex Clearing AG shall be entitled to directly debit the relevant Clearing Member Cash Account, Basic Clearing Member Cash Account, or OTC IRS U.S. Clearing Member Cash Account in accordance with the daily cash clearing procedure pursuant to Number 1.4.1 of the General Clearing Provisions in an amount equal to the amount of Eligible Margin Assets requested pursuant to sentence 1.
 - (4) If a Clearing Member, Basic Clearing Member or OTC IRS FCM Clearing Member requests the redelivery or release of Eligible Margin Assets in accordance with the relevant provisions of the Elementary Clearing Model Provisions, the Individual Clearing Model Provisions, the U.S. Clearing Model Provisions or the Basic Clearing Member Provisions, as applicable, Eurex Clearing AG is entitled to refuse the redelivery or release of specific Eligible Margin Assets in its own discretion, provided that Eurex Clearing AG becomes aware of (i) circumstances, which justify a higher risk assessment of Eurex Clearing AG with respect to the Clearing Member, Basic Clearing Member or OTC IRS FCM Clearing Member, or (ii) unanticipated market

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developments, which have an adverse impact on actually delivered Eligible Margin Assets. Eurex Clearing AG shall inform the relevant Clearing Member, Basic Clearing Member or OTC IRS FCM Clearing Member about its decision to refuse the redelivery or release of Eligible Margin Assets immediately.

3.3 Margin Call

3.3.1 If the aggregate value of the Eligible Margin Assets actually delivered to Eurex Clearing AG in respect of the relevant Margin is insufficient to provide the cover required to comply with the applicable margin requirement, Eurex Clearing AG will require the Clearing Member and/or the Basic Clearing Member (in respect of its Basic Clearing Member Standard Agreement) to deliver (additional) Eligible Margin Assets in an amount up to the applicable margin requirement and by the time specified by Eurex Clearing AG (a “**Margin Call**”) in accordance with the specific provisions of the Elementary Clearing Model Provisions, the Individual Clearing Model Provisions, the U.S. Clearing Model Provisions or the Basic Clearing Member Provisions, as applicable.

3.3.2 For the purpose of delivering (additional) Eligible Margin Assets pursuant to Number 3.3.1, the Clearing Member may, in the case of a Margin Call relating to Omnibus Margin (in case the Asset Based Valuation Method is the Applicable Allocation Method), Segregated Margin, OTC IRS FCM Client Margin or Basic Clearing Member Margin, by giving notice to Eurex Clearing AG, elect to specify any amount of Eligible Margin Assets in the form of cash delivered by (and not returned to) the Clearing Member to Eurex Clearing AG with respect to and as part of the Proprietary Margin in order to wholly or partially satisfy the respective Margin Call if and to the extent that the aggregate value of all Eligible Margin Assets actually delivered in respect of the Proprietary Margin exceeds the margin requirement applicable at such time, unless the relevant Clearing Member and Eurex Clearing AG agree otherwise.

The consequences of an election to deliver (additional) Eligible Margin Assets pursuant to this Number 3.3.2 are set out in the Elementary Clearing Model Provisions, the Individual Clearing Model Provisions, the U.S. Clearing Model Provisions or the Basic Clearing Member Provisions, as applicable.

3.4 Currency Conversion, Use of Eligible Margin Assets in the form of cash and Income on Margin Assets, Participation of Clearing Members in Investment Losses

3.4.1 If at any time a conversion of a currency amount which is not denominated in a Clearing Currency is necessary in order to calculate the relevant margin requirement or to assess compliance therewith, Eurex Clearing AG shall use a commercially reasonable exchange rate prevailing as at such time.

3.4.2 Eurex Clearing AG reserves the right to make use of Eligible Margin Assets actually delivered in the form of cash in its sole discretion in the context of its business activity in order to ensure its capacity to operate as a clearing house as well as for investment purposes. Eurex Clearing AG shall also be entitled to use securities purchased in such investment transactions for purposes of liquidity management and liquidity generation in relation to its clearing activities in form of repo transactions with business parties

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according to Chapter I Part 1 Number 2.1.3 Paragraph (1) (a) – (f) or as collateral towards a central bank.

- 3.4.3 The use of Eligible Margin Assets in form of Securities actually delivered shall be subject to the specific provisions of the Elementary Clearing Model Provisions, the Individual Clearing Model Provisions, the U.S. Clearing Model Provisions or the Basic Clearing Member Provisions.
- 3.4.4 Eurex Clearing AG may agree from time to time to pay interest on Eligible Margin Assets in the form of cash actually delivered by a Clearing Member or a Basic Clearing Member (or Clearing Agent acting for the account of the Basic Clearing Member) to Eurex Clearing AG in respect of Margin. Any income on Eligible Margin Assets in form of Securities actually delivered by a Clearing Member or a Basic Clearing Member to Eurex Clearing AG in respect of Margin shall be subject to the specific provisions of the Elementary Clearing Model Provisions, the Individual Clearing Model Provisions, the Net Omnibus Clearing Model Provisions, the U.S. Clearing Model Provisions or the Basic Clearing Member Provisions.
- 3.4.5 Eurex Clearing AG may demand from a Clearing Member or Basic Clearing Member (in respect of its Basic Clearing Member Standard Agreement), as relevant, the reimbursement of expenses arising from the investment of the cash actually delivered as Margin. The Clearing Member shall reimburse Eurex Clearing AG for expenses such as charges on any account balances (including in connection with any applicable bank levies, taxes or similar regulatory instruments), negative interest rates, penalty fees, commissions and other payments with a similar effect which are determined by the relevant central bank or relevant commercial bank or governmental agencies in respect of the respective cash funds.
- 3.4.6 In case the Clearing Member pays Eligible Margin Assets in the form of cash, denominated in a Commercial Bank Currency, to Eurex Clearing AG as Margin and Eurex Clearing AG either holds such cash amounts on an account maintained with a commercial bank or invests such cash amounts, partly or in whole, for purposes of liquidity management and liquidity generation (each an “**Investment**”) and Eurex Clearing AG suffers an Investment Loss through such Investment, Eurex Clearing AG is entitled to claim compensation for the Investment Loss from the Clearing Member in accordance with the following provisions:
- (i) “**Investment Loss**” means any loss incurred by Eurex Clearing AG with respect to an Investment because the amount invested in such Investment was not or not fully repaid to Eurex Clearing AG or a third party by the contractual counterparty of the relevant Investment (“**Investment Counterparty**”) on the date on which it shall be repaid in accordance with the relevant contractual terms of the Investment or an instruction by Eurex Clearing AG.

“**Commercial Bank Currency**” means any currency accepted by Eurex Clearing AG as Eligible Margin Assets for which Eurex Clearing AG does not maintain an account with a central bank. Eurex Clearing AG shall publish a list of the Commercial Bank Currencies on its website (www.eurexclearing.com).

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- (ii) Eurex Clearing AG shall participate in the Investment Loss on a pro rata basis (“**Own Contribution**”). The maximum Own Contribution shall be EUR 50,000,000 (“**Maximum Own Contribution**”). The Maximum Own Contribution refers to all past and future Investment Losses and, in case of the occurrence of an Investment Loss, the Maximum Own Contribution shall be reduced by the relevant Own Contribution (“**Available Own Contribution**”). Eurex Clearing AG shall publish the current Available Own Contribution on its website (www.eurexclearing.com).

In case of the occurrence of Investment Losses with respect to more than one Commercial Bank Currency on a Business Day, Eurex Clearing AG allocates the Available Own Contribution to the Commercial Bank Currencies as follows: the product of (A) the Available Own Contribution and (B) the ratio of (i) the sum of the Eligible Margin Assets in form of cash, denominated in the relevant Commercial Bank Currency, which were paid by all Clearing Members to Eurex Clearing AG with respect to all Standard Agreements and (ii) the sum of the Eligible Margin Assets in form of cash, denominated in all Commercial Bank Currencies, which were paid by all Clearing Members to Eurex Clearing AG with respect to all of their Standard Agreements (“**Available Currency-Related Own Contribution**”).

- (iii) Eurex Clearing AG shall determine the relevant Own Contribution with respect to each Commercial Bank Currency separately on the basis of the following formula: the product of (A) the Investment Loss and (B) the ratio of (i) the Available Own Contribution or the Available Currency-Related Own Contribution and (ii) the sum of the Eligible Margin Assets in form of cash, denominated in the relevant Commercial Bank Currency, which were paid by all Clearing Members to Eurex Clearing AG with respect to all of their Standard Agreements plus the Available Own Contribution or the Available Currency-Related Own Contribution.
- (iv) Eurex Clearing AG shall determine the Clearing Member’s share in the Investment Loss with respect to each Commercial Bank Currency separately and on the basis of the following formula: the product of (A) the Investment Loss and (B) the ratio of (i) the sum of the Eligible Margin Assets in form of cash, denominated in the Commercial Bank Currency, which were paid by the relevant Clearing Member to Eurex Clearing AG with respect to all Standard Agreements and (ii) the sum of the Eligible Margin Assets in form of cash, denominated in the Commercial Bank Currency, which were paid by all Clearing Members to Eurex Clearing AG with respect to all of their Standard Agreements plus the Available Own Contribution or the Available Currency-Related Own Contribution (“**Clearing Member-Related Investment Loss**”). Eurex Clearing AG shall notify the Clearing Member about the Clearing Member-Related Investment Loss without undue delay (“**Investment Loss Notice**”).
- (v) The Clearing Member shall pay to Eurex Clearing AG the Clearing Member-Related Investment Loss by the time specified in the Investment Loss Notice at the latest. If the Clearing Member fails to do so by the time specified in the Investment Loss Notice, Eurex Clearing AG is entitled to directly debit the Clearing Member Cash Account in an amount equal to the requested amount in accordance with the daily

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cash clearing procedure pursuant to Number 1.4.1 of the General Clearing Provisions.

- (vi) If the Investment Loss is reduced through a payment by the Investment Counterparty or a third party (“**Reduction Amount**”) after the Clearing Member paid its Clearing Member-Related Investment Loss to Eurex Clearing AG, Eurex Clearing AG shall distribute the Reduction Amount between all Clearing Members, which paid their Clearing Member-Related Investment Loss to Eurex Clearing AG, and Eurex Clearing AG by applying, *mutatis mutandis*, the share in the Investment Loss determined under Paragraph (iii) or (iv).
- (vii) In case of the occurrence of an Investment Loss, the Clearing Member is not entitled to require Eurex Clearing AG to enforce any rights or security interests which Eurex Clearing AG may have against the Investment Counterparty and/or a third party, before claiming the payment of the Clearing Member-Related Investment Loss from the Clearing Member. In the case Eurex Clearing AG has claimed the payment of the Clearing Member-Related Investment Loss from the Clearing Member on the occurrence of an Investment Loss, Eurex Clearing AG will take any action as is required to enforce any rights or security interests which Eurex Clearing AG may have against the Investment Counterparty and/or a third party with respect to the Investment Loss.

3.5 Supplementary Margin

- (1) Eurex Clearing AG shall be entitled to demand at any time during a Business Day from a Clearing Member or a Basic Clearing Member a higher or supplementary margin in the form of Eligible Margin Assets (“**Supplementary Margin**”) in an amount adequate to secure all of Eurex Clearing AG’s claims (including conditional claims) under any Standard Agreement with such Clearing Member or such Basic Clearing Member, if the prerequisites of Paragraph (2) have been fulfilled. This applies even if Eurex Clearing AG has initially refrained, wholly or partly, from demanding any Supplementary Margin. Any Supplementary Margin requested by Eurex Clearing AG will increase the applicable margin requirement.

Paragraphs (2) to (4) of this Number 3.5 shall also apply in respect of a Basic Clearing Member, a Basic Clearing Member Standard Agreement and Basic Clearing Member Transactions, provided that, in such case, any reference herein to the Clearing Member, a Standard Agreement and a Transaction shall be read as a reference to the Basic Clearing Member, the Basic Clearing Member Standard Agreement and the Basic Clearing Member Transaction(s) of such Basic Clearing Member and any of the circumstances referred to in Paragraph (2) shall refer to the Basic Clearing Member and/or its Clearing Agent.

- (2) Eurex Clearing AG’s claim for the provision of Supplementary Margin shall always be based on the precondition that Eurex Clearing AG becomes aware of any of the following circumstances, which justify a higher risk assessment of Eurex Clearing AG’s claims against the Clearing Member (in case of an OTC IRS FCM

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Clearing Member, including all claims under the OTC IRS FCM Clearing Member Guarantee). This may, in particular, be the case, if:

- (a) the economic conditions of the Clearing Member have adversely changed or threaten to adversely change, e.g. upon the occurrence of extraordinary losses of the Clearing Member or the deterioration of the credit standing of the Clearing Member,
 - (b) portfolio risks in the form of cluster risks occur,
 - (c) the legal or regulatory framework for the exercise of rights or the fulfilment of obligations of Eurex Clearing AG or the Clearing Member under or in relation to the Clearing Agreements adversely changes (e.g. if trade restrictions are imposed, the determination of currency exchange rates is regulated or Eurex Clearing AG is required to demand additional margin),
 - (d) the liquidity of certain products or markets in or in relation to which the Clearing Member conducts business, materially decreases,
 - (e) the recognised risk models change (e.g. by inclusion of new risk factors, exclusion of existing risk factors or changes in the assessment of time-related dependencies or the correlation of risk factors), or
 - (f) unanticipated market developments or political events occur which have not been considered previously in the risk assessment of Eurex Clearing AG with respect to the Clearing Member.
- (3) Eurex Clearing AG shall have the right to demand the provision of Supplementary Margin, irrespective of whether Eurex Clearing AG has already exercised Margin Calls vis-à-vis the Clearing Member.
 - (4) Eurex Clearing AG shall, in view of the prevailing circumstances, allow a reasonable period of time for the provision of Supplementary Margin by the Clearing Member. If Eurex Clearing AG intends to make use of a termination right with respect to one or several Clearing Agreements with such Clearing Member in the event that the Clearing Member fails to fulfil its obligation to provide Supplementary Margin in due time, it shall inform the Clearing Member thereof when demanding the provision of Supplementary Margin.
 - (5) Supplementary Margin shall be provided by the Clearing Member or the Basic Clearing Member in accordance with the rules applicable with respect to the provision of the relevant Margin for which Eurex Clearing has requested the Supplementary Margin set out in the Elementary Clearing Model Provisions, Individual Clearing Model Provisions, U.S. Clearing Model Provisions and/or Basic Clearing Member Provisions, as the case may be. Supplementary Margin provided to Eurex Clearing AG shall form part of the relevant Margin and be subject to the Elementary Clearing Model Provisions, Individual Clearing Model Provisions, U.S. Clearing Model Provisions and/or Basic Clearing Member Provisions, as the case

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may be and the provisions of Paragraph (6), but shall not limit the right of Eurex Clearing AG to exercise Margin Calls.

- (6) After and to the extent that the risks leading to the provision of Supplementary Margin have ceased or Eurex Clearing AG has otherwise covered such risks vis-à-vis the Clearing Member or the Basic Clearing Member, Eurex Clearing AG shall – subject to the occurrence of a Termination Date – be obliged to return or, as applicable, release to the Clearing Member or the Basic Clearing Member such Supplementary Margin.

4 Internal Accounts

4.1 Types of Accounts

Eurex Clearing AG establishes and maintains internal accounts for each Clearing Member, on which the Transactions, cash amounts and margin of such Clearing Member (or, in the case of an OTC IRS FCM Clearing Member, its OTC IRS FCM Clients) are booked as further set out in this Number 4 and the specific provisions of the Elementary Clearing Model Provisions, the Individual Clearing Model Provisions or the U.S. Clearing Model Provisions, as applicable. In addition, Eurex Clearing AG establishes and maintains with respect to each Basic Clearing Member the internal accounts as set out in Number 5 of the Basic Clearing Member Provisions.

4.2 Transaction Accounts

4.2.1 Unless otherwise provided in the Elementary Clearing Model Provisions, the Individual Clearing Model Provisions or the Special Clearing Provisions, Eurex Clearing AG opens and maintains with respect to each Clearing Member the following transaction accounts in which the Transactions of the Clearing Member to be cleared have to be booked (each such account and each account opened and maintained by Eurex Clearing AG pursuant to the Elementary Clearing Model Provisions or the Individual Clearing Model Provisions for the booking of Transactions of the Clearing Member, a “**Transaction Account**”):

- (1) one transaction account for Own Transactions of the Clearing Member (a transaction account of such type, a “**Clearing Member Own Account**”);
- (2) one transaction account with respect to own transactions of each Non-Clearing Member/Registered Customer of the Clearing Member for each Clearing Agreement in the form appended hereto as Appendix 2, 3 or 4 that such Non-Clearing Member/Registered Customer has entered into (each transaction account of such type, a “**NCM/RC Own Account**”);
- (3) one transaction account for UDC-Related Transactions of the Clearing Member (each transaction account of such type, a “**NOSA Direct Client Account**”);
- (4) one transaction account for each Specified Client relating to transactions of such Specified Client (each transaction account of such type, an “**SC Account**”);

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- (5) one transaction account with respect to customer-related transactions of each Non-Clearing Member/Registered Customer (for each Clearing Agreement in the form appended hereto as Appendix 2, 3 or 4 that such Non-Clearing Member/Registered Customer has entered into) in each case relating to transactions of multiple Indirect Clients (each transaction account of such type and each transaction account relating to customer-related transactions relating to transactions of multiple Indirect Clients of a Specified Client or to customer-related transactions relating to transactions of multiple Indirect Clients of an Undisclosed Direct Client, an **"NOSA Indirect Client Account"** and each transaction account referred to in Paragraph (3) to (5) and each GOSA Indirect Client Account a **"Customer Account"**).

Subject to and in accordance with the Elementary Clearing Model Provisions, the Individual Clearing Model Provisions or the Special Clearing Provisions, Eurex Clearing may also open and maintain transaction accounts relating to transactions of one particular Indirect Client (each a **"GOSA Indirect Client Account"**, and each GOSA Indirect Client Account or NOSA Indirect Client Account an **"Indirect Client Account"**). Each Indirect Client Account and each Direct Client Account (as defined in Part 2 Subpart C Number 2.1.1 Paragraph (3)) shall be a **"Client Transaction Account"**.

- 4.2.2 The Clearing Member is required to account for the bookings by Eurex Clearing AG into a Transaction Account in its own records.

4.3 Internal Cash Accounts

Eurex Clearing AG will establish and maintain internal cash accounts as further set out in the Elementary Clearing Model Provisions, the Individual Clearing Model Provisions, the U.S. Clearing Model Provisions and the Basic Clearing Member Provisions. Eurex Clearing AG shall procure that any surplus cash balance that the Clearing Member or the Basic Clearing Member may have in its internal cash account with Eurex Clearing AG is credited to the account of the Clearing Member or, in the case of the Basic Clearing Member, the Basic Clearing Member Cash Account at the respective payment institution.

4.4 Internal Margin Account

Eurex Clearing AG will establish and maintain internal margin accounts in respect of Margin as further set out in the Elementary Clearing Model Provisions, the Individual Clearing Model Provisions, the U.S. Clearing Model Provisions and the Basic Clearing Member Provisions.

4.5 Internal Fee Account

Eurex Clearing AG shall establish and maintain an internal fee account for each account of (i) a Clearing Member and (ii) a Basic Clearing Member, in each case in the currency in which the respective account is maintained and shall charge all fees payable with respect to any Transactions to such account. Eurex Clearing AG shall inform each Clearing Member and each Basic Clearing Member (with a copy to its Clearing Agent) of the balance and the individual entries in such accounts.

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4.6 **Objections to Notifications or Reports regarding Internal Accounts, Transactions or Margin**

Whenever Eurex Clearing AG gives notices or provides reports to a Clearing Member, a Non-Clearing Member, a Registered Customer, an OTC IRS FCM Client (or the relevant OTC IRS FCM Clearing Member, acting on behalf of such OTC IRS FCM Client) or a Basic Clearing Member (or the relevant Clearing Agent acting on behalf of such Basic Clearing Member), including with respect to any of the internal accounts set out in this Number 4, the Elementary Clearing Model Provisions, the Individual Clearing Model Provisions, the U.S. Clearing Model Provisions, the Basic Clearing Member Provisions or the Special Clearing Conditions, Transactions, Margin or Variation Margin, such Clearing Member, Non-Clearing Member, Registered Customer, OTC IRS FCM Client (or the relevant OTC IRS FCM Clearing Member, acting on behalf of such OTC IRS FCM Client) or Basic Clearing Member (or the relevant Clearing Agent acting on behalf of such Basic Clearing Member) should check without undue delay all such notices and reports of Eurex Clearing AG, including with respect to all such information and data the Clearing Member, the Non-Clearing Member, Registered Customer, OTC IRS FCM Client (or the relevant OTC IRS FCM Clearing Member, acting on behalf of such OTC IRS FCM Client) or Basic Clearing Member (or the relevant Clearing Agent acting on behalf of such Basic Clearing Member), has given to Eurex Clearing AG or received from Eurex Clearing AG, via third parties.

The Clearing Members, Non-Clearing Members, Registered Customers, OTC IRS FCM Clients (or the relevant OTC IRS FCM Clearing Member, acting on behalf of the relevant OTC IRS FCM Client) or Basic Clearing Members (or the relevant Clearing Agent acting on behalf of the relevant Basic Clearing Member) should inform Eurex Clearing AG in writing or by telefax without undue delay, but in any case no later than (i) by the end of the pre-trading period (with regard to market participants) for the relevant Transaction Type of the next Business Day or (ii) by 9:00 hours (Frankfurt am Main time) on the next Business Day (in all other cases), of any mistakes, errors, omissions, deviations or irregularities that become apparent to it in such notices or reports.

5 **Fees**

- 5.1 On the basis of its price list in effect (the “**Price List of Eurex Clearing AG**” (*Preisverzeichnis der Eurex Clearing AG*)), which will be published in accordance with Number 16.1, Eurex Clearing AG will charge to its Clearing Members and its Basic Clearing Members (i) a one-time fee upon conclusion of the first Clearing Agreement, (ii) an annual fee for the granting of a Clearing License or a Basic Clearing Member Clearing License, payable by the Clearing Member or the Basic Clearing Member, as applicable, on January 31 of each year, and (iii) further fees for certain actions and Transactions, as specified in the Price List of Eurex Clearing AG (together with fees payable to Eurex Frankfurt AG according to the Agreement on Technical Connection and Utilization of the Trading Systems of Eurex Deutschland ~~and Eurex Zürich~~ (Connection Agreement), as referred to in Chapter II Part 1 Paragraph (4), the “**Eurex-Fees**”). The Price List of Eurex Clearing AG shall form part of the Clearing Conditions.

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5.2 In the event of a suspension or termination of a Clearing License or Basic Clearing Member Clearing License, the annual fee paid for the then current year will not be refunded. In case a Clearing License is terminated by a Clearing Member or a Basic Clearing License is terminated by a Basic Clearing Member, Eurex Clearing AG shall reimburse the annual fee for the then current year on a pro rata basis, as further set out in the Price List of Eurex Clearing AG.

6 Default Fund

Eurex Clearing AG maintains the general Default Fund regulated by this Number 6 which relates to Transactions pursuant to Chapters II through VII, Chapter VIII Part 2 and, unless otherwise specified in Chapter IX, Chapter IX (the “**Default Fund**”) to cover the Default Fund Secured Claims (as defined in Number 6.2). The Default Fund is not a legal person.

6.1 Contributions to the Default Fund

6.1.1 Contributions and Calculation of the Contributions to the Default Fund

- (1) Notwithstanding any Margin Requirement applicable to the Clearing Member in accordance with the Clearing Conditions, (i) each Clearing Member and (ii) subject to Number 9 of the Basic Clearing Member Provisions, each Clearing Agent separately with respect to each of its Basic Clearing Members, shall pay contributions to the Default Fund as further set out in this Number 6 (a contribution pursuant to (i) a “**CM Contribution**”, each contribution pursuant to (ii) a “**BCM Contribution**” and each such contribution to the Default Fund a “**Contribution**”).
- (2) Eurex Clearing AG shall from time to time determine the amount of the Contribution to be paid and maintained by a Clearing Member or a Clearing Agent (each a “**Contribution Requirement**”) in accordance with the relevant applicable calculation method published by Eurex Clearing AG pursuant to Number 16.1 (the “**Contribution Calculation Method**”); any such published Contribution Calculation Method shall form part of the Clearing Conditions.

The basis for the calculation of (i) the Contribution Requirement of a Clearing Member are all Transactions of such Clearing Member (and, in respect of an OTC IRS FCM Clearing Member, in addition, all Transactions between Eurex Clearing AG and OTC IRS FCM Clients of such OTC IRS FCM Clearing Member) (a “**CM Contribution Requirement**”) and (ii) the Contribution Requirement of a Clearing Agent with respect to a particular Basic Clearing Member are all Basic Clearing Member Transactions of such Basic Clearing Member (a “**BCM Contribution Requirement**”).

Eurex Clearing AG may re-evaluate and adjust each Contribution Requirement in accordance with the relevant Contribution Calculation Method at any time and will do so on a regular basis.

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- (3) The obligation of a Clearing Member to make a CM Contribution becomes first due and payable as of the date of the granting of its first Clearing License and the obligation on a Clearing Agent to make a BCM Contribution with respect to a particular Basic Clearing Member becomes first due and payable as of the date it enters into a Basic Clearing Member Clearing Agreement with Eurex Clearing AG and such Basic Clearing Member. Thereafter, a Clearing Member or a Clearing Agent shall be obliged to make a Contribution whenever Eurex Clearing AG has made an adjustment to the Contribution Requirement of the relevant Clearing Member or the relevant Clearing Agent with respect to a particular Basic Clearing Member, respectively.
- (4) The Clearing Member may with respect to the relevant CM Contribution or the Clearing Agent may with respect to the relevant BCM Contribution provide cash amounts or Securities to Eurex Clearing AG in accordance with Number 6.1.2 in excess of the relevant CM Contribution Requirement or relevant BCM Contribution Requirement (each such excess, the "Excess Contribution").

6.1.2 Provision of the Contributions to the Default Fund

- (1) The Clearing Members and Clearing Agents shall provide the Contributions to the Default Fund in cash amounts and/or in Securities accepted by Eurex Clearing AG by way of a transfer of all rights, title and interest in respect of such cash amounts and/or Securities to Eurex Clearing AG using the security accounts with Clearstream Banking AG or Clearstream Banking S.A., unless otherwise specified below. In Xemac the relevant transfer is effected by labelling the relevant Securities with "pledge" by way of Earmarking. For Contributions provided in the form of cash amounts, Numbers 3.4.4 and 3.4.5 of these General Clearing Provisions apply *mutatis mutandis*, and for Contributions provided in the form of Securities, Part 3 Subpart A Numbers 15.1, 15.2 and 15.4 apply *mutatis mutandis*.
- (2) In case the Clearing Member or Clearing Agent provides Contributions in the form of Swiss intermediated securities, the Clearing Member or Clearing Agent shall transfer the Swiss intermediated securities to the relevant pledged securities account maintained with SIX SIS AG exclusively in favour of Eurex Clearing AG ("**Swiss Default Fund Pledged Securities Account**").

The Clearing Member or Clearing Agent shall instruct SIX SIS AG in a timely manner to transfer the relevant Swiss intermediated securities to the Swiss Default Fund Pledged Securities Account and inform Eurex Clearing AG of such transfer. In relation to voting rights or other optional rights, which may arise from the Swiss intermediated securities, Subpart A Number 4.3.2.1 (2) of the Elementary Clearing Model Provisions applies accordingly.

The security purpose (*Sicherungszweck*) of the pledges granted to Eurex Clearing AG in relation to the Swiss intermediated securities is to secure all Default Fund Secured Claims.

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The Clearing Member or Clearing Agent represents and warrants by way of an independent guarantee and irrespective of fault (*selbständiges, verschuldensunabhängiges Garantieversprechen*) to Eurex Clearing AG that it is the owner of the pledged Swiss intermediated securities and that such Swiss intermediated securities are not subject to any prior or equal claims of third parties. The Clearing Member or Clearing Agent shall not, for the duration of such pledge, permit any such claims to arise without the prior consent of Eurex Clearing AG.

In the pledge agreement in the form appended to the Clearing Conditions or in such form as may be required by Eurex Clearing AG, the Clearing Member or the Clearing Agent will grant a pledge to Eurex Clearing AG over all Swiss intermediated securities which are at present or will in the future be credited to the Swiss Default Fund Pledged Securities Account.

- (3) If a Clearing Member or Clearing Agent does not provide the relevant Contribution or Further Contribution (as defined in Number 6.3) within five Business Days in full, Eurex Clearing AG shall be entitled to collect the (outstanding parts of the) relevant (Further) Contributions to the Default Fund from the relevant Clearing Member or Clearing Agent in accordance with the daily cash clearing procedure pursuant to Number 1.4.1.
- (4) With respect to Securities provided by the Clearing Member to Eurex Clearing AG as Contributions using securities accounts with Clearstream Banking AG (including Xemac), Eurex Clearing AG reserves the right to make use of such Securities in its discretion in order to support its operations as central counterparty for purposes of liquidity management in relation to its clearing activities by obtaining refinancing from the Eurosystem or entering into repo transactions with commercial counterparties.

The information statement set out in Appendix 12 to the Clearing Conditions in accordance with Article 15 of the Regulation on transparency of securities financing transactions and of reuse (Regulation (EU) 2015/2365) is applicable to Eurex Clearing AG and the Clearing Member if the Clearing Member provides Securities to Eurex Clearing AG as Contributions using securities accounts with Clearstream Banking AG (including Xemac).

6.1.3 Eurex Clearing AG's dedicated own resources to the Default Fund

Eurex Clearing AG will dedicate own resources to the Default Fund (the "**Dedicated Amount**") to be used if a Termination Date with respect to one or more Clearing Members or a Basic Clearing Member Termination Date with respect to one or more Basic Clearing Members occurs. The Dedicated Amount will be published on the website of Eurex Clearing AG (www.eurexclearing.com).

6.2 Realisation of the Default Fund

Eurex Clearing AG shall have a claim for payment of the Default Fund Secured Claims (as defined below) against (i) the Affected Clearing Member and (ii) any other Clearing Member (including, for the avoidance of doubt, any other Clearing Member that is a

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Clearing Agent), provided that the claims under (ii) shall only become due following a Realisation Event (as defined below) and shall only be payable out of the Contributions and, subject to this Number 6.2 and Number 6.3, the Further Contributions; the order of priority set forth in Number 6.2.1 applies.

The following terms shall have the following meanings:

“Affected Clearing Member” means a CM Affected Clearing Member or a BCM Affected Clearing Member, as the context requires.

“BCM Affected Clearing Member” means a Clearing Member that is a Clearing Agent of a Basic Clearing Member with respect to which a Basic Clearing Member Termination Date has occurred.

“CM Affected Clearing Member” means a Clearing Member with respect to which a Termination Date has occurred.

“Non-Affected Clearing Member” means a Clearing Member that is not an Affected Clearing Member.

The **“Default Fund Secured Claims”** shall be all claims of Eurex Clearing AG for payments of amounts which are necessary to cover the losses and financial consequences of the occurrence of a Termination or Basic Clearing Member Termination with respect to all relevant Liquidation Groups and/or Terminated Transactions (as defined in Number 7.5) within the scope of the Default Fund and, in particular, any outstanding Difference Claim(s) (as defined in Subpart A Number 6.3.2 of the Elementary Clearing Model Provisions, Subpart A Number 7.3.2 of the Individual Clearing Model Provisions, Number 8.6.3 of the U.S. Clearing Model Provisions and Number 10.5.2 of the Basic Clearing Member Provisions) of Eurex Clearing AG against the Affected Clearing Member (including, in the case of an OTC IRS FCM Clearing Member, any claims of Eurex Clearing AG against such OTC IRS FCM Clearing Member under its OTC IRS FCM Clearing Member Guarantee) or its relevant Basic Clearing Member, respectively.

A **“Realisation Event”** shall occur if, following a Termination or a Basic Clearing Member Termination, the relevant provisions relating to the consequences of a Termination Date or Basic Clearing Member Termination Date set out in the Elementary Clearing Model Provisions (in particular, Subpart A Number 6 thereof), the Individual Clearing Model Provisions (in particular, Subpart A Number 7 thereof), the U.S. Clearing Model Provisions (in particular, Number 8 thereof) or the Basic Clearing Member Provisions (in particular, Numbers 10 and 11 thereof), as applicable, have been applied.

- 6.2.1 In the case of a Realisation Event, the (Further) Contributions will be realised (with respect to Interim Participants as modified by the specific provisions set out in Subpart A Number 15 of the Individual Clearing Model Provisions) in accordance with the following order of priority with respect to each **“Relevant Liquidation Group”**, i.e. each Liquidation Group (as defined in Number 7.5.1) to which Terminated Transactions (as defined in Number 7.5) belong (whereby each Paragraph (1) to (12) of such order of priority shall be

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applied to all Relevant Liquidation Groups simultaneously before, in each case, the respective next paragraph is applied and whereby all Terminated Transactions which do not form part of any Liquidation Group shall collectively be treated as one “**Relevant Liquidation Group**” for the purposes of this Number 6):

- (1) first, the applicable Liquidation Group Ratio of the CM Contribution and (if available) of the Excess Contribution of the CM Affected Clearing Member (such CM Contribution, the “**Affected CM Contribution**”) or the applicable Liquidation Group Ratio of the BCM Contribution and (if available) of the Excess Contribution of the BCM Affected Clearing Member relating to the Basic Clearing Member with respect to which a Basic Clearing Member Termination Date has occurred (such Basic Clearing Member, the “**Affected BCM**” and such BCM Contribution, the “**Affected BCM Contribution**”), as applicable;
- (2) second, the applicable Liquidation Group Ratio of any remainder of the Affected CM Contribution of the CM Affected Clearing Member or of any remainder of the Affected BCM Contribution of the BCM Affected Clearing Member, as applicable;
- (3) third, only in the case of a BCM Affected Clearing Member, the applicable Liquidation Group Ratio of the **Affected BCM Further Contributions** (as defined below) relating to the Affected BCM;
- (4) fourth, only in the case of a BCM Affected Clearing Member, the applicable Liquidation Group Ratio of any remainder of the Affected BCM Further Contributions relating to the Affected BCM;
- (5) fifth, the applicable Liquidation Group Ratio of the Dedicated Amount;
- (6) sixth, the applicable Liquidation Group Ratio of any remainder of the Dedicated Amount;
- (7) seventh, the applicable Liquidation Group Ratio of (i) the CM Contributions (excluding any Affected CM Contribution) (“**Non-Affected CM Contributions**”) and the BCM Contributions (excluding any Affected BCM Contribution) (“**Non-Affected BCM Contributions**”) of all Clearing Members and Clearing Agents, respectively, that are Non-Bidding Participants pursuant to Number 7.5.3 Paragraph (5) with respect to the relevant DM Auction(s) (as defined in Number 7.5.3 Paragraph (1)) as well as (ii) the Non-Affected BCM Contributions of the CM Affected Clearing Member;
- (8) eighth, the applicable Liquidation Group Ratio of any remainder of (i) the Non-Affected CM Contributions and the Non-Affected BCM Contributions of all Clearing Members and Clearing Agents, respectively, that are Non-Bidding Participants pursuant to Number 7.5.3 Paragraph (5) (with respect to the relevant DM Auction(s) (as defined in Number 7.5.3 Paragraph (1)) as well as (ii) the Non-Affected BCM Contributions of the CM Affected Clearing Member;
- (9) ninth, the applicable Liquidation Group Ratio of the Non-Affected CM Contributions and the Non-Affected BCM Contributions of all Clearing Members and Clearing

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Agents, respectively, that are not Non-Bidding Participants, excluding any Non-Affected BCM Contributions of the CM Affected Clearing Member;

- (10) tenth, the applicable Liquidation Group Ratio of any remainder of the Non-Affected CM Contributions and the Non-Affected BCM Contributions of all Clearing Members and Clearing Agents, respectively, that are not Non-Bidding Participants, excluding any Non-Affected BCM Contributions of the CM Affected Clearing Member;
- (11) eleventh, the applicable Liquidation Group Ratio of the CM Further Contributions and **Non-Affected** BCM Further Contributions (each as defined below) of all Clearing Members and Clearing Agents, respectively, that are Non-Bidding Participants pursuant to Number 7.5.3 Paragraph (5) with respect to the relevant DM Auction(s) (as defined in Number 7.5.3 Paragraph (1)); and
- (12) twelfth, (i) the applicable Liquidation Group Ratio of the CM Further Contributions and the Non-Affected BCM Further Contributions of all Clearing Members that are not Non-Bidding Participants and (ii) the applicable Liquidation Group Ratio of the Further Dedicated Amount; Eurex Clearing AG shall realise the applicable Liquidation Group Ratio of the CM Further Contributions and the Non-Affected BCM Further Contributions of all Clearing Members that are not Non-Bidding Participants and the applicable Liquidation Group Ratio of the Further Dedicated Amount on a pro rata basis; the sum of all Further Dedicated Amounts with respect to all Liquidation Groups shall not exceed the amount of EUR 300,000,000.

With respect to each Relevant Liquidation Group, the term “**Liquidation Group Ratio**” means the fraction of the amount which may be realised, in each case, under Paragraph (1) – (12) which is to be determined as follows:

- (i) with respect to Paragraph (1), (I) with respect to an Affected CM Contribution, the ratio of (A) the part of the CM Contribution Requirement of the CM Affected Clearing Member applicable to such Relevant Liquidation Group and (B) the aggregate CM Contribution Requirement of the CM Affected Clearing Member and (II) with respect to an Affected BCM Contribution, the ratio of (A) the part of the BCM Contribution Requirement relating to the Affected BCM applicable to such Relevant Liquidation Group and (B) the aggregate BCM Contribution Requirement relating to the Affected BCM,
- (ii) with respect to Paragraph (2), (I) with respect to an Affected CM Contribution, the ratio of (A) the part of the CM Contribution Requirement of the CM Affected Clearing Member applicable to such Relevant Liquidation Group and (B) the aggregate CM Contribution Requirement of the CM Affected Clearing Member and (II) with respect to an Affected BCM Contribution, the ratio of (A) the part of the BCM Contribution Requirement relating to the Affected BCM applicable to such Relevant Liquidation Group and (B) the aggregate BCM Contribution Requirement relating to the Affected BCM, (in each case of (I) and (II), not taking into account Relevant Liquidation Groups in respect of which the relevant claims have already been discharged pursuant to Paragraph (1)),

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- (iii) with respect to Paragraph (3), the ratio of (A) the part of the requirement to provide Affected BCM Further Contributions applicable to such Relevant Liquidation Group and (B) the aggregate requirement to provide Affected BCM Further Contributions;
- (iv) with respect to Paragraph (4), the ratio of (A) the part of the requirement to provide Affected BCM Further Contributions applicable to such Relevant Liquidation Group and (B) the aggregate requirement to provide Affected BCM Further Contributions (not taking into account Relevant Liquidation Groups in respect of which the relevant claims have already been discharged pursuant to the respective preceding Paragraphs);
- (v) with respect to Paragraph (5), the ratio of (A) the part of the sum of the Initial Margin requirement and the Additional Margin requirement determined for such Relevant Liquidation Group and (B) the sum of the Initial Margin requirement and the Additional Margin requirement determined for all Relevant Liquidation Groups,
- (vi) with respect to Paragraph (6), the ratio of (A) the part of the sum of the Initial Margin requirement and the Additional Margin requirement determined for such Relevant Liquidation Group and (B) the sum of the Initial Margin requirement and the Additional Margin requirement determined for all Relevant Liquidation Groups (not taking into account Relevant Liquidation Groups in respect of which the relevant claims have already been discharged pursuant to the respective preceding Paragraphs),
- (vii) with respect to Paragraphs (7) and (9), (I) with respect to a Non-Affected CM Contribution, the ratio of (A) the part of the CM Contribution Requirement of the relevant Clearing Member applicable to such Relevant Liquidation Group and (B) the aggregate CM Contribution Requirement of the relevant Clearing Member and (II) with respect to a Non-Affected BCM Contribution, the ratio of (A) the part of the BCM Contribution Requirement relating to the relevant Basic Clearing Member applicable to such Relevant Liquidation Group and (B) the aggregate BCM Contribution Requirement relating the relevant Basic Clearing Member,
- (viii) with respect to Paragraphs (8) and (10), (I) with respect to a Non-Affected CM Contribution, the ratio of (A) the part of the CM Contribution Requirement of the relevant Clearing Member applicable to such Relevant Liquidation Group and (B) the aggregate CM Contribution Requirement of the relevant Clearing Member and (II) with respect to a Non-Affected BCM Contribution, the ratio of (A) the part of the BCM Contribution Requirement relating to the relevant Basic Clearing Member applicable to such Relevant Liquidation Group and (B) the aggregate BCM Contribution Requirement relating to the relevant Basic Clearing Member (in each case of (I) and (II) above, not taking into account Relevant Liquidation Groups in respect of which the relevant claims have already been discharged pursuant to the respective preceding Paragraphs), and

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- (ix) with respect to Paragraphs (11) and (12), (I) with respect to a CM Further Contribution, the ratio of (A) the part of the requirement to provide CM Further Contributions of the relevant Clearing Member applicable to such Relevant Liquidation Group and (B) the aggregate requirement to provide CM Further Contributions of the relevant Clearing Member, (II) with respect to a Non-Affected BCM Further Contribution, the ratio of (A) the part of the requirement to provide Non-Affected BCM Further Contributions relating to the relevant Basic Clearing Member applicable to such Relevant Liquidation Group and (B) the aggregate requirement to provide Non-Affected BCM Further Contributions relating to the relevant Basic Clearing Member and (III) with respect to the Further Dedicated Amount (referred to in Paragraph (12)), the product of (a) the applicable Liquidation Group Ratio determined with respect to the Dedicated Amount pursuant to Paragraph (v) above and (b) the ratio of (A) the sum of all Further Contributions, which have actually been delivered to Eurex Clearing AG with respect to the Relevant Liquidation Group and (B) the sum of all Further Contributions Eurex Clearing AG is entitled to require with respect to the Relevant Liquidation Group up to the relevant Liability Cap.

Where, in case of Paragraphs (7) to (12), with respect to a Relevant Liquidation Group the Non-Affected CM Contributions (or CM Further Contributions) or Non-Affected BCM Contributions (or Non-Affected BCM Further Contributions) of several Clearing Members are still available and the amount needed to discharge the claims in respect of the Relevant Liquidation Group is lower than such available Non-Affected CM Contributions (and CM Further Contributions) and Non-Affected BCM Contributions (and Non-Affected BCM Further Contributions), with respect to each such Clearing Member (with respect to Paragraphs (7) and (8) and Paragraph (11) limited to Non-Bidding-Participants) only the Non-Affected (B)CM's Ratio shall be realised under the relevant Paragraph.

The "**Non-Affected (B)CM's Ratio**" with respect to a Non-Affected CM Contribution (or CM Further Contribution) or Non-Affected BCM Contribution (or Non-Affected BCM Further Contribution) shall be the ratio of (A) the available Non-Affected CM Contribution (or CM Further Contribution) or Non-Affected BCM Contribution (or Non-Affected BCM Further Contribution) relating to the relevant Clearing Member or Basic Clearing Member, as applicable, with respect to the Relevant Liquidation Group and (B) all available Non-Affected CM Contributions (or CM Further Contributions) or Non-Affected BCM Contributions (or Non-Affected BCM Further Contributions) of all Clearing Members (with respect to Paragraphs (7) and (8) and Paragraph (11) limited to Non-Bidding-Participants) with respect to the Relevant Liquidation Group.

- 6.2.2 If, subsequent to a realisation of the Default Fund, an Affected Clearing Member or Affected BCM makes a payment to Eurex Clearing AG to fulfil the Default Fund Secured Claims, or if the Default Fund Secured Claims are otherwise discharged, after Eurex Clearing AG has realised the Dedicated Amount or Non-Affected CM Contributions (or CM Further Contributions) or Non-Affected BCM Contributions (or Non-Affected BCM Further Contributions) to the Default Fund, Eurex Clearing AG shall use the funds received in order to (i) repay the realised CM Further Contributions and Non-Affected

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BCM Further Contributions to the relevant Clearing Member(s) and Clearing Agent(s), respectively, (ii) repay the realised Non-Affected CM Contributions and Non-Affected BCM Contributions to the Default Fund to the relevant Clearing Member(s) and Clearing Agent(s), respectively, (iii) reinstate the realised Dedicated Amount and (iv) repay the realised Affected BCM Contributions (and Affected BCM Further Contributions) to the BCM Affected Clearing Member. The payments by Eurex Clearing AG shall be made in reverse order of Number 6.2.1 and shall in the aggregate be limited to the amounts received by Eurex Clearing AG.

6.3 Further Contributions to the Default Fund (Assessments); Replenishment of Contributions to the Default Fund

6.3.1 If, following a Realisation Event, Eurex Clearing AG determines that the Contributions may not be sufficient to cover the respective claims secured by the Default Fund in accordance with Number 6.2.1 above, it shall at its discretion be entitled to require within a Capped Period, by making one or several demands:

- (i) from the BCM Affected Clearing Member, further Affected BCM Contributions (the "Affected BCM Further Contributions"); and
- (ii) from the Non-Affected Clearing Members and the BCM Affected Clearing Member, further CM Contributions (the "CM Further Contributions") and further BCM Contributions (other than Affected BCM Contributions) (the "Non-Affected BCM Further Contributions")

(the Affected BCM Further Contributions and the Non-Affected BCM Further Contributions together, the "**BCM Further Contributions**"; and the BCM Further Contributions and the CM Further Contributions together, the "**Further Contributions**"). When determining the relevant CM Further Contributions or the relevant Non-Affected BCM Further Contribution with respect to the relevant Clearing Member, Eurex Clearing AG shall reduce the relevant Further Contributions by the relevant Excess Contribution actually delivered to Eurex Clearing AG by such Clearing Member (if any). The BCM Affected Clearing Member and the Non-Affected Clearing Members shall, subject to the Liability Cap, be obliged to make such Further Contributions to the Default Fund, in each case as soon as possible but no later than one Business Day following receipt of Eurex Clearing AG's demand.

The "**Liability Cap**" with respect to each of the Affected BCM Further Contributions, the Non-Affected BCM Further Contributions and the CM Further Contributions shall be two times the related originally applicable Contribution Requirement to the Default Fund and shall apply for the relevant Capped Period.

A "**Capped Period**" shall, with respect to the Default Fund, be a period of twenty (20) Business Days which shall commence on the Termination Date or the Basic Clearing Member Termination Date and which, if one or more further Termination Date(s) or Basic Clearing Member Termination Date(s) occur within such twenty (20) Business Day period shall, in the case of each such further Termination Date or Basic Clearing Member Termination Date, be extended by twenty (20) Business Days from (and including) the

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relevant further Termination Date or further Basic Clearing Member Termination Date, subject to a maximum duration of three (3) months. If, following the occurrence of a Termination Date or a Basic Clearing Member Termination Date, the Default Fund will not be realised, the Capped Period shall end upon finalisation of the default management process with respect to such Termination Date or such Basic Clearing Member Termination Date as notified by Eurex Clearing AG to the Clearing Members.

A Non-Affected Clearing Member shall not be obliged to pay CM Further Contributions, if the respective Non-Affected Clearing Member has terminated all of its Clearing Licenses and such terminations have become effective prior to the start of the respective Capped Period. A Non-Affected Clearing Member shall not be obliged to pay Non-Affected BCM Further Contributions relating to a Basic Clearing Member, if all Basic Clearing Member Clearing Licenses of such Basic Clearing Member have been terminated and such terminations have become effective prior to the start of the respective Capped Period.

If a Clearing Member whose Clearing Agreements (except for its Basic Clearing Member Clearing Agreement(s)) with Eurex Clearing AG have been terminated has not settled all its Transactions (and, in the case of an OTC IRS FCM Clearing Member, all Transactions of its OTC IRS FCM Clients) within a Capped Period, such Clearing Member remains liable for any subsequent Capped Period(s) in accordance with the foregoing sentence until it is no longer a party to (or, in the case of an OTC IRS FCM Clearing Member, no longer guarantees pursuant to its OTC IRS FCM Clearing Member Guarantee) any Transactions with Eurex Clearing AG. If a Basic Clearing Member whose Basic Clearing Member Clearing Agreement with Eurex Clearing AG has been terminated has not settled all its Basic Clearing Member Transactions within a Capped Period, its Clearing Agent remains liable for any subsequent Capped Period(s) in accordance with the first sentence of this sub-paragraph until such Basic Clearing Member is no longer a party to any Basic Clearing Member Transactions with Eurex Clearing AG.

Without undue delay after the end of each Capped Period each Non-Affected Clearing Member shall be obliged to replenish the Default Fund up to the relevant Contribution Requirements; this shall not apply if (i) a Non-Affected Clearing Member has terminated all its Clearing Licenses and such terminations have become effective before such replenishment obligation has become due and (ii) if the Basic Clearing Member Clearing Licenses of all Basic Clearing Members of the Non-Affected Clearing Member (in its capacity as a Clearing Agent) have been terminated and such terminations have become effective before such replenishment obligation has become due.

For the avoidance of doubt, nothing in this Number 6.3 shall exclude or limit Eurex Clearing AG's rights and claims against the CM Affected Clearing Member and against the Affected BCM.

- 6.3.2 Where Eurex Clearing AG requires Further Contributions, Eurex Clearing AG will allocate further own funds to the Default Fund ("**Further Dedicated Amount**"). Eurex Clearing AG will determine the Further Dedicated Amount separately for each Liquidation Group. The Further Dedicated Amount is determined by reference to the pro rata amount of Further Contributions actually delivered to Eurex Clearing AG as set out in item (III) of Number

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6.2.1 (ix). Eurex Clearing AG will allocate a Further Dedicated Amount to the Default Fund up to a maximum amount of EUR 300.000.000. Such maximum amount shall cover all future Realisation Events irrespective of whether they occur within one or more Capped Period.

6.4 Release of the Contributions to the Default Fund

6.4.1 With respect to each Excess Contribution, the Clearing Member or the Clearing Agent may at any time request from Eurex Clearing AG the release of cash amounts or Securities with a maximum value corresponding to the relevant Excess Contribution. Such request shall be made in writing and with an appropriate prior notice period.

6.4.2 If all Clearing Licenses of a Clearing Member or all Basic Clearing Member Clearing Licenses of a Basic Clearing Member of such Clearing Member (acting in its capacity as a Clearing Agent) have been terminated, Eurex Clearing AG shall release the relevant Contributions of the respective Clearing Member to the Default Fund as follows:

- (a) if no Capped Period has commenced at the time of the termination, at the later of (x) the effective date of such termination and (y) one month after the day upon which all Transactions in the accounts of the respective Clearing Member and, in the case of an OTC IRS FCM Clearing Member, the accounts relating to its OTC IRS FCM Clients or, as relevant, in the case of a Clearing Agent, all Basic Clearing Member Transactions of such Basic Clearing Member have been settled; and
- (b) if a Capped Period has commenced at the time of the termination, at the later of (i) the effective date of such termination, (ii) the end of the Capped Period, and (iii) one month after the day upon which all Transactions in the accounts of the respective Clearing Member and, in the case of an OTC IRS FCM Clearing Member, the accounts relating to its OTC IRS FCM Clients or, as relevant, in the case of a Clearing Agent, all Basic Clearing Member Transactions of such Basic Clearing Member have been settled.

The same shall apply *mutatis mutandis* to the collateral pursuant to Number 2.1.2 Paragraph (3) (d).

6.5 Interpretation

(Further) Contributions do not form part of the Margin, Variation Margin, Segregated Margin, Segregated Variation Margin, Net Omnibus Margin, Net Omnibus Variation Margin, OTC IRS FCM Client Margin, OTC IRS FCM Client Variation Margin, Basic Clearing Member Margin or Basic Clearing Member Variation Margin and a claim of a Clearing Member or Clearing Agent against Eurex Clearing AG to return (Further) Contributions does not form part of the applicable single agreement pursuant to Subpart B Number 4 and Subpart C Number 5 of the Elementary Clearing Model Provisions, Subpart A Number 2.1.3 of the Individual Clearing Model Provisions, Number 2.1.2 of the U.S. Clearing Model Provisions or Number 4.1.2 of the Basic Clearing Member Provisions.

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7 Termination Rules with respect to the Clearing Member

Upon the occurrence of certain termination events with respect to the Clearing Member under a Standard Agreement (or in the case of (i) an OTC IRS FCM Clearing Member, under a Clearing Agreement in the form appended hereto as Appendix 9 to which such OTC IRS FCM Clearing Member is a party, or (ii) a Clearing Member acting as Clearing Agent, under a Basic Clearing Member Clearing Agreement) and, if provided for in these Clearing Conditions, the delivery of a corresponding notice by Eurex Clearing AG to the Clearing Member (and in the case of (i) an OTC IRS FCM Clearing Member and a termination event relating to a Clearing Agreement in the form appended hereto as Appendix 9, such OTC IRS FCM Clearing Member and the relevant OTC IRS FCM Client or (ii) a Clearing Member acting as Clearing Agent and a Termination Event relating to such Clearing Agent under a Basic Clearing Member Clearing Agreement, its Basic Clearing Members), a termination of Transactions (each a “**Termination**”), realisation of Margin or Variation Margin, payment of a Difference Claim (as defined in Subpart A Number 6.3.2 of the Elementary Clearing Model Provisions, Subpart A Number 7.3.2 or Subpart B Number 6.3.2 of the Individual Clearing Model Provisions and Number 8.6.3 of the U.S. Clearing Model Provisions, as applicable) or a transfer of positions shall occur, as applicable and as further provided for in the Elementary Clearing Model Provisions, the Individual Clearing Model Provisions, the U.S. Clearing Model Provisions or the Basic Clearing Member Provisions.

Unless Subpart A Number 11.3.4 and 11.4.3 of the Individual Clearing Model Provisions applies, this Number 7 does not apply with respect to any default by a Non-Clearing Member or Registered Customer, respectively, under an ICM Clearing Agreement.

Unless provided for by the U.S. Clearing Model Provisions, this Number 7 does not apply with respect to any default by an OTC IRS FCM Client under its OTC IRS FCM Client Standard Agreement with Eurex Clearing AG.

Unless provided for by the Basic Clearing Member Provisions, this Number 7 does not apply with respect to any default by a Basic Clearing Member under its Basic Clearing Member Standard Agreement with Eurex Clearing AG.

7.1 Construction and Interpretation

7.1.1 This Number 7 provides for the general provisions that apply to a Termination pursuant to the Elementary Clearing Model Provisions, the Individual Clearing Model Provisions or, with respect to an OTC IRS FCM Clearing Member and a Clearing Agreement in the form appended hereto as Appendix 9 to which such OTC IRS FCM Clearing Member is a party, the U.S. Clearing Model Provisions or, with respect to a Clearing Member acting as Clearing Agent under a Basic Clearing Member Clearing Agreement, the Basic Clearing Member Provisions.

7.1.2 If the Elementary Clearing Model Provisions apply, references in this Number 7 to “**Transactions**”, “**Margin**”, “**Variation Margin**” or “**Standard Agreements**” shall refer respectively to the terms (i) in connection with the Proprietary Standard Agreement: “**Own Transactions**”, “**Proprietary Margin**”, “**Proprietary Variation Margin**” and “**Proprietary**

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Standard Agreement” and (ii) in connection with the Omnibus Standard Agreement: **“Omnibus Transactions”, “Omnibus Margin”, “Omnibus Variation Margin”** and **“Omnibus Standard Agreement”**, as defined in the Elementary Clearing Model Provisions.

- 7.1.3 If the Individual Clearing Model Provisions apply, references in this Number 7 to **“Transactions”, “Margin”, “Variation Margin”** or **“Standard Agreements”** shall refer respectively to the terms **“Covered Transactions”, “Segregated Margin”, “Segregated Variation Margin”** and **“Corresponding Standard Agreements”**, if applicable, as defined in the Individual Clearing Model Provisions.
- 7.1.4 If and to the extent that the U.S. Clearing Model Provisions apply, references in this Number 7 to **“Transactions”, “Margin”** or **“Variation Margin”** shall refer respectively to the terms **“OTC IRS FCM Client Transactions”, “OTC IRS FCM Client Margin”** and **“OTC IRS FCM Client Variation Margin”** as defined in the U.S. Clearing Model Provisions.
- 7.1.5 References to **“Redelivery Claims”** in this Number 7 refer to Redelivery Claims of the Clearing Member under a Standard Agreement either pursuant to the Elementary Clearing Model Provisions or the Individual Clearing Model Provisions or to Redelivery Claims of the relevant OTC IRS FCM Client under a Standard Agreement pursuant to the U.S. Clearing Model Provisions, as applicable, and exclude any Redelivery Claims arising under other Standard Agreements pursuant to the Elementary Clearing Model Provisions, the Individual Clearing Model Provisions, the U.S. Clearing Model Provisions or the Basic Clearing Member Provisions, as applicable.

7.2 Termination Events

- 7.2.1 Subject to Number 7.2.2, if at any time any of the termination events set out in Paragraphs (1) to (12) (each a **“Termination Event”**) has occurred and is continuing with respect to a Clearing Member (including, where applicable, in its capacity as a Clearing Agent), Eurex Clearing AG may either
- (i) give written notice thereof to such Clearing Member (and, if such Clearing Member (i) is an OTC IRS FCM Clearing Member and such Termination Event relates to any Standard Agreement between Eurex Clearing AG and an OTC IRS FCM Client of such OTC IRS FCM Clearing Member, also to such OTC IRS FCM Client(s) or (ii) acts as Clearing Agent, also to its Basic Clearing Members) and designate a reasonable grace period to remedy the relevant Termination Event (each a **“Grace Period”**), which may be extended by Eurex Clearing AG from time to time, (the **“Grace Period Notice”**) or
 - (ii) if – taking into account all relevant circumstances of the specific case – it would be unreasonable (*unzumutbar*) to set a Grace Period or if the relevant Termination Event cannot be remedied, give a written termination notice to such Clearing Member (and, if such Clearing Member (i) is an OTC IRS FCM Clearing Member and such Termination Event relates to any Standard Agreement between Eurex Clearing AG and an OTC IRS FCM Client of such OTC IRS FCM Clearing Member,

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to such OTC IRS FCM Client(s) or (ii) acts as Clearing Agent, also to its Basic Clearing Members (the “**Termination Notice**”) specifying the date and time on which the Termination shall occur.

If the Termination Event has been remedied to Eurex Clearing AG’s satisfaction by the end of the Grace Period, Eurex Clearing AG shall inform the Clearing Member (and the relevant OTC IRS FCM Clients and Basic Clearing Members (if any)) thereof. If the Termination Event has not been remedied to Eurex Clearing AG’s satisfaction by the end of the Grace Period, Eurex Clearing AG may give written termination notice to the Clearing Member (and the relevant OTC IRS FCM Clients and Basic Clearing Members (if any)) specifying the date and time on which the Termination shall occur thereon (the “**Grace Period Termination Notice**”).

Prior to the delivery of a Grace Period Notice or Termination Notice, as the case may be, with respect to a Termination Event, other than a Termination Event pursuant to Paragraph (1) (Failure to Pay; Failure to Deliver Margin), Paragraph (5) (Insolvency related Events), Paragraph (7) (Regulatory Actions), Paragraph (8) (Opening of Reorganisation or Restructuring Procedures and Similar Measures) and Paragraph (11) (Termination for serious cause (*Kündigung aus wichtigem Grund*)) above, Eurex Clearing AG shall

- (a) attempt to notify, and consult with, the relevant Clearing Member regarding the relevant event,
- (b) consider in good faith whether delivering a Grace Period Notice or a Termination Notice is proportionate, having regard to
 - (aa) other courses of action available to Eurex Clearing AG, (in particular the opening of Disciplinary Procedures pursuant to the Disciplinary Procedures Rules (as defined in each case in Number 14.2.1),
 - (bb) the interests of the Clearing Member and its clients (including the Basic Clearing Members), and
 - (cc) whether the Termination Event has a material adverse impact on the ongoing financial soundness of Eurex Clearing AG or the proper performance of the Clearing, and
- (c) ensure that the decision to deliver a Grace Period Notice or Termination Notice, as the case may be, has been approved by the chairman of the Executive Board of Eurex Clearing AG, a member of the Executive Board of Eurex Clearing AG or any other senior personnel of Eurex Clearing AG that Eurex Clearing AG deems to be appropriate.

A Termination occurs (a) in the case of item (i) above, on the date and time specified in the Grace Period Termination Notice, or (b) in the case of item (ii) above on the date and time specified in the Termination Notice (the date of such Termination being the “**Termination Date**” and the respective termination time being the “**Termination Time**”).

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Where Eurex Clearing has commenced Disciplinary Procedures against a Clearing Member with respect to an Alleged Breach (as defined in the Disciplinary Procedures Rules), Eurex Clearing AG shall for as long as such Disciplinary Procedures are continuing, refrain from delivering a Termination Notice to such Clearing Member on the basis of those facts that have led to the determination of the Alleged Breach by Eurex Clearing AG.

(1) Failure to Pay; Failure to Deliver Margin

The Clearing Member fails to pay any amount due under the Clearing Conditions (including, without limitation, in the case of an OTC IRS FCM Clearing Member, any amount due under any of its OTC IRS FCM Clearing Member Guarantees relating to the obligations of its OTC IRS FCM Clients) to Eurex Clearing AG or fails to deliver any Eligible Margin Assets to Eurex Clearing AG in respect of a due request for delivery of Margin or Variation Margin or fails to perform any Redelivery Claim when due under the Clearing Conditions.

(2) Failure to comply with Clearing Conditions

The Clearing Member fails to comply with any of its obligations under the Clearing Agreement (incorporating the Clearing Conditions) or is in breach of any of its representations given in a Clearing Agreement.

(3) Failure to comply with Clearing License prerequisites

The Clearing Member is no longer in compliance with the relevant prerequisites for the granting of any of its Clearing License(s) set forth in Number 2.1.2 Paragraphs (2) to (5), Number 2.1.3, Number 2.3.1 or in the relevant Special Clearing Provisions.

(4) Repudiation or objection to amendments to the Clearing Conditions

The Clearing Member (i) repudiates any of the terms and conditions of the Clearing Agreement or the Clearing Conditions or (ii) objects to an amendment to the Clearing Agreement or the Clearing Conditions and Eurex Clearing AG cannot reasonably be expected to continue its relationship with such Clearing Member, in particular, if such objections would lead to different versions of the Clearing Conditions being applicable to several Clearing Members, Non-Clearing Members, Registered Customers, OTC IRS FCM Clients or Basic Clearing Members, respectively, and the application of different versions of the Clearing Conditions would not be technically feasible.

(5) Insolvency related Events

- (a) In relation to a Clearing Member having its registered seat and centre of main interest or, where it is a credit institution, being headquartered (*mit Hauptniederlassung*) in Germany:

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- (aa) any event occurs which constitutes a cause for the initiation of insolvency proceedings (*Eröffnungsgrund*) as set out in Sections 17 to 19 of the German Insolvency Code (*Insolvenzordnung*);
- (bb) a petition for insolvency proceedings in respect of its assets (*Antrag auf Eröffnung eines Insolvenzverfahrens*) is filed; or
- (cc) actions are taken pursuant to Section 21 of the German Insolvency Code (*Insolvenzordnung*) by a competent court;
- (b) with respect to any Clearing Member not falling within the scope of Paragraph (5) (a) above, any action, legal proceedings or other procedure or step is taken in relation to any of the following events or any of the following events occurs:
 - (aa) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, termination of existence, liquidation, administration, reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise), bankruptcy, insolvency, judicial management or curatorship;
 - (bb) a settlement, deferred payment, debt restructuring, transfer, restructuring, composition, compromise, assignment or similar arrangement of the Clearing Member with any of its creditors;
 - (cc) the appointment of a liquidator, trustee, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of that Clearing Member or any of its assets; or
 - (dd) or any analogous procedure or step is taken in any jurisdiction, provided that this Paragraph (5) (b) shall not apply to any procedure or step taken in relation to a solvent reorganisation of the relevant Clearing Member.

(6) Violation of Regulatory Provisions

Non-compliance with regulatory requirements by the Clearing Member, provided that non-compliance with such requirements may, in the reasonable opinion of Eurex Clearing AG, materially impair the proper fulfilment of the obligations under the Clearing Agreement.

(7) Regulatory Actions

Any administrative order issued to a Clearing Member pursuant to Sections 45 to 46g KWG, as well as any similar measures issued in relation to a Clearing Member under foreign law.

(8) Opening of Reorganisation or Restructuring Proceedings and Similar Measures

Any application for, commencement or order of reorganisation or restructuring proceedings (*Sanierungs- oder Reorganisationsverfahren*) according to the Act on

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the Restructuring of Credit Institutions (*Gesetz zur Reorganisation von Kreditinstituten*), as well as any similar measure under foreign law, in respect of the Clearing Member.

(9) Change in Law and other similar Causes

- (a) Any change takes place in the laws of Germany or the laws applicable to the Clearing Member or the relevant Non-Clearing Member or Registered Customer, respectively, or the official interpretation or application of such laws which, in the reasonable opinion of Eurex Clearing AG, have a material adverse impact on the interests or services of Eurex Clearing AG under the Clearing Conditions or the interests of the other Clearing Members, or
- (b) any similar event occurs having a similar adverse impact on the interests or services of Eurex Clearing AG under the Clearing Conditions or the interests of other Clearing Members.

(10) Non-Compliance with Outsourcing Requirements

Non-compliance with the obligation to terminate the Outsourcing or to re-assume the Outsourced Functions upon the exercise of the veto right by Eurex Clearing AG pursuant to Number 15.2.10.

(11) Termination for serious cause (aus wichtigem Grund)

Eurex Clearing AG declines to continue the Clearing of Transactions with the Clearing Member due to the occurrence of an event which gives rise to a serious cause (*wichtiger Grund*) and the continuation of the Clearing Agreement, taking into account all the circumstances of the specific case and weighing the interests of both parties, cannot reasonably be expected.

7.2.2 If at any time an Insolvency Termination Event has occurred with respect to the Clearing Member, a Termination shall occur with immediate effect as of such time (the date of such Termination being the “**Termination Date**” and the respective termination time being the “**Termination Time**”). An “**Insolvency Termination Event**” occurs (i) with respect to a Clearing Member having its registered seat and centre of main interest in Germany or, if it is a credit institution, being headquartered in Germany, when insolvency proceedings in Germany (*Insolvenzverfahren*) within the meaning of the German Insolvency Code (*Insolvenzordnung*) are commenced over the estate of the Clearing Member (*Eröffnung des Insolvenzverfahrens*), (ii) with respect to a Clearing Member having its registered seat and centre of main interest in the Netherlands or, if it is a credit institution, being headquartered in the Netherlands, at the end of the day on which any action or step is taken in relation to such Clearing Member by itself or any other person to institute insolvency proceedings including *faillissement*, *surséance van betaling*, *noodregeling* and any of the measures referred to in Section 3:267d et seqq. of the Dutch Act on Financial Supervision (*Wet op het financieel toezicht*) (“**AFS**”), including but not limited to, the preparation of a transfer plan pursuant to Section 3:159c AFS, the order of immediate measures by the Secretary of Finance pursuant to Section 6:1 AFS and the

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expropriation of property and capital components by the Secretary of Finance pursuant to Section 6:2 AFS and the appointment of a *curator or bewindvoerder*, and the action, legal proceedings or other procedure or step is not dismissed on the day such action or step is taken, (iii) with respect to an OTC IRS U.S. Clearing Member, when a case is commenced by or against the OTC IRS U.S. Clearing Member under the U.S. Bankruptcy Code (including if a U.S. Bankruptcy Event (as defined in Number 8 of the U.S. Clearing Model Provisions) has occurred) or a receiver or other insolvency administrator is appointed for the OTC IRS U.S. Clearing Member or any of the OTC IRS U.S. Clearing Member's assets, or (iv) with respect to a Clearing Member not falling under (i), (ii) or (iii), when insolvency proceedings or similar proceedings under the laws of the jurisdiction where such Clearing Member has its registered seat and centre of main interest or, if it is a credit institution, where it is headquartered, are commenced over the estate of the Clearing Member.

7.3 Consequences of a Termination

The consequences of a Termination and the applicable valuation method for determining the Difference Claim (the “**Difference Claim Valuation Method**”), which is either the “**Liquidation Price Approach**” or the “**Exchange Price Approach**”, are set out in the Elementary Clearing Model Provisions, the Individual Clearing Model Provisions, the U.S. Clearing Model Provisions or Basic Clearing Member Provisions, as applicable. Any Difference Claim pursuant to the Elementary Clearing Model Provisions, the Individual Clearing Model Provisions and the U.S. Clearing Model Provisions (as provided therein) shall be determined as follows:

- 7.3.1 Upon the occurrence of a Termination Date, the Difference Claim shall be determined for each Standard Agreement by way of combining (*Saldieren*) the Single Transaction Amounts of all Transactions under such Standard Agreement terminated as of the Termination Time and the Aggregate Value of the Redelivery Claims under such Standard Agreement, all as defined below.

The final amount of the Difference Claim resulting from such combination shall (i), if it is a positive figure for the party entitled to value the Difference Claim, be owed to it by the other party, or (ii), if it is a negative figure for the party entitled to value the Difference Claim, be owed by it to the other party.

The Difference Claim shall be denominated in the Clearing Currency last agreed in writing between Eurex Clearing AG and the Clearing Member (the “**Termination Currency**”). The Clearing Member shall notify the Clearing Currency to the relevant Non-Clearing Member or Registered Customer and in the case of an OTC IRS FCM Clearing Member, its OTC IRS FCM Clients.

- 7.3.2 If the “**Liquidation Price Approach**” is the applicable Difference Claim Valuation Method, the value of the Difference Claim shall be determined in accordance with this Number 7.3.2 by the party specified in Paragraph (2) on the Last Valuation Date.

- (1) The “**DMP Valuation Date**” shall, with respect to a Transaction, be any day on which a Liquidation Price is determined for such Transaction. The latest DMP Valuation

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Date with respect to Transactions under the same Standard Agreement shall be the “**Last Valuation Date**”. Such Last Valuation Date shall occur upon completion of the default management process pursuant to Number 7.5 below. The “**Margin Valuation Date**” shall, with respect to any Eligible Margin Assets, be any day during the default management process pursuant to Number 7.5 below on which such Eligible Margin Assets are actually realised by Eurex Clearing AG.

- (2) The party entitled to value the Difference Claim is, (i) with respect to a Standard Agreement between Eurex Clearing AG and the Clearing Member and with respect to a Standard Agreement between Eurex Clearing AG and the OTC IRS FCM Client, Eurex Clearing AG and, (ii) with respect to a Standard Agreement between the Clearing Member and the Non-Clearing Member or Registered Customer, respectively, the Non-Clearing Member or Registered Customer, respectively.
- (3) For the purpose of the determination of the Difference Claim:
- (a) The “**Single Transaction Amount**” shall be determined with respect to each Transaction under the relevant Standard Agreement terminated as of the Termination Time and shall equal its Liquidation Price as of the relevant DMP Valuation Date.

Where in line with the provisions of Number 7.5 below, a group of Transactions is liquidated in a way that Eurex Clearing AG cannot determine a Single Transaction Amount for each individual Transaction in that group of Transactions, Eurex Clearing AG may include the price received for the respective group of Transactions in the respective Difference Claim.

When making such calculation, (i) any amount due to be paid as a primary obligation under the relevant Transaction, but unpaid as at the Last Valuation Date, and (ii) the value of any assets due to be delivered as a primary obligation under the relevant Transaction, but not delivered, as at the Last Valuation Date (each an “**Unpaid Amount**”) shall be taken into account.

- (b) “**Liquidation Price**” means:
- (aa) with respect to a Transaction,
- (A) the price of a relevant replacement transaction entered into by Eurex Clearing AG with respect to the relevant Transaction during and as part of the default management process pursuant to Number 7.5 at the latest on the fifth Business Day after the Termination Date, or, to the extent this is required for a value-preserving liquidation, at the latest on the 20th Business Day after the Termination Date, including relevant costs and expenses incurred by Eurex Clearing AG during the respective default management process, in particular relevant DM Hedging Transaction Costs;

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(B) subject to (C) below, if Eurex Clearing AG does not enter into a replacement transaction during and as part of the default management process pursuant to Number 7.5,

(I) the last available Market Price for such Transaction on the Termination Date; and

(II) in the case of a Transaction under an Elementary Omnibus Standard Agreement or a Net Omnibus Standard Agreement, the last available Market Price for such Transaction on the Termination Date that applies to the Elementary Proprietary Standard Agreement of the Clearing Member; or

(C) if Eurex Clearing AG does not enter into a replacement transaction during and as part of the default management process pursuant to Number 7.5 and a Liquidation Group Deficiency occurs in relation to such Transaction, the amount corresponding to the relevant Single Valuation Price for such Transaction.

(bb) with respect to an expired Redelivery Claim, as applicable:

(1) the amount in the Termination Currency of the relevant equivalent Eligible Margin Asset in form of cash on the relevant Margin Valuation Date; or

(2) the price realised during the default management process in the Termination Currency of the relevant equivalent Eligible Margin Assets other than cash on the relevant Margin Valuation Date.

To the extent that for the purpose of the execution of the measures for the administration, close-out or other liquidation of client positions and proprietary positions of the Affected Clearing Member that are required pursuant to Article 48 para. 2, 4, 5 third sentence and para. 6 third sentence of EMIR, replacement transactions during and as part of the default management process pursuant to Number 7.5 can only be entered into on a day following the 20th Business Day after the Termination Date, Eurex Clearing AG may, in deviation of Paragraph 3(b)(aa)(A) 1st half sentence, use the price of such replacement transactions for the determination of the Liquidation Price.

(c) **“Aggregate Value of the Redelivery Claims”** means, with respect to a party to the relevant Standard Agreement, the sum of the Liquidation Prices of the applicable number or amount of the relevant equivalent Eligible Margin Assets to which all of its expired Redelivery Claims against the other party as of the Termination Time relate. For any number or amount of remaining equivalent Eligible Margin Assets which were not realised by Eurex Clearing AG until the end of the Last Valuation Date, if any, an Exchange Price shall be determined which shall be added to the sum of the Liquidation Prices.

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- (d) **“Exchange Price”** means, with respect to an expired Redelivery Claim, as applicable:
- (aa) the amount in the Termination Currency of any equivalent Eligible Margin Asset in form of cash on the Last Valuation Date; or
 - (bb) the market or exchange price in the Termination Currency of any equivalent Eligible Margin Assets other than cash on the Last Valuation Date.
- (e) **“Market Price”** means:
- (aa) the market or exchange price for the relevant Transaction; and
 - (bb) if market events do not allow the determination of a market or exchange price in accordance with Sub-Paragraph (aa) above, the price determined on the basis of a model for the valuation of the market or exchange value of the relevant Transactions (which considers market risks and market prospects, inter alia, taking into account asset classes, volatility and liquidity).

7.3.3 If the **“Exchange Price Approach”** is the applicable Difference Claim Valuation Method, the value of the Difference Claim shall be determined in accordance with this Number 7.3.3 by the party specified in Paragraph (1) on the Termination Date.

- (1) The party entitled to value the Difference Claim is, (i) with respect to a Standard Agreement between Eurex Clearing AG and the Clearing Member, Eurex Clearing AG and, (ii) with respect to a Standard Agreement between the Clearing Member and the Non-Clearing Member or Registered Customer, respectively, the Non-Clearing Member or Registered Customer, respectively.

(2) For the purpose of the determination of the Difference Claim:

- (a) The **“Single Transaction Amount”** shall be determined with respect to each Transaction under the relevant Standard Agreement terminated as of the Termination Time and shall equal its Exchange Price as of the Termination Date.

If a price has been agreed for the Transaction which is due but has neither been paid nor been taken into account yet in the Exchange Price, the Single Transaction Amount shall be adjusted to reflect such agreed price.

When making such calculation, (i) any amount due to be paid as a primary obligation under the relevant Transaction, but unpaid as at the Opening Time (as defined in Part 3 Subpart A Number 11.1.4 and Number 11.2.3, as the case may be), and (ii) the value of any assets due to be delivered as a primary obligation under the relevant Transaction, but not delivered, as at the Opening Time (each an **“Unpaid Amount”**) shall be taken into account.

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- (b) **“Exchange Price”** means, in case of a Termination Date with respect to a Clearing Member:
- (aa) with respect to a Transaction, the last available Market Price for the Transaction on the Termination Date; and
- (bb) with respect to an expired Redelivery Claim, as applicable:
- (1) the amount in the Termination Currency of the relevant equivalent Eligible Margin Asset in form of cash on the Termination Date; or
 - (2) the market or exchange price in the Termination Currency of the relevant equivalent Eligible Margin Assets other than cash as of the Termination Date.
- (c) **“Aggregate Value of the Redelivery Claims”** means, with respect to a party to the relevant Standard Agreement, the sum of the Exchange Prices of the applicable number or amount of the relevant equivalent Eligible Margin Assets to which all of its expired Redelivery Claims against the other party as of the Termination Time relate.
- (d) **“Market Price”** shall have the same meaning as stipulated under Number 7.3.2 Paragraph (3) (e).

7.3.4 Upon the occurrence of a Termination with respect to a Clearing Member, all Clearing Agreements to which such Clearing Member is a party shall terminate upon all Difference Claims have been paid in full in cash or otherwise been satisfied in full as determined by Eurex Clearing AG (irrespective whether or not this results from an enforcement of Margin or a use of Contributions to the Default Fund) and upon the effective release of the Contributions to the Default Fund in accordance with the Clearing Conditions.

7.4 Notification of the Markets

Eurex Clearing AG may inform the Management Board of the respective Markets, of Clearstream Banking AG, ~~and of Clearstream Banking S.A. and of SIX SIS AG~~ of the occurrence of a Termination Event and may request the Management Board of the relevant Markets to exclude the Affected Clearing Member, as well as its Non-Clearing Members and, if such Clearing Member acts as Clearing Agent, its Basic Clearing Members, from trading on the respective Market or to restrict the trading of certain Transaction Types or products (the Clearing of which is carried out by Eurex Clearing AG) for the duration of the applicable Grace Period, if any, in accordance with the rules and regulations of such Market.

7.5 Default Management Process

Eurex Clearing AG maintains a default management process to reduce the risks following a default by a Clearing Member or a Basic Clearing Member and the occurrence of in case of a (i) Clearing Member, a Termination Event or Insolvency Termination Event (as defined in Number 7.2.1 and 7.2.2) resulting in a Termination or (ii) a Basic Clearing

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Member, a Basic Clearing Member Insolvency Termination Event or Basic Clearing Member Termination Event (as defined in Part 5 Number 10.2 and 10.1) resulting in a Basic Clearing Member Termination (as defined in Part 5 Number 10.4), and, in each case, the calculation of one or more Difference Claims, as described in these Clearing Conditions. Eurex Clearing AG establishes default management committees (each a “**DMC**”) for the purpose of advising and assisting the Executive Board of Eurex Clearing AG with respect to the consequences of a Termination or Basic Clearing Member Termination and all other matters specified in the Clearing Conditions, as further set out in this Number 7.5.

Where in this Number 7.5 reference is made to “**Terminated Transactions**”, such reference shall refer to (i) all terminated Transactions of the Affected Clearing Member in accordance with Subpart A Number 6.3.1 of the Elementary Clearing Model Provisions, Subpart A Number 7.3.1 of the Individual Clearing Model Provisions (excluding Transactions which have been subject to a re-establishment pursuant to Subpart A Number 11 of the Individual Clearing Model Provisions), (ii) if the Affected Clearing Member is an OTC IRS FCM Clearing Member, all terminated Transactions of its OTC IRS FCM Client(s) pursuant to Numbers 8.6 or 9.6 of the U.S. Clearing Model Provisions or (iii) following a Basic Clearing Member Termination, all terminated Basic Clearing Member Transactions of the Basic Clearing Member(s) pursuant to Number 10.5 of the Basic Clearing Member Provisions for which the Affected Clearing Member acts as Clearing Agent.

Each Clearing Member shall appoint one of its employees as DMP-coordinator and as DMP-deputy, respectively, as a central contact for Eurex Clearing AG for all general matters relating to the default management process and register these vis-à-vis Eurex Clearing AG.

Each Clearing Member shall provide Eurex Clearing AG with a completed form as published by Eurex Clearing AG on its website www.eurexclearing.com in which the relevant Clearing Member provides an overview on its trading capabilities with respect to all bonds underlying Eurex Repo Transactions (“**Bonds Trading Sheet**”). Each Clearing Member shall provide Eurex Clearing AG with a new Bonds Trading Sheet whenever any of the determinations made in the Bonds Trading Sheet changes.

7.5.1 Default Management Committees

- (1) A DMC will be established in accordance with the DMC Rules (as defined in Paragraph (4)) with respect to one or more groups of abstract Transactions cleared pursuant to the Clearing Conditions and relating to one or more Transaction Types or parts thereof, as determined and published in accordance with Number 16.1 (ii) by Eurex Clearing AG (each a “**Liquidation Group**”). Each DMC constitutes an internal advisory committee of Eurex Clearing AG (but not an independent legal person) and its members are subject to Eurex Clearing AG’s direction rights.
- (2) Eurex Clearing AG has the right to convene a meeting of one or more DMCs upon the occurrence of a Termination Event, Insolvency Termination Event or Basic Clearing Member Termination, for Default Simulations (as defined in Number 7.5.5

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below) or to obtain advice on any DMC Matters as deemed appropriate by Eurex Clearing AG. Eurex Clearing AG may convene a DMC with respect to the following matters (the “**DMC Matters**”):

- (a) the establishment of DM Hedging Transactions pursuant to (and as defined under) Number 7.5.2, including the selection of the relevant counterparties and the relevant hedging terms and strategy, and the assistance in the execution of DM Hedging Transactions;
- (b) the holding of one or more DM Auctions pursuant to (and as defined under) Number 7.5.3, including the timing, the procedures and the terms and conditions of a DM Auction;
- (c) the establishment of Transactions by way of independent trades pursuant to Number 7.5.3; and
- (d) any further matters relating to the consequences and risks of a Termination Event, Insolvency Termination Event or Basic Clearing Member Termination.

If there is at least one OTC Derivative Transaction (as defined in Chapter VIII Part 1) among the Terminated Transactions, Eurex Clearing AG shall, subject to Number 2.4.4 Paragraph (6) of the DMC Rules in any event convene a DMC Meeting for such DMC that has been established with respect to the Liquidation Group to which such OTC Derivative Transaction belongs.

- (3) Each DMC will advise and make proposals to Eurex Clearing AG with respect to the relevant DMC Matters. Eurex Clearing AG shall at all times maintain the ultimate decision on whether and under what terms and conditions the DMC proposals are implemented or not. Eurex Clearing AG will inform the BaFin (as defined in Number 2.1.2) if the Executive Board of Eurex Clearing AG decides not to follow the advice of a DMC.
- (4) Each DMC is governed by the rules set forth in the default management committees rules (the “**DMC Rules**”), as published by Eurex Clearing AG on its website www.eurexclearing.com. The DMC Rules form part of these Clearing Conditions.
- (5) The members of a DMC (the “**DMC Members**”) are appointed in accordance with the DMC Rules. Unless otherwise provided for in the DMC Rules, DMC Members are employees of a Clearing Member but act under a mandate (*Auftrag*) of Eurex Clearing AG during the meetings of the relevant DMC.
- (6) Whenever a DMC Member assists Eurex Clearing AG in the execution of DM Hedging Transactions or other legal declarations, such DMC Member must act as messenger (*Bote*) and shall not have the rights of, or be deemed to be, an attorney in fact (*Stellvertreter*) of Eurex Clearing AG.
- (7) Each Clearing Member is obliged to sign an agreement for the participation in a Default Management Committee in form and substance satisfactory to Eurex Clearing AG within one month of its selection as Participating DMC Member

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Institution (as defined in the DMC Rules) by Eurex Clearing AG in accordance with the DMC Rules.

- (8) Eurex Clearing AG will inform each Clearing Member selected as Participating DMC Member Institution at least three months prior to the establishment of the relevant DMC. Participating DMC Member Institutions shall comply with the duties and responsibilities set out in Number 7.5.1 and the DMC Rules.

7.5.2 **DM Hedging Transactions**

At any time after the Termination Time (with respect to the relevant Affected Clearing Member and/or, if the Affected Clearing Member is an OTC IRS FCM Clearing Member, with respect to the OTC IRS FCM Client Standard Agreement(s) of its OTC IRS FCM Client(s) or the Basic Clearing Member Termination Time, Eurex Clearing AG may in its discretion enter into transactions with respect to claims or obligations under its Transactions in order to hedge the effects of the Terminated Transactions (the “**DM Hedging Transactions**” and each a “**DM Hedging Transaction**”). DM Hedging Transactions may be of any Transaction Type. The costs and expenses incurred in connection with the entering into DM Hedging Transactions are herein referred to as “**DM Hedging Transaction Costs**”. The foregoing does not restrict the right of Eurex Clearing AG to enter into hedging or replacement transactions in the normal course of its business.

7.5.3 **Establishment of Transactions by way of independent trades or by conducting DM Auctions**

- (1) At any time after the Termination Time (with respect to the relevant Affected Clearing Member) or the Basic Clearing Member Termination Time, Eurex Clearing AG may in its discretion, take the following measures:
- (i) Enter into independent trades to (a) establish new Transactions equivalent to Terminated Transactions and/or reciprocal to DM Hedging Transactions, and (b) buy or sell Securities underlying the Terminated Transactions and which are required to enter into new Transactions, as deemed appropriate by Eurex Clearing AG in consultation with the relevant DMC(s).
 - (ii) If it is deemed appropriate by Eurex Clearing AG in consultation with the relevant DMC(s), Eurex Clearing AG may conduct one or more auctions with respect to one or several Liquidation Groups (in whole or in part the “**DM Auctions**” or each a “**DM Auction**”) to establish new Transactions specified by Eurex Clearing AG which are – taken as a whole – equivalent to Terminated Transactions of the Affected Clearing Member (or, if the Affected Clearing Member is an OTC IRS FCM Clearing Member, the Terminated Transactions of the relevant OTC IRS FCM Client) or the relevant Basic Clearing Member and/or reciprocal to DM Hedging Transactions (together the “**DM Auction Transactions**” and each a “**DM Auction Transaction**”). With respect to Eurex Repo Transactions, Eurex Clearing AG may, if it is deemed appropriate by Eurex Clearing AG in consultation with the relevant DMC (s), conduct one or

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more auctions, to sell the bonds underlying the Eurex Repo Transactions Transactions and to establish new Transactions being reciprocal to DM Hedging Transactions (“**DM Bonds Auctions**”).

Prior to a DM Auction or a DM Bonds Auction, Eurex Clearing AG shall enter into independent trades pursuant to paragraph (i) against the recommendation of the relevant DMC(s) only if the entering into such trades does not result in a realisation of Contributions of the Non-Affected Clearing Members in accordance with Chapter I Part 1 Number 6.2.1 and if the terms and conditions of the resulting Transactions are fixed prior to entering into the respective trades. If Eurex Clearing AG does not enter into independent trades pursuant to Paragraph (i) with respect to particular Terminated Transactions, one or more DM Auctions or DM Bonds Auctions shall be held with respect to such Terminated Transactions.

- (2) DM Auctions and DM Bonds Auctions are governed by the rules set forth in the default management auctions rules, as published by Eurex Clearing AG on its website www.eurexclearing.com (the “**DM Auction Rules**”). The DM Auctions Rules form part of these Clearing Conditions.

- (3) General Provisions

Unless otherwise provided in (4) to (6), the following provisions shall apply:

- (i) DM Auctions will be conducted with regard to one or several Auction Units.

“**Auction Unit**” means one unit or several identically composed units of DM Auction Transactions of the relevant applicable Liquidation Group, as specified by Eurex Clearing AG after consultation with the relevant DMC(s).

- (ii) A Mandatory Participant shall be obliged to participate in DM Auctions in accordance with the DM Auction Rules.

“**Mandatory Participant**” means each

Clearing Member (i) holding a Clearing Licence with respect to all DM Auction Transactions comprised in the relevant Auction Unit, (ii) having the necessary account structure to settle all DM Auction Transactions comprised in the relevant Auction Unit, (iii) with respect to which within 3 months prior to the relevant Termination or Basic Clearing Member Termination (x) at least one Transaction (and/or, if the Affected Clearing Member is an OTC IRS FCM Clearing Member, an OTC IRS FCM Client Transaction of any of its OTC IRS FCM Clients) or (y) at least one Basic Clearing Member Transaction of a Basic Clearing Member of such Clearing Member (acting as Clearing Agent) has been booked on a respective account, which corresponds to these Transaction Types comprised in the relevant Liquidation Group, and (iv) with respect to which no Termination Event or Insolvency Termination Event has occurred and is continuing. Subject to certain restrictions as set forth in the DM Auctions Rules, (a) Non-Clearing Members, Registered Customers and other customers of Clearing Members may participate in DM Auctions in accordance with the DM Auction Rules through their

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Clearing Members and (b) Basic Clearing Members may participate in DM Auctions (including through their Clearing Agents acting on their behalf) upon invitation by Eurex Clearing AG. The participation of a Basic Clearing Member in any DM Auction shall not affect the obligations of its Clearing Agent as a Mandatory Participant.

- (iii) Each Mandatory Participant is obliged to provide one or more mandatory bids for such minimum number of Auction Units specified by Eurex Clearing AG for such Mandatory Participant during a DM Auction (each a "Mandatory Bid").
- (iv) A (Mandatory) Bid is only valid, if such Bid is economically reasonable (taking into account the current market conditions on the Acceptance Date), irrespective of whether Bids were submitted for all Auction Units of the respective DM Auction.

A Bid is generally economically reasonable if the relevant bidder participating in a DM Auction provides, in respect of the relevant Auction Unit, two bids on the following basis: (a) one bid for an Auction Unit based on the portfolio comprising the DM Auction Transactions and (b) one bid for an auction unit based on a portfolio comprising transactions opposite to the DM Auction Transactions, and (c) if the spread between the two Bids for the respective Auction Unit does not exceed the Maximum Spread Value. The "**Maximum Spread Value**" will be determined by Eurex Clearing AG in the Specific Terms either (i) based on the recommendation of the relevant DMC, or (ii), in case Eurex Clearing AG does not follow such recommendation, by calculating the average of all received Maximum Spread Values recommended by Mandatory Participants (Eurex Clearing AG will request such recommendations from all Mandatory Participants).

Eurex Clearing AG will not disclose to the bidders which of the two portfolios comprises the DM Auction Transactions and which comprises the opposite transactions. The binding Bid only relates to the Auction Unit.

Bids which are not valid are deemed not to have been provided and will not be accepted by Eurex Clearing AG.

- (v) Each Mandatory Participant that does not submit a valid Mandatory Bid for an Auction Unit (in respect of all its capacities as a Clearing Member and a Clearing Agent, as applicable) during such DM Auction, is a "Non-Bidding Participant". A Non-Bidding Participant shall be subject to the following contractual penalty which shall be paid in accordance with Number 1.4.1:
 - (a) the Non-Bidding Participant shall, subject to a Residual Settlement pursuant to (d), pay to Eurex Clearing AG, in accordance with instructions received from Eurex Clearing AG, an amount which shall be calculated by Eurex Clearing AG as follows: the fraction of (i) the number of the Auction Units for which the Non-Bidding Participant has not submitted a valid Mandatory Bid in such DM Auction (numerator) and (ii) the total number of Auction Units offered in such DM Auction (denominator), such fraction, multiplied by 100 and further multiplied by EUR 500,000 (or the corresponding equivalent in

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any other Clearing Currency as determined by Eurex Clearing AG), but subject to a maximum aggregate amount of EUR 5,000,000 (or the corresponding equivalent in any other Clearing Currency as determined by Eurex Clearing AG) per DM Auction; any amount received by Eurex Clearing AG under this paragraph (a) shall be added to, and forthwith be part of, the Dedicated Amount of Eurex Clearing AG in accordance with Number 6.1.3; and

- (b) if, following a Realisation Event in relation to the relevant Affected Clearing Member (but not with respect to any other Realisation Event) the Contributions of the Non-Affected Clearing Members to the Default Fund are realised, the Contributions of the Non-Bidding Participant (in respect of all its capacities as a Clearing Member and a Clearing Agent, as applicable) shall in such DM Auction, in accordance with Number 6.2.1, be realised prior to the Contributions of the other Non-Affected Clearing Members to the Default Fund; and
- (c) if during the DM Auction only some (but not all) Auction Units have been successfully auctioned in accordance with the DM Auction Rules (each Auction Unit which has not been so auctioned a “**Residual Auction Unit**”), the Non-Bidding Participant shall (i) pay to Eurex Clearing AG on the relevant due dates of the relevant DM Auction Transactions the amounts (subject to a maximum aggregate amount of EUR 1,000,000,000 (or the corresponding equivalent in any other Clearing Currency as determined by Eurex Clearing AG) per DM Auction) equal to the Pro Rata Share (as defined below) of the exposure of Eurex Clearing AG as at the relevant due date to such Residual Auction Units (for which the Non-Bidding Participant failed to provide a valid Mandatory Bid) and (ii) provide collateral to Eurex Clearing AG for its obligations arising under (i) above, where Number 3 shall apply *mutatis mutandis* to the collateral.

If paragraph (c) applies, the Non-Bidding Participant shall have no obligation pursuant to paragraph (a).

The “**Pro Rata Share**” of a Non-Bidding Participant shall be the ratio of (A) the Residual Auction Units for which the Non-Bidding Participant failed to provide a valid Mandatory Bid in the relevant DM Auction and (B) the total number of valid Mandatory Bids which all Non-Bidding Participants failed to provide in the relevant DM Auction.

- (d) Residual Settlement
- (aa) Eurex Clearing AG shall offer to each Non-Bidding Participant to enter with it into its respective Pro Rata Share of the DM Auction Transactions of the relevant Residual Auction Units without undue delay after the DM Auction, at its Pro Rata Share of the highest Auction Price (as defined in the DM Auction Rules) for any Auction Unit that was

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accepted by Eurex Clearing AG for an Auction Unit in the respective DM Auction (the “**Residual Auction Unit Price**”).

- (bb) Thereafter Eurex Clearing AG may offer any Residual Auction Units outstanding at the time of such offer to each Non-Bidding Participant at a price determined by Eurex Clearing AG on the basis of the then prevailing market conditions.
- (cc) If a Non-Bidding Participant accepts any offer under (aa) or (bb) (each a “**Residual Settlement**”), no contractual penalty pursuant to paragraph (a) and (c) above shall be payable by such Non-Bidding Participant, provided that any contractual penalty pursuant to paragraph (a) and (c) above which has already been received by Eurex Clearing AG from such Non-Bidding Participant shall not be re-paid by Eurex Clearing AG. If the Residual Settlement results in a split of the relevant DM Auction Transactions in accordance with the relevant Pro Rata Share of any Non-Bidding Participant, Eurex Clearing AG shall, in its reasonable discretion, be entitled to allocate rumps to Non-Bidding Participants as part of a Residual Settlement.

Each Non-Bidding Participant is required to take all such steps, to make all further statements and to comply with all such formalities as may be reasonably required or desirable to perfect or more fully evidence the Residual Settlement made.

- (vi) If the applicable Auction Format (as defined in the DM Auction Rules) is “**Multi Unit – Pay as you bid**” or “**Single Unit – Pay as you bid**” in accordance with the DM Auction Rules, Eurex Clearing AG shall, with respect to any particular Auction Unit, be obliged to accept the highest valid Bid.
- (vii) Before Eurex Clearing AG may terminate any Transaction in accordance with Number 7.5.4, Eurex Clearing AG shall ask all Mandatory Participants to provide offers for some or all DM Auction Transactions comprised in the Auction Units.

(4) Special provisions relating to OTC Interest Rate Derivative Transactions

If at least one of the relevant DM Auction Transactions qualifies as OTC Interest Rate Derivative Transactions, the following shall apply:

- (i) DM Auctions will be conducted with respect to one Auction Unit per currency in which the relevant DM Auction Transactions are denominated. Each Auction Unit will generally consist of all DM Auction Transactions denominated in the same currency.
- (ii) Each Mandatory Participant is obliged to submit one Mandatory Bid for the respective Auction Unit with respect to all currencies such mandatory Participant holds a Clearing Licence for, subject to the DM Auction Rules.

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Eurex Clearing AG will classify the Mandatory Bids into one of the following categories:

- (a) The Mandatory Bid qualifies as “**Sufficient Bid**”, if the difference between such Mandatory Bid and the winning Bid with respect to the relevant Auction Unit (the “**Sufficient Bid Threshold**”) is equal to or smaller than the product of (i) 0.5 and (ii) the Initial Margin requirement for all OTC Interest Rate Derivative Transactions in the relevant Auction Unit (the “**Auction Unit Margin Amount**”)
 - (b) The Mandatory Bid qualifies as “**Insufficient Bid**”, if the difference between such Mandatory Bid and the winning Bid with respect to the relevant Auction Unit (the “**Insufficient Bid Threshold**”) is larger than the product of (i) 1.5 and (ii) the Auction Unit Margin Amount.
 - (c) The Mandatory Bid qualifies as “**Medium Bid**”, if the difference between such Mandatory Bid and the winning Bid with respect to the relevant Auction Unit is (i) larger than the Sufficient Bid Threshold and (ii) equal to or smaller than the Insufficient Bid Threshold.
- (iii) Each Mandatory Participant that does not submit a Sufficient Bid for the relevant Auction Unit in accordance with the DM Auction Rules during the relevant DM Auction shall be subject to the following contractual penalty:
- (a) If the Mandatory Participant submits an Insufficient Bid and if, following a Realisation Event in relation to the relevant Affected Clearing Member (but not with respect to any other Realisation Event), the Contributions of the Non-Affected Clearing Members to the Default Fund are realised, the Contributions of the Mandatory Participants (in respect of all their capacities as Clearing Members and Clearing Agents, as applicable) submitting an Insufficient Bid shall in such DM Auction, in accordance with Number 6.2.1, be realised prior to the Contributions of the other Non-Affected Clearing Members.
 - (b) If the Mandatory Participant submits a Medium Bid and if, following a Realisation Event with respect to the relevant Affected Clearing Member (but not with respect to any other Realisation Event), the Contributions of the Non-Affected Clearing Members to the Default Fund are realised, the Contributions of the Mandatory Participants (in respect of all their capacities as Clearing Members and Clearing Agents, as applicable) submitting a Medium Bid shall in such DM Auction, in accordance with Number 6.2.1, be realised prior to the Contributions of the other Non-Affected Clearing Members, but simultaneously to the Contributions of those Mandatory Participants, who have submitted Insufficient Bids in such DM Auction, up to an amount which shall be calculated by Eurex Clearing AG as follows: the difference between (i) the winning Bid minus the product of 0.5 and the Auction Unit Margin Amount and (ii) the respective Medium Bid, such difference divided by the Auction Unit Margin

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Amount and subsequently multiplied by the relevant Mandatory Participant's Contributions. Any remainder of the Contributions of the Mandatory Participant submitting a Medium Bid shall be considered as Contributions of a Non-Affected Clearing Member.

- (iv) If a Mandatory Participant does not submit a Mandatory Bid for any relevant Auction Unit in accordance with the DM Auction Rules during such DM Auction (an "IRS Non-Bidding Participant"), the IRS-Non-Bidding Participant shall pay to Eurex Clearing AG in accordance with Number 1.4.1, an amount which shall be calculated by Eurex Clearing AG as follows: the fraction of (i) the IRS-Non-Bidding Participant's Contributions (in respect of all its capacities as a Clearing Member and a Clearing Agent, as applicable) with respect to the Relevant Liquidation Group and in the relevant currency (numerator) and (ii) the aggregate sum of all Contributions with respect to the Relevant Liquidation Group and in the relevant currency (denominator), such fraction, multiplied by 100 and further multiplied by EUR 500,000 (or the corresponding equivalent in any other Clearing Currency as determined by Eurex Clearing AG), but subject to a maximum aggregate amount of EUR 5,000,000 (or the corresponding equivalent in any other Clearing Currency as determined by Eurex Clearing AG) per DM Auction. If, upon the occurrence of a Realisation Event, any Contributions of the IRS Non-Bidding Participant are realised, the amount calculated in accordance with the preceding sentence shall be reduced by the sum of the realised Contributions (but shall in no case be a negative amount). The provisions under Number 6.2.1 (5) and (6) shall apply accordingly with respect to the Contributions to the Default Fund of the relevant IRS Non-Bidding Participant. Any amount received by Eurex Clearing AG from the relevant IRS Non-Bidding Participant shall be added to, and forthwith be part of, the Dedicated Amount of Eurex Clearing AG in accordance with Number 6.1.3.
- (v) The provisions under Number 7.5.3 (6) (i) and (ii) above shall apply accordingly in relation to the realisation of the Further Contributions of the Mandatory Participant submitting an Insufficient Bid or a Medium Bid. The provisions under Number 6.2.1 (9) and (10) shall apply accordingly with respect to the IRS Non-Bidding Participants.
- (vi) Each (Mandatory) Bid is generally valid, and the highest valid Bid shall be accepted by Eurex Clearing AG as the winning Bid with respect to each Auction Unit.
- (5) Special provisions relating to Eurex Repo Transactions, under which the Affected Clearing Member acted as Cash Taker
- (i) With respect to terminated Eurex Repo Transactions under which the Affected Clearing Member acted as Cash Taker, Eurex Clearing AG may conduct DM Bonds Auctions with respect to bonds underlying these Transactions, if Eurex Clearing AG could not sell the relevant bonds via independent trades.

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(ii) The DM Bonds Auctions will generally be conducted separately for all bonds with the same ISIN underlying all terminated Eurex Repo Transactions within the relevant Liquidation Group and with respect to one or several Bonds Auction Unit(s). In individual cases, Eurex Clearing AG is entitled to combine bonds with different ISINs in the same DM Bonds Auction after consultation of the relevant DMC. "Bonds Auction Units" means, with respect to DM Bonds Auctions, one unit or several identically composed units of the relevant bonds underlying the terminated Eurex Repo Transactions, and the Transactions being reciprocal to DM Hedging Transactions as specified by Eurex Clearing AG after consultation with the relevant DMC.

(iii) A Bonds Mandatory Participant shall be obliged to participate in DM Bonds Auctions in accordance with the DM Auction Rules.

A Clearing Member qualifies as "**Bonds Mandatory Participant**" with respect to the relevant DM Bonds Auction, if (i) it holds a Clearing License for Eurex Repo Transactions, (ii) within 3 months prior to the relevant Termination or Basic Clearing Member Termination at least one Eurex Repo Transaction with an underlying bond which falls under the same Bonds Cluster as the bond auctioned in the relevant DM Bonds Auction (x) has been booked on a respective account, or (y) has been booked as a Basic Clearing Member Transaction of a Basic Clearing Member of such Clearing Member (acting as Clearing Agent) on a respective account, and (iii) with respect to which no Termination Event or Insolvency Termination Event has occurred and is continuing.

A Clearing Member which only entered into GC Pooling Transactions, under which it only acted as Cash Provider, shall only be obliged to participate as Bonds Mandatory Participant in the relevant DM Bonds Auction with respect to bonds for which the relevant Clearing Member determined its trading capacities in the Bonds Trading Sheet.

A Bonds Mandatory Participant is not required to participate in a DM Bonds Auction, if the Clearing Member's chief compliance officer proves to Eurex Clearing AG that a participation in the relevant DM Bonds Auction cannot be reasonably expected for compliance reasons.

Eurex Clearing AG assigns each bond underlying a Eurex Repo Transaction to a group of bonds predefined by Eurex Clearing (each a "**Bonds Cluster**").

(iv) Each Bonds Mandatory Participants is obliged to provide one or more Mandatory Bids for such minimum number of Bonds Auction Units specified by Eurex Clearing AG for such Bonds Mandatory Participant with respect to the relevant DM Bonds Auction. Such minimum number of Bonds Auction Units shall be determined on the basis of the Additional Margin requirement of the relevant Bonds Mandatory Participant in the relevant Bonds Cluster within the last 3 months prior to the relevant Termination or Basic Clearing Member Termination in relation to the Additional Margin requirement of all other Bonds Mandatory Participants in such Bonds Cluster.

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- (v) If a Bonds Mandatory Participant submits a Mandatory Bid for a DM Bonds Auction which is below the Reference Price, Eurex Clearing AG may, subject to the following restrictions and following a Realisation Event in relation to the relevant Affected Clearing Member (but not with respect to any other Realisation Event), realise the Contributions to the Default Fund of such Clearing Member prior to the Contributions to the Default Fund of the other Non-Affected Clearing Members.

“Reference Price” with respect to a Bonds Auction means the Average Price minus the product of (i) the Average Price and (ii) 0.5 and (iii) the Risk Parameter applicable to the relevant bond underlying the relevant Bonds Auction Unit. In individual cases, Eurex Clearing AG is entitled to adjust the multiplier of 0.5 after consultation of the relevant DMC.

“Average Price” means with respect to the relevant Bonds Auction Unit the fraction of (i) the sum of all Bonds Auction Prices accepted by Eurex Clearing AG within this DM Bonds Auction and (ii) the number of all Bonds Auction Units for which Eurex Clearing AG accepted bids within such DM Bonds Auction. **“Bonds Auction Price”** means the product of (i) the price accepted by Eurex Clearing AG for the relevant Bonds Auction Unit and (ii) the number of Bonds Auction Units for which Eurex Clearing AG accepted such price.

“Risk Parameter” means with respect to the bond underlying the relevant Bonds Auction Unit the fraction of (i) the Additional Margin requirement for such Bonds Auction Unit and (ii) the product of (a) the Nominal Size of the Bonds Auction Unit and (b) the last available settlement price of the bond underlying the relevant Bonds Auction Unit.

For each (Mandatory) Bid submitted by a Bonds Mandatory Participant under any DM Bonds Auctions which is not below the relevant Reference Price, such Bonds Mandatory Participant receives a credit (**“Credit”**). For each Mandatory Bid submitted by a Bonds Mandatory Participant under any DM Bonds Auctions which is below the relevant Reference Price, such Bonds Mandatory Participant receives a debit (**“Debit”**). Each Credit is calculated with respect to the relevant Mandatory Bid as the product of (i) 0.25 and (ii) the Additional Margin requirement with respect to the relevant Bonds Auction Unit. The Bonds Mandatory Participant also receives a Credit in case it has purchased the relevant bonds from Eurex Clearing AG via independent trades; such Credit is calculated as the product of (i) a number between 0.01 and 0.1 as determined by Eurex Clearing AG in the individual case after consultation with the relevant DMC and (ii) the Additional Margin requirement with respect to the relevant Bonds Auction Unit. Each Debit is calculated with respect to the relevant Mandatory Bid as the product of (i) 0.5 and (ii) the Additional Margin requirement with respect to the relevant Bonds Auction Unit. In individual cases, Eurex Clearing AG is entitled to adjust the multiplier after consultation of the relevant DMC.

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If, following a Realisation Event with respect to the relevant Affected Clearing Member (but not with respect to any other Realisation Event), the Contributions to the Default Fund of the Non-Affected Clearing Members are realised, parts of the Contributions to the Default Fund of the Mandatory Participants whose Debits exceed the Credits shall be realised prior to the Contributions to the Default Fund of the other Non-Affected Clearing Members,

The amount of the Contributions to the Default Fund of the Bonds Mandatory Participant, which shall be realised prior to the Contributions to the Default Fund of the other Non-Affected Clearing Members, shall be calculated as follows: the product of (i) the fraction of (a) the sum of all Credits minus the sum of all Debits and Non-Bidding Debits and (b) the sum of the Additional Margin requirements for all Bonds Auction Units, for which the Bonds Mandatory Participant has submitted a Mandatory Bid and for which the Bonds Mandatory Participant should have submitted (but failed to submit) a Mandatory Bid and (ii) the parts of the Contributions to the Default Fund of the Bonds Mandatory Participant which is allocated to the Liquidation Group comprising the Eurex Repo Transactions.

For each Mandatory Bid the Bonds Mandatory Participant did not submit, the Bonds Mandatory Participant receives a debit ("**Non-Bidding Debit**"), which corresponds to the Additional Margin requirement for the relevant Bonds Auction Unit.

- (vi) If a Bonds Mandatory Participant does not submit a Mandatory Bid for any Bonds Auction Unit in accordance with the DM Auction Rules during such DM Auction ("**Bonds Non-Bidding Participant**") and Contributions to the Default Fund of Non-Affected Clearing Members are realised, the Bonds-Non-Bidding Participant shall pay to Eurex Clearing AG in accordance with Number 1.4.1, an amount which shall be calculated by Eurex Clearing AG as follows: the lower amount of either (I) the product of (i) the fraction of (a) the sum of the Additional Margin requirements for all Bonds Auction Units within the relevant Liquidation Group for which the Bonds Mandatory Participant did not submit a Mandatory Bid, and (b) the sum of the Additional Margin requirement for all Bonds Auction Units within the relevant Liquidation Group for which the Bonds Mandatory Participant submitted a Mandatory Bid and for which the Bonds Mandatory Participant should have submitted (but failed to submit) a Mandatory Bid and (ii) EUR 5,000,000, or (II) the sum of the Additional Margin requirement for all Bonds Auction Units within the relevant Liquidation Group for which the Bonds Mandatory Participant submitted a Mandatory Bid and for which the Bonds Mandatory Participant should have submitted (but failed to submit) a Mandatory Bid. Such amount is limited to a maximum aggregate amount of EUR 5,000,000 (or the corresponding equivalent in any other Clearing Currency as determined by Eurex Clearing AG) with respect to the relevant Liquidation Group.

Any amount received by Eurex Clearing AG from the relevant Bonds Non-Bidding Participant shall be added to, and forthwith be part of, the Dedicated Amount of Eurex Clearing AG in accordance with Number 6.1.3.

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If, upon the occurrence of a Realisation Event, any Contributions to the Default Fund of the Bonds Non-Bidding Participant are realised, the amount calculated in accordance with this provision shall be reduced by the sum of the realised Contributions (but shall in no case be a negative amount).

- (vii) Each (Mandatory) Bid is generally valid, and the highest valid Bid shall be accepted by Eurex Clearing AG as the winning Bid with respect to each Auction Unit.
- (6) Special provisions relating to FWB Transactions, under which the Affected Clearing Member acted as seller, and Eurex Repo Transactions, under which the Affected Clearing Member acted as Cash Provider
- (i) With respect to terminated FWB Transactions under which the Affected Clearing Member acted as seller, and with respect to terminated Eurex Repo Transactions under which the Affected Clearing Member acted as Cash Provider, Eurex Clearing AG shall purchase bonds and securities (as applicable) underlying these Transactions via independent trades.
 - (ii) Eurex Clearing AG will determine for each bond and security (as applicable) a Maximum Price, which it is willing to pay in an independent trade. "**Maximum Price**" means the lower amount of either (I) the sum of (i) the last settlement price for the relevant bond or security (as applicable) on the preceding Business Day and (ii) the product of (a) 0.5 and (b) the relevant Risk Parameter for the relevant bond or security (as applicable), or (II) the sum of (i) the last settlement price for the relevant bond or security (as applicable) on the Business Day immediately preceding the Termination Date and (ii) the product of (a) 1.1 and (b) the relevant Risk Parameter for the relevant bond or security (as applicable). In individual cases, Eurex Clearing AG is entitled to adjust the relevant multiplier of 0.5 or 1.1 after consultation of the relevant DMC.
 - (iii) If Eurex Clearing AG is not able to purchase a bond or a security (as applicable) via independent trades, Eurex Clearing AG is entitled to determine a cash settlement regarding such bond or security (as applicable) with respect to one or more other Clearing Member(s), to which the relevant bond or security (as applicable) shall be delivered under a Eurex Bond Transaction, a Eurex Repo Transaction, or a FWB Transaction.

The cash settlement amount is the product of (i) the relevant Maximum Price and (ii) the relevant number of bonds or securities (as applicable) which were not delivered under the relevant Eurex Repo Transaction, or FWB Transaction due to the cash settlement. If there is more than one Clearing Member to which the relevant bond or security (as applicable) shall be delivered under a Eurex Bond Transaction, a Eurex Repo Transaction or a FWB Transaction, the relevant cash settlement shall be performed between such Clearing Members on a pro rata basis.

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Upon determination of the cash settlement, the claims of the relevant Clearing Member against Eurex Clearing AG for the delivery of the owed bonds or securities (as applicable) expire with debt-discharging effect to the extent equalling the number of bonds or securities (as applicable) owed and not delivered by Eurex Clearing AG to the relevant Clearing Member. Eurex Clearing shall instead pay the cash settlement amount to the relevant Clearing Member or set off such amount with payment claims Eurex Clearing AG may have against the relevant Clearing Member.

7.5.4 Cash Settlement of a Liquidation Group

(1) Cash Settlement of Liquidation Group Transactions

If at any time following the occurrence of a Realisation Event Eurex Clearing AG determines a Liquidation Group Deficiency with respect to the Relevant Liquidation Group, Eurex Clearing AG may terminate and settle in cash all (but not only some) Transactions of such Relevant Liquidation Group (each a “**Liquidation Group Transaction**”) with all Non-Affected Clearing Members, OTC IRS FCM Clients and/or Basic Clearing Members by giving a notice to such Clearing Members (and, as relevant, such OTC IRS FCM Clients or Basic Clearing Members, respectively) specifying the date and time on which the termination shall become effective (“**Liquidation Group Cash Settlement Date**”) and “**Liquidation Group Cash Settlement Time**”). At the same time, Eurex Clearing AG will suspend the Clearing with respect to all Transaction Types which are comprised in such Relevant Liquidation Group and will inform the respective Markets accordingly.

A “**Liquidation Group Deficiency**” shall occur with respect to a Relevant Liquidation Group, if Eurex Clearing AG determines on the basis of its valuation models for the Terminated Transactions falling within the Relevant Liquidation Group that all Contributions and Further Contributions to the Default Fund would not be sufficient to settle all Default Fund Secured Claims relating to such Relevant Liquidation Group as of the time of determination by Eurex Clearing AG.

(2) Consequences of Cash Settlement of a Liquidation Group

If a Liquidation Group Cash Settlement Time has occurred with respect to the Relevant Liquidation Group, the following provisions shall apply:

All current and future primary obligations (including payment and delivery obligations) of each party under the relevant Standard Agreement between Eurex Clearing AG and the Clearing Member, the OTC IRS FCM Client or the Basic Clearing Member, as relevant, arising from any Liquidation Group Transactions and all Redelivery Claims relating to the Variation Margin with respect to such Liquidation Group Transactions shall expire (*auflösende Bedingung*) as of the Liquidation Group Cash Settlement Time and shall no longer be required to be performed by the relevant obligor. Further, all due but unsatisfied obligations to deliver Variation Margin under the relevant Standard Agreement between Eurex Clearing AG and the Clearing Member, OTC IRS FCM Client or the Basic Clearing Member, as relevant,

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with respect to Liquidation Group Transactions shall expire (*auflösende Bedingung*) as of the Liquidation Group Cash Settlement Time. The expiration affects all claims arising from the Liquidation Group Transactions independently of the time they came into existence or would have come into existence otherwise. These expired primary obligations and delivery obligations, respectively, are reflected by the Liquidation Group Difference Claim (as defined in Number 7.5.4 Paragraph (3) below).

(3) Liquidation Group Difference Claim

With regard to the relevant Standard Agreement between Eurex Clearing AG and the Clearing Member, the OTC IRS FCM Client or the Basic Clearing Member, as relevant, the difference claim related to the Relevant Liquidation Group which was created by the signing of the relevant Clearing Agreement shall become unconditional and immediately due in the Termination Currency (as defined in Number 7.3.2) from one party to the relevant Standard Agreement to the respective other party as of the end of the Liquidation Group Cash Settlement Date (each such claim shall be a "**Liquidation Group Difference Claim**").

The Liquidation Group Difference Claim shall be determined by Eurex Clearing AG on the Liquidation Group Cash Settlement Date for each Standard Agreement by way of combining (*saldieren*) the Single Valuation Prices of all terminated Liquidation Group Transactions under such Standard Agreement and the Aggregate Value of the Redelivery Claims relating to the Variation Margin for all such terminated Liquidation Group Transactions under such Standard Agreement. "**Single Valuation Price**" shall mean with respect to the relevant Liquidation Group Transaction the last available settlement price as determined by Eurex Clearing AG.

The final amount of the Liquidation Group Difference Claim resulting from such combination shall (i), if it is a positive figure for Eurex Clearing AG, be owed to it by the relevant Clearing Member, the OTC IRS FCM Client or the Basic Clearing Member, as relevant, or (ii), if it is a negative figure for Eurex Clearing AG, be owed by it to the Clearing Member, the OTC IRS FCM Client or the Basic Clearing Member, as relevant.

Eurex Clearing AG shall notify the value of the Liquidation Group Difference Claim determined by it to the Clearing Member, the relevant OTC IRS FCM Client or the relevant Basic Clearing Member (and its Clearing Agent) and, where applicable, to the Clearing Member's ICM Clients as soon as reasonably practicable, together with reasonable detail regarding the data and information forming the basis of the determination.

(4) Payment of Liquidation Group Difference Claim

Such party to the relevant Standard Agreement which is the obligor of the Liquidation Group Difference Claim shall be obliged to pay the determined amount to the other party as soon as reasonably practicable following the notification by Eurex Clearing AG of the payable amount.

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7.5.5 Default Simulations

Eurex Clearing AG will arrange for at least one and no more than three default simulations per year to ensure the best practicable level of preparation for any default of a Clearing Member (the “**Default Simulation**”) and the Clearing Members shall support Eurex Clearing AG in carrying out any such Default Simulation.

Upon request of Eurex Clearing AG, each Clearing Member shall in the course of such Default Simulations act as potential counterparty for a simulated DM Hedging Transaction and shall support any simulated DM Auction, as further described in Number 7.5.3, with respect to the Liquidation Groups that such Clearing Member is active in.

8 Change of Clearing Member and Clearing Model Change

This Number 8 does not apply in respect of any Basic Clearing Member Transaction and any Basic Clearing Member Standard Agreement.

8.1 Change of Clearing Member

A Non-Clearing Member or Registered Customer may effect a change of its Clearing Member (“**Current Clearing Member**”) with respect to one or more Transaction Types as specified in an agreement to be concluded between itself, a new Clearing Member (“**New Clearing Member**”) and Eurex Clearing AG in the form published by Eurex Clearing AG on its websites (www.eurexclearing.com) (the “**Clearer Change Agreement**”), subject to the prior conclusion of a Clearing Agreement between itself, Eurex Clearing AG and the New Clearing Member. Whenever the Current Clearing Member, the New Clearing Member and the Non-Clearing Member/Registered Customer enter into such Clearer Change Agreement, the following conditions under this Number 8.1 shall apply. Terms used in this Number 8.1 but not defined in the Clearing Conditions shall have the meaning given to them in the Clearer Change Agreement.

8.1.1 Conditions of a Change of a Clearing Member

By entering into a Clearer Change Agreement and as per the end of the Business Day as specified therein (in this Number 8.1 and the Clearer Change Agreement the “**Change Date**”), the Non-Clearing Member/Registered Customer changes the Current Clearing Member to the New Clearing Member with effect as of the beginning of the Business Day immediately following the Change Date (in this Number 8.1 and the Clearer Change Agreement the “**Transfer Effective Date**”) and the Current Clearing Member transfers to the New Clearing Member all its Transactions with Eurex Clearing AG that are NCM-Related Transactions, RC-Related Transactions or Covered Transactions, as applicable, of the Transactions Types as specified in the Clearer Change Agreement, in each case under their relevant Standard Agreement (in this Number 8.1 “**Respective Transactions**”), as well as the relevant (i) corresponding Transactions, (ii) Corresponding Covered Transactions (as defined in Part 3 Subpart B Number 2.1.2) or (iii) Client Clearing Transactions (as defined in Part 3 Subpart C Number 2.1.2 Paragraph (2)), as applicable, (in this Number 8.1 “**Respective Corresponding Transactions**”), together with all (i) Redelivery Claims under or allocated to the relevant Standard Agreement or (ii)

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Relevant Redelivery Claims (as defined in Part 3 Subpart A Number 1) that relate to the Eligible Margin Assets specified by the Non-Clearing Member/Registered Customer in a notice to Eurex Clearing AG with a copy to the other parties of the Clearer Change Agreement no later than on the Change Date (in this Number 8.1 “**Respective Redelivery Claims**”). However, all claims between Eurex Clearing AG and the Current Clearing Member or between the Current Clearing Member and the Non-Clearing Member/Registered Customer, respectively, resulting from such Respective Transactions, Respective Corresponding Transactions and any Respective Redelivery Claims which, in each case, are due and payable but not satisfied until and including the Transfer Effective Date, shall be fulfilled under the terms of the relevant Clearing Agreement or, as applicable, the Client Clearing Agreement relating to the Clearing Agreement and shall not be transferred or amended (together with Transactions of the Current Clearing Member with Eurex Clearing AG that are NCM-Related Transactions, RC-Related Transactions or Covered Transactions, respectively, of the Transaction Types pursuant to Chapter V Part 2 Transactions Concluded at the Frankfurter Wertpapierbörse, the “**Excluded Claims**” for the purpose of Number 8.1).

8.1.2 For such purpose, the Current Clearing Member and the New Clearing Member agree to transfer by way of novation (*Novation*), except for the Excluded Claims, from the Current Clearing Member to the New Clearing Member as of the Transfer Effective Date

- (1) all existing Respective Transactions between Eurex Clearing AG and the Current Clearing Member,
- (2) the Current Clearing Member's claims and obligations vis-à-vis Eurex Clearing AG with respect to the Respective Redelivery Claims,
- (3) the Respective Corresponding Transactions (with respect to the Respective Transactions pursuant to Paragraph (1) above), and
- (4) the Current Clearing Member's claims and obligations vis-à-vis the Non-Clearing Member/Registered Customer with respect to the Respective Redelivery Claims,

(the rights, claims and obligations pursuant to Paragraph (1) and (2) together the “**Transferred Assets**” and the rights, claims and obligations pursuant to Paragraph (3) and (4) the “**Corresponding Transferred Assets**”). The Transactions resulting from the novation (*Novation*) shall not depend on the valid existence of the original Respective Transactions (*abstract novation*). Eurex Clearing AG consents to such transfers of the Transferred Assets. The Non-Clearing Member/Registered Customer acknowledges such transfers of the Transferred Assets.

8.1.3 As of the Transfer Effective Date,

- (1) (i) the Current Clearing Member and Eurex Clearing AG, as well as (ii) the Current Clearing Member and the Non-Clearing Member/Registered Customer, shall be released from their obligations to each other under the Respective Transactions, Respective Corresponding Transactions and Respective Redelivery Claims, respectively, (provided that any Excluded Claims shall continue to exist in

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accordance with the contractual provisions applicable to the Respective Transactions, Respective Corresponding Transactions or Respective Redelivery Claims, respectively, under the relevant Clearing Agreement or, if applicable, Client Clearing Agreement, respectively);

- (2) (i) Transactions and Redelivery Claims between the New Clearing Member and Eurex Clearing AG as well as Corresponding Transactions and Corresponding Redelivery Claims, (ii) Corresponding Covered Transactions and Corresponding Redelivery Claims or (iii) Client Clearing Transactions and Corresponding Redelivery Claims between the New Clearing Member and the Non-Clearing-Member/Registered Customer shall be established on terms identical to the Respective Transactions, Respective Corresponding Transactions and Respective Redelivery Claims, respectively;
- (3) the Current Clearing Member will cease to have any other rights and claims against and obligations towards Eurex Clearing AG under or in connection with the Transferred Assets (except for the Excluded Claims which shall continue to exist under the contractual provisions applicable to the Respective Transactions under the relevant Clearing Agreement);
- (4) The Current Clearing Member may request the release of Eligible Margin Assets in accordance with Subpart A Number 4.6 of the Elementary Clearing Model Provisions, if applicable;
- (5) Eurex Clearing AG shall make corresponding records in the accounts of the Current Clearing Member and the New Clearing Member,

provided that if the Respective Corresponding Transactions and Respective Redelivery Claims are subject to a Client Clearing Agreement, the release set out in Paragraph (1) (ii) shall only apply if such release is not provided for by the Client Clearing Agreement; and if the New Clearing Member and the Non-Clearing Member/Registered Customer have entered into a New Client Clearing Agreement, the establishment of corresponding Client Clearing Transactions set out in Paragraph (2) (ii) shall only apply if such establishment is not provided for by the New Client Clearing Agreement.

- 8.1.4 The Current Clearing Member agrees to carry out, upon Eurex Clearing AG's written instructions, and at the Non-Clearing Member/Registered Customer's costs all such further acts and make all further declarations which Eurex Clearing AG deems necessary to achieve a full transfer of the Transferred Assets and Corresponding Transferred Assets to the New Clearing Member in accordance with the Clearer Change Agreement. To the extent the Individual Clearing Model Provisions under Client Clearing Documentation (ICM-CCD, as defined in Chapter 1 Part 3 Number 2) apply and the Corresponding Transferred Assets are, or, following the novation, will be, governed by English law, each of the Current Clearing Member, the New Clearing Member and the Non-Clearing Member/Registered Customer shall undertake all further actions required or expedient to give effect to Number 8.1.3.

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8.1.5 The Current Clearing Member and the Non-Clearing Member/Registered Customer agree and represent by way of an independent guarantee and irrespective of fault (*selbständiges, verschuldensunabhängiges Garantieverprechen*) to Eurex Clearing AG that any of the existing Respective Transactions and Respective Corresponding Transactions that cannot be transferred to the New Clearing Member due to the New Clearing Member not being appropriately licensed pursuant to the Clearing Conditions shall be closed by inverse transactions or otherwise as of the Transfer Effective Date.

8.1.6 Following the transfer, the New Clearing-Member will be exclusively responsible for compliance with the rules of the Client Assets Sourcebook (CASS) in the Financial Conduct Authority Handbook in relation to any Respective Transactions that are CASS Transactions.

8.1.7 Change of the Clearing Model under a Clearer Change

- (1) Eurex Clearing AG, the Transferree Clearing Member and the Non-Clearing Member/Registered Customer agree that, if necessary and except for the Excluded Claims, the Respective Transactions and the Respective Corresponding Transactions shall be amended so that these Transactions shall become subject to the relevant New Clearing Model Provisions (as selected with respect to the relevant Transaction Type(s) in the Clearer Change Agreement) with effect as of the Transfer Effective Date and (a) the Respective Transactions shall be included in the relevant Standard Agreement between Eurex Clearing AG and the New Clearing Member established by the relevant New Clearing Agreement and (b) the Respective Corresponding Transactions shall be included in the relevant Standard Agreement between the New Clearing Member and the Non-Clearing Member/Registered Customer established by the relevant New Clearing Agreement or, if the Individual Clearing Model Provisions under ICM-CCD apply, in the relevant New Client Clearing Agreement between the New Clearing Member and the Non-Clearing Member/Registered Customer relating to the New Clearing Agreement, provided that if the New Clearing Member and the Non-Clearing Member/Registered Customer have entered into a New Client Clearing Agreement, the inclusion of the Respective Corresponding Transactions in the New Client Clearing Agreement shall only occur pursuant to this Number 8.1.7 (1) if such effect is not provided for by the New Client Clearing Agreement.
- (2) To the extent the Individual Clearing Model Provisions under ICM-CCD apply and the Respective Corresponding Transactions are, or, following the novation, will be, governed by English law, each of the Current Clearing Member, the New Clearing Member and the Non-Clearing Member/Registered Customer shall undertake all further actions required or expedient to give effect to the amendment of the Respective Corresponding Transactions under Number 8.1.7 (1).

8.1.8 Margin, Redelivery Claims

- (1) If the relevant New Clearing Agreement (to which the relevant Transferred Assets are subject following the amendments pursuant to Number 8.1.7) is an agreement pursuant to the Elementary Clearing Model Provisions, the New Clearing Member

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shall be obliged to provide cover for the relevant Respective Transactions to Eurex Clearing AG in respect of the Omnibus Margin and the Omnibus Variation Margin in accordance with the Elementary Clearing Model Provisions upon the Transfer Effective Date.

- (2) Subject to Paragraph (4) below, if the relevant New Clearing Agreement (to which the relevant Transferred Assets are subject following the Transfer Effective Date) is an agreement pursuant to the Individual Clearing Model Provisions upon the Transfer Effective Date, immediately following the amendments pursuant to Number 8.1.7
- a) the New Clearing Member shall be obliged to provide cover for the relevant Respective Transactions to Eurex Clearing AG, and
 - b) the Non-Clearing Member/Registered Customer shall be obliged to provide cover for the relevant Respective Corresponding Transactions to the New Clearing Member, subject, if the Individual Clearing Model Provisions under ICM-CCD apply, to the terms of the New Client Clearing Agreement relating to the New Clearing Agreement

in respect of the Segregated Margin and the Segregated Variation Margin or, as applicable, Credit Support Margin or Credit Support Variation Margin in accordance with the Individual Clearing Model Provisions.

- (3) If the agreement under the Current Clearing Model Provisions is a Clearing Agreement pursuant to the Individual Clearing Model Provisions, immediately following the Transfer Effective Date the Current Clearing Member is entitled to assert any Redelivery Claims (that are not subject to the transfer by novation set out in the Clearer Change Agreement) in respect of the Segregated Margin and the Segregated Variation Margin in accordance with the Individual Clearing Model Provisions.
- (4) If and to the extent that either the Current Clearing Model Provisions are the Individual Clearing Model Provisions under ICM-CCD and the New Clearing Model Provisions are the Individual Clearing Model Provisions under Eurex Clearing AG Documentation or the Current Clearing Model Provisions are the Individual Clearing Model Provisions under Eurex Clearing AG and the New Clearing Model Provisions are the Individual Clearing Model Provisions und ICM-CCD,
- (a) the Segregated Margin and Segregated Variation Margin provided by the Clearing Member to Eurex Clearing AG pursuant to the relevant Clearing Agreement shall constitute Segregated Margin and Segregated Variation Margin, respectively, pursuant to the relevant New Clearing Agreement; and
 - (b) if the Individual Clearing Model Provisions under ICM-CCD apply, Credit Support Margin and Credit Support Variation Margin shall be deemed to have been provided under the terms of the New Client Clearing Agreement relating to the New Clearing Agreement accordingly.

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8.1.9 Representations

- (1) Each of the Current Clearing Member, the New Clearing Member and the Non-Clearing Member/Registered Customer, severally, makes the representations and warranties set out in Chapter 1 Part 1 Numbers 1.1.7 and 1.7 (where each reference therein to a Clearing Agreement shall be construed as a reference to a Clearer Change Agreement).
- (2) If the agreement under the Current Clearing Model Provisions is a Clearing Agreement pursuant to the Elementary Clearing Model Provisions, the Current Clearing Member represents and warrants by way of an independent guarantee and irrespective of fault (selbständiges, verschuldensunabhängiges Garantieverprechen) to Eurex Clearing AG that at the time it enters into the Clearer Change Agreement no security interest has been granted over any of its Transferred Assets.
- (3) Moreover, if the agreement under the Current Clearing Model Provisions is a Clearing Agreement pursuant to the Individual Clearing Model Provisions, the Current Clearing Member represents and warrants by way of an independent guarantee and irrespective of fault (selbständiges, verschuldensunabhängiges Garantieverprechen) to Eurex Clearing AG that, as at the Transfer Effective Date, it has passed on all cash amounts, securities and any other assets received from the Non-Clearing Member/Registered Customer or, as the case may be, Eurex Clearing AG in accordance with Subpart A Number 9 of the Individual Clearing Model Provisions, and each of the Current Clearing Member and the Non-Clearing Member/Registered Customer, severally, but not jointly, represents and warrants by way of an independent guarantee and irrespective of fault (selbständiges, verschuldensunabhängiges Garantieverprechen) to Eurex Clearing AG that, as at the Transfer Effective Date, the Respective Transactions and the Respective Corresponding Transactions are, except as provided for in the Clearing Conditions, identical as to their terms and conditions and no security interest has been granted over any of its Transferred Assets or Corresponding Transferred Assets, as applicable.

8.1.10 Indemnification by the Non-Clearing Member/Registered Customer

Subject to any mandatory provision of German law, the Non-Clearing Member/Registered Customer shall indemnify Eurex Clearing AG against damages (*Schäden*) and losses, including properly incurred legal fees (including any applicable VAT) resulting from a non-payment or non-delivery by the Current Clearing Member with respect to any Excluded Claim, provided that no indemnification shall be made to the extent such damages or losses result from Eurex Clearing AG's gross negligence (*grobe Fahrlässigkeit*) or wilful misconduct (*Vorsatz*).

8.1.11 Effectiveness of the Clearer Change

- (1) A change of a Clearing Member shall only be effective,

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- (a) if Eurex Clearing AG has received all of the documents set out in Paragraph (2) below in form and substance satisfactory to it (provided that, where Eurex Clearing AG would be required to become a party to any such document, nothing in this Number 8.1.11 shall prejudice Eurex Clearing AG's decision whether or not to do so), and
 - (b) subject to the condition subsequent that Eurex Clearing AG has not notified the relevant parties in writing, by e-mail or fax that the change of the Clearing Member shall not take place.
- (2) Copies of the following documents shall be provided to Eurex Clearing AG:
- (a) Clearer Change Agreement in the form published by Eurex Clearing AG on the Eurex Clearing AG website (www.eurexclearing.com);
 - (b) Clearing Agreement with the New Clearing Member; and
 - (c) any other document which Eurex Clearing AG reasonably considers to be necessary or useful (if it has notified the relevant parties accordingly) in connection with such transfer,
- duly executed, in each case, by or on behalf of all parties required to execute it.

8.2 Clearing Model Change (while retaining the Current Clearing Member)

- (1) By entering into a clearing model change agreement in the form published by Eurex Clearing AG on its websites (www.eurexclearing.com) ("**Clearing Model Change Agreement**") as per the end of the Business Day specified therein (in this Number 8.2 and the Clearing Model Change Agreement the "**Change Date**") the Parties amend
- (a) all NCM-Related Transactions or RC-Related Transactions, respectively, of the Clearing Member with Eurex Clearing AG of the Transaction Type(s) as specified in the Clearing Model Change Agreement forming part of the relevant Standard Agreement as specified in the Clearing Model Change Agreement (in this Number 8.2 the "**Respective Transactions**") as well as the relevant corresponding Transactions or, if and to the extent that the Current Clearing Model Provisions include the ICM-CCD, the corresponding Client Clearing Transactions, of the Clearing Member with the Non-Clearing Member/Registered Customer which are currently subject to the relevant Current Clearing Model Provisions (in this Number 8.2 the "**Respective Corresponding Transactions**") so that (a) the Respective Transactions shall become subject to a new Standard Agreement under a New Clearing Agreement (provided that if, under the relevant New Clearing Agreement, the Clearing Member maintains more than one Omnibus Standard Agreement, all Respective Transactions pursuant to the Elementary Clearing Model Provisions shall become subject to the Omnibus Standard Agreement between the Clearing Member and Eurex Clearing AG that is identified in the systems of

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Eurex Clearing AG with the identifier as specified in the Clearing Model Change Agreement), and (b) the Respective Corresponding Transactions shall become subject to a new Standard Agreement between the Clearing Member and the Non-Clearing Member/Registered Customer formed by the relevant New Clearing Agreement or, if and to the extent that the ICM-CCD applies, to the relevant New Client Clearing Agreement (in each case, as selected with respect to the relevant Transaction Type(s) in the Clearing Model Change Agreement) and, in each case, to the relevant New Clearing Model Provisions; and

- (b) if and to the extent that either (A) the Current Clearing Model Provisions include the ICM-CCD and the New Clearing Model Provisions include the Eurex Clearing AG Documentation (ICM-ECD, as defined in Chapter 1 Part 3 Number 1) or (B) the Current Clearing Model Provisions include the ICM-ECD and the New Clearing Model Provisions include the ICM-CCD - all Redelivery Claims relating to the Segregated Margin or Segregated Variation Margin (in case of a ICM Clearing Agreement pursuant to the Individual Clearing Model Provisions) between Eurex Clearing AG and the Clearing Member under their relevant Standard Agreement formed by the relevant Clearing Agreement or, if the ICM-CCD applies, relevant ICM Clearing Agreement, as well as (a) all Redelivery Claims between the Clearing Member and the Non-Clearing Member/Registered Customer relating to the Segregated Margin or Segregated Variation Margin (in case of a Clearing Agreement pursuant to the Individual Clearing Model Provisions) under their relevant Standard Agreement formed by the relevant Clearing Agreement and (b), if and to the extent that the Current Clearing Model Provisions include the ICM-CCD, all claims between the Clearing Member and the Non-Clearing Member/Registered Customer for the return of Credit Support Margin or Credit Support Variation Margin arising under the Client Clearing Agreement relating to the (ICM) Clearing Agreement (in this Number 8.2 the “**Respective Redelivery Claims**”) so that (x) the Respective Redelivery Claims between Eurex Clearing AG and the Clearing Member shall become subject to the relevant New (ICM) Clearing Agreement, respectively, and (y) the Respective Redelivery Claims between the Clearing Member and the Non-Clearing Member/Registered Customer shall become subject to the relevant New Clearing Agreement or, if and to the extent that the ICM-CCD applies, the relevant New Client Clearing Agreement,

in each case with effect as of the beginning of the Business Day immediately following the Change Date (in this Number 8.2 the “**Effective Date**”).

- (2) Amendments pursuant to Paragraph (1) and the Clearing Model Change Agreement shall, however, not take place if Eurex Clearing AG notifies the relevant parties no later than on the Change Date in writing, by e-mail or fax therof.
- (3) (i) All Respective Redelivery Claims under the relevant Standard Agreement under the relevant Clearing Agreement and, if the ICM-CCD applies, all claims for the return of Credit Support Margin or Credit Support Variation Margin arising under the Client Clearing Agreement relating to the ICM Participation Agreement and (ii) all

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claims resulting from the Respective Transactions and the Respective Corresponding Transactions which, in each case (i) and (ii) are due and payable but not satisfied between Eurex Clearing AG and the Clearing Member or between the Clearing Member and the Non-Clearing Member/Registered Customer, respectively, until and including the Effective Date shall be fulfilled under the terms of the relevant Clearing Agreement or, as applicable, the Client Clearing Agreement relating to the ICM Clearing Agreement and shall not be amended (in this Number 8.2 the “**Excluded Claims**”).

- (4) The Clearing Member will remain exclusively responsible for compliance with the rules of the Client Assets Sourcebook (CASS) in the Financial Conduct Authority Handbook in relation to any CASS Transactions following the amendments.

8.2.1 Margin, Redelivery Claims

- (1) If the relevant New Clearing Agreement is an agreement pursuant to the Elementary Clearing Model Provisions, the Clearing Member shall be obliged to provide cover for the relevant Respective Transactions to Eurex Clearing AG in respect of the Omnibus Margin and the Omnibus Variation Margin in accordance with the Elementary Clearing Model Provisions immediately following the amendments pursuant to Number 8.2.
- (2) Subject to Paragraph (5) below, if the relevant New (ICM) Clearing Agreement is an agreement pursuant to the Individual Clearing Model Provisions, immediately following the amendments pursuant to Number 8.2
- (a) the Clearing Member shall be obliged to provide cover for the relevant Respective Transactions to Eurex Clearing AG, and
- (b) the Non-Clearing Member/Registered Customer shall be obliged to provide cover for the relevant Respective Corresponding Transactions to the Clearing Member, subject, if the ICM-CCD applies, to the terms of the New Client Clearing Agreement relating to the New Clearing Agreement

in respect of the Segregated Margin and the Segregated Variation Margin or, as applicable, Credit Support Margin or Credit Support Variation Margin in accordance with the Individual Clearing Model Provisions.

- (3) If the agreement under the Current Clearing Model Provisions is either a Clearing Agreement pursuant to the Individual Clearing Model Provisions, immediately following the amendments pursuant to Number 8.2 the Current Clearing Member is entitled to assert any Redelivery Claims (that are not subject to the amendments set out in the Clearing Model Change Agreement) in respect of the Segregated Margin and the Segregated Variation Margin in accordance with the Individual Clearing Model Provisions.
- (4) If and to the extent that either (A) the Current Clearing Model Provisions are subject to the ICM-CCD and the New Clearing Model Provisions are subject to the ICM-ECD

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or (B) the Current Clearing Model Provisions are subject to the ICM-ECD and the New Clearing Model Provisions are subject to the ICM-CCD,

- (a) the Segregated Margin and Segregated Variation Margin provided by the Clearing Member to Eurex Clearing AG pursuant to the relevant ICM Clearing Agreement shall constitute Segregated Margin and Segregated Variation Margin, respectively, pursuant to the relevant New (ICM) Clearing Agreement; and
- (b) if ICM-CCD applies, Credit Support Margin and Credit Support Variation Margin shall be deemed to have been provided under the terms of the New Client Clearing Agreement relating to the New (ICM) Clearing Agreement accordingly.

8.2.2 Representations

Each of the Clearing Member and the Non-Clearing Member/Registered Customer, severally, makes the representations and warranties set out in Chapter 1 Part 1 Numbers 1.1.7 and 1.7 (where each reference therein to a Clearing Agreement shall be construed as a reference to a Clearing Model Change Agreement).

9 Termination Rules with respect to Eurex Clearing AG

If at any time a Failure to Pay Event or an Insolvency Event has occurred with respect to Eurex Clearing AG, the following applies:

- 9.1 All primary obligations (including payment and delivery obligations but excluding Termination Unpaid Amounts) arising from all Transactions and all Redelivery Claims under the relevant Standard Agreement between Eurex Clearing AG and the relevant Clearing Member, OTC IRS FCM Client or Basic Clearing Member, as relevant, in accordance with Subpart B Number 4 and Subpart C Number 5 of the Elementary Clearing Model Provisions, Subpart A Number 2.1.2 of the Individual Clearing Model Provisions, Number 2.1.2 of the U.S. Clearing Model Provisions or Number 4.1.2 of the Basic Clearing Member Provisions, respectively, shall expire and may no longer be performed by the relevant obligor. These expired primary obligations representing the market or exchange value of the Transactions are reflected by the claim for non-performance ("**Claim for Non-Performance**" – *Forderung wegen Nichterfüllung*) which is determined pursuant to Number 9.2.

Further, all due but unsatisfied obligations to deliver Margin or Variation Margin under the relevant Standard Agreement expire.

- 9.2 The Claim for Non-Performance shall be determined by Eurex Clearing AG for the relevant Standard Agreement by way of combining (*saldieren*) the CCP Single Transaction Amounts of all terminated Transactions under the relevant Standard Agreement and the CCP Aggregate Value of the Redelivery Claims under such relevant Standard Agreement.

The Claim for Non-Performance for the relevant Standard Agreement resulting from such combination shall, following its determination in accordance with Number 9.2.1 or

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Number 9.2.2 below, be automatically (i) set off (*aufgerechnet*) with relevant Termination Unpaid Amounts and/or (ii) added to relevant Termination Unpaid Amounts in case they are payable by the debtor of the Claim for Non-Performance, as the case may be, in order to result in one single difference claim. If the difference claim is a positive figure for the party entitled to determine the difference claim, it is owed to it by the other party; if it is a negative figure for the party entitled to determine the difference claim, it is owed by it to the other party.

The Claim for Non-Performance and the difference claim shall be denominated in the Termination Currency.

Eurex Clearing AG shall notify the determined value of the difference claim with respect to the relevant Standard Agreement to the relevant Clearing Member as soon as reasonable practicable after its determination, together with reasonable detail regarding the data and information forming the basis of the determination. The debtor of the difference claim under the relevant Standard Agreement shall pay the determined value of the difference claim to the other party as soon as reasonable practicable following the notification of the payable amount by Eurex Clearing AG. The debtor of the difference claim shall not be obliged to pay any interest on the amount of the difference claim unless it is in default (*Verzug*) following the receipt of a payment reminder (*Mahnung*) by the other party. Default interest shall be paid on the basis of the effective overnight interest rate applicable to the currency of the difference claim.

“**Termination Unpaid Amounts**” means (i) any amount due to be paid as a primary obligation under the relevant Transaction, but unpaid on the date of expiry of primary obligations under Number 9.1 above, and (ii) the value of any assets due to be delivered as a primary obligation under the relevant Transaction, but not delivered, on the date of expiry of primary obligations under Number 9.1 above. All such amounts or values shall be denominated in the Termination Currency.

9.2.1 Calculation in Case of a Failure to Pay Event

In the case of a Failure to Pay Event, the value of the Claim for Non-Performance for the relevant Standard Agreement shall be determined by Eurex Clearing AG in accordance with this Number 9.2.1.

If Eurex Clearing AG enters into replacement transactions in connection with the determination of the CCP Market Price, such replacement transactions will be entered into without undue delay (*unverzüglich*) on or after the occurrence of the Failure of Pay Event.

For the purpose of the determination of the Claim for Non-Performance, the following definitions shall apply:

- (1) The “**CCP Valuation Date**” shall, with respect to a Transaction, be any day until and including the Last CCP Valuation Date on which a CCP Market Price is determined for such Transaction in accordance with the applicable determination

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mechanism set out in the definition of “CCP Market Price” in Number 9.2.1 Paragraph (3) below.

The “**Last CCP Valuation Date**” is (i) the fifth Business Day after the occurrence of the Failure to Pay Event, or (ii), to the extent this is required for a value-preserving liquidation, the 20th Business Day after the occurrence of a Failure to Pay Event.

The “**CCP Margin Valuation Date**” shall, with respect to any Eligible Margin Assets, be any day until and including the Last CCP Valuation Date on which such Eligible Margin Assets are actually realised by Eurex Clearing AG.

- (2) The “**CCP Single Transaction Amount**” shall be determined with respect to each terminated Transaction under the relevant Standard Agreement and shall equal its CCP Market Price on the relevant CCP Valuation Date.
- (3) “**CCP Market Price**” means:
- (a) with respect to a Transaction,
 - (i) the price of the replacement transaction entered into by Eurex Clearing AG with respect to the relevant Transaction on the relevant CCP Valuation Date; or
 - (ii) if Eurex Clearing AG does not enter into a replacement transaction by or on the Last CCP Valuation Date, the last available Market Price for the Transaction on the fifth Business Day after the occurrence of the Failure to Pay Event; or
 - (b) with respect to an expired Redelivery Claim, as applicable:
 - (i) the amount in the Termination Currency of the relevant equivalent Eligible Margin Asset in form of cash on the CCP Margin Valuation Date; and
 - (ii) the market or exchange price in the Termination Currency of the relevant equivalent Eligible Margin Asset other than cash on the CCP Margin Valuation Date.
- (4) “**CCP Aggregate Value of the Redelivery Claims**” means, with respect to a party to the relevant Standard Agreement, the sum of the CCP Market Prices of the applicable number or amount of the relevant equivalent Eligible Margin Assets to which all of its expired Redelivery Claims against the other party relate. For any number or amount of remaining equivalent Eligible Margin Assets which were not realised by Eurex Clearing AG until the end of the Last CCP Valuation Date, if any, the amount in the Termination Currency of the relevant equivalent Eligible Margin Asset in the form of cash on the Last CCP Valuation Date or market or exchange price in the Termination Currency of the relevant equivalent Eligible Margin Assets

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other than cash on the Last CCP Valuation Date, as relevant, shall be taken into account.

- (5) **“Market Price”** shall have the same meaning as stipulated under Number 7.3.2 Paragraph (3) (e).

9.2.2 Calculation in case of an Insolvency Event

In the case of an Insolvency Event, the value of the Claim for Non-Performance for the relevant Standard Agreement shall be determined by Eurex Clearing AG in accordance with this Number 9.2.2. For the purpose of the determination of the Claim for Non-Performance the following definitions shall apply:

- (1) The **“CCP Single Transaction Amount”** shall be determined with respect to each terminated Transaction under the relevant Standard Agreement and shall equal its CCP Market Price on the second Business Day following the Insolvency Event.
- (2) **“CCP Aggregate Value of the Redelivery Claims”** means, with respect to a party to the relevant Standard Agreement, the sum of the CCP Market Prices of the applicable number or amount of the relevant equivalent Eligible Margin Assets to which all of its expired Redelivery Claims against the other party relate.
- (3) **“CCP Market Price”** means
- (a) with respect to a Transaction, the last available Market Price for the Transaction on the second Business Day following the Insolvency Event;
- (b) with respect to an expired Redelivery Claim, as applicable:
- (i) the amount in the Termination Currency of the relevant equivalent Eligible Margin Asset in form of cash on the second Business Day following the Insolvency Event; and
- (ii) the last available market or exchange price in the Termination Currency of the relevant equivalent Eligible Margin Asset other than cash on the second Business Day following the Insolvency Event.
- (4) **“Market Price”** shall have the same meaning as stipulated under Number 7.3.2 Paragraph (3) (e).

9.3 The following events shall constitute a Failure to Pay Event or an Insolvency Event with respect to Eurex Clearing AG:

- (1) A **“Failure to Pay Event”** occurs if (a) a Payment Default, (b) a Non-Payment of the Cash Settlement Amount following a Delivery Default or (c) a Redelivery Default which is set by a Clearing Member (each as defined below) occurs.

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- (2) An “**Insolvency Event**” occurs if the *Bundesanstalt für Finanzdienstleistungsaufsicht* files a petition for the opening of insolvency proceedings over the assets of Eurex Clearing AG.

9.3.1 A “**Payment Default**” occurs if:

- (1) Eurex Clearing AG fails to make, when due, any payment (other than a payment of the Cash Settlement Amount following a Delivery Default) in respect of a payment claim of a Clearing Member, an OTC IRS FCM Client or a Basic Clearing Member against Eurex Clearing AG arising from a Transaction;
- (2) Eurex Clearing AG has received written notice (*Textform*) of such failure by the relevant Clearing Member or, if the relevant Standard Agreement is an OTC IRS FCM Client Standard Agreement, the relevant OTC IRS FCM Clearing Member (acting on behalf of such OTC IRS FCM Client) or, if the relevant Standard Agreement is a Basic Clearing Member Standard Agreement, the relevant Clearing Agent (acting on behalf of such Basic Clearing Member) (“**First Notification**”);
- (3) Eurex Clearing AG has received a further written notice (*Textform*) of such failure after the expiry of a period of not less than three (3) calendar days after receipt of the First Notification (“**Second Notification**”); and
- (4) Eurex Clearing AG's failure to make such payment to such Clearing Member, such OTC IRS FCM Client or such Basic Clearing Member continues – subject to the following paragraph – for a period of at least two (2) calendar days after the Second Notification, provided that the last day of such period shall be a Business Day.

For the purposes of this Number 9.3.1, a payment will be considered not to have been made by Eurex Clearing AG if no corresponding amount has been credited to the relevant account of the relevant Clearing Member, the OTC IRS FCM Clearing Member (acting on behalf of the relevant OTC IRS FCM Client); the Basic Clearing Member or the Clearing Agent (acting on behalf of the relevant Basic Clearing Member) or to an account of a correspondent bank designated by the Clearing Member, the relevant OTC IRS FCM Clearing Member (acting on behalf of such OTC IRS FCM Client), the Basic Clearing Member or the relevant Clearing Agent (acting on behalf of the Basic Clearing Member). Delays in effecting such credit for technical reasons (i) which are outside the control of Eurex Clearing AG, as explained in writing (*Textform*) to such Clearing Member, such OTC IRS FCM Clearing Member, such Basic Clearing Member or such Clearing Agent, respectively, without undue delay, shall only lead to a Payment Default if Eurex Clearing AG's failure to make such payment continues for a period of one (1) calendar month after receipt of the Second Notification and (ii) which are within the control of Eurex Clearing AG shall, only lead to a Payment Default if Eurex Clearing AG's failure to make such payment continues for a period of ten (10) Business Days after receipt of the Second Notification. In the event of (i) Eurex Clearing AG shall use reasonable endeavours to effect such credit as soon as practicable. Eurex Clearing AG will notify the relevant Clearing Member, the relevant OTC IRS FCM Clearing Member (acting on behalf of the relevant OTC IRS FCM

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Client), the relevant Basic Clearing Member or the relevant Clearing Agent (acting on behalf of the relevant Basic Clearing Member) without undue delay whether there is a case of (i) or (ii).

9.3.2 A “**Non-Payment of the Cash Settlement Amount following a Delivery Default**” occurs if with respect to a Transaction:

- (1) a Delivery Default; and
- (2) a Cash Settlement Payment Default occurs.

9.3.3 A “**Delivery Default**” occurs if:

- (1) Eurex Clearing AG fails to satisfy, when due, any delivery obligation vis-à-vis a Clearing Member or a Basic Clearing Member arising from a Transaction;
- (2) Eurex Clearing AG has received, after the expiry of a period of not less than five (5) calendar days following the due date, written (*Textform*) notice from such Clearing Member or the Clearing Agent of such Basic Clearing Member (acting on behalf of the relevant Basic Clearing Member) making reference to this Number 9.3.3 and requesting Eurex Clearing AG to fulfil such delivery obligation (“**First Delivery Request**”);
- (3) Eurex Clearing AG has received from such Clearing Member or the Clearing Agent of such Basic Clearing Member (acting on behalf of the relevant Basic Clearing Member) a further written (*Textform*) notice requesting Eurex Clearing AG to fulfil such delivery obligation after the expiry of a further period of not less than ten (10) calendar days after receipt of the First Delivery Request (“**Second Delivery Request**”); and
- (4) Eurex Clearing AG has, after the expiry of a further period of not less than ten (10) calendar days after receipt of the Second Delivery Request, received a written (*Textform*) request of such Clearing Member or the Clearing Agent of such Basic Clearing Member (acting on behalf of the relevant Basic Clearing Member) for cash settlement of the relevant delivery obligation from Eurex Clearing AG (“**Cash Settlement Request**”).

Delays in effecting a delivery for technical reasons shall not lead to a Delivery Default. Upon receipt of a Cash Settlement Request by a Clearing Member or a Clearing Agent (acting on behalf of the relevant Basic Clearing Member) (the date of such request, the “**Cash Settlement Request Date**”) Eurex Clearing AG shall no longer be obliged to make any delivery under the relevant Transaction. This obligation shall be replaced by an obligation of Eurex Clearing AG to pay to the Clearing Member or the Basic Clearing Member, respectively, the Cash Settlement Amount under the relevant Transaction (each a “**Cash-settled Transaction**”). For the avoidance of doubt, a failure to deliver under an Eurex Repo Transaction as described in Chapter IV Number 2.6 Paragraph (1) (a) (Failure to Deliver on the delivery date of the Front Leg) shall not give rise to a Failure to Pay Event pursuant to Number 9.3 Paragraph (1).

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For the purpose of this Number 9.3.3, a delivery obligation will not be considered to be satisfied by Eurex Clearing AG if no corresponding Securities have been credited to a securities account of the Clearing Member or of the Basic Clearing Member (or of the Clearing Agent acting for the account of the relevant Basic Clearing Member) or to a securities account of a depository, a settlement institution or a custodian designated by the Clearing Member or the Basic Clearing Member (or the Clearing Agent acting on behalf of the relevant Basic Clearing Member) at a deposit bank or a central securities depository.

9.3.4 A “**Cash Settlement Payment Default**” occurs if:

- (1) Eurex Clearing AG has, after the expiry of a period of not less than three (3) calendar days following the Cash Settlement Request Date, received the written (*Textform*) request of the Clearing Member or the Clearing Agent (acting on behalf of the relevant Basic Clearing Member) to pay to it the Cash Settlement Amount (“**Cash Settlement Payment Request**”); and
- (2) Eurex Clearing AG fails – subject to the following paragraph –, after the expiry of a further period of not less than two (2) calendar days after the receipt of Cash Settlement Payment Request (with the proviso that the last day of such period shall be a Business Day) to pay to such Clearing Member or such Basic Clearing Member (or the Clearing Agent acting for the account of the relevant Basic Clearing Member) the Cash Settlement Amount.

For the purposes of this Number 9.3.4, a payment will be considered not to have been made by Eurex Clearing AG if no corresponding amount has been credited to the relevant account of the relevant Clearing Member or the Basic Clearing Member (or of the relevant Clearing Agent acting for the account of the relevant Basic Clearing Member) or to an account of a correspondent bank designated by the Clearing Member or the Basic Clearing Member (or by the Clearing Agent acting on behalf of the relevant Basic Clearing Member). Delays in effecting such credit for technical reasons for which Eurex Clearing AG (i) is not responsible, as explained in writing (*Textform*) to the Clearing Member or the Clearing Agent (acting on behalf of the relevant Basic Clearing Member) without undue delay, shall not lead to a Cash Settlement Payment Default, (ii) is responsible shall only lead to a Cash Settlement Payment Default if Eurex Clearing AG’s failure to make such payment to such Clearing Member or such Basic Clearing Member (or such Clearing Agent acting for the account of the relevant Basic Clearing Member) continues for a period of ten (10) Business Days after receipt of the Cash Settlement Request.

9.3.5 For the purposes of this Number 9.3, “**Cash Settlement Amount**” means an amount determined by the Calculating Party (as defined in Paragraph (4) below) as follows:

- (1) The Default Value of the assets which are the subject of the Delivery Default (the “**Non-Delivered Assets**”) and the amount of the corresponding payment obligation of the Clearing Member or the Basic Clearing Member shall be established by the Calculating Party.

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(2) On the basis of the sums so established, account shall be taken of what is due from each party to the other under the relevant Transaction and the sums due from one party shall be set off against the sums due from the other and only the balance of the account shall be payable (by the party having the claim valued at the lower amount pursuant to the foregoing) and such balance shall be due and payable on the next following day which is a Business Day. For the purposes of this calculation, all sums not denominated in Euro shall be converted into Euro at the then current rate of exchange, as determined by the Calculating Party.

(3) “**Default Value**” means, with respect to any Non-Delivered Assets, the value of such assets determined by the Calculating Party by applying the following method:

The basis for this calculation shall be the settlement price determined by Eurex Clearing AG for Transactions to which the Non-Delivered Assets relate on the Business Day immediately prior to the Cash Settlement Request Date. In the event that (i) Eurex Clearing AG has not determined a settlement price for Transactions to which the Non-Delivered Assets relate on the Business Day immediately prior to the Cash Settlement Request Date or (ii) Eurex Clearing AG has determined such settlement price, but such settlement price does not reasonably accurately reflect the value of such transactions that would have been obtained from the relevant market if it were operating normally, the Calculating Party shall choose from among the Clearing Members being admitted at the relevant Market three Clearing Members who shall determine a market price of the Non-Delivered Assets. The average of the quoted prices (mid market offer) shall be the Default Value of the Non-Delivered Assets. If less than three quotations are provided as requested, the Calculating Party shall determine a settlement price for Transactions to which the Non-Delivered Assets relate acting in good faith and by using commercially reasonable procedures expected to produce a commercially reasonable result.

(4) “**Calculating Party**” means, for the purposes of this Number 9.3, Eurex Clearing AG unless Eurex Clearing AG is, for operational reasons, unable to make one or more calculations or determinations required to be made under this Number 9.3. In such event, Eurex Clearing AG shall promptly notify the relevant Clearing Member or the relevant Clearing Agent (acting on behalf of the relevant Basic Clearing Member) and “**Calculating Party**” then means such Clearing Member or such Clearing Agent (acting on behalf of the relevant Basic Clearing Member), respectively.

9.3.6 A “**Redelivery Default**” occurs if:

- (1) Eurex Clearing AG fails, when due, to perform a redelivery claim of a **Clearing Member**, an OTC IRS FCM Client or a Basic Clearing Member against Eurex Clearing AG with respect to (i) **Eligible Margin Assets** provided as cover for Margin or Variation Margin, (ii) Contributions to the Default Fund, or (iii) collateral to cover a shortfall of own funds or equivalent regulatory capital as prerequisite for a Clearing License, or to release the relevant Securities in case of a pledge;
- (2) Eurex Clearing AG has no right of retention, as, e.g. according to Part 2 Subpart A Number 4.6.2.1;

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- (3) Eurex Clearing AG has received written (Textform) notice from such Clearing Member, the OTC IRS FCM Clearing Member (acting on behalf of such OTC IRS FCM Client) or the Clearing Agent (acting on behalf of such Basic Clearing Member) with respect to such non-performance (“**First Re-Delivery Request**”);
- (4) Eurex Clearing AG has received from such Clearing Member, such OTC IRS FCM Clearing Member (acting on behalf of the relevant OTC IRS FCM Client) or such Clearing Agent (acting on behalf of the relevant Basic Clearing Member) a further written (Textform) notice requesting Eurex Clearing AG to fulfil such delivery obligation after the expiry of a further period of not less than three (3) calendar days after receipt of the First Re-Delivery Request (“**Second Re-Delivery Request**”); and
- (5) Eurex Clearing AG's failure to perform to such Clearing Member, such OTC IRS FCM Client or such Basic Clearing Member continues – subject to the following paragraphs – for a period of at least two (2) calendar days after the Second Re-Delivery Request, provided that the last day of such period shall be a Business Day.

For the purposes of this Number 9.3.6, a performance will be considered not to have been made by Eurex Clearing AG (a) if no corresponding Securities have been credited to a securities account of the Clearing Member, of the OTC IRS FCM Clearing Member (acting for the account of the relevant OTC IRS FCM Client) or of the Basic Clearing Member (or of the Clearing Agent acting for the account of the relevant Basic Clearing Member) or to a securities account of a depository, a settlement institution or a custodian designated by the Clearing Member, the relevant OTC IRS FCM Clearing Member (acting on behalf of the relevant OTC IRS FCM Client) or the Basic Clearing Member (or the relevant Clearing Agent acting on behalf of the relevant Basic Clearing Member) at a deposit bank or a central securities depository or is not released in Xemac; or (b) if no corresponding amount has been credited to the relevant account of the relevant Clearing Member, the OTC IRS FCM Clearing Member (acting for the account of the relevant OTC IRS FCM Client) or the Basic Clearing Member (or the Clearing Agent acting for the account of the relevant Basic Clearing Member) or to an account of a correspondent bank designated by the Clearing Member, the relevant OTC IRS FCM Clearing Member (acting on behalf of the relevant OTC IRS FCM Client) or the Basic Clearing Member (or the Clearing Agent acting on behalf of the relevant Basic Clearing Member).

Delays in effecting such credit for technical reasons (i) which are outside the control of Eurex Clearing AG, as explained in writing (Textform) to such Clearing Member, such OTC IRS FCM Clearing Member or such Clearing Agent, respectively, without undue delay, shall only lead to a Re-Delivery Default if Eurex Clearing AG's failure to make such performance continues for a period of one (1) calendar month after receipt of the **Second Re-Delivery Request** and (ii) which are within the control of Eurex Clearing AG shall only lead to a Re-Delivery Default if Eurex Clearing AG's failure to make such performance continues for a period of ten (10) Business Days after receipt of the **Second Re-Delivery Request**. In the event of (i) Eurex Clearing AG shall use reasonable endeavours to effect such credit as soon as practicable. Eurex Clearing AG will notify the relevant Clearing Member, the relevant OTC IRS FCM Clearing Member (acting on behalf of such OTC

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IRS FCM Client) or the relevant Clearing Agent (acting on behalf of such Basic Clearing Member) without undue delay whether there is a case of (i) or (ii).

This Number 9.3.6 shall be applicable for ICM-Clients with respect to a Direct Segregated Margin Re-transfer, accordingly, notwithstanding the relevant rules, whereas the ICM-Client shall notify its Clearing Member before issuing a written notice in accordance with Paragraph (3) and Paragraph (4) and an expiration of claims in accordance with Number 9.1 is excluded.

10 Default Rules applicable to a Non-Clearing Member or a Basic Clearing Member

10.1 If a Non-Clearing Member fails to provide the margin requested by its Clearing Member or fails to pay or deliver any Security or other asset or amount due under a Transaction or under the Clearing Agreement, or if an event of default occurs in respect of the Non-Clearing Member under a Client Clearing Agreement, as the case may be, the Management Board of the respective Market may – upon written request by the Clearing Member – exclude such Non-Clearing Member from trading on the respective Market or restrict the trading by the Non-Clearing Member to certain Transaction Types or specified products or, in case of FWB Transactions, to certain login names or certain identifier codes (trading locations) for the duration of such failure in accordance with the rules and regulations of such Market. The Clearing Member shall inform Eurex Clearing AG immediately about the submission of such request.

As of the time of decision by the Management Board of the respective Market pursuant to Number 10.1, the affected Non-Clearing Member is no longer entitled to conclude Transactions included in this decision under the Clearing Agreement.

10.2 For Clearing Members with a Clearing License for Eurex Transactions (Chapter II) and/or FWB Transactions (Chapter V) the following specific provisions in Numbers 10.3 and 10.4 shall apply:

10.3 In case a Non-Clearing Member which is admitted to trading on the Eurex Exchanges or the FWB does not fulfil the Additional Terms pursuant to Number 12, or if the Non-Clearing Member fails to provide the margin requested by its Clearing Member or fails to pay or deliver any amount due under Transactions or under the Clearing Agreement, or if an event of default occurs in respect of the Non-Clearing Member under a Client Clearing Agreement, as the case may be, the respective Clearing Member may – instead of a written application pursuant to Number 10.1 – declare vis-à-vis the respective Market and Eurex Clearing AG by way of a respective entry (“**Stop Button**”) in the systems of the Eurex Exchanges, the FWB or the system of Eurex Clearing AG (jointly the “**System**”) pursuant to Number 12.3 that it is no longer willing to conduct the Clearing of Eurex Transactions and FWB Transactions of the relevant Non-Clearing Member on the respective Market(s). In case of FWB Transactions, the Clearing Member must notify the respective Non-Clearing Member of the use of the Stop Button without undue delay.

10.4 By way of such a system entry, the Clearing Member at the same time applies to the respective Market(s) and Eurex Clearing AG that the respective Non-Clearing Member shall be excluded from trading on the respective Market(s) for the duration of non-

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fulfilment of its above-mentioned duties and that the authorisation to participate in the Clearing of Eurex Off-Book Trades (as defined in Chapter II) concluded off-book and novated via entry into the Eurex Trade Entry Services shall be revoked. In this case, Numbers 12.6 and 12.7 shall apply.

- 10.5 If a Non-Clearing Member has been excluded from trading on one of the Markets or has been restricted to the trading of certain Transaction Types or specified products (the clearing of which is carried out by Eurex Clearing AG) or, in case of FWB Transactions, to certain login names or certain identifier codes (trading locations), the Clearing Member may, upon prior notification to Eurex Clearing AG, close the Transactions of such Non-Clearing Member itself or transfer such Transactions to another Clearing Member.

The notification to Eurex Clearing AG shall be submitted via telephone (phone: +49 (0) - 69 - 211 - 11250) or fax (fax: +49 (0) - 69 - 211 - 14334). A notification so submitted shall immediately be confirmed by mail.

The Clearing Member shall immediately inform its Non-Clearing Member about the notification on its intention to close the Transactions of this Non-Clearing Member. In this case, the Non-Clearing Member herewith declares vis-à-vis its Clearing Member its approval to the closing of its net transactions or net positions by the conclusion of inverse transactions (“**closing**”) or to the transfer of such Transactions to another Clearing Member.

Afterwards, the relevant Non-Clearing Member itself may not close the Transactions opened by it or exercise or close positions or take measures opposing a closing or transfer of its transactions respectively positions. The Non-Clearing Member is obliged to support its Clearing Member in closing its net transactions respectively net positions or in transferring these Transactions to another Clearing Member by submission of necessary declarations (e.g. approvals) and to make all entries in the system of Eurex Clearing AG which are necessary for closing or transfer of positions.

The fees and costs charged by Eurex Clearing AG in respect of such closing shall be borne by the Clearing Member.

- 10.6 Eurex Clearing AG shall inform the Clearing Member of any measures taken with respect to one of its Non-Clearing Members to the extent that such measures may affect the risk assessment of such Non-Clearing Member and the respective measures are known to Eurex Clearing AG. Sentence 1 shall apply *mutatis mutandis* in the case of closing or transfer of Transactions of a Non-Clearing Member by its Clearing Member. In such case, the relevant Clearing Member shall immediately notify Eurex Clearing AG of the measures taken pursuant to Sentence 1.

- 10.7 Upon a termination or closing (*Glattstellung*) of Transactions between the Clearing Member and the Non-Clearing Member (other than in the case of Corresponding Covered Transactions pursuant to the Individual Clearing Model Provisions), the relevant NCM-Related Transactions shall be credited to the Clearing Member Own Account unless otherwise instructed by the Clearing Member. Each of the Clearing Member and the Non-Clearing Member is obliged to notify Eurex Clearing AG promptly on the occurrence of a

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termination or closing (*Glattstellung*) of Transactions between the Clearing Member and the Non-Clearing Member. If Eurex Clearing AG initially received such a notice from the Non-Clearing Member, it shall request the Clearing Member to give notice to Eurex Clearing AG, confirming the content of such notice promptly. Upon a termination or closing (*Glattstellung*) of Corresponding Covered Transactions pursuant to the Individual Clearing Model Provisions between the Clearing Member and the Non-Clearing Member, the stipulations of the Individual Clearing Model Provisions shall apply to the relevant NCM-Related Transactions *mutatis mutandis*.

10.8 All steps, processes and mechanisms permitted under, or required by the relevant Clearing Agreement (incorporating the Clearing Conditions) to be undertaken by Eurex Clearing AG or any other person following the occurrence of a default on the part of a Non-Clearing Member, shall be regarded as constituting part of the default rules of Eurex Clearing AG for the purposes of Part VII of the Companies Act 1989 (UK).

10.9 If a Basic Clearing Member fails to comply with any additional terms agreed by it with its Clearing Agent with respect to their Basic Clearing Member Clearing Agreement (such additional terms, the “**Additional Basic Clearing Member Terms**”), the Management Board of the respective Market may – upon written request by the Clearing Agent – exclude such Basic Clearing Member from trading on the respective Market or restrict the trading by the Basic Clearing Member to certain Transaction Types or specified products for the duration of such failure in accordance with the rules and regulations of such Market. The Clearing Agent shall inform Eurex Clearing AG immediately about the submission of such request.

As of the time of decision by the Management Board of the respective Market pursuant to this Number 10.9, the affected Basic Clearing Member is no longer entitled to conclude Basic Clearing Member Transactions which are subject of this decision under its Basic Clearing Member Clearing Agreement.

11 **Default Rules applicable to Registered Customers**

11.1 If a Registered Customer fails to perform any of its obligations due under a Transaction or under the Clearing Agreement or if an event of default occurs in respect of the Registered Customer under a Client Clearing Agreement, as the case may be, Eurex Clearing AG will – upon written request or by using the Stop Button pursuant to Number 10.2.1 by the Clearing Member – exclude such Registered Customer in its system from the Clearing and reject novations of transactions with respect to the relevant Registered Customer for the duration of such failure or event of default.

11.2 If a Registered Customer has been excluded from the Clearing, the relevant Clearing Member shall close its Transactions or positions with Eurex Clearing AG with respect to such Registered Customer. The Clearing Member’s costs of such closing shall be borne by the Registered Customer in accordance with the provisions of the relevant Clearing Agreement or Client Clearing Agreement. This Number 11.2 shall not affect any additional contractual or statutory rights the Clearing Member may have against the relevant Registered Customer.

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- 11.3 Upon a termination or closing (*Glattstellung*) by or on behalf of the Clearing Member or the Registered Customer of Transactions between the Clearing Member and the Registered Customer (other than in the case of Corresponding Covered Transactions pursuant to the Individual Clearing Model Provisions), the relevant RC-Related Transactions shall be credited to an Own Account or Customer Account of the Clearing Member in accordance with the instructions of the Clearing Member. Each of the Clearing Member and the Registered Customer is obliged to notify Eurex Clearing AG promptly on the occurrence of a termination or closing (*Glattstellung*) of Transactions between the Clearing Member and the Registered Customer. If Eurex Clearing AG initially received such a notice from the Registered Customer, it shall request the Clearing Member to give notice to Eurex Clearing AG, confirming the content of such notice promptly. Upon a termination or closing (*Glattstellung*) of Corresponding Covered Transactions between the Clearing Member and the Registered Customer pursuant to the ICM-ECD Provisions or upon a Termination of a Client Clearing Transaction (as defined in Subpart C Number 2.1.2 Paragraph (2) of the Individual Clearing Model Provisions) between the Clearing Member and the Registered Customer, Subpart A Number 13.4.1 of the Individual Clearing Model Provisions shall apply to the relevant RC-Related Transactions *mutatis mutandis*.
- 11.4 All steps, processes and mechanisms permitted under, or required by the relevant Clearing Agreement (incorporating the Clearing Conditions) to be undertaken by Eurex Clearing AG or any other person following the occurrence of a default on the part of a Registered Customer, shall be regarded as constituting part of the default rules of Eurex Clearing AG for the purposes of Part VII of the Companies Act 1989 (UK).
- 12 Other Agreements between Clearing Members and Non-Clearing Members with regard to the Clearing of Eurex Transactions and FWB Transactions; Determination of limits for Clearing Members by Eurex Clearing AG with respect to Market Transactions**
- 12.1 Additional Terms**
- A Clearing Member may agree with any of its Non-Clearing Members on additional terms to their existing Clearing Agreement or Client Clearing Agreement (as defined in Subpart C Number 2.1.1 of the Individual Clearing Model Provisions), as the case may be, for the execution of Eurex Transactions and FWB Transactions (together the “**Additional Terms**”) in accordance with the following provisions. Numbers 12.4 to 12.7 apply in the case of a non-compliance with such Additional Terms by a Non-Clearing Member. References to “**Transactions**” in this Number 12 refer to Eurex Transactions and/or FWB Transactions only.
- 12.1.1 A Clearing Member may agree with any of its Non-Clearing Members to apply the Additional Terms set out in Number 12.2 or Number 12.3 to Eurex Transactions and to apply the Additional Terms set out in Number 12.3 to FWB Transactions to ensure the fulfilment of the obligations arising under the aforementioned Transactions. The Clearing of Transactions resulting from orders and quotes entered into the systems of the Markets or from over-the-counter transactions of the respective Non-Clearing Member shall, in

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case of Eurex Transactions and any corresponding OTC Transactions, be subject to prior verification by the system of the full compliance with the fixed Pre-Trade-Limits (Number 12.2) and agreed Other Conditions (Number 12.3), and, in case of FWB Transactions and any corresponding OTC Transactions, be subject to prior verification of compliance with the agreed Other Conditions (Number 12.3). Only in case of fulfilment of these requirements, the orders and quotes of the Non-Clearing Members shall be matched with other orders or quotes or their Over-The-Counter Transactions shall be included in the Clearing.

- 12.1.2 In case orders or quotes of a Non-Clearing Member, which shall be or have already been entered in the system, would lead to or constitute a breach of Additional Terms pursuant to Number 12.2 or Number 12.3, the respective Market or the Markets shall, parallel to such an entry in the system, preliminarily exclude the relevant Non-Clearing Member from trading on the respective Market or restrict the trading by the Non-Clearing Member to certain Transaction Types or specified products (the clearing of which is carried out by Eurex Clearing AG) or, in case of FWB Transactions, to certain login names or certain identifier codes (trading locations) for the duration of such failure in accordance with the rules and regulations of such Market. In case the entry of a transaction via the Eurex Trade Entry Services would lead to or constitute a breach of Additional Terms pursuant to Number 12.2 or Number 12.3, the relevant Non-Clearing Member shall cease to be authorised to include such transaction(s) in the Clearing.

12.2 Limitation of Orders or Quotes for Eurex Transactions (Pre-Trade Limits)

- 12.2.1 For Eurex Transactions, the Clearing Member and a Non-Clearing Member may agree on the limitation of orders or quotes which may be entered into the systems of a Market by such Non-Clearing Member or the Clearing Member ("**Pre-Trade Limits**").

- 12.2.2 Pre-Trade Limits may include one or more restrictions or a combination thereof listed hereinafter:

- (1) Maximum number of contracts with regard to a product per order or per quote. Insofar, the following limit is considered according to the type of order:
 - (a) maximum number of contracts per order or quote ("**Maximum Order Quantity**"), provided they do not relate to combined orders or combined quotes; or
 - (b) maximum number of contracts per combined order or combined quote ("**Maximum Calendar Spread Quantity**"), related to specific products.
- (2) For Over-The-Counter Transactions: maximum number of contracts per transaction concluded off-exchange, related to specific products ("**Maximum Wholesale Quantity**").
- (3) Maximum aggregate margin requirement or maximum margin requirement with respect to specific Eligible Margin Assets, which in each case the Clearing Member

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is obliged to fulfil in accordance with the Clearing Conditions as a result of the conclusion of Transactions in respect of the Non-Clearing Member.

However, in case a Clearing Member or Non-Clearing Member is involved in the clearing of instruments which are admitted to trading on the Eurex Exchanges and are available for 23 hours trading, the criteria for the Pre-Trade Limits as stipulated in this Paragraph 3 are not available between 0.00 a.m. and 07:30 a.m. for an automatic limitation by the system.

- 12.2.3 Upon request by its Clearing Member, a Non-Clearing Member is obliged to agree with such Clearing Member on Pre-Trade Limits. In this case, the relevant Clearing Member may enter the Pre-Trade Limits agreed upon with their respective Non-Clearing Members into the system.

12.3 Other Conditions

- 12.3.1 Upon request by its Clearing Member and in order to ensure the Clearing of Transactions, a Non-Clearing Member is obliged – in addition to the Pre-Trade Limits for Eurex Transactions set forth in Number 12.2 – to agree on additional obligations of the Non-Clearing Member vis-à-vis the Clearing Member pursuant to Number 12.1 or additional restrictions with respect to the entry or the execution of orders or quotes as well as the use of the Eurex Trade Entry Services (the “**Other Conditions**”).

- 12.3.2 Provided that such Other Conditions agreed upon with a Clearing Member are not fulfilled by the Non-Clearing Member or the duties of a Non-Clearing Member set out in Number 10.1 are not fulfilled in due time, the respective Clearing Member may, by way of a Stop Button entry in the System declare vis-à-vis the Markets and Eurex Clearing AG that it is no longer willing to perform its functions in respect of the Clearing of Transactions concluded at these Markets and of transactions concluded off-exchange of the relevant Non-Clearing Member. Thereby, the Markets and Eurex Clearing AG are requested to exclude the respective Non-Clearing Member from trading on the Markets and from the possibility of entering further Transactions into the system via the Eurex Trade Entry Services for the term of non-fulfilment of its above-mentioned duties. In substantiated exceptional cases in which the Clearing Member is unable to use the Stop Button, the declaration according to Clause 1 and Clause 2 may also be submitted in writing. In case of FWB Transactions, the Clearing Member may limit statements pursuant to Sentence 1 or requests pursuant to Sentence 2 above to certain login names or identifier codes (trading locations). In case of FWB Transactions, the Clearing Member must notify the respective Non-Clearing Member of the use of the Stop Button without undue delay. Upon the Clearing Member's request, the Stop Button will be provided by Eurex Clearing AG for FWB Transactions with regard to the Non-Clearing Member nominated by such Clearing Member to the extent that the Clearing Member is the respective Non-Clearing Member's settling agent for securities not being cleared through Eurex Clearing AG; the same applies if the Clearing Member has been authorized by the settling agent to declare on its behalf statements pursuant to Sentence 1 and make requests pursuant to Sentence 2 for the respective Non-Clearing Members.

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12.3.3 A Clearing Member may agree with its Non-Clearing Members for Eurex Transactions that in the event of exceeding certain values which are pre-agreed in accordance with this Number 12.3 as Other Conditions, the Non-Clearing Member is restricted to enter and execute orders or quotes and to use the Eurex Trade Entry Services, during such exceedance, and that existing orders or quotes are being cancelled in the system. Subject to this Number 12.3.3, only those values may be agreed on which may be entered into the system. By way of system-entry, the Clearing Member or the Non-Clearing Member declares that an agreement has been concluded in accordance with this Number 12.3.3.

12.4 **Non-Fulfilment of Additional Terms**

Provided that Non-Clearing Members agree with their respective Clearing Members upon one or several Additional Terms, and the Non-Clearing Member (a) has breached Pre-Trade Limits or (b) has breached Other Conditions and the Clearing Member has made a Stop Button entry in the System in accordance with Number 12.3.2, the Clearing Member declares that it is no longer willing to further perform its functions relating to the inclusion of Transactions of the relevant Non-Clearing Member in the Clearing. In case of FWB Transactions, the Clearing Member may limit this declaration to certain login names of the respective Non-Clearing Member or to certain identifier codes (trading locations). The Management Boards of the Markets and Eurex Clearing AG shall decide on the consequences of a breach of Additional Terms by a Non-Clearing Member upon an according electronic declaration of the respective Clearing Member in accordance with the following provisions.

12.5 **Breach of Pre-Trade Limits**

12.5.1 If, upon verification of the compliance with the Pre-Trade Limits for Eurex Transactions entered into the system of the respective Market by a Clearing Member for a Non-Clearing Member on a Business Day (Number 12.2), it turns out that the execution of orders, quotes entered into the system or the entry of Transactions of a Non-Clearing Member via Eurex Trade Entry Services in the system, breach the agreed Pre-Trade Limits, the Clearing Member, as a consequence, is no longer willing to perform its functions in relation to the Clearing of further Eurex Transactions of its respective Non-Clearing Member.

12.5.2 In case a Clearing Member is not willing to perform its functions in relation to the Clearing of Eurex Transactions of a Non-Clearing Member according to Number 12.5.1, the Markets shall – immediately and for a respective period – order the suspension of the trading admission of the relevant Non-Clearing Member to trading in specific products with regard to a specific position account pursuant to Number 12.6.1 (Suspension of Exchange Admission). In addition, the system of the Eurex Exchanges guarantees that a transfer of orders or quotes of the relevant Non-Clearing Member in the order books of the Markets and, as a result, their matching with other orders or quotes, are prevented. Orders or quotes of the relevant Non-Clearing Member already existing in the order books of the Markets shall be deleted.

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12.5.3 If, due to non-compliance with Pre-Trade Limits pursuant to Number 12.5.1, a Clearing Member is not willing to perform its functions in relation to the Clearing of Eurex Transactions, the authorisation to have over-the-counter transactions concluded off-exchange cleared by Eurex Clearing AG by using the Eurex Trade Entry Services for the relevant Non-Clearing Member shall immediately lapse. At the same time, the authorisation to use the Eurex Trade Entry Services of the Markets and Eurex Clearing AG is revoked, to such extent as this would result in a non-fulfilment of the Additional Terms between Non-Clearing Member and Clearing Member. In addition, the Eurex system prevents that the respective transactions can be entered into the system and be included in the Clearing.

12.6 Non-Fulfilment of Other Conditions

12.6.1 Upon the declaration of a Clearing Member, by way of the Stop Button entry in the System, vis-à-vis the Markets and Eurex Clearing AG that it is no longer willing to perform any functions in relation to the Clearing of Transactions of a certain Non-Clearing Member, because such Non-Clearing Member does not fulfil the Other Conditions agreed upon pursuant to Number 12.3, the Management Boards of these Markets shall immediately order the preliminary exclusion of the relevant Non-Clearing Member from trading pursuant to Number 12.7. With regard to FWB Transactions, the Clearing Member may limit a corresponding declaration and the Management Board of FWB may limit the temporary exclusion from trading of the respective Non-Clearing Member to certain login names of the respective Non-Clearing Member or to certain identifier codes (trading locations). Upon the Clearing Member's statement pursuant to Sentences 1 or 2 above, the authorisation of the respective Non-Clearing Member to have the Transactions concluded off-exchange cleared by Eurex Clearing AG shall cease to exist. The authorisation to use the Eurex Trade Entry Services to enter over-the-counter transactions into the System shall entirely be revoked for a limited period or, in case of FWB Transactions, be revoked with a limitation to certain login names or certain identifier codes (trading locations).

From this point onward and from the respective Non-Clearing Member's temporary exclusion from trading on, the regulations on the matching of trades pursuant to the respective rules and regulations of the Markets and the Conditions for Utilisation of the Eurex Trade Entry Services (General Conditions for Participation) of Eurex Clearing AG, with regard to orders, quotes and transactions concluded off-exchange of the relevant Non-Clearing Member, shall not apply any more.

12.6.2 The preliminary exclusion from trading on the Markets and the preliminary revocation of the authorisation to have Transactions concluded off-exchange cleared by Eurex Clearing AG as well as the revocation of the authorisation to use the Eurex Trade Entry Services shall be ordered or directed by the Markets and Eurex Clearing AG until the Clearing Member, by way of a new system entry (deactivation of Stop Button) within the meaning of Number 10.2 declares vis-à-vis the Markets and Eurex Clearing AG that it is again willing to perform its functions in relation to the Clearing of Transactions and of over-the-counter transactions concluded off-exchange of the relevant Non-Clearing Member. In substantiated exceptional cases in which the Clearing Member is unable to

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use the Stop Button, the declaration according to Clause 1 and Clause 2 may also be submitted in writing.

- 12.6.3 From the point of ordering the suspension of the Exchange admission of the relevant Non-Clearing Member by the Markets and of revocation of the authorisation of the Non-Clearing Member to have its Transactions concluded off-exchange cleared by Eurex Clearing AG and of revocation of the utilisation authorisation of the Eurex Trade Entry Services pursuant to Number 12.6.1, the system shall prevent other orders, quotes or Transactions of the relevant Non-Clearing Member from being entered into the system. Orders and quotes of the relevant Non-Clearing Member already existing into the System shall be deleted.

At the same time, the System ensures that the relevant Non-Clearing Member cannot modify or release Transactions already entered into the System. In addition, Transactions already entered into the System by this Non-Clearing Member cannot be released any more by its counterparty.

Furthermore, the relevant Non-Clearing Member shall from this point onwards not be authorised to conduct the measures for account keeping, such as, where applicable, Trade Adjustments, Closing Position Adjustments, Member Position Transfer or Give-Up Trades provided for in the rules and regulations of the Eurex Exchanges. The possibility to use the respective services of the System shall be technically prevented for the relevant Non-Clearing Member.

- 12.6.4 Eurex Clearing AG may request the Clearing Member to submit written documentation in relation to a Stop Button entry pursuant to Number 12.6.1. The documentation shall contain details on the facts, in particular the amount of the agreed limit(s) respectively positions, the orders/quotes, type of agreed other duties (e.g. compliance with economic stability criteria) and conditions, the time of submission of a declaration pursuant to Number 12.6.1 and the time of revocation of a declaration pursuant to Number 12.6.1.

12.7 **Preliminary Exclusion from Trading or from Trading of Specific Products (Suspension of Trading Admission) as well as Revocation of the Admission to Clearing of Transactions concluded off-book**

- 12.7.1 In case a Clearing Member declares vis-à-vis the Management Boards of the Markets pursuant to Number 11 that, for the period of non-fulfilment of conditions pursuant to Number 12.2 (Pre-Trade Limits) or of further Other Conditions within the meaning of Number 12.3 by one of its Non-Clearing Members, it is no longer willing to perform its functions in relation to the Clearing of Transactions or OTC Transactions of this Non-Clearing Member in whole or with regard to individual Transactions or, in case of FWB Transactions, with regard to certain login names of the respective Non-Clearing Member or to certain identifier codes (trading locations), the relevant Non-Clearing Member shall, from this point onwards for a respective term and for lack of guaranteeing an orderly settlement of its Transactions, be excluded from trading on the respective Market or, if applicable to the respective Market, the trading by the Non-Clearing Member will be limited to certain Transaction Types or specified products (the Clearing of which is carried out by Eurex Clearing AG), on specific position accounts with certain login names or

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identifier codes (trading locations) for the duration of the non-fulfilment of conditions pursuant to Number 12.2 (Pre-Trade Limits) or of further Other Conditions within the meaning of Number 12.3 in accordance with the rules and regulations of such Market. At the same time, Eurex Clearing AG shall preliminarily revoke the authorisation of the relevant Non-Clearing Member to have its OTC Transactions cleared by Eurex Clearing AG. The authorisation of the Non-Clearing Member to use the Eurex Trade Entry Services in order to enter Eurex Off-Book Trades into the Clearing, shall entirely be revoked for a limited period.

The relevant Non-Clearing Member shall be promptly informed by the Markets about the ordered suspension of the Trading admission electronically by the System; at the same time, its access to the respective Exchange system shall be restricted accordingly.

- 12.7.2 Clearing Members who – by way of the Stop Button pursuant to Number 12.6.1 – have declared vis-à-vis the Management Boards of the Markets that they are no longer willing to perform their functions in relation to the Clearing of Transactions of one of their Non-Clearing Members in whole or with regard to individual products or, in case of FWB Transactions, with regard to certain login names of the respective Non-Clearing Member or certain identifier codes (trading locations), are obliged to immediately revoke their declaration vis-à-vis the Management Boards of the Markets by using the same system facility, if the relevant Non-Clearing Member again fulfils the conditions agreed upon with the Clearing Member. In this case, the Management Boards of the Markets shall at the same time revoke the order vis-à-vis the relevant Non-Clearing Member pursuant to Number 12.7.1 (Suspension of Trading Admission), immediately announce such revocation electronically via the System and, again, technically provide respective utilisation of the system to the Non-Clearing Member.

The same applies to Clearing Members who, by way of a Stop Button entry into the System pursuant to Number 12.6.1, have declared vis-à-vis Eurex Clearing AG that they are no longer willing to perform their functions in relation to the Clearing of Transactions of one of their Non-Clearing Members. In such case, Clearing Members are obliged to immediately revoke their declaration vis-à-vis Eurex Clearing AG by way of the same system facility, when the relevant Non-Clearing Member again fulfils the conditions agreed upon with the Clearing Member.

12.8 Determination of Pre-Trade-Limits for Clearing Members by Eurex Clearing AG

- 12.8.1 Eurex Clearing AG is entitled to determine specific limits for a Clearing Member with respect to the execution of Market Transactions. If the relevant Clearing Member does not comply with the limits determined by Eurex Clearing AG, Eurex Clearing AG shall inform the relevant Clearing Member thereof.
- 12.8.2 With respect to Clearing Members holding only a Clearing Licence for Eurex Transactions, Eurex Clearing AG is entitled to determine Pre-Trade Limits with respect to Eurex Transactions (including Eurex Off-Book Trades) ("**CM Pre-Trade Limits**"). If the Clearing Member breaches CM Pre-Trade Limits, the Clearing under all Standard Agreements of such Clearing Member will be suspended with immediate effect in accordance with the following provisions. Eurex Clearing AG shall notify without undue

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delay the affected Clearing Member and all Non-Clearing Members and Registered Customers of such Clearing Member of the suspension from the Clearing.

- (1) CM Pre-Trade Limits may include restrictions with respect to the maximum aggregate margin requirement or maximum margin requirement with respect to specific Eligible Margin Assets.

Eurex Clearing AG shall immediately notify the relevant Clearing Member of the determination and any change of the CM Pre-Trade Limits.

- (2) The Clearing of Eurex Transactions or Eurex Off-Book Trades of the relevant Clearing Member or its Non-Clearing Members shall be subject to prior verification by the systems of Eurex Clearing AG of the full compliance with the CM Pre-Trade-Limits. Only in case of fulfilment of these requirements, the orders and quotes of the Clearing Member or its Non-Clearing Members shall be matched with other orders or quotes or their Eurex Off-Book Trades shall be included in the Clearing.
- (3) In case of a breach of CM Pre-Trade Limits by a Clearing Member and the suspension of the Clearing by Eurex Clearing AG, the Management Boards of the Eurex Exchanges shall immediately order the temporary exclusion of the Clearing Member and all Non-Clearing Members of such Clearing Member from trading and the suspension of the trading admission of the Clearing Member and all Non-Clearing Members of such Clearing Member in accordance with the rules of the Eurex Exchanges.

The Clearing Member and all Non-Clearing Members of such Clearing Member shall be informed immediately about the suspension of the trading admission via the systems of the Eurex Exchanges; at the same time, the access of the Clearing Member and all Non-Clearing Members of such Clearing Member to the systems of the Eurex Exchanges shall be limited accordingly.

In case of a breach of CM Pre-Trade Limits, the systems of the Eurex Exchanges ensure that the Clearing Member and all Non-Clearing Members of the Clearing Member are prevented from entering orders and quotes with respect to Eurex Transactions or Eurex Off-Book Transactions into the system of the Eurex Exchanges. Orders and quotes with respect to Eurex Transactions or Eurex Off-Book Transactions of the Clearing Member or its Non-Clearing Members already existing in the System of the Eurex Exchange shall be deleted.

- (4) If a breach of CM Pre-Trade Limits by a Clearing Member, which led to the suspension of the Clearing pursuant to Number 12.8.2, is remedied, Eurex Clearing AG shall immediately withdraw the suspension of the Clearing of Eurex Transactions (including Eurex Off-Book Transactions) by the Clearing Member and its Non-Clearing Members and the Management Boards of the Eurex Exchanges shall immediately withdraw the temporary exclusion from trading and the suspension of the trading admission with respect to the Clearing Member and its Non-Clearing Members, provided that no measures have been taken with respect to the relevant Non-Clearing Member pursuant to Numbers 12.1 to 12.7.

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13 Termination of Clearing Agreements, Clearing Licenses and Basic Clearing Member Clearing Licenses

13.1 Termination of Clearing Agreements, Clearing Licenses and Basic Clearing Member Clearing Licenses

13.1.1 Subject to the following Sub-Paragraph, Eurex Clearing AG or the Clearing Member may terminate individual or all Clearing Agreements or individual or all Clearing Licences at any time. Such termination requires written notice to the Clearing Member or Eurex Clearing AG in the case of a Clearing License and, in the case of a Clearing Agreement, to the other parties to the Clearing Agreement, respectively. The termination shall take effect on the later of the following dates: (i) 30 days after receipt of the termination notice (and, in the case of a termination notice that is to be received by Eurex Clearing AG and another party to the Clearing Agreement, only upon receipt by Eurex Clearing AG of evidence of receipt by such other party) and (ii) after all Transactions which are subject to the respective Clearing Agreement(s) or Clearing License(s) have been cancelled, closed or fulfilled.

Eurex Clearing AG, the Basic Clearing Member or the Clearing Agent may (each acting for itself only) terminate the Basic Clearing Member Clearing Agreements at any time. Eurex Clearing AG or the Basic Clearing Member may terminate individual or all Basic Clearing Member Clearing Licences of the Basic Clearing Member at any time. A termination requires (i) in the case of a termination of the Basic Clearing Member Clearing Agreement, written notice to the respective other parties to the Basic Clearing Member Clearing Agreement, and (ii) in the case of a termination of an individual or all Basic Clearing Member Clearing Licences of the Basic Clearing Member, written notice (in the case of a termination by or on behalf of the Basic Clearing Member) to Eurex Clearing AG and (in the case of a termination by Eurex Clearing AG) to the Basic Clearing Member and the Clearing Agent. The termination shall take effect 30 days after receipt of the termination notice (and, in the case of a termination notice relating to the Basic Clearing Member Clearing Agreement that is to be received by Eurex Clearing AG and another party to the Clearing Agreement, only upon receipt by Eurex Clearing AG of evidence of receipt by the relevant other party to the Basic Clearing Member Clearing Agreement).

13.1.2 Eurex Clearing AG is entitled to terminate a specific Clearing Licence with immediate effect if the prerequisites pursuant to Number 7.2.1 Paragraph (3) are fulfilled with respect to such Clearing Licence. Eurex Clearing AG is entitled to terminate a specific Basic Clearing Member Clearing Licence with immediate effect if the prerequisites pursuant to Part 6 Number 10 in conjunction with Number 7.2.1 Paragraph (3) (applied mutatis mutandis) are fulfilled with respect to such Basic Clearing Member Clearing Licence.

13.1.3 If a Clearing Agreement or the relevant Clearing License of a Clearing Member has been terminated, no new Transaction of such Clearing Member and, with respect to an OTC IRS FCM Clearing Member, no new OTC IRS FCM Client Transactions of such Clearing

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Member's OTC IRS FCM Client(s), may be included in the Clearing after receipt of the termination notice in accordance with Number 13.1.1.

- 13.1.4 If a Basic Clearing Member Clearing Agreement or a Basic Clearing Member Clearing License have been terminated, no new Basic Clearing Member Transaction (in the case of a termination of a Basic Clearing Member Clearing License, only if such new Basic Clearing Member Transaction would fall within the scope of such terminated Basic Clearing Member Clearing License) of such Basic Clearing Member may be included in the Clearing after receipt of the termination notice in accordance with Number 13.1.1. In such case, the Basic Clearing Member, as relevant and subject to Number 13.1.5, (i) may not enter new orders or quotes into the systems of the Markets, (ii) is obliged to cancel all outstanding orders and quotes, if and to extent possible under the rules and regulations of the relevant Markets, and any pending novations and (iii) is obliged to close its Basic Clearing Member Transactions or, if permitted under the Clearing Conditions, transfer its Basic Clearing Member Transactions prior to the termination becoming effective. Eurex Clearing AG shall, subject to Number 13.1.5, inform the Management Board of the relevant Market in writing about a termination of the Basic Clearing Member Clearing Agreement or relevant Basic Clearing Member Clearing License and about the time when the termination becomes effective.
- 13.1.5 If a Basic Clearing Member Clearing Agreement has been terminated, Eurex Clearing shall release the Contributions of the Clearing Agent (that has been a party to such Basic Clearing Member Clearing Agreement) to the Default Fund that are attributable to this Clearing Agent acting as Clearing Agent for the Basic Clearing Member in respect of the Basic Clearing Member Transactions to which such Basic Clearing Member Clearing Agreement related, no later than four weeks after (i) in the case of Number 13.1.4, all such Basic Clearing Member Transactions have been closed or settled and (ii) in the case of the appointment of a new Clearing Agent in respect of such Basic Clearing Member Transactions, such new Clearing Agent has made the Contributions to the Default Fund in respect of such Basic Clearing Member Transactions.
- 13.2 Special provisions regarding termination of Clearing Agreements involving a Non-Clearing Member, Registered Customer or OTC IRS FCM Client**
- 13.2.1 A Non-Clearing Member, Registered Customer or OTC IRS FCM Client, respectively, may terminate a Clearing Agreement to which it is party at any time pursuant to Number 13.1, applied *mutatis mutandis*. Number 1.1.7 Paragraph (10) shall remain unaffected.
- 13.2.2 If a Non-Clearing Member or Registered Customer has caused a breach of its obligations under the Clearing Agreement vis-à-vis Eurex Clearing AG and such breach continues for more than 30 calendar days after such Non-Clearing Member or Registered Customer receives written notice thereof from Eurex Clearing AG, Eurex Clearing AG may terminate such Clearing Agreement pursuant to Number 13.1, applied *mutatis mutandis*, whereas such termination shall take effect upon expiry of a period of 15 calendar days.
- 13.2.3 Upon receipt of a termination notice pursuant to Number 13.2.2, the relevant Non-Clearing Member (i) may not enter new orders or quotes into the systems of the Markets

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(other than with respect to inverse Transactions concluded with its Clearing Member), (ii) is obliged to cancel all outstanding orders and quotes, if and to extent possible under the rules and regulations of the relevant Markets, and any pending novations and (iii) is obliged to close its Transactions or transfer its Transactions to another Clearing Member. Eurex Clearing AG shall inform the Management Board of the respective Market in writing about a termination of a Clearing Agreement involving a Non-Clearing Member and about the time when the termination becomes effective. In addition, Number 10.5 applies *mutatis mutandis*.

13.2.4 Upon receipt of a termination notice pursuant to Number 13.2.2, (i) no new Transactions shall be included in the Clearing by the Clearing Member with respect to such Registered Customer, and (ii) the Clearing Member must close or transfer its relevant RC-Related Transactions to another Clearing Member. In addition, Number 11.3 applies *mutatis mutandis*.

13.2.5 Upon receipt of a termination notice from an OTC IRS FCM Clearing Member or an OTC IRS FCM Client by Eurex Clearing AG with respect to a Clearing Agreement in the form appended hereto as Appendix 9, no new OTC IRS FCM Client Transactions of such OTC IRS FCM Client may be included in the Clearing.

13.3 Reservations

13.3.1 The right to terminate the Clearing Agreement or Basic Clearing Member Clearing Agreement for serious cause (*aus wichtigem Grund*) shall remain unaffected by this Number 13.

13.3.2 Number 7 and the other provisions relating to a Termination or Basic Clearing Member Termination pursuant to the Clearing Conditions shall remain unaffected by this Number 13.

14 Liabilities, Emergency Actions, Contractual Penalties (*Vertragsstrafen*), Delegation

14.1 Liability, Emergency Actions

14.1.1 The Clearing Members (including, for the purposes of this Number 14, in their capacity as Clearing Agents) and the Basic Clearing Members shall be liable for wilful misconduct and negligence. If a Clearing Member or a Basic Clearing Member causes any damages (*Schäden*) for Eurex Clearing AG, such damages shall in particular include any loss and properly incurred legal fees (including any applicable VAT).

14.1.2 Eurex Clearing AG shall only be liable for wilful misconduct (*Vorsatz*) or gross negligence (*grobe Fahrlässigkeit*), unless Eurex Clearing AG violates any of its essential obligations (*wesentliche Vertragspflichten*) under the Clearing Agreement (incorporating the Clearing Conditions). An essential obligation is an obligation, the performance of which is necessary for the execution of the contract and as well a performance of which the Clearing Member, Non-Clearing Member, Registered Customer, OTC IRS FCM Client or Basic Clearing Member, respectively, trusts in and may trust in. In case of simple negligence (*einfache Fahrlässigkeit*), the liability of Eurex Clearing AG is restricted only to

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damages typically foreseeable at the time of granting the Clearing License. The provision under Sentence 1 above shall not affect the statutory liability for damages incurred as a result of injury to life, body or health as well as the liability pursuant to the German Product Liability Act.

14.1.3 In case an orderly Clearing Procedure with a Clearing Member or a Basic Clearing Member is disrupted, in particular by technical disruptions, the relevant Clearing Member or Basic Clearing Member shall immediately notify Eurex Clearing AG thereof. Any respective emergency actions by Eurex Clearing AG are legally binding on all contractual parties.

14.1.4 Eurex Clearing AG shall not be liable for damages arising out of a business disruption as a result of *force majeure*, riots, events of war and natural events or natural phenomena, or as a result of other events outside the control of Eurex Clearing AG (e.g. strikes, lock-outs, traffic blocks, disruptions of supply chains) or events which occur as a result of actions of German or foreign governmental authorities.

14.1.5 Eurex Clearing AG shall, after sufficient testing, operate and maintain the equipment and systems in their sphere of responsibility, including application and communication software.

14.2 Disciplinary Procedures; Contractual Penalties (*Vertragsstrafen*)

14.2.1 All Clearing Members and Basic Clearing Members are subject to the disciplinary procedures (the “**Disciplinary Procedures**”) as set out in the disciplinary procedures rules, which are published on the website of Eurex Clearing AG (www.eurexclearing.com) and shall form an integral part of these Clearing Conditions, (the “**Disciplinary Procedures Rules**”). Pursuant and subject to the Disciplinary Procedures Rules, certain Sanctions (as defined in the Disciplinary Procedures Rules) may be imposed on a Clearing Member or a Basic Clearing Member following the alleged breach of such Clearing Member or such Basic Clearing Member of any of its obligations under, or any of its representations made in, the Clearing Agreement (including the Clearing Conditions). Such Sanctions may include contractual penalties (*Vertragsstrafen*), provided that the Disciplinary Procedures Rules do not apply to contractual penalties (*Vertragsstrafen*) which are explicitly regulated in the Clearing Conditions (other than in the Disciplinary Procedures Rules).

Eurex Clearing AG shall establish a Committee for the purpose of providing recommendations to the Executive Board of Eurex Clearing AG in connection with the Disciplinary Procedures, as provided for in the statutes of the disciplinary committee (the “**Statutes of the Disciplinary Committee**”). The Statutes of the Disciplinary Committee are published on the website of Eurex Clearing AG (www.eurexclearing.com) and shall form an integral part of these Clearing Conditions.

14.2.2 If a Termination Event pursuant to Number 7.2.1 Paragraph (1) or a Basic Clearing Member Termination Event pursuant to Part 5 Number 10 in conjunction with Number 7.2.1 Paragraph (1) (applied *mutatis mutandis*) occurs or in the event of a failure to deliver Securities or other assets or a failure to provide any cash amount where a

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Physical Settlement shall occur in accordance with the Special Clearing Provisions – irrespective of whether Eurex Clearing AG has suffered any damage – unless such failure to deliver Securities or other assets or such failure to provide a cash amount results from force majeure (*höhere Gewalt*) and/or a general market or system disruption that is outside the control of the Clearing Member or Basic Clearing Member, the Clearing Member or Basic Clearing Member shall pay, in accordance with the instructions received from Eurex Clearing AG, a contractual penalty in the amount of 0.025 per cent of the relevant unpaid due amount, but no less than EUR 2,500 – or the corresponding equivalent in any other Clearing Currency as determined by Eurex Clearing AG – per calendar day, however, no more than EUR 25,000 or the corresponding equivalent in any other Clearing Currency as determined by Eurex Clearing AG. If the amount calculated from the above percentage exceeds EUR 25,000, the amount of the contractual penalty shall – notwithstanding the provisions in Sentence 1 – be calculated according to a percentage of the relevant unpaid due amount, such percentage having been fixed and notified in advance by Eurex Clearing AG. Such percentage shall be based on the effective overnight interest rate applicable to the relevant Clearing Currency. The right of Eurex Clearing AG to claim further damages and/or default interest shall remain unaffected.

14.2.3 Eurex Clearing AG shall, upon written notice by a Clearing Member or Basic Clearing Member which has suffered damage as a consequence of the failure to comply with the obligations referred to in Number 7.2.1 Paragraph (1) or in Part 5 Number 10 in conjunction with Number 7.2.1 Paragraph (1) (applied *mutatis mutandis*), be entitled to assign to such Clearing Member or Basic Clearing Member with discharging effect any claims it may have against the defaulting Clearing Member or Basic Clearing Member.

14.3 Delegation

Eurex Clearing AG shall be permitted to delegate in its own name the performance of the services assigned to it in whole or in part to third parties, provided that Eurex Clearing AG considers such delegation reasonable with regard to the interests of the Clearing Members. If Eurex Clearing AG delegates the performance of its services, it shall only remain responsible for the performance of the contractual obligations (*Primärleistungspflichten*) in respect of such services, but shall otherwise only be liable for diligently selecting and providing initial instructions to such delegate. However, upon request, Eurex Clearing AG shall assign any existing claims arising out of such delegation against such delegate to the respective Clearing Member or Basic Clearing Member.

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15 Transmission of information by Eurex Clearing AG; Outsourcing of Clearing Functions

15.1 Transmission of information relating to Clearing Members, Clearing Agents, Non-Clearing Members, Registered Customers, Specified Clients, OTC IRS FCM Clients and Basic Clearing Members by Eurex Clearing AG

15.1.1 Eurex Clearing AG treats all data and information which relate to its Clearing Members, Clearing Agents, Non-Clearing Members, Registered Customers, Specified Clients, OTC IRS FCM Clients and Basic Clearing Members confidentially. Eurex Clearing AG shall be authorised – subject to applicable law – to transfer such data and information to competent supervisory authorities or other authorised third parties domestic or abroad which are subject to confidentiality regulations with respect to such data and information comparable to those of Eurex Clearing AG.

Other client-related information may only be passed on by Eurex Clearing AG if it is already publicly available or if it is legally required to be passed on or if the relevant Clearing Member, Clearing Agent, Non-Clearing Member, Registered Customer, Specified Client, OTC IRS FCM Client and Basic Clearing Member has agreed to it.

15.1.2 Notwithstanding the provisions in Number 15.1.1, Eurex Clearing AG shall be entitled to pass on the following information to the exchange and off-exchange trading platforms for which the Clearing Member has applied to become a Market Participant:

- (1) granting of a Clearing License or a Basic Clearing Member Clearing License;
- (2) termination or suspension of a Clearing License or a Basic Clearing Member Clearing License;
- (3) occurrence of a Termination Event, Insolvency Termination Event and Termination Date or Basic Clearing Member Termination Event, Basic Clearing Member Insolvency Termination Event and Basic Clearing Member Termination Date; and
- (4) termination of the Clearing Agreement.

15.1.3 Notwithstanding the provisions in Number 15.1.1, Eurex Clearing AG shall also be entitled to transmit or to request from clearing and settlement institutions or independent auditors which are subject to confidentiality regulations comparable to those applicable to Eurex Clearing AG, all data and information which refer to Clearing Members, Clearing Agents, Non-Clearing Members, Registered Customers, OTC IRS FCM Clients and Basic Clearing Members and which are necessary for the orderly conduct of the Clearing and for the fulfilment of Transactions.

15.1.4 The Clearing Member agrees to obtain written (*Textform*) consent of each of its Specified Clients to the transmission of information related to such Specified Client by Eurex Clearing AG pursuant to this Number 15.

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15.2 Fulfilment and partial outsourcing of Clearing-related functions

15.2.1 Subject to Numbers 15.2.2 to 15.2.12, each Clearing Member and Non-Clearing Member, subject to the U.S. Clearing Model Provisions, each FCM-Client and, subject to the Basic Clearing Member Provisions, each Clearing Agent and each Basic Clearing Member has to perform itself and on its own responsibility all functions incumbent on it in the context of the Clearing. References in Numbers 15.2.2 to 15.2.12 to a Clearing Member shall include, where applicable, a Clearing Member in its capacity as a Clearing Agent.

15.2.2 A Clearing Member or a Non-Clearing Member may outsource the Clearing, risk management or back-office functions ("**Outsourced Functions**") to be performed by it in whole or in part to another Clearing Member, Non-Clearing Member or third party (each an "**Insourcer**" and each outsourcing Clearing Member or Non-Clearing Member an "**Outsourcer**") by way of an outsourcing arrangement between the Outsourcer and the Insourcer ("**Outsourcing**"). Outsourcing may also comprise the further Outsourcing of Outsourced Functions by the Insourcer ("**Sub-Outsourcer**") to another Insourcer ("**Sub-Outsourcing**") with the prior approval of the relevant Outsourcer. The requirements to Outsourcing shall apply accordingly to any Sub-Outsourcing. The Outsourcer remains fully responsible towards Eurex Clearing AG for the orderly conduct of the Outsourced Functions.

15.2.3 Any Outsourcing shall fulfil the following requirements:

- (1) the Outsourcing is in compliance with the laws and regulations applicable to the Outsourcer as well as to the Insourcer and the relevant Clearing Agreement;
- (2) as a result of the Outsourcing Eurex Clearing AG will not be required to obtain any additional license or authorisation unless Eurex Clearing AG in its free discretion decides to apply for such license or authorisation;
- (3) the orderly conduct of the Outsourced Functions is ensured; in this respect, the Outsourcer is required to:
 - (a) contractually oblige the Insourcer to (i) appoint a qualified employee in the back office pursuant to Number 2.1.2 Paragraph (5) (c), applied *mutatis mutandis* (this shall only apply if the Outsourcer itself is required to comply with such requirement and shall not apply if the Insourcer is a Clearing Member or a Basic Clearing Member which is already required to comply with such requirement vis-à-vis Eurex Clearing AG directly or if the Outsourcer has a qualified clearing staff member), (ii) keep customer-related data (i.e. data relating to the Outsourcer's customers) confidential and to implement adequate technical and organisational measures to adequately protect such customer-related data, and to (iii) only use such customer-related data for the purposes of fulfilling the Outsourced Functions;
 - (b) establish and maintain throughout the term of the Outsourcing appropriate procedures documented in writing for supervising the performance of the Outsourced Functions by the Insourcer; in this respect, the Outsourcer is

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required to (i) ensure access at any time to the Outsourced Functions (except in the case of an Outsourcing by a Non-Clearing Member to its Clearing Member and an Outsourcing by a Basic Clearing Member to its Clearing Agent), (ii) monitor the Insourcer's capability to perform the Outsourced Functions on an ongoing basis, (iii) establish guidelines for each Outsourced Function that the Insourcer must follow in performing such Outsourced Function, and (iv) conduct audits at the Insourcer on a regular basis either by (a) checking, or by authorising an independent auditor to check, the documents and processes related to the Outsourced Functions in the business premises of the Insourcer, or by (b) obliging the Insourcer to certify and document the orderly performance of the Outsourced Functions in accordance with the guidelines for each Outsourced Function and the principles for Outsourcing set out in this Number 15.2.3;

- (c) ensure that the limitations on self-contracting pursuant to Section 181 of the German Civil Code (*Bürgerliches Gesetzbuch* - "**BGB**") or similar provisions in other applicable laws are complied with in respect of the Outsourced Functions, in particular with respect to the establishment of Transactions;
 - (d) in the case of a direct technical connection of the Insourcer to the systems of Eurex Clearing AG, procure that all consents and authorisations that are necessary for the transfer of personal data from Eurex Clearing AG to the Insourcer and for any other processing or use of personal data, in connection with the Outsourced Functions are in place; and
 - (e) to provide to Eurex Clearing AG the following information in a format determined by Eurex Clearing AG: (i) a list of the Outsourced Functions, (ii) the name and registered office of the Insourcer, (iii) a confirmation that the Insourcer has adequate resources and expertise for the performance of the Outsourced Functions, (iv) the envisaged term of the Outsourcing, (v) the contact persons at the Outsourcer and the Insourcer in relation to the Outsourced Functions, including in each case at least one contact person to escalate any issues in respect of the Outsourced Functions who shall be available without interruptions during regular business hours and has sufficient German or English language skills, and (vi) any other information as may reasonably be requested by Eurex Clearing AG for the purposes of assessing the envisaged Outsourcing;
- (4) in the case of an Outsourcing (i) by a Non-Clearing Member to an entity other than its Clearing Member, the Clearing Member and (ii) by a Basic Clearing Member to an entity other than its Clearing Agent, the Clearing Agent has consented to the Outsourcing; and
 - (5) such further prerequisites as may be determined by Eurex Clearing AG in its reasonable discretion and published in accordance with Number 16.1.

15.2.4 An Outsourcing may only be commenced upon fulfilment of the following requirements:

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- (1) the Outsourcer has provided the information pursuant to Number 15.2.3 Paragraph (3) (e) and confirmed to Eurex Clearing AG that the further requirements pursuant to Number 15.2.3 are fulfilled;
- (2) Eurex Clearing AG has confirmed receipt of the information pursuant to Paragraph (1) in writing and specified the date by which the Outsourcing may be commenced (the “**Outsourcing Date**”).

The confirmation pursuant to Paragraph (2) does not constitute a confirmation by Eurex Clearing AG that the requirements pursuant to Number 15.2.3 are fulfilled. Eurex Clearing AG may rely on the respective information provided by the Outsourcer and will not conduct own investigations in this regard.

- 15.2.5 In the case Eurex Clearing AG becomes aware or if a probable cause exists that the prerequisites for the Outsourcing set out in Number 15.2.3 are not fulfilled, the Outsourcer is obliged to ensure immediate compliance with the prerequisites for the Outsourcing or to terminate the Outsourcing upon notification by Eurex Clearing AG.
- 15.2.6 Eurex Clearing AG may at any time request from the Outsourcer further information and evidence concerning the orderly conduct of Outsourced Functions, in particular (i) any Outsourcing agreements, (ii) a confirmation that the Outsourcing is in compliance with applicable laws and regulations and the Clearing Conditions, or (iii) a confirmation of the competent regulatory authorities that the Outsourcing is in compliance with applicable laws and regulations and/or will not require Eurex Clearing AG to obtain any additional licenses or authorisations.
- 15.2.7 Eurex Clearing AG may at any time and at its own expense check, or authorise an independent auditor to check, documents and processes related to the Clearing Procedures in the business premises of the Outsourcer and the Insourcer (each of such measures a “**Compliance Audit**”). The Outsourcer shall contractually ensure that Eurex Clearing AG is entitled to equally execute these rights vis-à-vis the Insourcer.
- Any Compliance Audit is solely carried out in the interest of Eurex Clearing AG and not in the interest or for the benefit of the Outsourcer or any other person. In particular, a Compliance Audit (i) does not constitute advice to the Outsourcer or any other person as to any legal, tax, accounting, regulatory or other matters and (ii) does not relieve the Outsourcer from its duty to ensure the orderly conduct of the Outsourced Functions pursuant to Number 15.2.3, in particular from conducting its own audits of the Insourcer and its performance of the Outsourced Functions. Eurex Clearing AG is not obliged to reassess the results of any audit or any information provided by the Outsourcer.
- 15.2.8 Eurex Clearing AG may at any time exercise a veto right in respect of the Outsourcing if it becomes aware of a:
- (1) violation of applicable provisions of law or the relevant Clearing Agreement by the Outsourcing;
 - (2) non-compliance by the Outsourcer or the Insourcer with the requirements set out in Number 15.2.3 as regards the orderly provision of the Outsourced Functions (e.g. by

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showing apparent absence of resources in terms of skills, response times and technical compatibility);

- (3) violation of security standards by the Insourcer within three (3) years prior to the Outsourcing Date or during the term of the Outsourcing which may have an impact on the orderly provision of the Outsourced Functions;
- (4) risk of reputational damages for Eurex Clearing AG caused by the Outsourcing (e.g. by the relevant Insourcer disclosing confidential information to third parties); or
- (5) concentration risk due to the appointment of the same Insourcer by several Outsourcers.

- 15.2.9 Eurex Clearing AG may exercise its veto right with immediate effect (i) prior to the Outsourcing Date or (ii) following the Outsourcing Date if, in Eurex Clearing AG's determination, the incident pursuant to Number 15.2.8 may have a material adverse effect on the Clearing Procedures. In all other cases, Eurex Clearing AG shall, before exercising its veto right, grant the Outsourcer an adequate grace period to remedy the relevant issues. During such period, Eurex Clearing AG may partially restrict the Outsourcing and/or restrict the access of the Insourcer to its systems in order to ensure the orderly functioning of the Clearing Procedures, in particular with respect to the Outsourced Functions.
- 15.2.10 Upon exercise of the veto right by Eurex Clearing AG, the Outsourcer is obliged to terminate the Outsourcing and to re-assume the Outsourced Functions with immediate effect or at a time specified by Eurex Clearing AG. Non-compliance with this obligation shall constitute a Termination Event pursuant to Number 7.2.1 Paragraph (11). Eurex Clearing AG may instead terminate one or more Clearing Licenses (or, in the case of a Basic Clearing Member, one or more Basic Clearing Member Clearing Licenses) of the Outsourcer. If the Outsourcer is a Non-Clearing Member, Eurex Clearing AG may terminate the Clearing Agreement with the outsourcing Non-Clearing Member in accordance with Number 12.1 or Number 12.6.
- 15.2.11 Eurex Clearing AG's liability for any damages, losses and expenses caused by an inadequate or wrongful exercise of (i) the veto right pursuant to Number 15.2.9 or (ii) the right to conduct Compliance Audits pursuant to Number 15.2.7 shall be restricted to wilful misconduct (Vorsatz) or gross negligence (grobe Fahrlässigkeit), except for any damages incurred as a result of injury to life, body or health caused negligently or intentionally.
- 15.2.12 Eurex Clearing AG shall be entitled to transfer to the Insourcer any information and customer-related data obtained by Eurex Clearing AG in connection with the Clearing Procedures to the extent that such transfer of data is necessary for the orderly conduct of the Outsourced Functions. The Outsourcer shall indemnify Eurex Clearing AG for any damages claimed by third parties alleging the violation of applicable data protection law or any contractual provisions by such transfer. This obligation shall remain in force for a period of three (3) years after expiry or termination of the Clearing Agreement between the Outsourcer and Eurex Clearing AG.

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16 Publications and Notices

- 16.1 If provided for in these Clearing Conditions, all notices from Eurex Clearing AG regarding these Clearing Conditions will be published (i) via electronic circular to the Clearing Members (which term shall, in this Number 16, include Clearing Members in their capacity as Clearing Agents), Non-Clearing Members, Registered Customers, OTC IRS FCM Clients and Basic Clearing Members or (ii) on the Eurex Clearing AG website (www.eurexclearing.com) for at least three (3) Business Days. Such notices will become effective immediately upon publication, provided that changes and amendments to the Clearing Conditions will become effective in accordance with Number 17.2 and Number 17.3.
- 16.2 All notices to be given between Eurex Clearing AG and a Clearing Member or a Non-Clearing Member, Registered Customer, OTC IRS FCM Client or Basic Clearing Member shall be given in such form and at such address as agreed and/or notified from time to time by the relevant party. Notices may be given in the German or in the English language. Upon written request by a Clearing Member, Non-Clearing Member, Registered Customer, OTC IRS FCM Client or Basic Clearing Member all notices from Eurex Clearing AG (except for automated reports) to such requesting party shall be given in the German and in the English language or one of these languages. Unless otherwise specified in these Clearing Conditions notices by Clearing Members, Non-Clearing Members, Registered Customers, OTC IRS FCM Clients or Basic Clearing Members may be made by telefax or e-mail. Forms published by Eurex Clearing AG must be used.
- 16.3 Each Clearing Member, Non-Clearing Member, Registered Customer, OTC IRS FCM Client and Basic Clearing Member acknowledges that Eurex Clearing AG will send to Clearing Members, Non-Clearing Members, Registered Customers, OTC IRS FCM Clients and Basic Clearing Members notices –and reports in the systems of Eurex Clearing AG in an area which is only individually accessible to it (the “**Access Area**”). Eurex Clearing AG is not entitled to access or change the Access Area of a Clearing Member, Non-Clearing Member, Registered Customer, OTC IRS FCM Client or Basic Clearing Member without its consent. Reports and notifications stored in an Access Area will regularly be exchanged against new notices or reports within ten (10) Business Days of their storage in the Access Area.
- 16.4 Each Clearing Member, Non-Clearing Member, Registered Customer, OTC IRS FCM Client and Basic Clearing Member acknowledges that the notices and reports which are made accessible in the individual Access Area may also contain declarations (*Willenserklärungen*), in particular acceptances (*Annahmen*) of Transactions and other declarations of particular importance.

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17 Miscellaneous

17.1 Governing law; Place of jurisdiction

17.1.1 Unless provided otherwise, the rights and obligations arising out of, and in connection with, these Clearing Conditions shall be governed by the substantive laws (*Sachrecht*), excluding German private international law, of Germany. Only the German language version of these Clearing Conditions is legally binding.

17.1.2 Any non-contractual rights and obligations arising out of, and in connection with, these Clearing Conditions shall be governed by the substantive laws (*Sachrecht*), excluding German private international law, of Germany.

17.1.3 Exclusive place of jurisdiction for all disputes arising out of, or in connection with, these Clearing Conditions is Frankfurt am Main.

17.2 Changes and Amendments to the Clearing Conditions

17.2.1 Eurex Clearing AG reserves the right to change or amend the Clearing Conditions and the Procedures Manual at any time; any changes and amendments of these Clearing Conditions shall be published in accordance with Number 16.1(i) and (ii).

17.2.2 Unless otherwise provided for in these Clearing Conditions, such publication will be made to all affected Clearing Members, affected Non-Clearing-Members, affected Registered Customers, affected OTC IRS FCM Clients and/or affected Basic Clearing Members ("**Affected Customers**") at least fifteen (15) Business Days prior to the effective date fixed in the relevant notice ("**Regular Notification Period**").

17.2.3 If Special Provisions (as defined below) are to be changed or amended, Eurex Clearing AG will carry out a Consultation prior to the publication of the changes or amendments subject to and in accordance with Number 17.3. If in the Consultation more than two Affected Customers request the application of a Prolonged Notification Period, the publication of changes and amendments will be made three (3) months prior to the effective date fixed in the relevant notice ("**Prolonged Notification Period**").

17.2.4 "**Special Provisions**" are

- Numbers 1.5, 6, 7, 9, 16.1, 17.2 and 17.3,
- Subpart C Number 2.1.2 and 3.3 of the Individual Clearing Model Provisions,
- Chapter IV Part 2 Number 2.6 Paragraph (1) (b),
- Chapter V Part 2 Number 2.2.1 Paragraph (4),
- Chapter VIII Part 2 Number 2.2.5 Paragraph (7),
- Chapter IX Part 2 Number 2.6.4 Paragraph (4),
- Chapter IX Part 2 Number 2.7.2 Paragraph (2),

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- each of the Appendices to the Clearing Conditions to the extent that clauses in such Appendices relate to the granting of powers of attorney, the granting of margin or the creation of security interests,
- the Procedures Manual to the extent the issues contained therein may have an impact on the risk management of Eurex Clearing AG, the Clearing Members, Non-Clearing-Members, Registered Customers, OTC IRS FCM Clients and Basic Clearing Members,
- the DMC Rules and the DM Auction Rules and
- any newly added provisions relating to the subject matter of these provisions.

Rules or Agreements (except for those set forth in the preceding sentence), which are referred to in these provisions, do not qualify as Special Provisions.

17.2.5 Notwithstanding a prior Consultation (if any), Affected Customers may submit in writing to Eurex Clearing AG comments to any changes or amendments of the Clearing Conditions within the first 10 Business Days of the Regular Notification Period or the Prolonged Notification Period, as applicable. Eurex Clearing AG shall assess whether these comments prevent the published change or amendment from becoming effective taking into account the interests of Eurex Clearing AG, all Clearing Members, Non-Clearing-Members, Registered Customers, OTC IRS FCM Clients and Basic Clearing Members. If necessary, Eurex Clearing AG will consult the EMIR Risk Committee within the scope of competence of the EMIR Risk Committee or, where required, seek advice from other sources. There is no obligation of Eurex Clearing AG to implement a comment. To the extent Eurex Clearing AG decides to implement comments of Affected Customers the relevant changes and amendments will be published again in accordance with the initial notification period (i.e. either a Regular Notification Period or a Prolonged Notification Period, as the case may be) there will, however, be no new assessment of the comments of the Affected Customers pursuant to this Number 17.2.5.

17.2.6 Each Affected Customer accepts each change and amendment of the Clearing Conditions, unless it objects by written notice to Eurex Clearing AG within the Regular Notification Period or the Prolonged Notification Period, as applicable. Eurex Clearing AG will inform the Affected Customers of the effects of such approval in the relevant publication of the changes and amendments of these Clearing Conditions. The right to terminate the Clearing Agreement pursuant to Number 7.2.1 Paragraph (4) shall remain unaffected.

17.3 Consultation in case of changes and amendments of the Clearing Conditions

17.3.1 Scope of Application and Definitions

- (1) Prior to the publication of changes or amendments of any Special Provisions, Eurex Clearing AG will, by notice published in accordance with Number 16.1 (i), invite all Affected Customers to submit comments to the proposed changes and amendments

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and/or to express their desire for the application of a Prolonged Notification Period within one month after the publication of the relevant invitation (“**Consultation**”).

- (2) A Consultation pursuant to Paragraph (1) does not take place with regard to (i) editorial changes or amendments, (ii) changes or amendments necessary to comply with statutory or regulatory requirements, as well as (iii) changes or amendments (except for changes or amendments to Numbers 6, 7, 9, 17.2 or 17.3) due to Extraordinary Market Conditions (as defined below); accordingly, the Regular Notification Period applies..

“**Extraordinary Market Conditions**” are, as determined by Eurex Clearing AG,

- (a) events or circumstances which affect or may affect the orderly Clearing, the orderly settlement and liquidation of Transactions or the existence or orderly functioning of the Clearing Process.
- (b) other market disruptions which render impossible or impracticable the orderly determination of closing prices (*Schlusskursen*) or settlement prices; or
- (c) events or circumstances which establish non tolerable insecurity, volatility or risks with regard to Transactions or the Clearing which may negatively impact on the financial or commodities markets relevant for the Clearing, which, in each case, render it impractical for Eurex Clearing AG to continue to operate the Clearing in accordance with the Clearing Conditions while sufficiently managing its risks.

Extraordinary Market Conditions may even occur if only a single Clearing Member, a single Basic Clearing Member (e.g. in case of a default) or a group of Clearing Members or Basic Clearing Members is/are affected, provided that any of the events or circumstances described in (a) to (c) exist. The default of a Clearing Member or a Basic Clearing Member does not per se constitute Extraordinary Market Conditions.

17.3.2 During a Consultation, Eurex Clearing AG will, taking into account the interests of Eurex Clearing AG and all Clearing Members, Non-Clearing-Members, Registered Customers, OTC IRS FCM Clients and Basic Clearing Members assess the comments received by the Affected Customers in the Consultation and, if necessary, consult the EMIR Risk Committee within the scope of competence of the EMIR Risk Committee or, where required, seek advice from other sources. There is no obligation of Eurex Clearing AG to implement a comment. To the extent Eurex Clearing AG decides to accept proposed changes or amendments by Affected Customers, an amended version of the relevant changes or amendments taking into account the proposed changes or amendments will be published following the Consultation pursuant to Number 17.2; there shall be no new Consultation pursuant to Number 17.3.

17.3.3 If in a Consultation more than two Affected Customers request the application of the Prolonged Notification Period, Eurex Clearing AG shall notify all Affected Customers promptly, by notice in accordance with Number 16.1 (i), and confirm that the Prolonged Notification Period applies instead of the Regular Notification Period.

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17.3.4 Eurex Clearing AG will in connection with regular meetings of the EMIR Risk Committee within the scope of competence of the EMIR Risk Committee or, where required, otherwise deliver a summary report of the comments received during the Consultation as well as on the position taken by Eurex Clearing AG.

17.4 Current Version of the Clearing Conditions

The current valid version of the Clearing Conditions is available via the internet (www.eurexclearing.com).

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Part 2 Elementary Clearing Model Provisions

The provisions on the Elementary Clearing Model are set forth in this Part 2 (the “**Elementary Clearing Model Provisions**”).

- 1 The general provisions on the Elementary Clearing Model of Eurex Clearing AG which apply to all Transactions under the Elementary Clearing Model Provisions are set out in **Subpart A** of this Part 2.
- 2 The clearing of Own Transactions of the Clearing Member is further subject to **Subpart B** of this Part 2.
- 3 The clearing of Omnibus Transactions is further subject to **Subpart C** of this Part 2.
- 4 Furthermore, the Clearing Member may elect that CASS Eligible Transactions shall be cleared in accordance with **Subpart C** as modified by the special provisions set forth in **Subpart D** of this Part 2. The provisions in **Subpart D** aim to enable the Clearing Member to settle Transactions under the Elementary Clearing Model Provisions in accordance with the rules of the Client Asset Sourcebook (CASS) of the United Kingdom Financial Conduct Authority (“**CASS Rules**”).
- 5 Under Subpart C Eurex Clearing AG offers its Clearing Members the following omnibus client segregation:
 - (i) “**net omnibus client segregation**” where margin is posted by the Clearing Member to Eurex Clearing AG on a net basis across Transactions relating to multiple Direct Clients, and
 - (ii) “**gross omnibus client segregation**” where margin is posted by the Clearing Member to Eurex Clearing AG on a gross basis across Transactions relating to a particular Direct Client.

In addition, Eurex Clearing AG offers net omnibus segregated accounts and gross omnibus segregated accounts for indirect client clearing.

- 6 As further set out in and subject to this Part 2:

Own transactions of the Clearing Member will be allocated to own transaction accounts and client transactions of the Clearing Member to different types of client transaction accounts. Each such transaction account will be linked to a particular internal margin account.

Margin collateral will be provided by the Clearing Member to Eurex Clearing AG either

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- (a) for all own and client-related transactions of the Clearing Member (if the so-called value based allocation applies); or
- (b) separately for own transactions of the Clearing Member and for client-related transactions of the Clearing Member and for credit to separate internal margin accounts (if the so-called asset-based allocation applies).

If the value based-allocation applies, the margin collateral provided pursuant to (a) will be allocated (by application of an allocation algorithm) to an internal margin account for own transactions of the Clearing Member and to an internal margin account for client-related transactions of the Clearing Member.

In each case, the margin collateral so allocated or credited, respectively, to an internal margin account for client-related transactions is further allocated (by application of an allocation algorithm) to the client transaction account linked to such internal margin account.

Transaction accounts shall be combined in certain groups of transaction accounts. The transactions allocated to such transaction accounts and the margin collateral allocated to transaction accounts of such transaction accounts group shall form part of a standard agreement which is the legal basis for a close-out netting (and the determination of a net claim resulting therefrom) and/or a porting in case of a default of the Clearing Member.

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Part 2 Subpart A: General Elementary Clearing Model Provisions

1 Application of the Elementary Clearing Model Provisions; Definitions

1.1 Any Transaction between the Clearing Member and Eurex Clearing AG which is subject to the Elementary Clearing Model Provisions shall be an “**ECM Transaction**” which shall be concluded as an Own Transaction or as an Omnibus Transaction. The term “**Omnibus Transaction**” comprises each Client-Related Transaction (including, for the avoidance of doubt, each Client-Related Transaction that relates to Indirect Clients) that is subject to the Elementary Clearing Model Provisions.

1.2 Eurex Clearing AG and a Clearing Member may enter into a Clearing Agreement in the form appended to the Clearing Conditions as Appendix 1 for the Clearing of Own Transactions pursuant to Subpart B of this Part 2 and for the Clearing of UDC-Related Transactions and SC-Related Transactions pursuant to Subpart C and Subpart D of this Part 2.

1.3 Further, Eurex Clearing AG, a Clearing Member and a Non-Clearing Member or a Registered Customer may enter into a Clearing Agreement in the form appended to the Clearing Conditions as Appendix 2 for the Clearing of NCM-Related Transactions or RC-Related Transactions pursuant to Subpart C and Subpart D of this Part 2. The conclusion of a Clearing Agreement in the form appended to the Clearing Conditions as Appendix 2 is subject to the execution of a Clearing Agreement in the form appended to the Clearing Conditions as Appendix 1.

1.4 Definitions

For the purposes of these Elementary Clearing Model Provisions, unless the context requires otherwise, the following terms shall have the following meaning:

“**ECM Standard Agreement**” means each Proprietary Standard Agreement (as defined in Subpart B Number 4.1) and each Omnibus Standard Agreement (as defined in Subpart C Number 5.1), as applicable.

“**Internal Margin Account**” means, with respect to each Clearing Member, the Internal Proprietary Margin Account (as defined in Number 3) and one or more Internal Omnibus Margin Accounts (as defined in Number 3), as applicable.

“**Margin**” means Proprietary Margin (as defined in Subpart B Number 5.1) and/or Omnibus Margin (as defined in Subpart C Number 6.1), as applicable.

“**Standard Agreement**” means each ECM Standard Agreement and each arrangement between a Clearing Member and a Non-Clearing Member or Registered Customer pursuant to Subpart C Number 5.3.

“**Transaction Accounts Group**” means a Proprietary Transaction Accounts Group (as defined Subpart B Number 2.1.3) and/or a Client Transaction Accounts Group (as defined Subpart C Number 2.2), as applicable.

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“**Variation Margin**” means Proprietary Variation Margin (as defined in Subpart B Number 6.1) and/or Omnibus Variation Margin (as defined in Subpart C Number 7.1), as applicable.

2 Conclusion of ECM Transactions; General Principles applicable to the Settlement of ECM Transactions

2.1 ECM Transactions shall be concluded in accordance with Number 1.2.2 of the General Clearing Provisions.

2.2 Each of Eurex Clearing AG and the Clearing Member shall be obliged to fulfil any payment or delivery obligations under ECM Transactions by transferring to the transferee all rights, title and interest in and to the relevant assets or cash, as the case may be, free and clear from any and all rights and claims of the transferring party and of any third person, including, without limitation, pursuant to applicable regulation or under any statutory or other trust. The value of such assets shall, as of the date the transfer is effected, be at least equal to the value on the date of the relevant payment or delivery obligation.

3 Internal Margin Account

Eurex Clearing AG will, in its internal systems, as follows establish and maintain for each Clearing Member Internal Margin Accounts (A) with respect to Own Transactions of the Clearing Member (the “**Internal Proprietary Margin Account**”) and (B) with respect to Omnibus Transactions of the Clearing Member (each an “**Internal Omnibus Margin Account**”), to which all Eligible Margin Assets that have been actually delivered (as defined in Number 4.3.4.1) to Eurex Clearing AG shall be allocated:

- (i) If the Value Based Allocation is the Applicable Allocation Method,
 - (A) one Internal Proprietary Margin Account; and
 - (B) one Internal Omnibus Margin Account; and
- (ii) If the Asset Based Allocation is the Applicable Allocation Method:
 - (A) one Internal Proprietary Margin Account; and
 - (B) subject to certain requirements set out in Subpart C Number 4.2, one or several Internal Omnibus Margin Accounts in accordance with the instructions of the Clearing Member (which shall be provided in the form requested by Eurex Clearing AG).

4 Margin

4.1 Margin Requirement

4.1.1 Eurex Clearing AG will calculate net margin requirements in accordance with Number 3.1 of the General Clearing Provisions (a) across all Own Transactions of each Clearing

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Member and (b) with respect to each Client Transaction Account of such Clearing Member, except that the relevant net margin requirement with respect to own transactions of a Non-Clearing Member and own transactions of a Registered Customer shall be calculated across all NCM/RC Own Accounts (as defined in Part 1 Number 4.2.1 Paragraph (2)) of such Non-Clearing Member or such Registered Customer.

- 4.1.2 The amount of Eligible Margin Assets to be delivered as cover in respect of Margin shall be determined by Eurex Clearing AG separately with respect to
- (i) the Internal Proprietary Margin Account for all Own Transactions of the Clearing Member in accordance with Number 4.1.1(a); and
 - (ii) (A) if the Value Based Allocation is the Applicable Allocation Method, the Internal Omnibus Margin Account reflecting the sum of the calculations with respect to all Client Transaction Accounts of the Clearing Member in accordance with Number 4.1.1(b); and
 - (B) if the Asset Based Allocation is the Applicable Allocation Method, each Internal Omnibus Margin Account reflecting the sum of the calculations for all Client Transaction Accounts in accordance with Number 4.1.1(b) that relate to such Internal Omnibus Margin Account

(for the purpose of the Elementary Clearing Model Provisions, in each case of (i) and (ii), a “**Margin Requirement**”).

For the avoidance of doubt, non-compliance with the applicable Margin Requirement (in whole or in part) by the Clearing Member shall constitute a Termination Event pursuant to Number 7.2.1 Paragraph (1) of the General Clearing Provisions.

Each Margin Requirement applicable to the Clearing Member pursuant to this Part 2 shall be in addition to any other Margin Requirement of the Clearing Member vis-à-vis Eurex Clearing AG pursuant to these Clearing Conditions.

4.2 Margin Call and direct debit prior to or at the end of a Business Day

- 4.2.1 If Eurex Clearing AG at any time prior to the end of a Business Day (as defined in Number 1.2.4 Paragraph (1) of the General Clearing Provisions) determines that the aggregate value of Eligible Margin Assets actually delivered as Margin is less than the applicable Margin Requirement, Eurex Clearing AG will require the Clearing Member to provide (additional) Eligible Margin Assets in an amount up to the relevant Margin Requirement by the time specified by Eurex Clearing AG.

This shall also apply in respect of any Margin Call at the end of a Business Day, provided that, in such case, the Clearing Member shall provide (additional) Eligible Margin Assets in the form of cash in the Clearing Currency in an amount sufficient to satisfy the relevant Margin Requirement by the time specified by Eurex Clearing AG.

- 4.2.2 To the extent Eligible Margin Assets have not yet been delivered by the Clearing Member with respect to a Margin Call pursuant to Number 4.2.1, Eurex Clearing AG shall be

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entitled to (and without having an obligation towards the Clearing Member to do so, will on or around the time specified) directly debit the Clearing Member Cash Account in an amount equal to the requested amount of Eligible Margin Assets in accordance with the daily cash clearing procedure pursuant to Number 1.4.1 of the General Clearing Provisions.

4.2.3 Notwithstanding Number 4.4.2, if a Clearing Member elects to deliver (additional) Eligible Margin Assets in the form of cash pursuant to Number 3.3.2 of the General Clearing Provisions with respect to a Margin Call relating to Omnibus Margin prior to the end of a Business Day, then:

- (i) Eurex Clearing AG shall debit the Internal Proprietary Margin Account and credit the (relevant) Internal Omnibus Margin Account with such cash; and
- (ii) the related Redelivery Claim allocated to the Internal Proprietary Margin Account shall be reduced accordingly upon Eurex Clearing AG having made those credits and debits (which Eurex Clearing AG shall do without undue delay).

4.3 Delivery of Eligible Margin Assets

4.3.1 Delivery of Eligible Margin Assets in the form of cash

4.3.1.1 The Clearing Member shall be obliged to deliver cover in respect of Margin in the form of cash by transferring to Eurex Clearing AG all rights, title and interest in and to the relevant cash, as the case may be, free and clear from any and all rights and claims of the Clearing Member and of any third person, including, without limitation, pursuant to applicable regulation or under any statutory or other trust.

4.3.1.2 Eligible Margin Assets in the form of cash shall be provided in accordance with the cash clearing procedure pursuant to Number 1.4.1 of the General Clearing Provisions.

4.3.2 Delivery of Eligible Margin Assets in the form of Securities

4.3.2.1 In case the Value Based Allocation is the Applicable Allocation Method, in order to provide Eligible Margin Assets in the form of Securities as cover in respect of Proprietary Margin and/or Omnibus Margin, the Clearing Member shall transfer Eligible Margin Assets in the form of Securities to the Pledged Securities Account unless otherwise provided in this Number 4.3.2.

In case the Asset Based Allocation is the Applicable Allocation Method, in order to provide Eligible Margin Assets in the form of Securities (i) as cover in respect of Proprietary Margin, the Clearing Member shall transfer Eligible Margin Assets in the form of Securities to its Pledged Securities Account and (ii) as cover in respect of Omnibus Margin, the Clearing Member shall transfer Eligible Margin Assets in the form of Securities to the relevant Omnibus Pledged Securities Account relating to the corresponding Internal Omnibus Margin Account, unless otherwise provided in this Number 4.3.2.

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In order to provide Eligible Margin Assets in the form of Securities as cover for CASS Transactions (as defined in Subpart D Number 2.3), the Clearing Member shall transfer Eligible Margin Assets in the form of Securities to the relevant CASS Omnibus Pledged Securities Account relating to the corresponding Internal CASS Omnibus Margin Account (as defined in Subpart D Number 3.1), unless otherwise provided in this Number 4.3.2.

- (1) The Clearing Member shall instruct Clearstream Banking AG, Clearstream Banking S.A. or SIX SIS AG in a timely manner to transfer the relevant Securities to the Pledged Securities Account, Omnibus Pledged Securities Account or CASS Omnibus Pledged Securities Account, as applicable, and authorizes Clearstream Banking AG, Clearstream Banking S.A. or SIX SIS AG to inform Eurex Clearing AG of such transfer.
- (2) In relation to Securities credited to the Pledged Securities Account, an Omnibus Pledged Securities Account or a CASS Omnibus Pledged Securities Account, as applicable, that confer voting rights or other optional rights on the Clearing Member (including, but not limited to, warrants, options, conversion and subscription rights, rights in connection with takeovers, other forms of offers or capital reorganisations, redemption rights, tenders, options to tender or non-mandatory puts or calls) or that provide for discretionary action or alternative courses of action by the Clearing Member, Eurex Clearing AG shall not be entitled to exercise such voting or optional rights or to take up such discretionary actions or alternative courses of action; the Clearing Member shall remain responsible in this respect. Eurex Clearing AG will not exercise any voting rights, in particular not independently from any instructions by the Clearing Member.
- (3) The Clearing Member will (in form and substance as required by Eurex Clearing AG) grant a pledge to Eurex Clearing AG over all Securities which are or will be credited to the relevant Pledged Securities Account, the relevant Omnibus Pledged Securities Account or the relevant CASS Omnibus Pledged Securities Account, as applicable.

4.3.2.2 Notwithstanding Number 4.3.2.1, a Clearing Member may also provide Eligible Margin Assets in the form of Securities as Margin by pledge by using Xemac on the basis of the SC Xemac. For such purpose, the creation of the pledge is effected by a respective labelling of the Securities in the system ("**pledge**") and modification of the bailment intention (*Besitzmittlungswille*) by Clearstream Banking AG in favour of Eurex Clearing AG ("**Earmarking**"). Only for the provision of Proprietary Margin to Eurex Clearing AG via Xemac, a Clearing Member may also use Securities which it has received as collateral – in accordance with Number 3.2 of the Terms and Conditions for Participation and Trading on Eurex Repo GmbH – in relation to GC Pooling Repo transactions. Notwithstanding Number 4.3.2.1, a Clearing Member participating in the trading of GC Pooling Repos and using the Re-use related type of contract in Xemac may, upon request, provide Proprietary Margin in Xemac also via the account of a settlement institution within the meaning of Chapter IV Part 1 Number 1.1.2 Paragraph 2 (b), provided that such settlement institution is domiciled in Germany.

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4.3.2.3 To the extent required or expedient under its national laws, the Clearing Member will arrange for the due filing and registration with any relevant competent authority or register of any security interest granted or to be granted pursuant to or in accordance with this Number 4.3.2 and will evidence the due filing and registration of such security interest to Eurex Clearing AG.

4.3.2.4 Pursuant to the relevant pledge agreement and subject to the provisions set out therein, each pledge granted by the Clearing Member to Eurex Clearing AG over Securities (i) which are or will be credited to the relevant Pledged Securities Account with Clearstream Banking AG or (ii) in accordance with Number 4.3.2.2, includes a right of Eurex Clearing AG to appropriate one or more of such Securities that constitute Proprietary Margin (the "**Relevant Pledged Securities**") and to make use of the Relevant Pledged Securities. The following provisions apply with respect to such appropriation and re-use right:

- (1) Eurex Clearing AG shall only be entitled to exercise such appropriation right and right of use for the purpose of liquidity management in relation to its business activities as central counterparty, in particular for obtaining refinancing from the Eurosystem or entering into repo transactions with commercial counterparties.
- (2) If Eurex Clearing AG exercises such appropriation right in respect of any Relevant Pledged Securities, the Clearing Member shall have a claim against Eurex Clearing AG for redelivery of securities that are equivalent to such Relevant Pledged Securities; such redelivery claim shall become due at the same time the Difference Claim in relation to the Proprietary Standard Agreement becomes due in accordance with Number 6.3.2, provided that, Eurex Clearing AG may, in its discretion, either (A) discharge such redelivery claim by transferring to the Clearing Member securities equivalent to such Relevant Pledged Securities before the Difference Claim in relation to the Proprietary Standard Agreement becomes due, (B) set off the value of such Relevant Pledged Securities against the amount of such Difference Claim or (C) include the value of the Relevant Pledged Securities in the determination of such Difference Claim (as a position in favour of the Clearing Member).
- (3) If Eurex Clearing AG receives, in relation to the Relevant Pledged Securities with respect to which Eurex Clearing AG exercised its appropriation right, a payment of interest, dividends, or other distributions in the form of securities ("**Securities Income**"), or any payment of interest, dividends or other distribution in cash ("**Cash Income**"), Eurex Clearing AG shall transfer to the Clearing Member securities equivalent to and in the same value as the relevant Securities Income and pay to the Clearing Member a cash amount equivalent to and in the same currency as the relevant Cash Income, respectively. With respect to any voting rights or elections in relation to corporate actions, which may arise from the Relevant Pledged Securities and with respect to which Eurex Clearing AG exercised its appropriation right, the provisions of Chapter I Part 3 Subpart A Number 15.4 of the Clearing Conditions shall apply *mutatis mutandis*.

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- (4) The information statement set out in Appendix 12 of the Clearing Conditions in accordance with Article 15 of the Regulation on transparency of securities financing transactions and of reuse (Regulation (EU) 2015/2365) applies.

4.3.3 Secured Claims

The purpose of the Margin actually delivered in the form of cash is to collateralise, and (subject to the restrictions pursuant to Number 6.6) the security purpose (*Sicherungszweck*) of the pledges granted to Eurex Clearing AG in accordance with Number 4.3.2 is to secure, the following claims of Eurex Clearing AG (the “**Secured Claims**”):

- (1) In case the Value Based Allocation is the Applicable Allocation Method, the Secured Claims secured by the Proprietary Margin and the Omnibus Margin comprise:
- (i) all present and future claims under any Own Transactions, any Difference Claim and any other present and future claims of Eurex Clearing AG against the Clearing Member under the Proprietary Standard Agreement (the “**Secured Proprietary Claims**”), and
 - (ii) all present and future claims under any Omnibus Transactions, any Difference Claim (a “**Secured Omnibus Difference Claim**”) and any other present and future claims of Eurex Clearing AG against the Clearing Member under an Omnibus Standard Agreement, including all present and future claims of Eurex Clearing AG against the Replacement Clearing Member relating to any Omnibus Transactions that have been transferred to such Replacement Clearing Member in accordance with Subpart C Number 8 (the “**Secured Omnibus Claims**”), and
 - (iii) (A) all present and future claims of Eurex Clearing AG against the Clearing Member under any of the Standard Agreements pursuant to the Individual Clearing Model Provisions that result from a Segregated Margin Shortfall in respect of such Standard Agreements and (B) any present and future Difference Claims then unconditional and due and payable, but unpaid, of Eurex Clearing AG against the Clearing Member pursuant to the Individual Clearing Model Provisions (the “**Secured ICM Difference Claims**”, and together with the claims under (A), the “**Secured ICM Claims**”), and
 - (iv) (A) all present and future claims of Eurex Clearing AG against the Clearing Member (in its capacity as OTC IRS FCM Clearing Member) or the relevant OTC IRS FCM Client pursuant to the U.S. Clearing Model Provisions and (B) any present and future Difference Claim of Eurex Clearing AG then unconditional and due and payable, but unpaid, by any OTC IRS FCM Client of such OTC IRS FCM Clearing Member pursuant to the U.S. Clearing Model Provisions (the “**Secured U.S. Clearing Model Difference Claim**”, and together with the claims under (A), the “**Secured U.S. Clearing Model Claims**”), and

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(v) all other present and future claims of Eurex Clearing AG against the Clearing Member under any of the Clearing Agreements between Eurex Clearing AG und such Clearing Member.

(2) In case the Asset Based Allocation is the Applicable Allocation Method,

- (i) the Secured Claims secured by the Proprietary Margin comprises: the Secured Proprietary Claims, the Secured Omnibus Claims, Secured ICM Claims, the Secured U.S. Clearing Model Claims and all other present and future claims of Eurex Clearing AG against the Clearing Member under any of their Clearing Agreements between Eurex Clearing AG und such Clearing Member, and
- (ii) the Secured Claims secured by the Omnibus Margin comprises: all Secured Omnibus Claims against such Clearing Member under all Omnibus Standard Agreements.

4.3.4 Actual Delivery and Aggregate Value

4.3.4.1 Subject to Number 3.2.2 Paragraph (2) and (3) of the General Clearing Provisions, the term “**actually delivered**” when used in the Elementary Clearing Model Provisions means at any time and with respect to an Eligible Margin Asset:

- (i) the actual credit of an Eligible Margin Asset in the form of cash to the relevant Eurex Clearing AG cash account or, as the case may be, the actual credit to the relevant Internal Omnibus Margin Account pursuant to Number 4.2.3, or
- (ii) the actual credit of an Eligible Margin Asset in the form of Securities to the Pledged Securities Account, the relevant Omnibus Pledged Securities Account or the relevant CASS Omnibus Pledged Securities Account, as the case may be, provided that the relevant pledge has been granted in accordance with Number 4.3.2 and has not expired in whole or in part, or
- (iii) in the case of a delivery of an Eligible Margin Asset in the form of Securities pursuant to Number 4.3.2.2, the effectiveness of the pledge in Xemac (as described in Number 4.3.2.2), or
- (iv) otherwise in the event of a set-off pursuant to Number 1.3 of the General Clearing Provisions and Number 7, the legal effectiveness of such set-off.

The term “**actual delivery**” shall be interpreted accordingly.

4.3.4.2 Where reference is made in the Elementary Clearing Model Provisions to the “**aggregate value**” of Eligible Margin Assets in connection with the assessment of compliance with a Margin Requirement, the aggregate value of the Eligible Margin Assets actually delivered will be determined by Eurex Clearing AG in accordance with Number 3.2.2 of the General Clearing Provisions.

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4.4 Margin Allocation

All Eligible Margin Assets that have been actually delivered by the relevant Clearing Member to Eurex Clearing AG with respect to ECM Transactions will be allocated in accordance with the “**Applicable Allocation Method**” which will be either the Value Based Allocation or the Asset Based Allocation.

The Value Based Allocation shall be the Applicable Allocation Method, unless the relevant Clearing Member has specified, in the Clearing Agreement pursuant to Appendix 1, that the Asset Based Allocation shall apply.

“**Value Based Allocation**” means the method for value based allocations (as set out in these Elementary Clearing Model Provisions, including but not limited to Number 4.4.1) of Eligible Margin Assets to the Internal Proprietary Margin Account and the Internal Omnibus Margin Account and from the Internal Omnibus Margin Account to individual Client Transaction Accounts.

“**Asset Based Allocation**” means the method for asset based allocations (as set out in these Elementary Clearing Model Provisions, including but not limited to Number 4.4.2) of Eligible Margin Assets allocated the Internal Proprietary Margin Account and the relevant Internal Omnibus Margin Account(s).

4.4.1 Value Based Allocation

In case the Value Based Allocation is the Applicable Allocation Method, the following applies:

4.4.1.1 Eligible Margin Assets and Redelivery Claims for Margin that represent the relevant Margin Share of all Eligible Margin Assets that have been actually delivered as Margin by the Clearing Member with respect to ECM Transactions (other than CASS Transactions) are continuously allocated to the Internal Proprietary Margin Account and the Internal Omnibus Margin Account such that

- (i) specific Eligible Margin Assets in an amount representing the relevant Margin Share of the Internal Proprietary Margin Account are allocated to the Internal Proprietary Margin Account; and
- (ii) specific Eligible Margin Assets in an amount representing the relevant Margin Share of the Internal Omnibus Margin Account are allocated to the Internal Omnibus Margin Account.

The specific Eligible Margin Assets for Margin allocated to the Internal Proprietary Margin Account and the Internal Omnibus Margin Account from time to time are in each case determined by application of the Allocation Algorithm. If a Termination Date, a Failure to Pay Event or an Insolvency Event occurs, the allocation (by application of the Allocation Algorithm) immediately prior to the Termination Time, the occurrence of such Failure to Pay Event or the occurrence of such Insolvency Event, respectively, shall be decisive.

“**Margin Share**” means, at any time

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- (i) with respect to the Internal Omnibus Margin Account (other than any Internal CASS Omnibus Margin Account (as defined in Subpart D Number 3)), a share that corresponds to the ratio of (x) the Aggregate Allocated Omnibus Margin Value and (y) the aggregate value of all Eligible Margin Assets actually delivered as Margin by the Clearing Member with respect to ECM Transactions (other than CASS Transactions (as defined in Subpart D Number 2.3)); and
- (ii) with respect to the Internal Proprietary Margin Account, a share equal to one (1) less the Margin Share determined with respect to the Internal Omnibus Margin Account in accordance with (i) above.

“Aggregate Allocated Omnibus Margin Value” shall, at any time, be (i) the aggregate value of all Eligible Margin Assets actually delivered as Margin by the Clearing Member with respect to ECM Transactions (other than CASS Transactions), less (ii) the Margin Requirement with respect to the Internal Proprietary Margin Account, subject to a minimum of zero and a maximum equal to the Margin Requirement with respect to the Internal Omnibus Margin Account (other than any Internal CASS Omnibus Margin Account).

“Allocation Algorithm” means a pre-determined and non-discretionary algorithm (as published by Eurex Clearing AG on its website) for the continuous allocation of Eligible Margin Assets in the form of Securities and Redelivery Claims for Margin in the form of Cash (in each case, that have been actually delivered) in accordance with the Applicable Allocation Method.

4.4.1.2 Specific Eligible Margin Assets and Redelivery Claims for Margin that are allocated to the Internal Omnibus Margin Account in accordance with Number 4.4.1.1 are allocated from time to time to a Client Transaction Account by continuous application of the Allocation Algorithm. Where relevant, the allocation (by application of the Allocation Algorithm) immediately prior to

- (a) the beginning of the applicable ECM Porting Period (as defined in Subpart C Number 8.4), or
- (b) the occurrence of a Failure to Pay Event or an Insolvency Event with respect to Eurex Clearing AG

shall be decisive.

4.4.2 **Asset Based Allocation**

Subject to Number 4.2.3, in case the Asset Based Allocation is the Applicable Allocation Method, the Eligible Margin Assets that have been actually delivered as Margin by the Clearing Member are allocated to the Internal Proprietary Margin Account or the relevant Internal Omnibus Margin Account in accordance with the instructions of the Clearing Member.

- (i) All Eligible Margin Assets so allocated to the Internal Proprietary Margin Account are allocated to the Proprietary Standard Agreement; and

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- (ii) the Eligible Margin Assets representing the Allocated Client Collateral Value are allocated to the relevant Client Transaction Accounts by application of the Allocation Algorithm; where relevant, the allocation (by application of the Allocation Algorithm) immediately prior to
- (a) the beginning of the applicable ECM Porting Period (as defined in Subpart C Number 8.4) or
 - (b) the occurrence of a Failure to Pay Event or an Insolvency Event with respect to Eurex Clearing AG
- shall be decisive.

“Allocated Client Collateral Value” means, with respect to each Client Transaction Account, an amount in the Clearing Currency representing such part of the value of the Eligible Margin Assets allocated to the relevant Internal Omnibus Margin Account that is available to cover the margin requirement for such Client Transaction Account, subject to a maximum value equal to the margin requirement for such Client Transaction Account. For the avoidance of doubt, the Eligible Margin Assets representing such part of the value of Eligible Margin Assets allocated to the Internal Omnibus Margin Account exceeding the Margin Requirement shall not be allocated to a particular Client Transaction Account.

Any Eligible Margin Assets that are allocated to the Internal Omnibus Margin Account, but have not been allocated pursuant to (ii), constitute **“Excess Collateral”**. Excess Collateral in the form of cash constitutes an Unallocated Redelivery Claim (as defined in Number 4.5.3).

4.4.3 Fractions

For the purpose of the Allocation Algorithm Eurex Clearing AG may define minimum allocable amounts for the allocation of Securities. If an allocation of Securities pursuant to Number 4.4.1 or 4.4.2 were to result in fractions of the respective minimum allocable amount of a Security (**“Fraction”**), such Fraction shall nevertheless be allocated in accordance with Numbers 4.4.1 or 4.4.2, respectively (and irrespective of whether such Fraction is transferrable). Fractions and the Securities to which they relate are subject to the provisions on realisation and liquidation set out in Number 6.6.4.

4.5 Redelivery Claims with respect to Margin and allocation of Redelivery Claims with respect to Margin

- 4.5.1 The actual payment or delivery of Eligible Margin Assets in the form of cash in respect of Margin gives rise to a corresponding contractual claim of the Margin Provider against the Margin Taker for repayment of assets equivalent to the relevant Eligible Margin Assets or increases an already existing repayment claim (each a **“Redelivery Claim”**). In the case of Margin, only the Clearing Member may be the creditor of the relevant Redelivery Claim. For the purpose of a Redelivery Claim, the term **“equivalent”** means an amount in the same currency and amount as such Eligible Margin Asset actually delivered in respect of Margin.

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The relevant Redelivery Claim will become due in accordance with Number 4.6, provided that no Termination Date (as defined in Number 7.2 of the General Clearing Provisions) with respect to the relevant ECM Standard Agreement or an Insolvency Event or Failure to Pay Event has occurred.

- 4.5.2 In case the Value Based Allocation is the Applicable Allocation Method, Redelivery Claims for Margin are allocated in accordance with Number 4.4.1. In case the Asset Based Allocation is the Applicable Allocation Method, Redelivery Claims for Margin are allocated in accordance with Number 4.4.2.
- 4.5.3 Any Redelivery Claim (or any portion of a Redelivery Claim) that is, in accordance with Number 4.4.1 or Number 4.4.2, allocated to a particular Client Transaction Account, shall be an **“Allocated Redelivery Claim”**. Any Redelivery Claim (or any portion of a Redelivery Claim) relating to any Eligible Margin Asset allocated to an Internal Omnibus Margin Account that is, in accordance with Number 4.4.2, not allocated to a Client Transaction Account, shall be an **“Unallocated Redelivery Claim”**. An Unallocated Redelivery Claim does not form part of any master agreement (*Rahmenvertrag*).
- 4.6 Redelivery of Margin in the form of cash; Release of Eligible Margin Assets in the form of Securities**
- 4.6.1 Subject to the occurrence of a Termination Date or an Insolvency Event or Failure to Pay Event, a Redelivery Claim pursuant to Number 4.5 for the transfer of assets equivalent to Eligible Margin Assets in form of cash actually delivered will, taking into account a release request of the Clearing Member pursuant to Number 4.6.2, become due
- (i) if the Value Based Allocation is the Applicable Allocation Method, if and to the extent that, at such time, the aggregate value of all Eligible Margin Assets actually delivered by the Clearing Member as Margin for ECM Transactions and allocated to the Internal Proprietary Margin Account in accordance with Number 4.4.1.1 exceeds the sum of the Margin Requirements with respect to the Clearing Member pursuant to (A) the Elementary Clearing Model Provisions, (B) the Individual Clearing Model Provisions, and (C) the U.S. Clearing Model Provisions, (with respect to (B) and (C) to the extent cover has not been provided with respect to such Margin Requirements).
 - (ii) if the Asset Based Allocation is the Applicable Allocation Method, if and to the extent that, at such time, the aggregate value of all Eligible Margin Assets actually delivered as Margin
 - (a) to the Internal Proprietary Margin Account exceeds the sum of the Margin Requirements with respect to the Clearing Member pursuant to (A) the Elementary Clearing Model Provisions, (B) the Individual Clearing Model Provisions, and (C) the U.S. Clearing Model Provisions, (with respect to (B) and (C) to the extent cover has not been provided with respect to such Margin Requirements),

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- (b) to the relevant Internal Omnibus Margin Account exceeds the applicable Margin Requirement,

in each case, unless the Clearing Member and Eurex Clearing AG agree otherwise.

A Redelivery Claim shall be discharged if the relevant cash amount has been credited to the relevant account of the Clearing Member or to an account of a correspondent bank designated by the Clearing Member. Such discharge shall occur irrespective of any booking or forwarding errors of the depositary, the settlement institution, the custodian, the deposit bank, the central securities depository or the correspondent bank.

4.6.2 Subject to the occurrence of a Termination Date or an Insolvency Event or Failure to Pay Event, Eligible Margin Assets in the form of Securities shall be released if a Clearing Member, prior to the then applicable cut-off time specified by Eurex Clearing AG with respect to each of Clearstream Banking AG, Clearstream Banking S.A. and SIX SIS AG, as applicable, with respect to any Business Day, requests a release of pledged Securities by Eurex Clearing AG if and to the extent that the requirements set out in Number 4.6.1(i) (if the Value Based Allocation applies) or Number 4.6.1(ii) (if the Asset Based Allocation applies) are met (taking into account a release request of the Clearing Member pursuant to this Number 4.6.2).

4.6.2.1 The release request pursuant to Number 4.6.2 shall be processed by Eurex Clearing AG during the same Business Day; the Eligible Margin Assets to be released shall be selected by the Clearing Member. This shall also apply in the case of a pledge pursuant to Number 4.3.2.2 by way of Earmarking where the relevant Security shall be released in Xemac by detachment of the label or respective release in the system. In the case CmaX is used Securities shall be released according to the applicable rules for that service.

The Clearing Member agrees not to dispose of any Securities credited to its Pledged Securities Account, an Omnibus Pledged Securities Account or a CASS Omnibus Pledged Securities Account without the prior consent of Eurex Clearing AG unless Eurex Clearing AG has released its pledge over such Securities.

If (i) the fulfilment of the release request would render the remaining aggregate value of the relevant Eligible Margin Assets actually delivered as Margin inadequate or if (ii) the redelivery request is received by Eurex Clearing AG after the applicable cut-off time, Eurex Clearing AG will approve such release on the next Business Day vis-à-vis Clearstream Banking AG, Clearstream Banking S.A. or SIX SIS AG, as applicable, if (x) the amount of Eligible Margin Assets required to cover such shortfall has been provided by the Clearing Member as Margin in accordance with the daily cash clearing procedure for such Business Day or (y) the relevant Eligible Margin Assets actually delivered as Margin are adequate at the start of such Business Day.

4.6.2.2 The relevant pledge shall be released by Eurex Clearing AG if and as soon as

- (a) the relevant Securities have been credited to a securities account of the Clearing Member or to a securities account of a depositary, a settlement institution or a

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custodian designated by the Clearing Member at a deposit bank or a central securities depository; or

- (b) in case of a pledge in Xemac by way of Earmarking in accordance with Number 4.3.2.2, the label has been detached or the Securities have been otherwise released in the system, or
- (c) in case of a pledge in CmaX, the Securities have been released in accordance with the applicable rules for that service.

5 Variation Margin

5.1 Variation Margin Requirement

Each of Eurex Clearing AG and the Clearing Member shall be required to transfer (additional) cover in respect of daily profits or losses for ECM Transactions (Variation Margin). Only Eligible Margin Assets in the form of cash shall be delivered as cover in respect of Variation Margin.

Eurex Clearing AG will calculate net variation margin requirements separately with respect to

- (a) the relevant Internal Proprietary Cash Account for all Own Transactions of a Clearing Member (to be provided in accordance with Subpart B Number 6) and
- (b) each relevant Internal Omnibus Cash Account reflecting the sum of the calculations with respect to all Client Transaction Accounts of such Clearing Member in accordance with Subpart C Number 7 that relate to such Internal Omnibus Cash Account,

and in each case in accordance with Chapter II Part 2 Number 2.1.2 Paragraph (1) and (2), Chapter II Part 3 Number 3.2.3 Paragraph (1), Number 3.3.3 Paragraph (1) or Chapter VIII Part 2 Number 2.1.6, as applicable.

The aggregate net amount of Eligible Margin Assets in the form of cash to be delivered as cover in respect of Variation Margin shall, in each case of (a) and (b), be a “**Variation Margin Requirement**”. The party obliged to provide Variation Margin shall be the “**Variation Margin Provider**” and the party entitled to request Variation Margin shall be the “**Variation Margin Taker**”.

5.2 Delivery of Variation Margin

- 5.2.1 Each of Eurex Clearing AG and the Clearing Member shall be obliged to fulfil any obligations to deliver or redeliver cover in respect of Variation Margin by transferring to the transferee all rights, title and interest in and to the relevant cash, as the case may be, free and clear from any and all rights and claims of the transferring party and of any third person, including, without limitation, pursuant to applicable regulation or under any statutory or other trust.

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5.2.2 Variation Margin shall be delivered and/or returned on each Business Day in accordance with the daily cash clearing procedure pursuant to Number 1.4.1 and Number 1.3 of the General Clearing Provisions.

5.2.3 The term “**actually delivered**” when used in the Elementary Clearing Model Provisions with respect to Variation Margin shall have the same meaning as set out in Number 4.3.4.1 (applied mutatis mutandis) and the term “**actual delivery**” shall be interpreted accordingly.

Where reference is made in the Elementary Clearing Model Provisions to the “**aggregate value**” of Eligible Margin Assets in connection with the assessment of compliance with an obligation to deliver or redeliver cover in respect of Variation Margin, the aggregate value of the Eligible Margin Assets actually delivered will be determined by Eurex Clearing AG in accordance with Number 3.2.2 of the General Clearing Provisions.

An actual delivery in respect of the relevant Variation Margin resulting in a corresponding Redelivery Claim (as defined in Number 5.3.1) shall also occur if, upon conclusion of an ECM Transaction, the terms and conditions of such ECM Transaction provide that due to a netting with an applicable initial consideration no actual payment in respect of such Variation Margin will occur.

5.3 Redelivery Claims with respect to Variation Margin

5.3.1 Eligible Margin Assets actually delivered as Variation Margin by the Variation Margin Provider in the form of cash give rise to or increase a corresponding repayment claim of the Variation Margin Provider against the Variation Margin Taker (each a “**Redelivery Claim**”).

From the sum of all Redelivery Claims relating to Eligible Margin Assets in the form of cash credited to an Internal Omnibus Cash Account in respect of Omnibus Variation Margin (i) a portion shall at any time be allocated to each Client Transaction Account referring to such Internal Omnibus Cash Account and (ii) the aggregate of such portions so allocated to all Client Transaction Accounts forming part of the same Client Transaction Accounts Group shall at any time be allocated to the Omnibus Standard Agreement relating to such Client Transaction Accounts Group.

5.3.2 In the case of Variation Margin, either Eurex Clearing AG or the Clearing Member may be the creditor of the relevant Redelivery Claim.

For the purpose of a Redelivery Claim for Variation Margin, the term “**equivalent**” means an amount in the same currency and amount as such Eligible Margin Asset actually delivered in respect of Variation Margin.

5.4 Redelivery of Variation Margin

Subject to the occurrence of a Termination Date or an Insolvency Event or Failure to Pay Event, any Redelivery Claim with respect to Variation Margin (i) shall become due on any Business Day, if and to the extent that, on such Business Day, a profit amount has been determined in respect of the Proprietary Standard Agreement or with respect to the Client

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Transaction Accounts relating to the relevant Internal Omnibus Cash Account (as applicable) for the benefit of such Variation Margin Provider in accordance with Chapter II Part 2 Number 2.1.2 Paragraph (1) and (2), Chapter II Part 3 Number 3.2.3 Paragraph (1), Number 3.3.3 Paragraph (1) or Chapter VIII Part 2 Number 2.1.6, as applicable, (the relevant amount shall be the “**Redelivery Amount**”) and (ii) shall be decreased and discharged accordingly (subject to a minimum value of zero) if and to the extent equivalent Eligible Margin Assets in form of cash have been actually delivered to the Variation Margin Provider by the Variation Margin Taker. For the avoidance of doubt, if the profit amount determined for the benefit of the Variation Margin Provider is higher than its relevant Redelivery Claim with respect to Variation Margin as of such time, the payment of the excess amount by the other party constitutes itself a delivery of Variation Margin. In such case the roles of the Variation Margin Provider and Variation Margin Taker will be reversed.

6 Consequences of a Termination Event or Insolvency Termination Event

6.1 Suspension or Restriction of Clearing, Termination and Porting

Upon the occurrence of a Termination Event or Insolvency Termination Event (each as defined in Number 7.2 of the General Clearing Provisions) with respect to a Clearing Member,

- (i) subject to Number 6.2, the Clearing of (a) new Own Transactions under the Proprietary Standard Agreement and (b) new Omnibus Transactions under all Omnibus Standard Agreements shall be suspended;
- (ii) subject to and in accordance with Subpart C Number 8.2, the Clearing of Omnibus Transactions shall be transferred to a Replacement Clearing Member; and/or
- (iii) subject to Part 1 Number 7.2.1, the existing Own Transactions and, subject to Subpart C Number 8.2, the existing Omnibus Transactions shall be terminated (the “**Termination**”) and a termination payment shall become due with respect to each ECM Standard Agreement.

6.2 Suspension or Restriction of Clearing after the occurrence of a Termination Event or an Insolvency Termination Event

6.2.1 If a Termination Event or any of the following events occurs with respect to a Clearing Member:

- (i) the existence of an unremedied breach by the Clearing Member of any of its Clearing Agreements with Eurex Clearing AG, except where such breach is minor, technical or administrative in nature in the reasonable opinion of Eurex Clearing AG;
- (ii) a determination is made by Eurex Clearing AG that a limitation or suspension of Clearing is necessary for it to contain its exposure to the Clearing Member;
- (iii) the suspension or termination (other than a voluntary termination) of the Clearing Member's membership by another clearing house provided that the circumstances

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relating to that suspension or termination are, in Eurex Clearing AG 's reasonable opinion, material to the management of the risk of Eurex Clearing AG, and that Eurex Clearing AG first consults or attempts to consult with the Clearing Member and the competent regulatory authorities;

- (iv) the commencement of Disciplinary Procedures as defined in Number 7.2.1(b) (aa) of the General Clearing Provisions against a Clearing Member; or
- (v) any other event in respect of the Clearing Member that could materially impact the ability of that Clearing Member to perform its obligations under the Clearing Conditions and a Clearing Agreement,

then Eurex Clearing AG may (taking into account the interests of such Clearing Member and its clients and provided that such action constitutes a proportionate and reasonable action) one or more times suspend or limit the Clearing pursuant to the Elementary Clearing Model Provisions, of

- (a) new Own Transactions under the Proprietary Standard Agreement; and/or
- (b) new Omnibus Transactions under all Omnibus Standard Agreements.

Eurex Clearing shall notify the affected Clearing Member and all affected Non-Clearing Members, Registered Customers and Specified Clients of such Clearing Member of the decision to suspend or limit the Clearing. Eurex Clearing AG shall specify in the notification a reasonable period of time during which such suspension or limitation shall apply.

Furthermore, if Eurex Clearing AG so demands, the relevant Clearing Member shall, at its own expense, provide such information and evidence as Eurex Clearing AG, in its reasonable opinion, may deem necessary, to conduct an appropriate investigation of the facts and circumstances relating to a Termination Event or any of the events listed above.

Upon the occurrence of a Termination Event or any of the events listed above and unless such Termination Event or other events have been remedied, the Clearing Member is – subject to Subpart C Number 8.16 (if applicable) and any other limitations or restrictions of the Clearing pursuant to the Clearing Conditions – only entitled to enter any order or quotes into the systems of the Markets if sufficient Margin and Variation Margin has been actually delivered to Eurex Clearing AG in advance.

Before limiting or suspending the Clearing of new Own Transactions or Omnibus Transactions under this Number 6.2, and without limiting its rights under Number 7.2.1 of the General Clearing Provisions, Eurex Clearing AG shall, where reasonable in the circumstances, attempt to consult with the relevant Clearing Member, further to which Eurex Clearing AG may in its absolute discretion agree a grace period within which the Clearing Member may remedy the event in question. For the avoidance of doubt, in case the relevant event constitutes an Alleged Breach (as defined in the Disciplinary Procedures Rules) Eurex Clearing AG may commence Disciplinary Procedures in respect of the Clearing Member subject to and in accordance with the Disciplinary Procedures Rules.

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6.2.2 Upon the occurrence of an Insolvency Termination Event with respect to a Clearing Member the Clearing of new Own Transactions under the Proprietary Standard Agreement and new Omnibus Transactions under all Omnibus Standard Agreements shall automatically be suspended.

6.3 Consequences of a Termination

If a Termination Date has occurred with respect to a Clearing Member and an ECM Standard Agreement, the following provisions shall apply.

6.3.1 Termination of ECM Transactions and Redelivery Claims

All current and future primary obligations (including payment and delivery obligations) under the relevant ECM Standard Agreement between Eurex Clearing AG and the Affected Clearing Member arising (i) in case of the Proprietary Standard Agreement, from Own Transactions or (ii) in case of an Omnibus Standard Agreement, from the related Omnibus Transactions, as the case may be, any Allocated Redelivery Claim and any Redelivery Claim with respect to Variation Margin allocated to such ECM Standard Agreement shall expire (*auflösende Bedingung*) as of the Termination Time and shall no longer be required to be performed by the relevant obligor. Furthermore, all due but unsatisfied obligations in respect of Margin and Variation Margin shall expire (*auflösende Bedingung*) as of the Termination Time. The expiration affects all claims arising from ECM Transactions under the relevant ECM Standard Agreement independent of the time they came into existence or would have come into existence otherwise. These expired primary obligations and delivery obligations, respectively, are reflected by the relevant Difference Claim with respect to the relevant ECM Standard Agreement, subject to and in accordance with Number 7.3 of the General Clearing Provisions.

For the avoidance of doubt, Unallocated Redelivery Claims shall not so expire. Unallocated Redelivery Claims are subject to Number 7.4 and Subpart C Number 8.4, Number 8.14 and Number 9.4. and shall, subject to Subpart C Number 8.14, become due and payable (*fällig*) on the Last Valuation Date (as defined in Number 7.3.2 (1) of the General Clearing Provisions).

6.3.2 Difference Claim

The Difference Claim of either Eurex Clearing AG or the Affected Clearing Member, under the relevant ECM Standard Agreement shall become unconditional and immediately due in the Termination Currency against the respective other party as of the end of the Last Valuation Date and shall be determined in accordance with Number 7.3 of the General Clearing Provisions using the Liquidation Price Approach (each a “**Difference Claim**”).

6.4 Notification of the Difference Claim

Eurex Clearing AG shall notify the value of the Difference Claim determined by it with respect to the relevant ECM Standard Agreement to the Affected Clearing Member as

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soon as reasonably practicable after its determination, together with reasonable detail regarding the data and information forming the basis of the determination.

6.5 Payment of Difference Claim

6.5.1 The debtor of the Difference Claim under the relevant ECM Standard Agreement between Eurex Clearing AG and the Affected Clearing Member shall pay the amount of the Difference Claim to the other party as soon as reasonably practicable following the notification by Eurex Clearing AG of the payable amount pursuant to Number 6.4.

6.5.2 The debtor of the Difference Claim shall not be obliged to pay any interest on the amount of the Difference Claim unless it is in default (*Verzug*) following the receipt of a payment reminder (*Mahnung*) by the other party. Default interest shall be paid on the basis of the effective overnight interest rate applicable to the currency of the Difference Claim.

6.6 Realisation of Margin

6.6.1 In case Eurex Clearing AG is, with respect to an ECM Standard Agreement, the creditor of the Difference Claim against the Affected Clearing Member, Eurex Clearing AG shall be entitled to realise the pledges created by the Affected Clearing Member in accordance with Number 4.3.2 as further set out in this Number 6.6.

6.6.2 In case the Value Based Allocation is the Applicable Allocation Method, Eurex Clearing AG:

(A) shall enforce and realise its pledges over the Eligible Margin Assets in the form of Securities that are allocated to the Proprietary Standard Agreement (and recorded on the Internal Proprietary Margin Account) in accordance with Number 4.4.1.1 and shall apply the proceeds from such enforcement and realisation in the following order of priority:

- (i) first, to the Difference Claim relating to the Proprietary Standard Agreement; and
- (ii) second, (only to the extent Segregated Margin, OTC IRS FCM Client Margin and/or Omnibus Margin (as applicable) is, for whatever reason, not sufficient for such purpose), in Eurex Clearing AG's discretion, to each Secured ICM Difference Claim, each Secured Omnibus Difference Claim (if any) and/or each Secured U.S. Clearing Model Difference Claim; and

(B) with respect to each Omnibus Standard Agreement, shall enforce and realise its pledges over Eligible Margin Assets in the form of Securities allocated to any Client Transaction Account forming part of such Omnibus Standard Agreement in accordance with Number 4.4.1.2 (a). Eurex Clearing AG shall be entitled to realise the pledges over the Securities so allocated only in satisfaction of the Difference Claim relating to the relevant Omnibus Standard Agreement.

6.6.3 In case the Asset Based Allocation is the Applicable Allocation Method, Eurex Clearing AG:

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- (A) shall enforce and realise its pledges over the Eligible Margin Assets in the form of Securities which are credited to the Pledged Securities Account and shall apply the proceeds in the following order of priority:
- (i) first, to the Difference Claim relating to the Proprietary Standard Agreement; and
 - (ii) second, (only to the extent Segregated Margin, OTC IRS FCM Client Margin and/or Omnibus Margin (as applicable) is, for whatever reason, not sufficient for such purpose), in Eurex Clearing AG's discretion, to each Secured ICM Difference Claim, each Secured Omnibus Difference Claim (if any) and/or each Secured U.S. Clearing Model Difference Claim; and
- (B) with respect to each Omnibus Standard Agreement, shall enforce and realise its pledges over Eligible Margin Assets in the form of Securities allocated to any Client Transaction Account forming part of such Omnibus Standard Agreement in accordance with Number 4.4.2. Eurex Clearing AG shall be entitled to realise the pledges over the Securities so allocated only in satisfaction of the Difference Claim relating to the relevant Omnibus Standard Agreement.

6.6.4 For purposes of the determination of a Difference Claim or a transfer in accordance with Subpart C Number 8, each Fraction that is allocated to a particular ECM Standard Agreement shall be treated as follows:

- (i) If Eurex Clearing AG is, with respect to an ECM Standard Agreement to which such Fraction is allocated, the creditor of the Difference Claim against the Affected Clearing Member, (A) Eurex Clearing AG shall be entitled to realise the pledge over the relevant Security of which such Fraction forms part and apply the proceeds from such enforcement to such Difference Claim up to the portion of the proceeds reflecting such Fraction and (B) the Clearing Member shall have a claim in cash against Eurex Clearing AG equal to the amount of such proceeds that is not so applied for a Difference Claim; and
- (ii) if the Omnibus Standard Agreement (to which such Fraction is allocated) is transferred in accordance with Subpart C Number 8, (A) Eurex Clearing AG shall be entitled to liquidate the relevant Security (to which the Fraction relates) in accordance with Subpart C Number 8.8 (ii), (B) as a result of such liquidation the Clearing Member shall have a claim in cash against Eurex Clearing AG equal to the liquidation proceeds and (C) only the portion of such cash claim that relates to the Fraction that is allocated to an Omnibus Standard Agreement in respect of which the Transfer shall occur is subject to such Transfer.

Any cash claim that the Clearing Member obtains in respect of a Fraction pursuant to (i) or (ii) above shall be allocated to the same ECM Standard Agreement (or, as applicable, Client Transaction Account) to which such Fraction was allocated.

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7 Set-off

- 7.1 Any claims (including any claims to provide cover in respect of Proprietary Margin or Proprietary Variation Margin) of Eurex Clearing AG or the Clearing Member under the Proprietary Standard Agreement, may be set off against claims of the respective other party under the Proprietary Standard Agreement.
- 7.2 Any claims (including claims to provide cover in respect of Omnibus Margin or Omnibus Variation Margin) of Eurex Clearing AG or the Clearing Member under an Omnibus Standard Agreement may be set off against claims of the respective other party under the same Omnibus Standard Agreement.
- 7.3 Eurex Clearing AG is entitled to set off any Difference Claim it may have against the Clearing Member under an Omnibus Standard Agreement against any Difference Claim it owes to the Clearing Member under the Proprietary Standard Agreement.
- 7.4 Eurex Clearing AG is entitled to set off any Difference Claim it may have against the Clearing Member under an Omnibus Standard Agreement against any Unallocated Redelivery Claim owed by Eurex Clearing AG relating to Eligible Margin Assets allocated to the relevant Internal Omnibus Margin Account.
- 7.5 Any other set-off of claims between Eurex Clearing AG and the Clearing Member under an ECM Standard Agreement shall be prohibited. Subject to the segregation requirements applicable under EMIR, this does not apply to a set-off with claims which are undisputed or have been determined as legally binding.

8 Additional Set-Off Provisions for Settlement Claims on Transaction Account Level and per Non-Clearing Member

In addition to the set-off rules in Number 1.3 of the General Clearing Provisions (and always subject to Number 1.3.1 Paragraph (2) (c) of the General Clearing Provisions), the following optional additional parameters apply to the creation of the Set-Off Clusters, if selected by the Clearing Member:

Claims arising from NCM-Related Transactions shall not be set off with UDC-Related Transactions, SC-Related Transactions or RC-Related Transactions of the Clearing Member. Further, claims arising from NCM-Related Transactions that relate to corresponding Transactions with a specific Non-Clearing Member shall not be set off with claims arising from other NCM-Related Transactions that relate to corresponding Transactions with any other Non-Clearing Member.

Claims arising from RC-Related Transactions shall not be set-off with UDC-Related Transactions, SC-Related Transactions or NCM-Related Transactions of the Clearing Member. Further, claims arising from RC-Related Transactions that relate to corresponding Transactions with a specific Registered Customer shall not be set-off with claims arising from other RC-Related Transactions that relate to corresponding Transactions with any other Registered Customer.

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Part 2 Subpart B: Clearing of Own Transactions

1 Scope

This Subpart B applies to the Clearing of Own Transactions.

2 Internal Accounts; Transaction Accounts Group

In addition to the internal accounts set out in Number 4 of the General Clearing Provisions and Subpart A Number 3 (i) (A) and (ii) (A), Eurex Clearing AG shall establish and maintain with respect to each Clearing Member the following internal accounts:

2.1 Transaction Accounts and Transaction Accounts Groups

2.1.1 In addition to the Clearing Member Own Account established pursuant to Number 4.2.1 of the General Clearing Provisions, Eurex Clearing AG may, subject to the Special Clearing Provisions, open and maintain with respect to each Clearing Member one or more additional Clearing Member Own Accounts to which all Own Transactions of such Clearing Member shall be booked.

2.1.2 The Clearing Member shall ensure that each instruction to book ECM Transactions to a Clearing Member Own Account only relates to Own Transactions of such Clearing Member. Eurex Clearing may rely on, and is not obliged to verify the contents of, any such instruction from the Clearing Member.

2.1.3 All Clearing Member Own Accounts of a Clearing Member shall form one Transaction Accounts Group (the “**Proprietary Transaction Accounts Group**”).

2.2 Internal Cash Accounts

With respect to each currency accepted by it, Eurex Clearing AG shall establish and maintain for each Clearing Member

(i) in relation to its Internal Proprietary Margin Account, one internal cash account for the settlement of all payment claims arising under Own Transactions (including, in particular, payments in respect of Proprietary Variation Margin (as defined in Number 6.1), option premiums and all daily settlement payments, but excluding Settlement Claims) as well as all fees, contractual penalties and other cash payment obligations under the Clearing Conditions, which are not directly related to any Transaction; and

(ii) one internal cash account for Settlement Claims

(each an “**Internal Proprietary Cash Account**”).

The daily balance of each Internal Proprietary Cash Account (after taking into account permitted set-offs) shall be debited or credited, as the case may be, to the respective Clearing Member Cash Account to the extent that Eurex Clearing AG does not claim any credit balance in the account in respect of Margin or Variation Margin.

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3 Internal Records of the Clearing Member

The Clearing Member shall establish and maintain records detailing

- (i) all payments and deliveries actually made to Eurex Clearing AG,
- (ii) all Margin and Variation Margin actually delivered to Eurex Clearing AG and
- (iii) all Redelivery Claims which it has against Eurex Clearing AG

in respect of all Own Transactions.

4 Construction of the Proprietary Standard Agreement

4.1 All rights and obligations between Eurex Clearing AG and a Clearing Member with respect to Own Transactions booked to a Clearing Member Own Account of the Proprietary Transaction Accounts Group under the Clearing Agreement in the form appended to the Clearing Conditions as Appendix 1 between Eurex Clearing AG and such Clearing Member shall constitute a separate arrangement (such arrangement hereinafter referred to as the “**Proprietary Standard Agreement**”). A Proprietary Standard Agreement shall also exist if, at any time, no Own Transactions of the Clearing Member are booked to a Clearing Member Own Account.

4.2 All Own Transactions between Eurex Clearing AG and the relevant Clearing Member under the Proprietary Standard Agreement and any Redelivery Claims relating to the Proprietary Standard Agreement form a single agreement between such parties and such agreement constitutes a separate master agreement (*Rahmenvertrag*) between such parties which (subject to the provisions in this Chapter I on the termination of individual Transactions) can be terminated only in its entirety.

5 Margin required with respect to Own Transactions

5.1 The Clearing Member is required to provide margin in respect of Own Transactions (“**Proprietary Margin**”) in such amounts, in such forms and at such times as are required pursuant to Number 3 of the General Clearing Provisions, Subpart A Number 4 and the Special Clearing Provisions.

5.2 The applicable Margin Requirement with respect to the Proprietary Transaction Accounts Group will be notified by Eurex Clearing AG to the relevant Clearing Member.

6 Variation Margin required with respect to Own Transactions

6.1 Each of Eurex Clearing AG and the Clearing Member shall be required to transfer (additional) cover in respect of daily profits or losses for all Own Transactions under the Proprietary Standard Agreement (“**Proprietary Variation Margin**”) in such amounts, in such forms and at such times as are required pursuant to Subpart A Number 5 and the Special Clearing Provisions.

6.2 The applicable Variation Margin Requirement with respect to Own Transactions will be notified by Eurex Clearing AG to the relevant Clearing Member.

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Part 2 Subpart C: Clearing of Omnibus Transactions

1 Scope; Clearing Agreements

- 1.1 This Subpart C applies to the Clearing of Omnibus Transactions.
- 1.2 The Clearing Agreement to be entered into between the Clearing Member and Eurex Clearing in the form appended to the Clearing Conditions as Appendix 1 for the Clearing of Own Transactions also serves as the contractual basis for the Clearing of UDC-Related Transactions and SC-Related Transactions pursuant to this Subpart C.
- 1.3 Eurex Clearing AG, a Clearing Member and a Non-Clearing Member or a Registered Customer may enter into a Clearing Agreement in the form appended to the Clearing Conditions as Appendix 2 for the Clearing of NCM-Related Transactions or RC-Related Transactions. Such Clearing Agreement will provide for terms and conditions applying between (i) Eurex Clearing AG, the Clearing Member and the Non-Clearing Member or Registered Customer, (ii) Eurex Clearing AG and the Clearing Member, and (iii) the Clearing Member and the Non-Clearing Member or Registered Customer.
- 1.4 Further, Eurex Clearing AG facilitates indirect clearing services by providing separate internal accounts for transactions with respect to Indirect Clients upon request of the Clearing Member.

2 Internal Accounts

In addition to the internal accounts set out in Number 4 of the General Clearing Provisions, Eurex Clearing AG shall establish and maintain with respect to the Clearing Member the following internal accounts:

2.1 Client Transaction Accounts

- 2.1.1 The following types of Transaction Accounts, on which the respective Omnibus Transactions of the Clearing Member shall be booked, may, subject to the Special Clearing Provisions, upon the instructions of the Clearing Member (which shall be provided in the form requested by Eurex Clearing AG), be opened and maintained by Eurex Clearing AG in addition to the Transaction Accounts established pursuant to Number 4.2.1 of the General Clearing Provisions:
- (1) one or more NOSA Direct Client Accounts, each relating to transactions of multiple Undisclosed Direct Clients of the Clearing Member;
 - (2) one or more additional NCM/RC Own Accounts;
 - (3) one or more additional SC Accounts;
- (each NCM/RC Own Account established for purposes of the Elementary Clearing Model Provisions and each SC Account a “**GOSA Direct Client Account**” and together with the NOSA Direct Client Account a “**Direct Client Account**”);
- (4) one or more additional NOSA Indirect Client Accounts;

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(5) one or more GOSA Indirect Client Accounts.

GOSA Indirect Client Accounts are only available for Eurex Transactions pursuant to Chapter II and OTC Interest Rate Derivative Transactions pursuant to Chapter VIII Part 2.

2.1.2 The Clearing Member shall ensure that each instruction to book ECM Transactions to a certain Client Transaction Account only relates to Omnibus Transactions to be booked on such Client Transaction Account. Eurex Clearing may rely on, and is not obliged to verify the contents of, any such instruction from the Clearing Member.

2.2 Client Transaction Accounts Groups

Eurex Clearing AG shall, upon the instructions of the Clearing Member (which shall be provided in the form requested by Eurex Clearing AG) allocate each Client Transaction Account to one of the following Client Transaction Accounts Groups:

- (1) a **“NOSA Transaction Accounts Group”** shall comprise one NOSA Direct Client Account and any Indirect Client Accounts linked to this NOSA Direct Client Account;
- (2) an **“NCM/RC Transaction Accounts Group”** shall comprise one NCM/RC Own Account and any Indirect Client Accounts that are linked to this NCM/RC Own Account; and
- (3) an **“SC Transaction Accounts Group”** shall comprise one SC Account and any Indirect Client Accounts that are linked to this SC Account (each NOSA Transaction Accounts Group, NCM/RC Transaction Accounts Group or SC Transactions Accounts Group a **“Client Transaction Accounts Group”**).

2.3 Internal Cash Accounts

With respect to each currency accepted by it, Eurex Clearing AG shall establish and maintain for each Clearing Member

- (i) in relation to each Internal Omnibus Margin Account, one internal cash account for the settlement of payment claims arising under the Omnibus Transactions booked on a Client Transaction Account that, as per the specification made by the Clearing Member (in the form requested by Eurex Clearing AG), relates to such Internal Omnibus Margin Account (including, in particular, all daily settlement payments, option premiums and payments in respect of Omnibus Variation Margin (as defined in Number 7.1), but excluding Settlement Claims); and
- (ii) one internal cash account for Settlement Claims

(each an **“Internal Omnibus Cash Account”**).

The daily balance of each Internal Omnibus Cash Account (after taking into account permitted set-offs) shall be debited or credited, as the case may be, to the relevant Clearing Member Cash Account to the extent that Eurex Clearing AG does not claim any credit balance in the account in respect of Omnibus Margin or Omnibus Variation Margin.

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3 Internal Records of the Clearing Member

The Clearing Member shall establish and maintain records detailing

- (i) all payments and deliveries actually made to Eurex Clearing AG,
- (ii) all Margin and Variation Margin actually delivered to Eurex Clearing AG and
- (iii) all Redelivery Claims which it has against Eurex Clearing AG

in respect of Omnibus Transactions.

4 Internal Omnibus Margin Account; Allocation

4.1 Eligible Margin Assets actually delivered to Eurex Clearing AG and allocated to the relevant Internal Omnibus Margin Account shall constitute Margin for Omnibus Transactions.

4.2 Subject to Subpart D, an Internal Omnibus Margin Account shall only be established in accordance with the following provisions:

- (i) each Client Transaction Account shall, and may only, be allocated to one Internal Omnibus Margin Account;
- (ii) several Client Transaction Accounts may be allocated to the same Internal Omnibus Margin Account;
- (iii) a single GOSA Direct Client Account may not be allocated to an Internal Omnibus Margin Account as the only Client Transaction Account, unless such GOSA Direct Client Account is the only Client Transaction Account of the relevant Clearing Member; and
- (iv) a single GOSA Indirect Client Account may not be allocated to an Internal Omnibus Margin Account as the only Client Transaction Account, unless the Indirect Client to which the GOSA Indirect Client Account relates is the only Indirect Client of the related Direct Client.

4.3 Eligible Margin Assets allocated to an Internal Omnibus Margin Account are allocated to the Client Transaction Accounts that, as per the specification made by the Clearing Member (in the form requested by Eurex Clearing AG), relate to such Internal Omnibus Margin Account in accordance with Subpart A Number 4.4.1 or 4.4.2, as applicable.

5 Omnibus Standard Agreements

5.1 All rights and obligations between Eurex Clearing AG and the relevant Clearing Member with respect to all Omnibus Transactions booked to any Client Transaction Account allocated to the same Client Transaction Accounts Group shall constitute a separate arrangement (each an “**Omnibus Standard Agreement**”).

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- 5.2 All Omnibus Transactions between Eurex Clearing AG and the relevant Clearing Member under an Omnibus Standard Agreement and any Allocated Redelivery Claims for Margin and any Redelivery Claims for Variation Margin, in each case relating to such Omnibus Standard Agreement, form a single agreement between such parties and such agreement constitutes a separate master agreement (*Rahmenvertrag*) between such parties which (subject to the provisions in this Chapter I on the termination of individual Transactions) can be terminated only in its entirety.
- 5.3 Unless otherwise agreed between the relevant Clearing Member and the relevant Non-Clearing Member/Registered Customer,
- (i) all rights and obligations between the relevant Clearing Member and the relevant Non-Clearing Member or Registered Customer with respect to Transactions under a Clearing Agreement in the form as set out in Appendix 2 corresponding to the relevant NCM-Related Transactions or RC-Related Transactions of the Clearing Member constitute a Standard Agreement; and
 - (ii) if a Clearing Member and the same entity acting as both Non-Clearing Member and Registered Customer have entered into a Clearing Agreement in the form appended to the Clearing Conditions as Appendix 2, all rights and obligations between the relevant Clearing Member and the relevant entity acting as Non-Clearing Member and Registered Customer with respect to Transactions under such Clearing Agreement corresponding to the relevant NCM-Related Transactions and RC-Related Transactions, which are Omnibus Transactions of the Clearing Member relating to such entity acting as both Non-Clearing Member and Registered Customer under the Elementary Clearing Model Provisions, shall be subject to one and the same Standard Agreement; and
 - (iii) all Transactions and any claims for the return of margin or variation margin (or assets equivalent thereto) arising pursuant to a Standard Agreement under (i) or (ii) shall form a single agreement between the relevant parties and such agreement constitutes a separate master agreement (*Rahmenvertrag*) between such parties which (subject to the provisions in these Clearing Conditions on the termination of individual Transactions) can be terminated only uniformly.

Agreements between the Non-Clearing Member or Registered Customer and the Clearing Member providing for additional terms to their Standard Agreement may not be inconsistent with the Clearing Agreement entered into by them. In the event of any inconsistencies between any such additional agreement (as amended from time to time) and the Clearing Agreement, the Clearing Agreement shall always prevail.

6 Margin required with respect to Omnibus Transactions

- 6.1 The Clearing Member is required to provide margin for all Omnibus Transactions ("**Omnibus Margin**") in respect of each Internal Omnibus Margin Account in such amounts, in such forms and at such times as are required pursuant to Number 3 of the General Clearing Provisions, Subpart A Number 4 and the Special Clearing Provisions.

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- 6.2 The applicable Margin Requirement with respect to each Internal Omnibus Margin Account will be notified separately by Eurex Clearing AG to the Clearing Member.
- 6.3 Each Clearing Member is required to separately demand margin from its Direct Clients as follows:
- (i) from each of its Non-Clearing Members, Registered Customers and Specified Clients (each, for the purposes of the Elementary Clearing Model Provisions, a **"GOSA Direct Client"**) in an amount which shall at least be equal to the relevant margin requirement (as determined by Eurex Clearing AG, also taking into account all Original OTC Transactions which are to be novated in the course of the novation process) applicable to the relevant Client Transaction Accounts Group, and
 - (ii) from its Undisclosed Direct Clients in an aggregate amount which shall at least be equal to the aggregate margin requirement (as determined by Eurex Clearing AG, also taking into account all Original OTC Transactions which are to be novated in the course of the novation process) applicable to the UDC-Related Transactions.

7 Variation Margin required with respect to Omnibus Transactions

- 7.1 Each of Eurex Clearing AG and the Clearing Member shall be required to transfer (additional) cover in respect of daily profits or losses for Omnibus Transactions (**"Omnibus Variation Margin"**) in such amounts, in such forms and at such times as are required pursuant to Subpart A Number 5, this Number 7 and the Special Clearing Provisions.
- 7.2 The applicable Variation Margin Requirement will be notified by Eurex Clearing AG to the Clearing Member.
- 7.3 The Clearing Member is required to separately demand or provide (additional) cover in respect of daily profits or losses arising in respect of the corresponding transactions with its Direct Clients in an amount not less than the variation margin requirement applicable between the Clearing Member and Eurex Clearing AG in respect of the relevant Client Transaction Accounts Group relating in each case to the relevant Direct Client(s).

8 Porting of assets and positions in relation to an Omnibus Standard Agreement

- 8.1 This Number 8 shall apply with respect to a Clearing Member, if Eurex Clearing AG has determined, based on the legal circumstances in the jurisdiction where such Clearing Member is domiciled, that the porting mechanics contemplated herein shall be applicable with respect to such Clearing Member. Eurex Clearing AG will from time to time publish a list of the relevant jurisdictions in respect of which this Number 8 is not (or not fully) applicable.
- 8.2 For the purposes of this Number 8 and solely with respect to an Omnibus Standard Agreement (including all Omnibus Transactions thereunder and all Allocated Redelivery Claims for Margin and all Redelivery Claims for Variation Margin relating thereto), a Termination, Termination Time and a Termination Date shall only occur

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- (i) at the end of the ECM Porting Election Period if no ECM Porting Election Notice (as defined in Number 8.3) has been received by Eurex Clearing AG by such point in time;
- (ii) upon the expiry of the ECM Porting Period in accordance with Number 8.4 below, if an ECM Porting Election Notice had been received by Eurex Clearing AG by no later than the expiry of the ECM Porting Election Period, but the Porting Requirements are not fulfilled in respect of such Omnibus Standard Agreement at the expiry of the ECM Porting Period. Upon the occurrence of such Termination Date, Subpart A Numbers 6.3 to 6.6 and Number 9 below shall apply; or
- (iii) immediately upon the receipt by Eurex Clearing AG of a Termination Election in accordance with Number 8.3.

8.3 Upon the occurrence of a Termination Event or an Insolvency Termination Event with respect to the Clearing Member, Eurex Clearing AG shall (a) if a Grace Period Notice has been given, without undue delay after the time specified in the Grace Period Termination Notice, (b) if a Termination Notice has been given, without undue delay after the time specified in the Termination Notice, and (c) if an Insolvency Termination Event has occurred, without undue delay after the Termination Time, give notice to all other Clearing Members and all GOSA Direct Clients of the affected Clearing Member in accordance with Number 16.1 of the General Clearing Provisions (i) of the occurrence of the Termination Event and (ii) that the ECM Porting Period commences (the “**ECM Porting Notice**”).

Upon the occurrence of a Termination Date with respect to the Proprietary Standard Agreement of the Clearing Member, each GOSA Direct Client may determine by giving notice to Eurex Clearing AG (the “**ECM Porting Election Notice**”) that it either (i) agrees to the Transfer (as defined in Number 8.4) of the Omnibus Transactions under the relevant Omnibus Standard Agreement (the “**Transfer Election**”) or (ii) that it requires the Termination of the Omnibus Transactions under such Omnibus Standard Agreement (the “**Termination Election**”), in each case at the latest by 13:00 hours (Frankfurt am Main time) on the Business Day following the Termination Date with respect to the Proprietary Standard Agreement of the Clearing Member (the “**ECM Porting Election Period**”). Eurex Clearing may reject the Transfer Election of a Specified Client, if such Specified Client has not submitted the ECM Porting Election Notice together with a list of authorised signatories that are entitled to represent such Specified Client.

If a Termination Election has been made with respect to an Omnibus Standard Agreement or if a Transfer Election of a Specified Client has been rejected by Eurex Clearing AG in accordance with the foregoing paragraph, there will be no Transfer of the Omnibus Transactions under such Omnibus Standard Agreement pursuant to Number 8.4. In such case, Subpart A Numbers 6.3 to 6.6 and Number 9 below apply immediately with respect to such Omnibus Standard Agreement.

8.4 If, at or prior to the end of the ECM Porting Period, Eurex Clearing AG determines that all Porting Requirements in respect of an Omnibus Standard Agreement are fulfilled, all rights and obligations under such Omnibus Standard Agreement (including all existing

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Omnibus Transactions) shall be transferred by way of assumption of contract (*Vertragsübernahme*), and all Allocated Redelivery Claims, all Redelivery Claims for Variation Margin relating thereto and, if the additional requirements pursuant to Number 8.14 are met, Unallocated Redelivery Claims shall be assigned (together a “**Transfer**”), to the relevant Replacement Clearing Member, and each Clearing Member (that becomes a Transferor Clearing Member) hereby expressly and irrevocably consents to such Transfer.

“**ECM Porting Period**” means

- (i) if an Insolvency Termination Event has occurred, the period from the occurrence of the Insolvency Termination Event until (and including) 13:00 hours (Frankfurt am Main time) on the immediately following Business Day; and
- (ii) if any other Termination Event has occurred, the period from the publication of the ECM Porting Notice until (and including) 13:00 hours (Frankfurt am Main time) on the immediately following Business Day.

Eurex Clearing AG may extend the ECM Porting Period in order to facilitate a Transfer by giving notice to all Clearing Members and all GOSA Direct Clients of the Affected Clearing Member in accordance with Number 16.1 of the General Clearing Provisions.

“**Porting Requirements**” means all of the following requirements:

- (i) a transferee Clearing Member (the “**Replacement Clearing Member**”) has agreed with Eurex Clearing AG in writing on the assumption of contract (*Vertragsübernahme*) pursuant to this Number 8.4 in form and substance satisfactory to Eurex Clearing AG;
- (ii) with respect to the Omnibus Transactions under the relevant Omnibus Standard Agreement that are NCM-Related Transactions or RC-Related Transactions, the Replacement Clearing Member and each relevant Non-Clearing Member or Registered Customer have undertaken to Eurex Clearing AG in form and substance satisfactory to Eurex Clearing AG that they will, no later than five (5) Business Days after the end of the ECM Porting Period, enter, in each case, into a Clearing Agreement with Eurex Clearing AG in the form appended to the Clearing Conditions as Appendix 2 unless such Clearing Agreement has already been entered into;
- (iii) the Replacement Clearing Member has (a) confirmed to Eurex Clearing AG that all Direct Clients to which Omnibus Transactions under the relevant Omnibus Standard Agreement relate, have designated, and have taken all necessary steps to allow, the Replacement Clearing Member to act as their future Clearing Member in respect of their transactions that correspond to any Omnibus Transactions under the relevant Omnibus Standard Agreement and (b) provided Eurex Clearing AG in writing (*Textform*) with a list of all Transactions comprised in the relevant NOSA Transaction Accounts Group, unless (in the case of (b)) the Replacement Clearing Member has already been designated as such for the relevant Omnibus Standard Agreement by

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the Transferor Clearing Member prior to the Termination Date pursuant to Number 8.5;

- (iv) the Replacement Clearing Member has (a) provided Eurex Clearing AG with sufficient Eligible Margin Assets to cover any shortfall in Omnibus Margin and Omnibus Variation Margin in respect of all Omnibus Transactions that are subject to the Transfer or (b) undertaken to Eurex Clearing AG to provide the relevant amount of Eligible Margin Assets without undue delay following the Transfer.

Eurex Clearing AG may, in its free discretion, waive the requirement set out in (ii) above in whole or in part to the extent alternative arrangements have been made with the Replacement Clearing Member with respect to the relevant Omnibus Transactions.

If the Porting Requirements are not satisfied by 13:00 hours (Frankfurt am Main time) on the Business Day following the Termination Date with respect to the Proprietary Standard Agreement of the Clearing Member or such longer period of time specified by Eurex Clearing AG in the individual case, there will be no Transfer pursuant to this Number 8.4 and Subpart A Numbers 6.3 to 6.6 and Number 9 below shall apply.

- 8.5 Each Clearing Member may designate in advance by notice to Eurex Clearing AG another Clearing Member as a potential Replacement Clearing Member for each Omnibus Standard Agreement. The Clearing Member designated as a potential Replacement Clearing Member assumes no obligation to accept a Transfer. All Porting Requirements in respect of the relevant Omnibus Standard Agreement need to be fulfilled to effect a Transfer.
- 8.6 No Transfer shall affect (i) the Proprietary Standard Agreement, any Own Transactions of the Transferor Clearing Member, any Difference Claims relating thereto or any Redelivery Claims of the Transferor Clearing Member relating (or, if the Value Based Allocation is the Applicable Allocation Method, allocated) thereto, (ii) any other Omnibus Standard Agreement, or (iii) subject to Number 8.14, any Excess Collateral.
- 8.7 Eurex Clearing AG may provide for further or alternative procedures for the transfer of assets and positions that it deems necessary taking into account applicable laws with respect to any such transfer.
- 8.8 If a Transfer in accordance with Number 8.4 occurs in respect of an Omnibus Standard Agreement, Eligible Margin Assets in the form of Securities that are allocated to any Client Transaction Account relating to such Omnibus Standard Agreement (and, subject to Number 8.14, Eligible Margin Assets in the form of Securities that constitute Excess Collateral) shall be transferred to the Replacement Clearing Member by way of a transfer of title therein, subject to the following provisions:
 - (i) The Transferor Clearing Member hereby irrevocably authorises (*bevollmächtigt*) Eurex Clearing AG to offer to transfer to the Replacement Clearing Member, on behalf of the Transferor Clearing Member, title in all such Eligible Margin Assets in the form of Securities and to issue all other statements and to take all other acts on behalf of the Transferor Clearing Member that Eurex Clearing AG considers

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necessary or expedient to effect the transfer of such Securities to the Replacement Clearing Member.

- (ii) If the allocation of Securities by Eurex Clearing AG pursuant to Subpart A Number 4.4.1 or 4.4.2 includes any Fraction of a Security to be transferred pursuant to (i), the Clearing Member hereby irrevocably authorises (*bevollmächtigt*) Eurex Clearing AG to liquidate the relevant Security (of which such Fraction forms part) on behalf of the Clearing Member and appropriate the proceeds of the liquidation of such Security and only the resulting cash claim of the Affected Clearing Member relating to the liquidation proceeds in respect of such Fraction shall be subject to the transfer.
- (iii) Any transfer of such Securities to the Replacement Clearing Member shall, subject to Paragraph (iv) below, be without prejudice of the security interest granted to Eurex Clearing AG in the relevant Securities.
- (iv) Eurex Clearing AG and the Transferor Clearing Member hereby agree that, following a transfer of such Securities, the security interests held by Eurex Clearing AG in those Securities that constitute Omnibus Margin shall no longer secure rights and claims of Eurex Clearing AG in respect of any other agreement (including any Proprietary Standard Agreement) with the Transferor Clearing Member.

8.9 Eurex Clearing AG and the Transferor Clearing Member agree that, following the transfer of all Eligible Margin Assets in the form of Securities to the Replacement Clearing Member in accordance with Number 8.8, the security purpose of the security interests held by Eurex Clearing AG in such Securities shall also extend to all present and future claims under any Omnibus Transactions, any Difference Claim and any other present and future claims, in each case, of Eurex Clearing AG against the Replacement Clearing Member under the relevant Omnibus Standard Agreement with such Replacement Clearing Member.

8.10 If a transfer of Eligible Margin Assets in the form of Securities to the securities account of the Replacement Clearing Member is impossible or impractical due to restrictions of the securities depository bank, custodian or central securities depository used by the Replacement Clearing Member or for other reasons, the Transferor Clearing Member hereby irrevocably authorises (*bevollmächtigt*) Eurex Clearing AG to liquidate on behalf of the Transferor Clearing Member such Eligible Margin Assets in the form of Securities and to appropriate the proceeds of the realisation of such Securities and a Redelivery Claim (in cash) of the Transferor Clearing Member in the amount of the value of such proceeds shall arise in respect of the Omnibus Standard Agreement already transferred or to be transferred to the Replacement Clearing Member pursuant to Number 8.4 and such Redelivery Claim shall then be subject to the Transfer.

8.11 As a result of a Transfer, all rights and obligations under the relevant Omnibus Standard Agreement (including all existing Omnibus Transactions), all Allocated Redelivery Claims and all Redelivery Claims for Variation Margin relating thereto that have been transferred to the Replacement Clearing Member (a) will, as applicable, be subject to the Clearing Agreement between Eurex Clearing AG and the Replacement Clearing Member in the form appended to the Clearing Conditions as Appendix 1 or the relevant Clearing

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Agreement(s) in the form appended to the Clearing Conditions as Appendix 2 that has been, have been or will be entered into pursuant to item (ii) of the Porting Requirements and (b) will no longer be subject to any Clearing Agreement with the Transferor Clearing Member.

- 8.12 Immediately following a Transfer, all rights and obligations under each transferred Omnibus Standard Agreement (including all existing Omnibus Transactions) shall initially form a separate Omnibus Standard Agreement between the Replacement Clearing Member and Eurex Clearing AG and shall not be combined or included in another existing Omnibus Standard Agreement, all Redelivery Claims for Variation Margin will initially be allocated to such Omnibus Standard Agreement and all Allocated Redelivery Claims will be allocated to such Internal Omnibus Margin Account (relating to the Replacement Clearing Member) as specified by the Replacement Clearing Member (which specification shall be provided in the form requested by Eurex Clearing AG).
- 8.13 Following a Transfer pursuant to Number 8.4 and a transfer of Eligible Margin Assets in the form of Securities in accordance with Number 8.8, Eurex Clearing AG shall credit to the Replacement Clearing Member (with respect to each Omnibus Standard Agreement that is subject to such Transfer), by making appropriate changes to its records, all Omnibus Margin and all Omnibus Variation Margin provided to it by the Transferor Clearing Member in respect of the relevant Omnibus Standard Agreement and, following such allocation, such amounts or assets shall constitute Margin and Variation Margin, respectively, of the Replacement Clearing Member.
- 8.14 Unallocated Redelivery Claims and Eligible Margin Assets in the form of Securities that are allocated to the relevant Internal Omnibus Margin Account and that constitute Excess Collateral shall only be transferred to a Replacement Clearing Member if the Transfer to the same Replacement Clearing Member includes all Omnibus Transactions of the Affected Clearing Member that are allocated to the Client Transaction Accounts that are allocated to such Internal Omnibus Margin Account. In such case such Unallocated Redelivery Claims and such Eligible Margin Assets in the form of Securities will be allocated to the same Internal Omnibus Margin Account of the Replacement Clearing Member as has been specified pursuant to Number 8.12. Unallocated Redelivery Claims and Eligible Margin Assets in the form of Securities that are allocated to the relevant Internal Omnibus Margin Account and that constitute Excess Collateral, but are not so transferred, will be subject to Number 9.4.
- 8.15 It is the responsibility of the Transferor Clearing Member and/or the Replacement Clearing Member to enter into relevant agreements (if any) with their relevant clients for granting any compensation to, or obtaining any compensation from, such clients in connection with any transfers made in accordance with this Number 8.
- 8.16 During the ECM Porting Period
- (i) the Clearing of Omnibus Transactions under each Omnibus Standard Agreement between Eurex Clearing AG and the Transferor Clearing Member shall always be suspended;

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- (ii) neither of the Transferor Clearing Member, its Non-Clearing Members or its Registered Customers shall be entitled to enter any orders or quotes into the systems of the Markets;
- (iii) all Redelivery Claims of the Transferor Clearing Member with respect to Omnibus Margin in the form of cash and Omnibus Variation Margin shall be deferred (*gestundet*);
- (iv) all claims of the Transferor Clearing Member for a release of Omnibus Margin in the form of Securities shall be deferred (*gestundet*); and
- (v) Eurex Clearing AG shall not be obliged to provide any Omnibus Variation Margin to the Transferor Clearing Member.

9 Return of any balance owed by Eurex Clearing AG in respect of an Omnibus Standard Agreement after the completion of the default management process

If a Termination Date in respect of an Omnibus Standard Agreement has occurred, Eurex Clearing AG shall return any balance owed by it in respect of such Omnibus Standard Agreement following the completion of the default management process pursuant to Part 1 Number 6 and 7 (and as otherwise set out in these Clearing Conditions) with respect to the Clearing Member as follows:

- 9.1 Any Difference Claim in relation to such Omnibus Standard Agreement owed by Eurex Clearing AG shall be discharged by payment of the relevant amount,
- (i) if the Omnibus Standard Agreement relates to an NCM/RC Transaction Accounts Group or a SC Transaction Accounts Group, to the relevant GOSA Direct Client; and
 - (ii) if the Omnibus Standard Agreement relates to a NOSA Transaction Accounts Group, to the Affected Clearing Member and such payment shall constitute a return to the Affected Clearing Member for the account of all its relevant Undisclosed Direct Clients.
- 9.2 Any release by Eurex Clearing AG, or any expiration, of any of its pledges in respect of Eligible Margin Assets in the form of Securities actually delivered to Eurex Clearing AG in respect of Omnibus Margin that have been allocated to a Client Transaction Account that forms part of a NOSA Transaction Accounts Group shall constitute a return to the Affected Clearing Member for the account of the relevant Undisclosed Direct Clients of the Affected Clearing Member.
- 9.3 If Eligible Margin Assets in the form of Securities actually delivered to Eurex Clearing AG in respect of Omnibus Margin have been allocated to a Client Transaction Account that forms part of an NCM/RC Transaction Accounts Group or an SC Transaction Accounts Group (the "**GOSA Direct Return Securities**"), such GOSA Direct Return Securities shall be transferred by Eurex Clearing AG to the relevant GOSA Direct Client.

The Affected Clearing Member hereby irrevocably authorises (*bevollmächtigt*) Eurex Clearing AG to offer to transfer to the relevant GOSA Direct Client, on behalf of the

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Affected Clearing Member, all GOSA Direct Return Securities and to issue all other statements and to take all other acts on behalf of the Affected Clearing Member that Eurex Clearing AG considers necessary or expedient to effect the transfer of the GOSA Direct Return Securities to the relevant GOSA Direct Client.

9.4 Subject to Number 8.14, Excess Collateral in the form of Securities shall be released, and Unallocated Redelivery Claims shall be satisfied by a payment of the relevant amount to the Affected Clearing Member and any such release or payment shall constitute a return to the Affected Clearing Member for the account of all its Direct Clients whose Client Transaction Accounts relate to the Internal Omnibus Margin Account to which such Excess Collateral is allocated.

9.5 Any payment or transfer to a Specified Client pursuant to this Number 9 shall be subject to (i) receipt by Eurex Clearing AG of any information that Eurex Clearing AG requires or requests from a Specified Client in order to comply with any statutory or regulatory obligations with respect to the relevant payment or transfer to such Specified Client, and (ii) compliance with any statutory or regulatory obligations applicable to Eurex Clearing AG.

10 **Consequences of a Termination Date with respect to a Clearing Member on any Standard Agreement between such Clearing Member and its Non-Clearing Members and/or Registered Customers**

10.1 The consequences of the occurrence of a Termination Date with respect to a Clearing Member on any Standard Agreement between such Clearing Member and its Non-Clearing Members and/or Registered Customers shall be governed by such Standard Agreement between such Clearing Member and its Non-Clearing Members and/or Registered Customers, as applicable.

10.2 Unless otherwise agreed by the Clearing Member and the Non-Clearing Member/Registered Customer pursuant to Number 5.3 and subject to Number 10.3, the following applies to the Standard Agreement between the Clearing Member and the Non-Clearing Member/Registered Customer if a Termination Date has occurred with respect to the Clearing Member pursuant to Number 7.2.2 of the General Clearing Provisions:

- (1) all existing mutual payment and delivery obligations between the Clearing Member and the Non-Clearing Member/Registered Customer arising from Transactions between the Clearing Member and the Non-Clearing Member/Registered Customer under their Standard Agreement and all redelivery claims in respect of margin and variation margin, if any, shall automatically expire without notice as of the Termination Time and an obligation between such two parties created by the Standard Agreement to make a unilateral payment in the Termination Currency (substituting the original payment and delivery obligations of the terminated Transactions between the Clearing Member and the Non-Clearing Member/Registered Customer under their Standard Agreement in accordance with Number 7.3.2 of the General Clearing Provisions applied *mutatis mutandis* and using the Liquidation Price Approach) shall become immediately due ("**Unilateral Difference Claim**"). The parties to the Standard Agreement shall no longer be

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obliged to perform the original obligations thereunder and may no longer claim performance.

- (2) The Non-Clearing Member/Registered Customer shall determine the Unilateral Difference Claim. The Non-Clearing Member/Registered Customer shall immediately notify the Clearing Member of the result and provide the Clearing Member with the data forming the basis of the determination.

10.3 If the Clearing Member and the Non-Clearing Member/Registered Customer have made the appropriate election (i) with respect to the “**Application of Close-Out Netting Regulation pursuant to Part 2 Clause 1.4**” in any Clearing Agreement dated prior to 15 May 2015 or (ii) pursuant to Annex A to the Clearing Agreement appended to the Clearing Conditions as Appendix 2, the following shall apply with regard to Futures and Options transactions within the meaning of Chapter II Part 1 Paragraph (1) concluded between the Non-Clearing Member/Registered Customer and the Clearing Member (“**NCM/RC Futures and Options Transactions**”) in the case of an insolvency (as defined below) of the Non-Clearing Member/Registered Customer or the Clearing Member:

- (1) In the relationship between the Clearing Member and the Non-Clearing Member/Registered Customer, the provisions in Clause 7 Paragraph 1 Sentence 4 (Exclusion of the right to partial termination), Clause 7 Paragraphs 2 and 3 (Insolvency, Claim for compensation payment), Clause 8 (Compensation and set-off of benefits) and Clause 9 Paragraph 1 (Final Settlement) of the sample text of the German Master Agreement for Financial Derivative Transactions (Version 2001), as published by the Federal Association of German Banks (“**Master Agreement**”), shall apply with the following requirements:
 - (a) References in the aforementioned provisions of the Master Agreement to the “**Agreement**” shall – provided they concern NCM/RC Futures and Options Transactions – be read as references to the separate legal arrangement between the Clearing Member and the Non-Clearing Member/Registered Customer with respect to NCM/RC Futures and Options Transactions.
 - (b) For purposes of the aforementioned regulations of the Master Agreement, each NCM/RC Futures and Options Transaction is deemed to be an individual Transaction (*Einzelabschluss*) within the meaning of the Master Agreement.
- (2) In case of an insolvency of the Clearing Member, the provisions of this Number 10.3 shall not affect the exercise of rights of Eurex Clearing AG pursuant to the Clearing Conditions.
- (3) The obligations of the Clearing Member vis-à-vis Eurex Clearing AG resulting from the Clearing of the Transactions of the Non-Clearing Member/Registered Customer shall not be affected by the aforementioned close-out netting provisions.
- (4) An “**insolvency**” of the Non-Clearing Member/Registered Customer or the Clearing Member occurs if an application for an opening of bankruptcy proceedings or other insolvency proceedings with respect to the assets of the Non-Clearing

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Member/Registered Customer or Clearing Member is made and either the Non-Clearing Member/Registered Customer or Clearing Member itself has filed the application or if the Non-Clearing Member/Registered Customer or Clearing Member is either insolvent or in any other situation justifying the opening of such proceedings.

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Part 2 Subpart D: Special Provisions relating to the CASS Rules

1 Scope

- 1.1 This Subpart D shall provide Clearing Members with the option to clear certain Client-Related Transactions which are Omnibus Transactions that qualify as Eurex Transactions or OTC Interest Rate Derivative Transactions (“**CASS Eligible Transactions**”) in accordance with the CASS Rules. The Clearing Member shall be solely responsible, and Eurex Clearing AG does not assume any liability, for compliance with the CASS Rules.
- 1.2 The Clearing Member may, with respect to UDC-Related Transactions and SC-Related Transactions, elect in the Annex to its Clearing Agreement with Eurex Clearing AG pursuant to Appendix 1 and, with respect to NCM-Related Transactions and RC-Related Transactions, elect in the Annex to its Clearing Agreement with Eurex Clearing AG pursuant to Appendix 2, whether all or several CASS Eligible Transactions shall be cleared in accordance with the special provisions set out in this Subpart D.

2 CASS Client Account and CASS Transactions

- 2.1 The Clearing Member may designate, by notice to Eurex Clearing AG (which shall be submitted in the form requested by Eurex Clearing AG) one or several Client Transaction Accounts Groups (each together with the applicable Internal CASS Omnibus Margin Account(s) pursuant to Number 3.1 and the applicable Internal CASS Omnibus Cash Account(s) pursuant to Number 4.1) to constitute (either individually or collectively) a client transaction account for the purposes of the CASS Rules (each Client Transaction Accounts Group so individually designated, and all Client Transaction Accounts Groups so collectively designated, a “**CASS Client Account**”). For the avoidance of doubt, the CASS Client Account is not a Transaction Account for the purposes of these Clearing Conditions.
- 2.2 Each CASS Client Account shall be in the name of the Clearing Member. The name of a CASS Client Account and any sub-pool designation shall be for the purposes of identification only and shall not affect the application of the Clearing Conditions to the CASS Client Account. The name of the CASS Client Account and any sub-pool designation shall be one to which Eurex Clearing AG has no reasonable objection.
- 2.3 The Clearing Member shall ensure that only CASS Eligible Transactions executed between Eurex Clearing AG and the Clearing Member will be booked on a Transaction Account that forms part of a CASS Client Account. Each CASS Eligible Transaction booked on a Transaction Account that forms part of a CASS Client Account shall qualify as a “**CASS Transaction**”.
- 2.4 With respect to ECM Transactions that are Client-Related Transactions and do not qualify as CASS Transactions, Subpart C applies.

3 Internal CASS Omnibus Margin Account

- 3.1 Upon the instruction of the Clearing Member (which shall be provided in the form requested by Eurex Clearing AG) and subject to certain requirements set out in Number

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3.2, Eurex Clearing AG will, in its internal systems, establish and maintain for each Clearing Member one or more Internal Omnibus Margin Accounts with respect to Eligible Margin Assets for CASS Transactions (each an “**Internal CASS Omnibus Margin Account**”).

- 3.2 Only the Asset Based Allocation shall be the Applicable Allocation Method with respect to CASS Client Accounts. For the avoidance of doubt, ECM Transactions of the Clearing Member other than CASS Transactions may also be subject to Clearing in accordance with the Value Based Allocation Method.
- 3.3 Any Internal CASS Omnibus Margin Account may only and must relate to one CASS Client Account.
- 3.4 Eligible Margin Assets for CASS Transactions shall only secure all present and future claims under any CASS Transactions, any Difference Claim and any other present and future claims, in each case, of Eurex Clearing AG against the Clearing Member under any Standard Agreement relating to any CASS Client Account of the Clearing Member, including for the avoidance of doubt all present and future claims of Eurex Clearing AG against the Replacement Clearing Member relating to any CASS Transactions that have been transferred to such Replacement Clearing Member in accordance with Subpart C Number 8 (the “**Secured CASS Omnibus Claims**”).
- 3.5 The provisions relating to Internal Omnibus Margin Accounts set out in Subpart C shall otherwise apply *mutatis mutandis* to Internal CASS Omnibus Margin Accounts.

4 Internal CASS Omnibus Cash Accounts

- 4.1 With respect to each currency accepted by it, Eurex Clearing AG shall establish and maintain, with respect to a Clearing Member
- (i) in relation to each Internal CASS Omnibus Margin Account, one internal cash account for the settlement of payment claims arising under the CASS Transactions booked on a Client Transaction Account that, as per the specification made by the Clearing Member (in the form requested by Eurex Clearing AG), relates to such Internal CASS Omnibus Margin Account (including, in particular, all daily settlement payments, option premiums and payments in respect of the related Omnibus Variation Margin, but excluding Settlement Claims); and
 - (ii) one internal cash account for Settlement Claims
- (each an “**Internal CASS Omnibus Cash Account**”).

The daily balance of each Internal CASS Omnibus Cash Account (after taking into account permitted set-offs) shall be debited or credited, as the case may be, to the relevant Clearing Member Cash Account to the extent that Eurex Clearing AG does not claim any credit balance in the account in respect of Omnibus Margin or Omnibus Variation Margin relating to CASS Client Accounts.

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- 4.2 One Internal CASS Omnibus Cash Account may only and must relate to one CASS Client Account.

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Part 3 The Individual Clearing Model Provisions

The provisions on the Individual Clearing Model of Eurex Clearing AG (the “**Individual Clearing Model Provisions**”) are set forth below. Any entity acting as a Non-Clearing Member or a Registered Customer or acting as both a Non-Clearing Member and Registered Customer in the Clearing under the Clearing Conditions (hereinafter for the purposes of these Individual Clearing Model Provisions, an “**ICM Client**”) has the option to select the segregation and portability mechanism provided by these Individual Clearing Model Provisions on the basis of one of the following two documentation standards.

1 Individual Clearing Model Provisions under Eurex Clearing AG Documentation (“ICM-ECD”)

1.1 Eurex Clearing AG, the Clearing Member and an ICM Client have the option to apply the Individual Clearing Model Provisions on the Basis of these Clearing Conditions. For such purposes Eurex Clearing AG, the relevant Clearing Member and the relevant ICM Client will enter into the Clearing Agreement in the form appended to the Clearing Conditions as Appendix 3 (hereinafter an “**ICM Clearing Agreement**” and “**ICM Clearing Agreement for ICM-ECD**”).

1.2 In such case, Subpart A and B of this Part 3 apply (together the “**Individual Clearing Model Provisions under Eurex Clearing AG Documentation**” or “**ICM-ECD Provisions**”).

2 Individual Clearing Model Provisions under Client Clearing Documentation (“ICM-CCD”)

2.1 Eurex Clearing AG, the Clearing Member and an ICM Client have the option to apply the Individual Clearing Model Provisions on the basis of these Clearing Conditions and a Client Clearing Agreement (as defined in Subpart C Number 2.1.1). For such purposes and in addition to the Client Clearing Agreement Eurex Clearing AG, the relevant Clearing Member and the relevant ICM Client will enter into a Clearing Agreement in the form appended to the Clearing Conditions as Appendix 4 (hereinafter an “**ICM Clearing Agreement**” and “**ICM Clearing Agreement for ICM-CCD**”).

2.2 In such case, Subpart A and C of this Part 3 apply (together the “**Individual Clearing Model Provisions under Client Clearing Documentation**” or “**ICM-CCD Provisions**”).

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3 References

- 3.1 Any ICM Clearing Agreement constitutes a Clearing Agreement pursuant to the Clearing Conditions.

- 3.2 References to Eurex Clearing AG, the Clearing Member and the ICM Client, respectively, in this Part 3 shall be construed solely as references to the parties to the ICM Clearing Agreement (and only in their capacity as parties to that ICM Clearing Agreement) and shall exclude any other Clearing Members or ICM Clients or other customers of the Clearing Member.

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Part 3 Subpart A: General Provisions for ICM-ECD and ICM-CCD

1 Definitions

“**Relevant Agreement**” means, (i) in the case of the ICM-ECD Provisions, the Corresponding Standard Agreement (as defined in Subpart B Number 2.1.2) or (ii) in the case of the ICM-CCD Provisions, the corresponding Client Clearing Agreement (as defined in Subpart C Number 2.1.1);

“**Relevant Difference Claim**” means, (i) in the case of the ICM-ECD Provisions, the Difference Claim pursuant to Subpart B Number 6.3.2 under the Corresponding Standard Agreement or (ii) in the case of the ICM-CCD Provisions, the Client Clearing Termination Claim (as defined in Subpart C Number 2.1.2 Paragraph (7)) under the corresponding Client Clearing Agreement;

“**Relevant Transactions**” means, (i) in the case of the ICM-ECD Provisions, the Corresponding Covered Transactions (as defined in Subpart B Number 2.1.1) between the Clearing Member and the ICM Client or (ii) in the case of ICM-CCD Provisions, the Client Clearing Transactions (as defined in Subpart C Number 2.1.2 Paragraph (2)) under the relevant corresponding Client Clearing Agreement;

“**Relevant Redelivery Claims**” means, (i) in the case of the ICM-ECD Provisions, the Redelivery Claims (as defined in Subpart B Number 2.2 together with Subpart A Number 2.2.3) between the Clearing Member and the ICM Client under the Corresponding Standard Agreement or (ii) in the case of the ICM-CCD Provisions, all claims for the return of Credit Support Margin (as defined in Subpart C Number 2.1.2 Paragraph (3)) or Credit Support Variation Margin (as defined in Subpart C Number 2.1.2 Paragraph (4)) delivered to the Clearing Member pursuant to the corresponding Client Clearing Agreement with respect to the Client Clearing Transactions; and

“**Relevant Margin**” means, (i) in the case of the ICM-ECD Provisions, the Segregated Margin (as defined in Subpart B Number 4) and the Segregated Variation Margin (as defined in Subpart B Number 5) between the Clearing Member and the ICM Client under the Corresponding Standard Agreement or (ii) in the case of ICM-CCD Provisions, the Credit Support Margin and the Credit Support Variation Margin under the corresponding Client Clearing Agreement.

2 Standard Agreements between Eurex Clearing AG and the Clearing Member

2.1 Construction and Prerequisites

2.1.1 Any Transaction between Eurex Clearing AG and the Clearing Member which is subject to the Individual Clearing Model Provisions shall be a “**Covered Transaction**” for the purpose of these Individual Clearing Model Provisions.

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2.1.2 Upon execution of an ICM Clearing Agreement with a specific ICM Client, all rights and obligations between Eurex Clearing AG and the Clearing Member with respect to Covered Transactions under such ICM Clearing Agreement (irrespective of the ICM Transaction Account to which the Covered Transactions are booked in accordance with Number 4.1.1) shall for the purpose of these Clearing Conditions constitute a separate arrangement (each such relevant separate arrangement is a Standard Agreement between Eurex Clearing AG and the Clearing Member pursuant to the Individual Clearing Model Provisions).

Covered Transactions, Segregated Margin, Segregated Variation Margin, Redelivery Claims and any other rights and obligations under such Standard Agreement relating to such ICM Client will be separate from those Covered Transactions, Segregated Margin, Segregated Variation Margin and Redelivery Claims or Non-Covered Transactions, Margin, Variation Margin and Redelivery Claims as well as other rights and obligations under any other Standard Agreement established under any other Clearing Agreement pursuant to the Clearing Conditions.

References in these Individual Clearing Model Provisions to the relevant Standard Agreement between Eurex Clearing AG and the Clearing Member or references to the Difference Claim between Eurex Clearing AG and the Clearing Member shall be construed solely by reference to the ICM Clearing Agreement and a certain ICM Client (and shall therefore exclude the relevant Standard Agreement and Difference Claims under any other ICM Clearing Agreement as well as the relevant Standard Agreement and Difference Claims pursuant to the Elementary Clearing Model Provisions, the relevant OTC IRS FCM Client Standard Agreement and Difference Claims under the U.S. Clearing Model Provisions and the relevant Basic Clearing Member Standard Agreement and Difference Claims under the Basic Clearing Member Provisions).

2.1.3 All Covered Transactions and all Redelivery Claims between Eurex Clearing AG and the Clearing Member arising pursuant to the Individual Clearing Model Provisions under the relevant Standard Agreement, together the “**Covered Claims**”, form a single agreement between the parties to the relevant Standard Agreement and such agreement constitutes a separate master agreement (*Rahmenvertrag*) between such parties which (subject to provisions in this Chapter I on the termination of individual Covered Transactions) can be terminated only in its entirety.

2.2 **General principles applicable to the settlement of Covered Transactions and any Delivery and Redelivery of Segregated Margin or Segregated Variation Margin**

2.2.1 Each party to the relevant Standard Agreement shall be obliged to fulfil any payment or delivery obligations under Covered Transactions or obligations to deliver or redeliver cover in respect of either the Segregated Margin or the Segregated Variation Margin under the relevant Standard Agreement by transferring to the transferee all right, title and interest in and to the concerned assets or Eligible Margin Assets, as the case may be, free and clear from any and all rights and claims of the transferring party and of any third person, howsoever arising, including, without limitation, pursuant to applicable regulation or under any statutory or other trust. The value of such assets shall, as of the date the

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transfer is effected, be at least equal to the value at that date of the concerned payment or delivery obligation.

In the case of a transfer of Eligible Margin Assets in the form of Securities by the Clearing Member to Eurex Clearing AG, the Clearing Member shall (i) if such transfer is made through the Securities Margin Account, instruct Clearstream Banking AG in a timely manner to transfer the relevant Securities to the Securities Margin Account or to have them labelled in Xemac and authorizes Clearstream Banking AG to inform Eurex Clearing AG of such transfer and (ii) if such transfer is made through accounts with Clearstream Banking S.A., instruct Clearstream Banking S.A. in a timely manner to transfer the relevant Securities to the relevant securities account of Eurex Clearing AG with Clearstream Banking S.A. (each account notified by Eurex Clearing AG to the Clearing Member for such purposes from time to time, a “**Eurex Clearing Securities Margin Account**”).

- 2.2.2 The purpose of the Segregated Margin and Segregated Variation Margin actually delivered under the relevant Standard Agreement shall be to collateralise all claims (whether present, future, actual, contingent or prospective) of the relevant margin taker arising under the Covered Transactions entered into between the parties to such Standard Agreement.
- 2.2.3 The actual payment or delivery of Eligible Margin Assets in respect of Segregated Margin or Segregated Variation Margin gives rise to a corresponding contractual claim of the margin provider against the margin taker for repayment or redelivery, as the case may be, of equivalent assets in the same amount or the same number as such Eligible Margin Assets actually delivered (or increases an already existing repayment or redelivery claim; each such claim shall be referred to as a “**Redelivery Claim**”), subject to, in the case of a Direct Segregated Margin Transfer, Number 16.1.8. In the case of Segregated Margin, only the Clearing Member and the ICM Client, respectively and if applicable, may be the creditor of the relevant Redelivery Claim and in the case of Segregated Variation Margin, either party to the relevant Standard Agreement may be the creditor of the relevant Redelivery Claim.

For the purpose of the relevant Redelivery Claim, the term “**equivalent**” means assets of the same type, currency, description, nominal value and amount as such Eligible Margin Assets (including, in the case of debt securities, the sum of money or assets equivalent to any redemption or other proceeds therefrom) actually delivered in respect of the Segregated Margin or the Segregated Variation Margin.

References in these Individual Clearing Model Provisions to Redelivery Claims shall be construed so as to exclude any Redelivery Claim pursuant to the Elementary Clearing Model Provisions, the U.S. Clearing Model Provisions and the Basic Clearing Member Provisions.

A Redelivery Claim will become due with respect to the Segregated Margin (i) upon receipt of a respective declaration from the margin provider by Eurex Clearing AG prior to the then applicable cut-off time of any Business Day, as specified by Eurex Clearing AG on its website www.eurexclearing.com (A) for Securities credited to the relevant

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Securities Margin Account, with respect to Clearstream Banking AG, (B) for Securities credited to the relevant Eurex Clearing Securities Margin Account, with respect to Clearstream Banking S.A., or (C) for cash with respect to the relevant currency, as applicable, and if and to the extent the relevant applicable Default Margin Requirement is below the aggregate value of all Eligible Margin Assets actually delivered in respect of the Segregated Margin or (ii) in accordance with Number 5.3.5 and with respect to the Segregated Variation Margin in accordance with Number 6, in each case provided that no Termination Date has occurred.

- 2.2.4 Subject to Number 3.2.2 Paragraph (2) and (3) of the General Clearing Provisions, the term “**actually delivered**” when used in the Individual Clearing Model Provisions means (i) the actual credit of an Eligible Margin Asset to a cash account designated by the Clearing Member or a securities account designated by the Clearing Member, which in the case of Eurex Clearing AG shall be the relevant Eurex Clearing AG cash account and either the relevant Securities Margin Account or the relevant Eurex Clearing Securities Margin Account (as applicable) or, as the case may be, the actual entry on the Segregated Internal Margin Account pursuant to Number 5.3.3, or in the case of a delivery of an Eligible Margin Asset in the form of Securities pursuant to Number 5.5, the effectiveness of the title transfer in Xemac, or otherwise (ii) in the event of a set-off pursuant to Number 1.3 of the General Clearing Provisions, the legal effectiveness of such set-off. The term “**actual delivery**” shall be interpreted accordingly.

Where reference is made in the Individual Clearing Model Provisions to the “**aggregate value**” of Eligible Margin Assets in connection with the assessment of compliance with the Default Margin Requirement or an obligation to deliver or redeliver cover in respect of the Segregated Margin or the Segregated Variation Margin, the aggregate value will be determined by Eurex Clearing AG in accordance with Number 3.2.2 of the General Clearing Provisions.

- 2.2.5 The relevant Redelivery Claim is discharged by Eurex Clearing AG (a) if the relevant Securities have been credited to a securities account of the Clearing Member or to a securities account of a depositary, a settlement institution or a custodian designated by the Clearing Member at a deposit bank or a central securities depository; or (b) if the relevant cash amount has been credited to the relevant account of the relevant Clearing Member or to an account of a correspondent bank designated by the Clearing Member. Such discharge shall occur irrespective of any booking or forwarding errors of the depositary, the settlement institution, the custodian, the deposit bank, the central securities depository or the correspondent bank.

3 Conclusion of Covered Transactions

Covered Transactions between Eurex Clearing AG and the relevant Clearing Member shall be concluded pursuant to Number 1.2.2 of the General Clearing Provisions.

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4 Internal Accounts of Eurex Clearing AG and the Clearing Member

4.1 Internal Accounts of Eurex Clearing AG

In addition to the internal accounts set out in Number 4 of the General Clearing Provisions, Eurex Clearing AG shall establish and maintain with respect to the Clearing Member the following internal accounts with respect to the relevant Standard Agreement:

4.1.1 ICM Transaction Accounts

(1) Subject to the Special Clearing Provisions and upon the instructions of the Clearing Member (which shall be provided in the form requested by Eurex Clearing AG), Eurex Clearing AG opens and maintains with respect to each Clearing Member the following transaction accounts (in addition to the Transaction Accounts established pursuant to Number 4.2.1 of the General Clearing Provisions) on which Covered Transactions of the Clearing Member shall be booked:

- (i) one or more additional NCM/RC Own Accounts;
- (ii) one or more additional NOSA Indirect Client Accounts (relating to customer-related transactions of the relevant ICM Client for more than one of its Indirect Clients); and
- (iii) one or more GOSA Indirect Client Accounts (in each case relating to customer-related transactions of the relevant ICM Client with respect to one particular of its Indirect Clients).

Each transaction account established with respect to the relevant Standard Agreement pursuant to (i), (ii) or (iii) above as well as each transaction account with respect to transactions of the relevant ICM Client that is established pursuant to Number 4.2.1 of the General Clearing Provisions in respect of such Standard Agreement shall be an "ICM Transaction Account".

GOSA Indirect Client Accounts are only available for Eurex Transactions pursuant to Chapter II and OTC Interest Rate Derivative Transactions pursuant to Chapter VIII Part 2.

(2) The Clearing Member shall ensure that each instruction to book Covered Transactions to a certain ICM Transaction Account only relates to Covered Transactions to be booked on such ICM Transaction Account. Eurex Clearing AG may rely on, and is not obliged to verify the contents of, any such instruction from the Clearing Member.

4.1.2 Internal Cash Account

With respect to each currency accepted by Eurex Clearing AG an internal cash account (or in case the Sub Pool Provisions apply, a separate internal cash account in relation to each Sub Pool) (i) for the settlement of claims arising from Covered Transactions other than Settlement Claims, into which all daily settlement payments, option premiums and

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other cash payment obligations arising under the Covered Transactions shall be booked and (ii) for Settlement Claims.

The daily balance of each internal cash account (after taking into account the set-offs pursuant to Clearing Conditions) shall be debited or credited, as the case may be, to the respective Clearing Member Cash Account to the extent that Eurex Clearing AG does not claim any credit balance in such account as Segregated Margin or Segregated Variation Margin.

4.1.3 Internal Margin Account

An internal margin account (or in case the Sub Pool Provisions apply, a separate internal margin account in relation to each Sub Pool) for the Clearing Member in which all daily credits and debits of Eligible Margin Assets pursuant to the Individual Clearing Model Provisions will be recorded (each a “**Segregated Internal Margin Account**”).

4.1.4 Separate Accounting for Funds

Eurex Clearing AG will separately account for the relevant positions and the relevant margin collateral provided under Covered Transactions entered into in relation to each Relevant Fund and each Relevant Fund Segment.

4.1.5 Use of Sub Pools

The Clearing Member may request Eurex Clearing AG (in the form requested by Eurex Clearing AG) to maintain separate operational sub pools (each a “**Sub Pool**”). If Sub Pools shall be established, each ICM Transaction Account must be assigned to a particular Sub Pool. Each Sub Pool shall

- (i) relate to one or more Transaction Types and/or
- (ii) either comprise (a) NCM/RC Own Accounts only or (b) Indirect Client Accounts only.

If Eurex Clearing AG accepts such request, the provisions for the operational handling of Sub Pools set out in this Part 3 (“**Sub Pool Provisions**”) shall apply with respect to each of the relevant Sub Pools.

Each Sub Pool shall operationally be treated separately from any other Sub Pool, subject to and in accordance with the Sub Pool Provisions. The usage of Sub Pools will in particular, without limitation, neither result in additional Standard Agreements, separate Difference Claims nor Relevant Difference Claims.

In case the Sub Pool Provisions apply, the Clearing Member represents and warrants by way of an independent guarantee and irrespective of fault (*selbständiges, verschuldensunabhängiges Garantieverprechen*) to Eurex Clearing AG, that

- (a) it has informed the ICM Client of its election to use Sub Pools in connection with the Clearing and of any potential adverse economic effects that usage of Sub Pools may

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have for that ICM Client in comparison to the Clearing of Covered Transactions without use of Sub Pools; and

- (b) the ICM Client is willing to bear the potential economic risks and adverse effects which are related to a usage of Sub Pools pursuant to Number 4.1.5 (i), in particular, without limitation, in terms of potentially higher Default Margin Requirements and Default Fund Contribution requirements resulting from the operational treatment associated with the usage of Sub Pools.

4.2 Internal Accounts of the Clearing Member

The Clearing Member shall establish an internal accounting with respect to the Individual Clearing Model Provisions to record in relation to Eurex Clearing AG and the relevant ICM Client

- (i) all Covered Transactions,
- (ii) all payments and deliveries under Covered Transactions,
- (iii) all Segregated Margin and Segregated Variation Margin actually delivered and
- (iv) all Redelivery Claims.

In case the Sub Pool Provisions apply, the Clearing Member shall also reflect the Sub Pools in its internal accounting.

The Clearing Member will furthermore separately account for the relevant positions and the relevant margin collateral provided under Covered Transactions entered into in relation to each Relevant Fund and each Relevant Fund Segment, if applicable.

4.3 Methods of assigning transfers of Eligible Margin Assets to a Standard Agreement

The Clearing Member shall establish and provide to Eurex Clearing AG a specific customer identifier with respect to the ICM Client and, in case the Sub Pool Provisions apply, the customer identifier shall include an identifier of the relevant Sub Pool. Any transfer of Eligible Margin Assets to Eurex Clearing AG in respect of Segregated Margin or Segregated Variation Margin shall clearly refer to the applicable customer identifier.

5 Segregated Margin

The Margin Requirement applicable to the Clearing Member pursuant to this Number 5 shall be in addition to any other margin requirement of the Clearing Member or Basic Clearing Member vis-à-vis Eurex Clearing AG under the Elementary Clearing Model Provisions, the U.S. Clearing Model Provisions or the Basic Clearing Member Provisions.

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5.1 General obligation to provide Segregated Margin and transfer of Securities to the Securities Margin Account or the Eurex Clearing Securities Margin Account

5.1.1 The Clearing Member is required to transfer margin to Eurex Clearing AG for all Covered Transactions in such amounts, in such forms and at such times as are required pursuant to this Number 5 and the Special Clearing Provisions (the “**Segregated Margin**”).

5.1.2 To provide Eligible Margin Assets in the form of Securities to Eurex Clearing AG on the Securities Margin Account other than pursuant to Number 5.5, the Clearing Member shall instruct Clearstream Banking AG to (i) transfer all right, title and interest in and to the Securities to Eurex Clearing AG by crediting such Securities to the Securities Margin Account of the Clearing Member for the benefit of Eurex Clearing AG and (ii) apply the customer identifier of the relevant ICM Client in accordance with Number 4.3 (a “**CBF Instruction**”).

5.1.3 In the case of a transfer of Securities in form of co-ownership interests, the Clearing Member makes an offer to transfer the relevant Securities to Eurex Clearing AG by means of the CBF Instruction. Eurex Clearing AG hereby accepts any such offer in advance subject to the credit of such Securities to the Securities Margin Account. Section 151 BGB applies.

Possession passes by means of constituting a bailment (*Begründung eines Besitzmittlungsverhältnisses*) between Clearstream Banking AG and Eurex Clearing AG and by modification of the bailment intention (*Besitzmittlungswillen*) of Clearstream Banking AG regarding the fractions to be transferred. The transfer of possession is completed when based on the Clearing Member’s Instruction a debit entry is posted into the Clearing Member’s custody account and a credit entry is posted in the Securities Margin Account of the Clearing Member.

5.1.4 In the case of a transfer of Securities in form of German book-entry securities, the Clearing Member makes an offer to transfer by assigning its corresponding claim for surrender (*Herausgabeanspruch*) against Clearstream Banking AG relating to such German book-entry Securities to Eurex Clearing AG by means of the CBF Instruction. Eurex Clearing AG hereby accepts any such offer to assign in advance subject to the credit of the relevant book-entry securities to the Securities Margin Account. Section 151 BGB applies.

The parties to the ICM Clearing Agreement acknowledge that, with the completion of the credit on the Securities Margin Account, Clearstream Banking AG accepts by way of abstract acknowledgement of debt (*abstraktes Schuldanerkenntnis*) the claim for surrender vis-à-vis Eurex Clearing AG.

5.1.5 To provide Eligible Margin Assets in the form of Securities to Eurex Clearing AG to the relevant Eurex Clearing Securities Margin Account, the Clearing Member shall instruct Clearstream Banking S.A. to (i) transfer all right, title and interest in and to the Securities to Eurex Clearing AG by crediting such Securities to such Eurex Clearing Securities Margin Account and (ii) apply the customer identifier of the relevant ICM Client in accordance with Number 4.3 (a “**CBL Instruction**”). In the case of any such transfers of

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Securities to a Eurex Clearing Securities Margin Account, the Clearing Member makes an offer to transfer the relevant Securities to Eurex Clearing AG by means of the CBL Instruction. Eurex Clearing AG hereby accepts any such offer in advance subject to the credit of such Securities to the relevant Eurex Clearing Securities Margin Account. Section 151 BGB applies.

5.2 Margin Requirement

- 5.2.1 The amount of Eligible Margin Assets to be delivered as cover in respect of Segregated Margin by the Clearing Member shall be determined in accordance with Number 3.1 of the General Clearing Provisions and this Number 5.2 (each a “**Default Margin Requirement**”) and will be notified by Eurex Clearing AG to the Clearing Member.
- 5.2.2 Eurex Clearing AG will determine separate net margin requirements in accordance with Number 3.1 of the General Clearing Provisions with respect to each ICM Transaction Account of the Clearing Member, except that the relevant net margin requirement with respect to own transactions of the ICM Client shall be calculated across all NCM/RC Own Accounts of such ICM Client that are ICM Transaction Accounts. Eurex Clearing AG will calculate the Default Margin Requirement of the Clearing Member as the sum of such net margin requirements per Segregated Internal Margin Account.

5.3 Margin Call

- 5.3.1 If Eurex Clearing AG at any time on any Business Day determines that the aggregate value of the Segregated Margin actually delivered (in case the Sub Pool Provisions apply in relation to a particular Sub Pool) is insufficient to meet the Default Margin Requirement (in case the Sub Pool Provisions apply, in relation to the relevant Sub Pool), Eurex Clearing AG will require the Clearing Member to deliver (additional) Eligible Margin Assets in an amount up to the Default Margin Requirement (in case the Sub Pool Provisions apply, in relation to the relevant Sub Pool) by the time specified by Eurex Clearing AG.

For the avoidance of doubt, in case the Sub Pool Provisions apply, Segregated Margin actually delivered in relation to a particular Sub Pool will not be taken into account by Eurex Clearing AG when determining whether sufficient Segregated Margin has actually been delivered with respect to any other Sub Pool.

- 5.3.2 The Clearing Member may provide Eligible Margin Assets to Eurex Clearing AG in excess of the relevant Default Margin Requirement (the “**Excess Margin**”). Any Excess Margin actually delivered shall form part of the Segregated Margin and shall be subject to a Redelivery Claim which becomes due upon request by the Clearing Member.
- 5.3.3 If a Clearing Member elects to deliver (additional) Eligible Margin Assets in the form of cash pursuant to Number 3.3.2 of the General Clearing Provisions with respect to a Margin Call relating to Segregated Margin, then:
- (i) Eurex Clearing AG shall make the relevant debit entry in the Internal Proprietary Margin Account and the respective credit entry in the Segregated Internal Margin

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Account with such cash credit being allocated to the relevant Standard Agreement between Eurex Clearing AG and the Clearing Member pursuant to these Individual Clearing Model Provisions; and

- (ii) the aggregate value of Proprietary Margin actually delivered and the redelivery claim under the Proprietary Standard Agreement shall be reduced accordingly upon Eurex Clearing AG having made the corresponding records (which Eurex Clearing AG shall do without undue delay) in the Segregated Internal Margin Account pursuant to Number 4.1.3 and the Internal Proprietary Margin Account pursuant to Subpart A Number 3 of the Elementary Clearing Model Provisions.

In case the Sub Pool Provisions apply, Eurex Clearing AG will process the booking of cash credits between Segregated Internal Margin Accounts with respect to Sub Pools relating to the same Standard Agreement upon request of the Clearing Member.

- 5.3.4 Non-compliance with the relevant Default Margin Requirement by the Clearing Member shall constitute a Termination Event pursuant to Number 7.2.1 Paragraph (1) of the General Clearing Provisions unless such non-compliance has been remedied by the Clearing Member by the time the Termination would occur.
- 5.3.5 The Clearing Member may at any time request from Eurex Clearing AG the redelivery of assets equivalent to Eligible Margin Assets actually delivered in respect of the Segregated Margin if the aggregate value of all Eligible Margin Assets actually delivered in respect of the Segregated Margin exceeds the relevant Default Margin Requirement applicable at the time of such request. If the Sub Pool Provisions apply, the Clearing Member may not request such a redelivery, if any Default Margin Requirement for any Sub Pool is not fully satisfied. The Clearing Member may select – in accordance with any agreement between the Clearing Member and the ICM Client, if applicable – which Eligible Margin Assets credited to a Segregated Internal Margin Account pursuant to Number 4.1.3 shall be redelivered; Eurex Clearing AG will not and shall not be obliged to check whether there is, and whether the Clearing Member complies with, any such agreement.

5.4 Direct Debit

To the extent Eligible Margin Assets have not yet been delivered by the Clearing Member with respect to a Margin Call pursuant to Number 5.3.1, Eurex Clearing AG shall be entitled to (and without having an obligation towards the Clearing Member to do so, will on or around the time specified) directly debit the Clearing Member Cash Account in an amount equal to the requested amount of Eligible Margin Assets in accordance with the daily cash clearing procedure pursuant to Number 1.4.1 of the General Clearing Provisions. Any such direct debit shall constitute fulfilment of the relevant Margin Call relating to the relevant Standard Agreement, and, in case the Sub Pool Provisions apply, in relation to the relevant Sub Pool (and consequentially such direct debit will increase the Redelivery Claim).

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5.5 Xemac

The Clearing Member may provide Eligible Margin Assets or may have Eligible Margin Assets provided in form of Securities by way of full title transfer in accordance with Number 2.2.1 by using the Collateral Management System Xemac (“**XEMAC**”) of Clearstream Banking AG on the basis of the applicable provisions of the Special Conditions for Collateral Management (“**SC XEMAC**”). Hereby, the title transfer is being effected by a respective labelling of the Securities in the system (“appropriation”) and modification of the bailment intention (*Besitzmittlungswille*) by Clearstream Banking AG in favour of Eurex Clearing AG (“Earmarking”). Number 5.1.3 applies accordingly.

6 Segregated Variation Margin

6.1 General Obligation to provide Segregated Variation Margin

Each party to the relevant Standard Agreement between Eurex Clearing AG and the Clearing Member shall be required to transfer (additional) cover in respect of daily profits or losses for such Covered Transactions for which Chapter II Part 2 Number 2.1.2 Paragraph (1) and (2), Chapter II Part 3 Number 3.2.3 Paragraph (1), Number 3.3.3 Paragraph (1) and Chapter VIII Part 2 Number 2.1.6 Paragraph (3), as applicable, apply in such amounts and at such times as are required pursuant to this Number 6. Any such cover provided or to be provided with respect to the relevant Standard Agreement is herein referred to as “**Segregated Variation Margin**”).

6.2 Segregated Variation Margin Requirement

Only Eligible Margin Assets in the form of cash shall be delivered as cover in respect of Segregated Variation Margin. The party to the relevant Standard Agreement obliged to provide Segregated Variation Margin (the “**Segregated Variation Margin Provider**”), to the other party to such Standard Agreement (the “**Segregated Variation Margin Taker**”), and the amount of Eligible Margin Assets in form of cash to be delivered as cover in respect of Segregated Variation Margin (the “**Segregated Variation Margin Requirement**”) shall be determined in accordance with Chapter II Part 2 Number 2.1.2 Paragraph (1) and (2), Chapter II Part 3 Number 3.2.3 Paragraph (1), Number 3.3.3 Paragraph (1) and Chapter VIII Part 2 Number 2.1.6 Paragraph (3), as applicable.

Numbers 5.2.2 and 5.2.3 apply *mutatis mutandis*.

6.3 Delivery of Segregated Variation Margin and Redelivery Claim

Segregated Variation Margin shall be delivered and/or returned on any Business Day in accordance with the daily cash clearing procedure pursuant to Number 1.4.1 of the General Clearing Provisions.

Eligible Margin Assets actually delivered in the form of cash in respect of the Segregated Variation Margin by the Segregated Variation Margin Provider will give rise to or increases a Redelivery Claim of such party against the Segregated Variation Margin Taker in accordance with Number 2.2.3. Any such Redelivery Claim (i) shall become due

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if and to the extent that on any subsequent Business Day a profit amount has been determined for the benefit of such Segregated Variation Margin Provider in accordance with Chapter II Part 2 Number 2.1.2 Paragraph (1) and (2), Chapter II Part 3 Number 3.2.3 Paragraph (1), Number 3.3.3 Paragraph (1) and Chapter VIII Part 2 Number 2.1.6 Paragraph (3), as applicable, (the applicable amount shall be the “**Redelivery Amount**”) and (ii) shall be decreased and fulfilled accordingly (subject to a minimum value of “**zero**”) if and to the extent equivalent Eligible Margin Assets in form of cash have been actually delivered to it by the Segregated Variation Margin Taker. For the avoidance of doubt, if the profit amount determined for the benefit of the Segregated Variation Margin Provider is higher than its Redelivery Claim as of such time, the payment of the excess amount by the other party constitutes itself a delivery of Segregated Variation Margin and the relevant party to the Standard Agreement being the Segregated Variation Margin Provider or the Segregated Variation Margin Taker shall change.

For the purpose of the Clearing Conditions, an actual delivery in respect of the Segregated Variation Margin resulting in a corresponding Redelivery Claims shall take place if upon conclusion of a Covered Transaction the terms and conditions of such Covered Transaction provide that due to a netting with an applicable initial consideration no actual payment in respect of the Segregated Variation Margin will occur.

7 Termination, Consequences of a Termination, Post Settlement and Re-Establishment

7.1 Suspension or Restriction of Clearing, Termination, and Re-Establishment after the occurrence of a Termination Date

Upon the occurrence of a Termination Event or Insolvency Termination Event and a Termination Date with respect to the Clearing Member,

- (i) the Clearing of new Covered Transactions under the relevant Standard Agreement will be suspended (the “**Suspension**”) and
- (ii) the existing Covered Transactions will be terminated (the “**Termination**”), and
- (iii) either a termination payment (the “**Termination Payment**”) shall become payable or a re-establishment of transactions with a Replacement Clearing Member shall occur (the “**Re-Establishment**”)

as further set out in this Number 7 and Number 11.

Eurex Clearing AG shall notify the affected Clearing Member and all affected Non-Clearing Members and Registered Customers of such Clearing Member of the decision to suspend or limit the Clearing. Eurex Clearing AG shall specify in the notification a reasonable period of time during which such suspension or limitation shall apply.

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7.2 Suspension or Restriction of Clearing after the occurrence of a Termination Event

If a Termination Event or any of the following events occurs with respect to a Clearing Member:

- (i) the existence of an unremedied breach by the Clearing Member of its Clearing Agreement with Eurex Clearing AG, except where such breach is minor, technical or administrative in nature in the reasonable opinion of Eurex Clearing AG;
- (ii) a determination is made by Eurex Clearing AG that limitation or suspension of Clearing is necessary for it to contain its exposure to the Clearing Member;
- (iii) the suspension or termination (other than a voluntary termination) of the Clearing Member's membership of another clearing house provided that the circumstances relating to that suspension or termination are, in Eurex Clearing AG's reasonable opinion, material to the management of its risk by Eurex Clearing AG, and that Eurex Clearing AG first consults or attempts to consult with the Clearing Member and the competent regulatory authorities;
- (iv) the commencement of Disciplinary Procedures as defined in Number 7.2.1(b) (aa) of the General Clearing Provisions against a Clearing Member; or
- (v) any other event in respect of the Clearing Member that could materially impact the ability of that Clearing Member to perform its obligations under the Clearing Conditions and the relevant Clearing Agreement, then Eurex Clearing AG may

(taking into account the interests of such Clearing Member and its clients and provided that such action constitutes a proportionate and reasonable action) one or more times suspend or limit the Clearing of new Covered Transactions under any or all of the Standard Agreements between Eurex Clearing AG and the Clearing Member. Eurex Clearing AG shall notify the affected Clearing Member and the ICM Client of such decision to suspend or limit such Clearing. Eurex Clearing AG shall specify a reasonable period of time during which such Suspension or limitation shall apply.

Furthermore, if Eurex Clearing AG so demands, the relevant Clearing Member shall, at the Clearing Member's own expense, provide such information and evidence as Eurex Clearing AG in its reasonable opinion may deem necessary, to conduct an appropriate investigation of the facts and circumstances relating to a Termination Event or any of the events listed above.

Upon the occurrence of a Termination Event or any of the events listed above and unless such Termination Event or other events have been remedied, the Clearing Member is – subject to any other limitations or restrictions of the Clearing pursuant to the Clearing Conditions – only entitled to enter any order or quotes into the systems of the Markets or clear new Transactions, as the case may be, if sufficient Segregated Margin and Segregated Variation Margin has been actually delivered to Eurex Clearing AG in advance.

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Before limiting or suspending the Clearing of new Covered Transactions under this Number 7.2, and without limiting its rights under Number 7.2.1 of the General Clearing Provisions Eurex Clearing AG shall, where reasonable in the circumstances, attempt to consult with the relevant Clearing Member, further to which Eurex Clearing AG may in its absolute discretion agree a grace period within which the Clearing Member may remedy the event in question. For the avoidance of doubt, in case the relevant event constitutes an Alleged Breach (as defined in the Disciplinary Procedures Rules) Eurex Clearing AG may commence Disciplinary Procedures in respect of the Clearing Member subject to and in accordance with the Disciplinary Procedures Rules.

7.3 Consequences of a Termination

If a Termination Date has occurred with respect to the Clearing Member, the following provisions shall apply.

7.3.1 Termination of Covered Claims

Without prejudice to the following provisions of this Number 7.3, all current and future primary obligations (including payment and delivery obligations) of each party under the relevant Standard Agreement between Eurex Clearing AG and the Clearing Member arising from Covered Claims shall expire (*auflösende Bedingung*) as of the Termination Time and shall no longer be required to be performed by the relevant obligor. Further all due but unsatisfied obligations to deliver Segregated Margin and Segregated Variation Margin under the Corresponding Standard Agreements shall expire (*auflösende Bedingung*) as of the Termination Time. The expiration affects all claims arising from Covered Transactions independently of the time they came into existence or would have come into existence otherwise. These expired primary obligations and delivery obligations, respectively, are reflected by the Difference Claim, subject to and in accordance with Number 7.3 of the General Clearing Provisions.

7.3.2 Difference Claim

With regard to the relevant Standard Agreement between Eurex Clearing AG and the Clearing Member, the difference claim which was created by the signing of the relevant ICM Clearing Agreement shall become unconditional and immediately due in the Termination Currency from one party to the relevant Standard Agreement to the respective other party as of the end of the Last Valuation Date and shall be determined in accordance with Number 7.3 of the General Clearing Provisions using the Liquidation Price Approach (i) if no IP Election or Immediate Re-Establishment Election is made within the ICM Porting Election Period, (ii) if an IP Election is made within the ICM Porting Election Period but the Interim Participation Conditions are not satisfied by the expiry of the ICM Porting Period, or (iii) if an Immediate Re-Establishment Election is made within the ICM Porting Election Period but the Immediate Re-Establishment Conditions are not satisfied by the expiry of the ICM Porting Period. If either (i) the Interim Participation Conditions or, as the case may be, (ii) the Immediate Re-Establishment Conditions are satisfied by the Opening Time, such difference claim shall become unconditional and immediately due in the Termination Currency from one party to the relevant Standard Agreement to the respective other party as of the Opening Time and shall be determined

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in accordance with Number 7.3 of the General Clearing Provisions using the Exchange Price Approach. Each such claim shall be a **“Difference Claim”**.

Eurex Clearing AG shall notify the value of the Difference Claim determined by it to the Clearing Member and the ICM Client as soon as reasonably practicable and by no later than the end of the Business Day after its determination, together with reasonable detail regarding the data and information forming the basis of the determination.

7.3.3 Payment of Difference Claim

- (1) Unless either (i) an IP Election is made within the ICM Porting Election Period and the Interim Participation Conditions are satisfied by the expiry of the ICM Porting Period or (ii) an Immediate Re-Establishment Election is made within the ICM Porting Election Period and the Immediate Re-Establishment Conditions are satisfied by the expiry of the ICM Porting Period, such party to the relevant Standard Agreement between Eurex Clearing AG and the Clearing Member which is the obligor of the Difference Claim shall be obliged to pay the determined amount of the Difference Claim to the other party as soon as reasonably practicable following the notification by the determining party of the payable amount. If Eurex Clearing AG is the debtor of the Difference Claim, Eurex Clearing AG may on demand of the creditor of the Difference Claim discharge the Difference Claim in whole or in part by delivering Securities that have been delivered to Eurex Clearing AG as Margin under the relevant Standard Agreement; the Securities so delivered shall be taken into account with respect to the Difference Claim at the price which has been applied for the Redelivery Claim with respect to such Securities in calculating the Difference Claim.
- (2) The debtor of the Difference Claim shall not be obliged to pay any interest on the amount of the Difference Claim unless it is in default (*Verzug*) following the receipt of a payment reminder (*Mahnung*) by the other party. Default interest shall be paid on the basis of the effective overnight interest rate applicable to the currency of the Difference Claim.
- (3) Eurex Clearing AG is entitled to set-off the Difference Claim it may have against the Clearing Member pursuant to these Individual Clearing Model Provisions against any Difference Claim it owes to the Clearing Member in relation to the Proprietary Standard Agreement.

7.4 Post Settlement

Following the Termination Date and prior to the end of the Last Valuation Date or the Opening Time, as the case may be, payment and delivery claims arising under Covered Transactions which were due and enforceable but unsettled at the Termination Date or will become due and enforceable prior to the end of the Last Valuation Date or the Opening Time, as the case may be, and for which a binding valid and irrevocable settlement has occurred between the Clearing Member and Eurex Clearing AG shall for the purpose of the Difference Claim be disregarded and deemed to have been settled (the **“Post Settlement”**).

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8 Creation of Security Interests

By signing the ICM Clearing Agreement, the Clearing Member creates the following security interests for the benefit of Eurex Clearing AG or the ICM Client unless Eurex Clearing AG, **Eurex Clearing Security Trustee GmbH** as security trustee (the “**Security Trustee**”) and the Clearing Member have entered into a Security Trust Agreement in the form appended to the Clearing Conditions as Appendix 8 (the “**Security Trust Agreement**”) in which case this Number 8 shall not apply and the creation of security interests and their enforcement shall be subject to the Clearing Conditions as modified by the Security Trust Agreement.

8.1 Pledges

8.1.1 Pledge by the Clearing Member to Eurex Clearing AG

- (1) The Clearing Member pledges (*verpfändet*) to Eurex Clearing AG its Relevant Difference Claim against the ICM Client.
- (2) Eurex Clearing AG accepts the pledge granted pursuant to this Number 8.1.1 Paragraph (1).
- (3) The pledge granted pursuant to this Number 8.1.1 shall secure all of Eurex Clearing AG’s present and future Covered Claims, as defined Number 8.1.3, and the Difference Claim, as defined in Number 7.3.2, against the Clearing Member under the relevant Standard Agreement (together “**Eurex Clearing AG’s Secured Claims**”).
- (4) The Clearing Member notifies the ICM Client of the pledge granted pursuant to this Number 8.1.1. The ICM Client confirms receipt of such notification. As a consequence of the pledge, the Clearing Member shall no longer be entitled to deal with, dispose of, encumber or receive the proceeds of the Relevant Difference Claim otherwise than in accordance with the Clearing Conditions.
- (5) The pledge will become enforceable (*Pfandreife*) upon the occurrence of a Termination Date at the following points in time:
 - (i) at the end of the Last Valuation Date in each of the following cases: (a) no IP Election or Immediate Re-Establishment Election is made within the ICM Porting Election Period, (b) an IP Election is made within the ICM Porting Election Period but the Interim Participation Conditions are not satisfied by the expiry of the ICM Porting Period, or (c) an Immediate Re-Establishment Election is made within the ICM Porting Election Time but the Immediate Re-Establishment Conditions are not satisfied by the expiry of the ICM Porting Period; or
 - (ii) at the Opening Time in case either (a) the Interim Participation Conditions or, as the case may be, (b) the Immediate Re-Establishment Conditions are satisfied by the Opening Time.

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- (6) Waiver:
- (i) The Clearing Member expressly waives its defence pursuant to Sections 1211, 770 Paragraph 1 BGB that any of Eurex Clearing AG's Secured Claims against the Clearing Member may be avoided (*Anfechtung*).
 - (ii) The Clearing Member expressly waives its defence pursuant to Section 1211, 770 Paragraph 2 BGB that Eurex Clearing AG may satisfy or discharge any of Eurex Clearing AG's Secured Claims against the Clearing Member by way of set-off (*Aufrechnung*).
 - (iii) To the extent legally possible, the Clearing Member expressly waives its defences pursuant to Section 1211 Paragraph 1 Sentence 1 Alternative 1 BGB that the principal debtor of any of Eurex Clearing AG's Secured Claims against the Clearing Member has a defence against any such Eurex Clearing AG's Secured Claims (*Einreden des Hauptschuldners*).
- (7) Unless the Interim Participation pursuant to and in accordance with Number 11 becomes effective, Eurex Clearing AG shall enforce its pledge pursuant to Paragraph (1) against the ICM Client only after the full realisation of all Contributions of all Clearing Members to the Default Fund in accordance with the order of priority set out in Number 6.2 of the General Clearing Provisions.

8.1.2 Pledge by the Clearing Member to the ICM Client

- (1) The Clearing Member pledges (*verpfändet*) to the ICM Client its Difference Claim, as defined in Number 7.3.2, against Eurex Clearing AG under the relevant Standard Agreement.
- (2) The ICM Client accepts the pledge granted pursuant to this Number 8.1.2 Paragraph (1).
- (3) The pledge granted pursuant to this Number 8.1.2 shall secure all of the ICM Client's present and future (i) payment and delivery claims under the Relevant Transactions and all Relevant Redelivery Claims, (ii) the Relevant Difference Claims and (iii) the Shortfall Claim, as defined in Number 10.1, against the Clearing Member (the "**ICM Client's Secured Claims**").
- (4) The Clearing Member notifies Eurex Clearing AG of the pledge granted pursuant to this Number 8.1.2. Eurex Clearing AG confirms receipt of such notification. As a consequence of the pledge, the Clearing Member shall no longer be entitled to deal with, dispose of, encumber or receive the proceeds of its Difference Claim otherwise than in accordance with the Clearing Conditions.
- (5) Subject to Paragraph (7), the pledge will become enforceable (*Pfandreife*) upon the occurrence of a Termination Date:
 - (i) at the end of the Last Valuation Date in each of the following cases: (a) no IP Election or Immediate Re-Establishment Election is made within the ICM

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Porting Election Period, (b) an IP Election is made within the ICM Porting Election Period but the Interim Participation Conditions are not satisfied by the expiry of the ICM Porting Period, or (c) an Immediate Re-Establishment Election is made within the ICM Porting Election Period but the Immediate Re-Establishment Conditions are not satisfied by the expiry of the ICM Porting Period; or

- (ii) at the Opening Time in case either (a) the Interim Participation Conditions or, as the case may be, (b) the Immediate Re-Establishment Conditions are satisfied by the Opening Time.

(6) Waiver:

- (i) The Clearing Member expressly waives its defence pursuant to Sections 1211, 770 Paragraph 1 BGB that any of the ICM Client's Secured Claims against the Clearing Member may be avoided (*Anfechtung*).
- (ii) The Clearing Member expressly waives its defence pursuant to Section 1211, 770 Paragraph 2 BGB that the ICM Client may satisfy or discharge any of the ICM Client's Secured Claims against the Clearing Member by way of set-off (*Aufrechnung*).
- (iii) To the extent legally possible, the Clearing Member expressly waives its defences pursuant to Section 1211 Paragraph 1 Sentence 1 Alternative 1 BGB that the principal debtor of any of the ICM Client's Secured Claims against the Clearing Member has a defence against any such ICM Client's Secured Claim (*Einreden des Hauptschuldners*).

- (7) If the Affected Clearing Member is domiciled outside the EU and an additional legal act (including but not limited to a decision or approval by a regulator, public authority, court or insolvency administrator) is necessary or expedient to give full effect to the pledge under the laws of the jurisdiction applicable to the Affected Clearing Member, the pledge will only become enforceable (*Pfandreife*) after such act has become effective.

If no such act has been taken within one month after the Termination Date, Eurex Clearing AG shall be entitled to discharge the Difference Claim owed by it by payment to the Affected Clearing Member for the account of the ICM Client. Number 7.3.3 shall apply accordingly.

8.2 Assignments for Security Purposes

8.2.1 Assignment by Clearing Member to Eurex Clearing AG

- (1) Upon the occurrence of the events specified in Paragraph (3), the Clearing Member assigns to Eurex Clearing AG its Relevant Difference Claim against the ICM Client to secure all of the present and future Eurex Clearing AG's Secured Claims against the Clearing Member (*Sicherungsabtretung*), subject to Paragraph (3),

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- (2) Eurex Clearing AG accepts the assignment pursuant to this Number 8.2.1 Paragraph (1).
- (3) The Relevant Difference Claim which is subject to the assignment for security purposes will be transferred to Eurex Clearing AG immediately (and without any further actions being required on the part of the Clearing Member) upon the pledge coming into existence in accordance with this Number 8.1.1 and the assignment for security purposes is subject to the condition precedent (*aufschiebende Bedingung*) that a Termination has occurred and the applicable Termination Event either (a) prevents Eurex Clearing AG's Difference Claim against the Clearing Member from becoming due (*fällig*) or (b) renders it temporarily legally impossible (*vorübergehend unmöglich*) for the Clearing Member to perform Eurex Clearing AG's Difference Claim.
- (4) Upon the occurrence of a Termination Date, the ICM Client shall not be entitled to make any payment on the Relevant Difference Claim towards the Clearing Member unless Eurex Clearing AG has explicitly confirmed that the Eurex Clearing AG's Secured Claims against the Clearing Member have been fully satisfied and no further security purpose exists.
- (5) Upon the occurrence of the events specified in Paragraph (7), Eurex Clearing AG re-assigns to the Clearing Member the Relevant Difference Claim assigned to it in accordance with Paragraph (3). This shall not apply if the Interim Participation Conditions in accordance with Number 11.1.2 are satisfied in respect of the ICM Client and the assignments pursuant to Number 11.1.8 have been made.
- (6) The Clearing Member accepts the re-assignment pursuant to Paragraph (5).
- (7) The assigned Relevant Difference Claim will be re-assigned to the Clearing Member upon Eurex Clearing AG's Difference Claim against the Clearing Member subsequently becoming due (*fällig*) and, if applicable, no longer being temporarily legally impossible (*vorübergehend unmöglich*) to perform and without any further actions being required on the part of Eurex Clearing AG.
- (8) The Clearing Member notifies the ICM Client of the assignments pursuant to this Number 8.2.1. The ICM Client confirms the receipt of the notification.
- (9) The assignments pursuant to this Number 8.2.1 above shall in no way affect the pledges described in this Number 8.1.1 or the assigned claims as such.
- (10) Eurex Clearing AG may enforce the relevant assigned claim upon the occurrence of a Termination Date:
 - (i) at the end of the Last Valuation Date in each of the following cases: (a) no IP Election or Immediate Re-Establishment Election is made within the ICM Porting Election Period, (b) an IP Election is made within the ICM Porting Election Period but the Interim Participation Conditions are not satisfied by the expiry of the ICM Porting Period, or (c) an Immediate Re-Establishment Election is made within the ICM Porting Election Period but the Immediate Re-

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Establishment Conditions are not satisfied by the expiry of the ICM Porting Period; or

- (ii) at the Opening Time in case either (a) the Interim Participation Conditions or, as the case may be, (b) the Immediate Re-Establishment Conditions are satisfied by the Opening Time.

Any enforcement of the relevant assigned claim does not require that the secured claim is due and payable.

8.2.2 Assignment by Clearing Member to ICM Client

- (1) Upon the occurrence of the events specified in Paragraph (3), the Clearing Member assigns to the ICM Client its Difference Claim, as defined in Number 7.3.2, against Eurex Clearing AG under the relevant Standard Agreement to secure all of the present and future ICM Client's Secured Claims against the Clearing Member (*Sicherungsabtretung*), subject to Paragraph (3).
- (2) The ICM Client accepts the assignment pursuant to this Number 8.2.2 Paragraph (1).
- (3) The Difference Claim which is subject to the assignment for security purposes will be transferred to the ICM Client immediately (and without any further actions being required on the part of the Clearing Member) upon the pledge coming into existence in accordance with Number 8.1.2 and the assignment for security purposes is subject to the condition precedent (*aufschiebende Bedingung*) that a Termination has occurred and the applicable Termination Event either (a) prevents the ICM Client's Relevant Difference Claim against the Clearing Member from becoming due (*fällig*) or (b) renders it temporarily legally impossible (*vorübergehend unmöglich*) for the Clearing Member to perform ICM Client's Relevant Difference Claim.
- (4) Upon the occurrence of a Termination Date, Eurex Clearing AG shall not be entitled to make any payment on the Difference Claim towards the Clearing Member unless the ICM Client has explicitly confirmed that the ICM Client's Secured Claims against the Clearing Member have been fully satisfied and no further security purpose exists.
- (5) Upon the occurrence of the events specified in Paragraph (7), the ICM Client re-assigns to the Clearing Member the Difference Claim assigned to it in accordance with Paragraph (3). This shall not apply if the Interim Participation Conditions in accordance with Number 11.1.2 are satisfied in respect of the Clearing-Member/Registered Customer and the assignments pursuant to Number 11.1.8 have been made.
- (6) The Clearing Member accepts the reassignment pursuant to Paragraph (5).
- (7) The assigned Difference Claim will be re-assigned to the Clearing Member upon the ICM Client's Relevant Difference Claim against the Clearing Member subsequently becoming due (*fällig*) and, if applicable, no longer temporarily legally impossible

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(vorübergehend unmöglich) to perform and without any further actions being required on the part of Eurex Clearing AG.

- (8) The Clearing Member notifies Eurex Clearing AG of the assignment pursuant to this Number 8.2.2. Eurex Clearing AG confirms the receipt of the notification.
- (9) The assignments pursuant to this Number 8.2.2 above shall in no way affect the pledges described in Number 8.1.2 or the assigned claims as such.
- (10) Subject to Paragraph (11), the ICM Client may enforce the relevant assigned claim upon the occurrence of a Termination Date:
 - (i) at the end of the Last Valuation Date in each of the following cases: (a) no IP Election or Immediate Re-Establishment Election is made within the ICM Porting Election Period, (b) an IP Election is made within the ICM Porting Election Period but the Interim Participation Conditions are not satisfied by the expiry of the ICM Porting Period, or (c) an Immediate Re-Establishment Election is made within the ICM Porting Election Period but the Immediate Re-Establishment Conditions are not satisfied by the expiry of the ICM Porting Period; or
 - (ii) at the Opening Time in case either (a) the Interim Participation Conditions or, as the case may be, (b) the Immediate Re-Establishment Conditions are satisfied by the Opening Time.

Any enforcement of the relevant assigned claim does not require that the secured claim is due and payable.

- (11) If the Affected Clearing Member is domiciled outside the EU and an additional legal act (including but not limited to a decision or approval by a regulator, public authority, court or insolvency administrator) is necessary to give full effect to the assignment for security purposes under the laws of the jurisdiction applicable to the Affected Clearing Member, the ICM Client may only enforce the assigned claim after such act has become effective.

If no such act has been taken within one month after the Termination Date, Eurex Clearing AG shall be entitled to discharge the Difference Claim owed by it by payment to the Affected Clearing Member for the account of the ICM Client. Number 7.3.3 shall apply accordingly.

8.3 Creation of Security Interest pursuant to the Security Trust Agreement

If Eurex Clearing AG, the Security Trustee and the Clearing Member have entered into the Security Trust Agreement and Pledge and Assignment Agreement for the Individual Clearing Model Provisions (Clearing Members in England and Wales) in the form appended to the Clearing Conditions as Appendix 8 (the "**Security Trust Agreement**"), by entering into the relevant ICM Clearing Agreement, Eurex Clearing AG, the Clearing Member and the ICM Client agree that the following provisions apply:

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- (1) The ICM Client confirms to have received and acknowledges the Security Trust Agreement.
- (2) The notifications of the pledges and assignments for security purposes under the Security Trust Agreement, as applicable, are given and receipt of such notifications is confirmed by each of Eurex Clearing AG and the ICM Client in accordance with the Security Trust Agreement.
- (3) The ICM Client agrees with the Clearing Member and Eurex Clearing AG that the provisions on enforcement of the security interests created in the Security Trust Agreement and on the discharge of its Relevant Difference Claim and/or Shortfall Claim (including a discharge resulting from direct payments or deliveries by Eurex Clearing AG to the ICM Client or from the discharge of the Aggregate Security Trustee Claim (as defined in the Security Trust Agreement)) against the Clearing Member shall be binding as between them.
- (4) Upon the occurrence of a Termination Date, the ICM Client shall not be entitled to make any payment on the Relevant Difference Claim towards the Clearing Member unless Eurex Clearing AG has explicitly confirmed that Eurex Clearing AG's Secured Claims against the Clearing Member have been fully satisfied and no further security purpose exists.
- (5) In case of any inconsistency between the provisions of the ICM Clearing Agreement and/or the Clearing Conditions and the provisions of the Security Trust Agreement, the Security Trust Agreement shall prevail.

9 Obligation of the Clearing Member to forward received Settlement Assets or Eligible Margin Assets

9.1 General Obligation

Whenever the Clearing Member has received (i) a cash amount, Securities or any other asset (the "**Settlement Assets**") to settle a Covered Transaction or an amount of Eligible Margin Assets to deliver or redeliver cover in respect of the Segregated Margin or the Segregated Variation Margin under the relevant Standard Agreement from Eurex Clearing AG or (ii) Settlement Assets to settle a Relevant Transaction or an amount of Eligible Margin Assets to deliver or redeliver cover in respect of the Relevant Margin under the Relevant Agreement from the ICM Client, as the case may be, the Clearing Member shall – always subject to Number 5.3.2 and any applicable termination provisions – promptly transfer the same amount of equivalent Settlement Assets or Eligible Margin Assets to the ICM Client or Eurex Clearing AG, respectively. The same applies with respect to a redelivery of Non-Eligible Margin Assets.

9.2 Exemptions

This Number 9 shall not apply (i) if the Clearing Member's obligation under the relevant Covered Transactions or Standard Agreement between Eurex Clearing AG and the Clearing Member has already been fulfilled in accordance with the Clearing Conditions

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(by way of a set-off, a Direct Segregated Margin Transfer pursuant to Number 17.1 or otherwise) or (ii) if there has been a direct debit by Eurex Clearing AG pursuant to Number 5.4. In the case of (ii), the Clearing Member is obliged to either promptly and directly deliver to Eurex Clearing AG assets equal in amount and otherwise equivalent to the Settlement Assets or Eligible Margin Assets (or income therefrom) received from the ICM Client by reference to the relevant Standard Agreement or to exercise its option pursuant to Number 5.3.3.

9.3 Consequences of a set-off

If Eurex Clearing AG has declared a set-off pursuant to Number 1.3 of the General Clearing Provisions against an amount otherwise due from Eurex Clearing AG to the Clearing Member and the Clearing Member will therefore not receive (in whole or in part) a payment or delivery of Settlement Assets or Eligible Margin Assets (or income therefrom), respectively, with respect to the relevant amount from Eurex Clearing AG under the relevant Covered Transactions or relevant Standard Agreement between Eurex Clearing AG and the Clearing Member, respectively, the Clearing Member remains nevertheless obliged to promptly pay or deliver the applicable amount of Settlement Assets or Eligible Margin Assets (or income therefrom), respectively, to the ICM Client.

10 Shortfall Claim of the ICM Client and Regress Claim of the Clearing Member

10.1 Upon the occurrence of a Termination Date, a claim which was created by the signing of the ICM Clearing Agreement shall become unconditional and immediately due as of the end of either (i) the Last Valuation Date in case the Liquidation Price Approach is the applicable Difference Claim Valuation Method or (ii) the Termination Date in case the Exchange Price Approach is the applicable Difference Claim Valuation Method from the Clearing Member to the ICM Client with respect to their Relevant Agreement (the "**Shortfall Claim**"). The Shortfall Claim shall be an amount in the Termination Currency equal to either:

- (a) the difference between the Difference Claim of the Clearing Member against Eurex Clearing AG under the relevant Standard Agreement and the Relevant Difference Claim of the ICM Client against the Clearing Member (if any, and assuming that the Difference Claim of the Clearing Member against Eurex Clearing AG under the relevant Standard Agreement is higher than the Relevant Difference Claim of the ICM Client against the Clearing Member), or
- (b) the amount of the Difference Claim of the Clearing Member against Eurex Clearing AG under the relevant Standard Agreement where the Clearing Member is the creditor of the Relevant Difference Claim against the ICM Client or where no Relevant Difference Claim between the ICM Client and the Clearing Member exists.

10.2 The Clearing Member shall have a regress claim which was created by the signing of the ICM Clearing Agreement against the ICM Client with respect to their Relevant Agreement which becomes unconditional and immediately due if and to the extent Eurex Clearing AG has made a payment to the ICM Client with a view to satisfying the Shortfall

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Claim (the “**Regress Claim**”). The Regress Claim shall be an amount in the Termination Currency equal to either:

- (a) the difference between the Difference Claim of the Clearing Member against Eurex Clearing AG under the relevant Standard Agreement and the Relevant Difference Claim of the ICM Client against the Clearing Member (if any, and assuming that the Difference Claim of the Clearing Member against Eurex Clearing AG under the relevant Standard Agreement is higher than the Relevant Difference Claim of the ICM Client against the Clearing Member), or
- (b) the amount of the Difference Claim of the Clearing Member against Eurex Clearing AG under the relevant Standard Agreement where the Clearing Member is the creditor of the Relevant Difference Claim against the ICM Client or where no Relevant Difference Claim between the ICM Client and the Clearing Member exists.

11 Re-Establishment of Transactions upon request by ICM-Client

This Number 11 shall apply with respect to a Clearing Member (other than an OTC IRS FCM Clearing Member or a Clearing Member in its capacity as Clearing Agent), if Eurex Clearing AG has determined based on the legal circumstances in the jurisdiction where such Clearing Member is domiciled that the porting mechanics contemplated herein shall be applicable with respect to such Clearing Member. Eurex Clearing AG will publish the relevant jurisdictions from time to time.

- 11.1 If a Termination Event or an Insolvency Termination Event has occurred with respect to the Clearing Member, Eurex Clearing AG shall (a) if a Grace Period Notice has been given, without undue delay after the time specified in the Grace Period Termination Notice, (b) if a Termination Notice has been given, without undue delay after the time specified in the Termination Notice, and (c) if an Insolvency Termination Event has occurred, without undue delay after the Termination Time, give notice to all other Clearing Members, Non-Clearing Members and Registered Customers in accordance with Number 16.1 of the General Clearing Provisions on (i) the occurrence of the Termination Event and (ii) that the ICM Porting Period commences (the “**ICM Porting Notice**”).

“**ICM Porting Period**” means

- (i) if an Insolvency Termination Event has occurred, the period from the occurrence of the Insolvency Termination Event until (and including) 13:00 hours Frankfurt am Main time on the immediately following Business Day; and
- (ii) if any other Termination Event has occurred, the period from the publication of the ICM Porting Notice until (and including) 13:00 hours Frankfurt am Main time on the immediately following Business Day.

Eurex Clearing AG may extend the ICM Porting Period in order to facilitate the re-establishment by giving notice to all Clearing Members, Non-Clearing Members and Registered Customers in accordance with Number 16.1 of the General Clearing Provisions.

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- 11.2 Upon the occurrence of a Termination Date, the ICM Client may elect by giving notice to Eurex Clearing AG (the “**ICM Porting Election Notice**”) (i) to re-establish the terminated Covered Transactions as interim participant (the “**IP Election**”) or (ii) to immediately re-establish the terminated Covered Transactions with a Replacement Clearing Member (as defined in Number 11.4.1) (the “**Immediate Re-Establishment Election**”) or (iii) not to re-establish the terminated Covered Transactions, in each case as soon as possible and at the latest by 13:00 hours (Frankfurt am Main time) on the Business Day following the Termination Date (the “**ICM Porting Election Period**”).

If Eurex Clearing AG does not receive an ICM Election Notice in which either an IP Election or an Immediate Re-Establishment Election was made within the ICM Porting Election Period, there will be no re-establishment of the terminated Covered Transactions and Number 7.3.2 and 7.3.3 and Subpart B Number 6.3.2 and 6.3.3, if applicable, apply.

With respect to the Clearing of Covered Transactions for Relevant Funds, the Authorised Manager may decide separately for each Relevant Fund whether it either declares an IP Election or an Immediate Re-Establishment Election. With respect to the Clearing of Covered Transactions for Relevant Fund Segments, the Authorised Manager may only decide collectively for all such Relevant Fund Segments whether it declares an IP Election or an Immediate Re-Establishment Election. Sub Pools will not be supported for the purpose of a re-establishment.

11.1 Interim Participation of the ICM Client

- 11.3.1 If the ICM Client has selected the IP Election within the ICM Porting Election Period and the Interim Participation Conditions are satisfied, the ICM Client will be established as Interim Participant.
- 11.3.2 The following conditions (the “**Interim Participation Conditions**”) must be satisfied by the expiry of the ICM Porting Period to enable an Interim Participation of the ICM Client:
- (1) Eurex Clearing AG has received (i) all Interim Margin, (ii) all Interim Variation Margin, (iii) all Opening Margin, (iv) all Reimbursement Costs and (v) the ICM Client’s contribution to the Default Fund determined by Eurex Clearing AG in accordance with Number 11.3.5 Paragraph (6) and Number 6 of the General Clearing Provisions;
 - (2) the ICM Client has confirmed to Eurex Clearing AG that it is not (impending) illiquid (*(drohend) zahlungsunfähig*) and that no petition for the commencement of insolvency proceedings with regard to its assets or any similar petition has been filed;
 - (3) in the case of the ICM-CCD Provisions, the ICM Client has confirmed to Eurex Clearing AG that the Client Clearing Agreement with the Affected Clearing Member meets the requirements of an Eligible Client Clearing Agreement;
 - (4) Eurex Clearing AG has not exercised its objection right (as described in Number 11.3.7);

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- (5) the ICM Client has provided evidence to Eurex Clearing AG that it has access to the systems of Eurex Clearing AG and all functions in the context of the Direct Covered Transactions can be performed;
and
- (6) Eurex Clearing AG has given a notice to the ICM Client confirming the satisfaction of the Interim Participation Conditions and specifying the Opening Time.

If following receipt of an ICM Porting Election Notice in which an IP Election was made, the Interim Participation Conditions are not satisfied by the expiry of the ICM Porting Period, there will be no re-establishment of the terminated Covered Transactions and Number 7.3.2 and 7.3.3 and Subpart B Number 6.3.2 and 6.3.3, if applicable, apply.

11.1.3 Delivery of Interim Margin and Interim Variation Margin

- (1) Eurex Clearing AG is entitled to request cover from the ICM Client in respect of Margin for the Reference Transactions at any time between the Termination Time and the Opening Time in accordance with the Elementary Clearing Model Provisions (applied *mutatis mutandis*) as if a Termination Date had not occurred, provided that the ICM Client may deliver Eligible Margin Assets in the form of Securities only in accordance with Number 2.2.1 and 2.2.4.

Subpart A Number 4.2 of the Elementary Clearing Model Provisions applies *mutatis mutandis* to the ICM Client if Eurex Clearing AG determines that insufficient Eligible Margin Assets are held by Eurex Clearing AG to provide cover with respect to the Reference Transactions (the “**Interim Margin**”).

- (2) Further, if and to the extent that Subpart A Number 5 of the Elementary Clearing Model Provisions requires the transfer of cover in respect of daily profits or losses under Reference Transactions, Eurex Clearing AG is entitled to request cover in respect of the Variation Margin from the ICM Client for the Reference Transactions, if any, at any time between the Termination Time and the Opening Time in accordance with the Elementary Clearing Model Provisions as if a Termination had not occurred (the “**Interim Variation Margin**”). The ICM Client shall be required to transfer Eligible Margin Assets in the form of cash to Eurex Clearing AG in respect of the Interim Variation Margin. Eurex Clearing AG shall not be required to provide cover in respect of the Interim Variation Margin to the ICM Client for the Reference Transactions between the Termination Time and the Opening Time.

11.1.4 Establishment of ICM Client as Interim Participant

(1) Opening of Transactions

When the Interim Participation Conditions are satisfied by the expiry of the ICM Porting Period, or at such earlier time at which the Interim Participation Conditions are satisfied (the “**Opening Time**”), Eurex Clearing AG and the ICM Client as interim participant (the “**Interim Participant**”) shall, without any further action being required on the part of either of the parties, enter into new Transactions off-exchange directly

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between Eurex Clearing AG and the ICM Client (the “**Direct Covered Transactions**”) against payment of an opening consideration in the Termination Currency to be determined in accordance with this Number 11.3.4 Paragraph (1) (the “**Opening Consideration**”).

Each such Direct Covered Transaction shall have the same terms and conditions as the corresponding terminated Covered Transaction under the Standard Agreement between Eurex Clearing AG and the Affected Clearing Member (the “**Reference Transaction**”) as of the Opening Time in the absence of a Termination Date (taking into account any Interim Settlement pursuant to Number 11.5 or Post Settlement pursuant to Number 7.4).

The Opening Consideration shall equal the sum of the determined Single Transaction Amounts (as defined in Number 7.3.3 Paragraph (3) of the General Clearing Provisions) of all Reference Transactions used to calculate the Difference Claim under the relevant Standard Agreement between Eurex Clearing AG and the Affected Clearing Member using the Exchange Price Approach and shall be payable in accordance with Paragraph (3) below. Where these Individual Clearing Model Provisions provide that the Elementary Clearing Model Provisions shall apply to the provision of Margin and/or Variation Margin for Reference Transactions and/or Direct Covered Transactions, such Reference Transactions and/or Direct Covered Transactions shall for the purposes of the Elementary Clearing Model Provisions be deemed to constitute own transactions of the ICM Client.

(2) **Opening Margin**

For the purpose of entering into the Direct Covered Transactions with the ICM Client, Eurex Clearing AG is entitled to request cover in respect of Margin for Direct Covered Transactions from the ICM Client in such amounts, in such forms and at such times as are required pursuant to the Elementary Clearing Model Provisions (the “**Opening Margin Requirement**”) taking into account the aggregate value of Eligible Margin Assets actually delivered in respect of the Interim Margin Number 5.3.1 applies to the ICM Client *mutatis mutandis* if Eurex Clearing AG determines that the aggregate value of the Eligible Margin Assets held by Eurex Clearing AG is insufficient to provide the cover required with respect to the Direct Covered Transactions.

Further, if and to the extent Subpart A Number 5 of the Elementary Clearing Model Provisions requires the transfer of cover in respect of daily profits or losses under Direct Covered Transactions, Eurex Clearing AG is entitled to request cover in respect of such Variation Margin from the ICM Client in accordance with the Clearing Conditions (the “**Opening Variation Margin Requirement**”) and the ICM Client shall in such case be required to transfer Eligible Margin Assets in the form of cash to Eurex Clearing AG taking into account the aggregate value of Eligible Margin Assets actually delivered in respect of the Interim Variation Margin.

The delivery of cover in respect of the Margin or the Variation Margin (for the purpose of the Direct Covered Transactions, Margin shall be referred to as the

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“**Direct Margin**” and Variation Margin shall be referred to as “**Direct Variation Margin**”) for Direct Covered Transactions remains subject to the Elementary Clearing Model Provisions.

(3) **Settlement**

Without any further notice, the following amounts shall be set off immediately following the Opening Time and the remaining difference, if any, determined by Eurex Clearing AG and notified to the ICM Client shall be payable in the Termination Currency by the ICM Client to Eurex Clearing AG:

- (a) the cash equivalent amount of any Opening Margin Requirement and Opening Variation Margin Requirement (to the extent not yet settled due to the delivery of Interim Margin or Interim Variation Margin, if any) applicable to the ICM Client;
- (b) the amount of the Opening Consideration to be paid by Eurex Clearing AG or the ICM Client, as the case may be; and
- (c) (1) if Eurex Clearing AG is the creditor of the determined Difference Claim against the Affected Clearing Member under the relevant Standard Agreement, an amount in the Termination Currency equal to such outstanding Difference Claim in consideration of the assignment pursuant to Number 11.3.8 to be paid by the ICM Client, or

(2) if the Difference Claim is owed by Eurex Clearing AG to the Affected Clearing Member under the relevant Standard Agreement, the amount of such Difference Claim pledged or assigned for security purposes for the benefit of the ICM Client to be paid by Eurex Clearing AG.

If Eurex Clearing AG, the Security Trustee and the Clearing Member have entered into the Security Trust Agreement, the above set-off shall be applied in accordance with the Security Trust Agreement.

Eurex Clearing AG will credit the Eligible Margin Assets actually delivered (by direct payment or delivery or as a consequence of the set-off described herein in which case the Eligible Margin Assets shall be identical to the Eligible Margin Assets forming part of the Segregated Margin and Segregated Variation Margin of the Affected Clearing Member as of the Termination Date) in respect of the Opening Margin to an internal margin account pursuant to Number 4.1.2.

(4) **Direct Redelivery Claim**

Upon effectiveness of the set-off pursuant to Paragraph (3) above and/or upon the actual delivery of the remaining difference to Eurex Clearing AG pursuant to Paragraph (3) above, corresponding Redelivery Claims with respect to the Direct Margin or Direct Variation Margin shall arise (the “**Direct Redelivery Claims**”).

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11.1.5 Further Terms and Conditions applicable during Interim Participation

Upon the conclusion of Direct Covered Transactions, a Clearing Agreement in the form appended to the Clearing Conditions as Appendix 1 between Eurex Clearing AG and the ICM Client, which shall constitute a separate master agreement (*Rahmenvertrag*) between such parties which (subject to provisions in this Chapter I on the termination of individual Transactions) can be terminated only uniformly, shall be established pursuant to the terms of the Clearing Conditions and the Elementary Clearing Model Provisions applicable between Eurex Clearing AG and Clearing Members subject to the following provisions and exemptions:

- (1) Eurex Clearing AG shall not be required to make any payments or (re-) deliveries to the ICM Client under Direct Transactions or with respect to Direct Margin or Direct Variation Margin.
- (2) If the ICM Client is a Non-Clearing Member, it is only entitled to enter any order or quotes into the systems of the Markets if sufficient Direct Margin or Direct Variation Margin has been actually delivered to Eurex Clearing AG in advance.
- (3) The ICM Client may deliver Eligible Margin Assets in the form of Securities only in accordance with Number 2.2.1 and 2.2.4.
- (4) The ICM Client shall provide to Eurex Clearing AG such cash and securities account information required by Eurex Clearing AG for the settlement of Transactions and delivery of Direct Margin or Direct Variation Margin.
- (5) The ICM Client is not required to comply with Number 2.1 of the General Clearing Provisions.
- (6) The ICM Client is required to pay contributions to the Default Fund in accordance with Number 6 of the General Clearing Provisions subject to the modifications set out in Number 15.
- (7) Eurex Clearing AG is entitled, to exclude certain Transaction Types from the Clearing as long as the Interim Participation applies.

11.1.6 Re-Establishment with other Clearing Member

In addition, the ICM Client shall with respect to the clearing model selected by the ICM Client under the Clearing Conditions be obliged to enter or have been entered into a Clearing Agreement in the form appended to the Clearing Conditions as Appendix 2, an ICM Clearing Agreement with another Clearing Member and Eurex Clearing AG by not later than five Business Days after the Termination Date or such longer period of time specified by Eurex Clearing AG in its own discretion and shall transfer all Direct Covered Transactions to such Clearing Member and shall enter into transactions corresponding to all such Direct Covered Transactions with such Clearing Member by executing a transfer agreement in form and substance satisfactory to Eurex Clearing AG (the “**Transfer Agreement**”) with Eurex Clearing AG and such Clearing Member within such time. Upon such transfer the following will apply:

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- (i) in the case of the Elementary Clearing Model Provisions, any Direct Margin or Direct Variation Margin shall be retransferred to the ICM Client immediately following the novation;
- (ii) in the case of the ICM-ECD Provisions, the Direct Margin and Direct Variation Margin shall henceforth constitute Segregated Margin or Segregated Variation Margin, respectively, pursuant to the Individual Clearing Model Provisions and corresponding Redelivery Claims shall arise under each of the relevant Standard Agreement between Eurex Clearing AG and such Clearing Member and the Corresponding Standard Agreement between such Clearing Member and the ICM Client (each as defined in the Individual Clearing Model Provisions); or
- (iii) in the case of the ICM-CCD Provisions, the Direct Margin and Direct Variation Margin shall henceforth constitute Segregated Margin or Segregated Variation Margin, respectively, pursuant to the Individual Clearing Model Provisions and corresponding Redelivery Claims shall arise under the relevant Standard Agreement between Eurex Clearing AG and such Clearing Member and the ICM Client will enter into transactions corresponding to all such transferred Direct Covered Transactions with such Clearing Member under their corresponding Client Clearing Agreement as of the same time as the transfer of the Direct Covered Transactions.

To the extent the Transfer Agreement will be concluded with an Authorised Manager, each reference in the Transfer Agreement to a “**Registered Customer**” shall be a reference to a particular Relevant Fund or Relevant Fund Segment, as stated in the Annex to the Transfer Agreement.

11.1.7 **Objection Right of Eurex Clearing AG**

Eurex Clearing AG may decline to accept an ICM Client as an Interim Participant if a regulator, court or another authority has prohibited or hindered the application of any or part of the mechanics of the Individual Clearing Model Provisions (including by transferring Covered Transactions to another entity).

In addition, Eurex Clearing AG will not permit the establishment of the ICM Client as Interim Participant if it becomes aware of (i) the occurrence of any event with respect to that ICM Client which would constitute a Termination Event or Insolvency Termination Event if the ICM Client was a Clearing Member, or (ii) circumstances which, in Eurex Clearing AG’s reasonable opinion, indicate that such an event has occurred or is about to occur.

The objection rights described herein shall be exercised by giving a written notice to the ICM Client.

11.1.8 **Assignment of Eurex Clearing AG’s Difference Claim**

- (1) For the purpose of the Interim Participation, Eurex Clearing AG assigns, immediately following the Opening Time, its Difference Claim against the Clearing Member (if any) together with any ancillary rights to the ICM Client (for the avoidance of doubt,

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such assignment shall not be considered to be made by way of security). The ICM Client accepts such assignments. Section 401 BGB does apply.

- (2) For the purpose of the Interim Participation, Eurex Clearing AG further assigns, at the time when the Direct Covered Transactions are concluded, to the ICM Client any Relevant Difference Claim of the Affected Clearing Member against the ICM Client (if any) which has been assigned to Eurex Clearing AG by the Clearing Member for security purposes pursuant to Number 8.2.1. The ICM Client accepts such assignments and acknowledges that the agreed security purpose shall continue to apply.
- (3) The assignments under Paragraph (1) and (2) are subject to the condition precedent (*aufschiebende Bedingung*) that a set-off as described in Number 11.3.4 Paragraph (3) has occurred.
- (4) For the purposes of this Number 11.3.8, “**ancillary rights**” means all existing and future claims and rights under, pursuant to, or in connection with the relevant assigned claim and its underlying agreement (if any), including, but not limited to:
 - (i) other related ancillary rights and claims, including but not limited to, independent unilateral rights (*selbständige Gestaltungsrechte*) as well as dependent unilateral rights (*unselbständige Gestaltungsrechte*), in particular the right of termination (*Recht zur Kündigung*), if any, and the right of rescission (*Recht zum Rücktritt*), but which are not of a personal nature (without prejudice to the assignment of ancillary rights and claims pursuant to Section 401 BGB); and
 - (ii) all claims and rights under any accessory security interest (*akzessorische Sicherheit*) securing such Difference Claim.
- (5) If
 - (i) following the assignment set out in Paragraph (1) the ICM Client is both pledgee and third party debtor (*Drittschuldner*) of a claim, the pledge shall be automatically realised by the ICM Client declaring that it collects the amount owed to it under the pledge;
 - (ii) following the assignment set out in in Paragraph (1), the ICM Client is not both pledgee and third party debtor (*Drittschuldner*) of the claim set out under the foregoing (i), the parties agree that the pledge shall equally be automatically realised or cease to exist, respectively;
 - (iii) as long as the requirements of Numbers 8.2.1 Paragraph (3) and 8.2.2 Paragraph (3) are met, following the assignment set out in Paragraph (2), the ICM Client is both creditor and debtor of a Difference Claim, such Difference Claim shall automatically be discharged; such discharge shall constitute an enforcement of the claims that are secured by an assignment for security purposes of such Difference Claim, which enforcement shall result in a discharge of such secured claims in the same amount;

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- (iv) as long as the requirements of Numbers 8.2.1 Paragraph (3) and 8.2.2 Paragraph (3) are met, following the assignment set out in Paragraph (1), the ICM Client is not both creditor and debtor of the Difference Claim set out under the foregoing (iii), the parties agree that such Difference Claim shall equally automatically be discharged; such discharge shall constitute an enforcement of the claims that are secured by an assignment for security purposes of such Difference Claim, which enforcement shall result in a discharge of such secured claims in the same amount.
- (v) Eurex Clearing AG notifies the Clearing Member of the assignments pursuant to Paragraph (1) and (2). The Clearing Member confirms receipt of such notification.

11.1.9 Specific Provisions for non-EU Clearing Members

If the Affected Clearing Member is domiciled outside the EU and an additional legal act (including but not limited to a decision or approval by a regulator, public authority, court or insolvency administrator) is necessary to give full effect to the pledge pursuant to Number 8.1.2 or the assignment for security purposes pursuant to Number 8.2.2 under the laws of the jurisdiction applicable to the Affected Clearing Member, the ICM Client will only be established as an Interim Participant if (i) such act has become effective by the point in time at which the Interim Participation Conditions need to be satisfied, and if (ii) Eurex Clearing has not yet discharged the Difference Claim by payment to the Affected Clearing Member in accordance with Number 8.1.2 Paragraph (7) or Number 8.2.2 Paragraph (11).

11.2 Immediate Re-Establishment with Replacement Clearing Member

11.2.1 If the ICM Client has selected the Immediate Re-Establishment Election within the ICM Porting Election Period and the Immediate Re-Establishment Conditions are satisfied, the re-establishment of Covered Transactions with a Replacement Clearing Member (the "**Replacement Clearing Member**") shall occur.

11.2.2 The following conditions (the "**Immediate Re-Establishment Conditions**") must be satisfied by the expiry of the ICM Porting Period to effect the re-establishment of Covered Transactions with a Replacement Clearing Member:

- (1) if the Covered Transactions shall be cleared with the Replacement Clearing Member pursuant to the Individual Clearing Model Provisions, Eurex Clearing AG, the Replacement Clearing Member and the ICM Client have entered into an ICM Clearing Agreement; if the Covered Transactions shall be cleared with the Replacement Clearing Member pursuant to the Elementary Clearing Model Provisions, the Replacement Clearing Member and the ICM Client have undertaken to Eurex Clearing AG in form and substance satisfactory to Eurex Clearing AG that they will, no later than five (5) Business Days after the end of the ICM Porting Period, enter into a Clearing Agreement with Eurex Clearing AG in the form appended to the Clearing Conditions as Appendix 2, unless such Clearing Agreement has already been entered into;

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- (2) Eurex Clearing AG, the Replacement Clearing Member and the ICM Client have entered into a Transfer Agreement;
- (3) the ICM Client has confirmed to Eurex Clearing AG that it is not (impending) illiquid (*(drohend) zahlungsunfähig*) and that no petition for the commencement of insolvency proceedings with regard to its assets or any similar petition has been filed;
- (4) in the case of the ICM-CCD Provisions, the ICM Client has confirmed to Eurex Clearing AG that the Client Clearing Agreement with the Affected Clearing Member meets the requirements of an Eligible Client Clearing Agreement;
- (5) in the case of an ICM Clearing Agreement for ICM-CCD with the Replacement Clearing Member and the ICM Client, the Client Clearing Agreement between the ICM Client and the Replacement Clearing Member meets the requirements of an Eligible Client Clearing Agreement;
- (6) the Replacement Clearing Member has confirmed to Eurex Clearing AG that no Termination Event or Insolvency Termination Event has occurred or is about to occur with respect to it;
- (7) Eurex Clearing AG has not exercised its objection right (as described in Number 11.4.6);
- (8) Eurex Clearing AG has given a notice to the ICM Client and the Replacement Clearing Member confirming the satisfaction of the foregoing Immediate Re-Establishment Conditions and its acceptance of the immediate transfer to the Replacement Clearing Member.

If following receipt of an ICM Porting Election Notice within the ICM Porting Election Period, in which an Immediate Re-establishment Election was made, the Immediate Re-establishment Conditions set out in this Number 11.4.2 are not satisfied by the expiry of the ICM Porting Period, there will be no re-establishment of the terminated Covered Transactions and Number 7.3.2 and 7.3.3 and Subpart B Number 6.3.2 and 6.3.3, if applicable, apply.

11.2.3 Re-Establishment of Transactions with ICM Client

(1) Opening of Transactions

When the Immediate Re-Establishment Conditions are satisfied by the expiry of the ICM Porting Period, or at such earlier time at which the Immediate Re-Establishment Conditions are satisfied (the “**Opening Time**”), Eurex Clearing AG and the ICM Client shall enter into without any further action being required on the part of either of the parties new Transactions off-exchange directly between Eurex Clearing AG and the ICM Client (the “**Direct Covered Transactions**”) against payment of an opening consideration in the Termination Currency to be determined in accordance with this Paragraph (1) (the “**Opening Consideration**”).

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Each such Direct Covered Transaction shall have the same terms and conditions as the corresponding terminated Covered Transaction (the “**Reference Transaction**”) under the Standard Agreement between Eurex Clearing AG and the Affected Clearing Member as of the Opening Time in the absence of a Termination Date.

The Opening Consideration shall equal the sum of the determined Single Transaction Amounts of each Reference Transactions used to calculate the Difference Claim between Eurex Clearing AG and the Affected Clearing Member and shall be payable in accordance with Paragraph (3) below.

(2) **Opening Margin**

For the purpose of entering into the Direct Covered Transactions with the ICM Client, Eurex Clearing AG is entitled to request cover in respect of Margin for Direct Covered Transactions (“**Direct Margin**”) from the ICM Client in such amounts, in such forms and at such times as are required pursuant to the Elementary Clearing Model Provisions (the “**Opening Margin Requirement**”).

Further, if and to the extent that Subpart A Number 5 of the Elementary Clearing Model Provisions requires the transfer of cover in respect of daily profits or losses under Direct Covered Transactions, Eurex Clearing AG is entitled to request cover in respect of such Variation Margin (the “**Direct Variation Margin**”) from the ICM Client in accordance with the Clearing Conditions (the “**Opening Variation Margin Requirement**”) and the ICM Client shall in such case be required to transfer Eligible Margin Assets in the form of cash to Eurex Clearing AG.

(3) **Settlement**

Without any further notice, the following amounts shall be set off immediately following the Opening Time and the remaining difference, if any, determined by Eurex Clearing AG and notified to the ICM Client and the Replacement Clearing Member shall be payable in the Termination Currency by the ICM Client to Eurex Clearing AG:

- (aa) the cash equivalent amount of any Opening Margin Requirement and Opening Variation Margin Requirement applicable to the ICM Client;
- (bb) the amount of the Opening Consideration to be paid by Eurex Clearing AG or the ICM Client, as the case may be; and
- (cc) (1) if Eurex Clearing AG is the creditor of the determined Difference Claim against the Affected Clearing Member under the relevant Standard Agreement, an amount in the Termination Currency equal to such outstanding Difference Claim in consideration of the assignment pursuant to Number 11.4.4 to be paid by the ICM Client, or
 - (2) if the Difference Claim is owed by Eurex Clearing AG to the Affected Clearing Member under the relevant Standard Agreement, the amount of such

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Difference Claim pledged or assigned for security purposes for the benefit of the ICM Client to be paid by Eurex Clearing AG.

If Eurex Clearing AG, the Security Trustee and the Clearing Member and have entered into the Security Trust Agreement, the above set-off shall be applied in accordance with the Security Trust Agreement.

Eurex Clearing AG will credit the Eligible Margin Assets actually delivered (as a consequence of the set-off described herein in which case the Eligible Margin Assets shall be identical to the Eligible Margin Assets forming part of the Segregated Margin and Segregated Variation Margin of the Affected Clearing Member as of the Termination Date) in respect of the Opening Margin to an internal margin account pursuant to Number 4.1.3.

(4) **Direct Redelivery Claim**

Upon effectiveness of the set-off and/or upon the actual delivery of the remaining difference to Eurex Clearing AG pursuant to Paragraph (3) above, corresponding Redelivery Claims with respect to the Direct Margin or Direct Variation Margin shall arise (the “**Direct Redelivery Claims**”).

11.2.4 Assignment of Eurex Clearing AG's Difference Claim

- (1) For the purpose of the Immediate Re-Establishment, Eurex Clearing AG assigns, immediately following the Opening Time, its Difference Claim against the Clearing Member (if any) together with any ancillary rights to the ICM Client (for the avoidance of doubt, such assignment shall not be considered to be made by way of security). The ICM Client accepts such assignments. Section 401 BGB does apply.
- (2) For the purpose of the Immediate Re-Establishment, Eurex Clearing AG further assigns, at the time when the Direct Covered Transactions are concluded, to the ICM Client any Relevant Difference Claim of the Affected Clearing Member against the ICM Client (if any) which has been assigned to Eurex Clearing AG by the Clearing Member for security purposes pursuant to Number 8.2.1. The ICM Client accepts such assignments and acknowledges that the agreed security purpose shall continue to apply.
- (3) The assignments under Paragraph (1) and (2) are subject to the condition precedent (aufschiebende Bedingung) that a set-off as described in Number 11.4.3 Paragraph (3) has occurred.
- (4) For the purposes of this Number 11.4.4, “**ancillary rights**” means all existing and future claims and rights under, pursuant to, or in connection with the relevant assigned claim and its underlying agreement (if any), including, but not limited to:
 - (i) other related ancillary rights and claims, including but not limited to, independent unilateral rights (selbständige Gestaltungsrechte) as well as dependent unilateral rights (unselbständige Gestaltungsrechte), in particular the right of termination (Recht zur Kündigung), if any, and the right of rescission

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(Recht zum Rücktritt), but which are not of a personal nature (without prejudice to the assignment of ancillary rights and claims pursuant to Section 401 BGB); and

- (ii) all claims and rights under any accessory security interest (akzessorische Sicherheit) securing such Difference Claim.

(5) If

- (i) following the assignment set out in Paragraph (1) the ICM Client is both pledgee and third party debtor (*Drittschuldner*) of a claim, the pledge shall be automatically realised by the ICM Client declaring that it collects the amount owed to it under the pledge;
- (ii) following the assignment set out in Paragraph (1), the ICM Client is not both pledgee and third party debtor (*Drittschuldner*) of the claim set out under the foregoing (i), the parties agree that the pledge shall equally be automatically realised or cease to exist, respectively;
- (iii) as long as the requirements of Numbers 8.2.1 Paragraph (3) and 8.2.2 Paragraph (3) are met, following the assignment set out in Paragraph (2), the ICM Client is both creditor and debtor of a Difference Claim, such Difference Claim shall automatically be discharged; such discharge shall constitute an enforcement of the claims that are secured by an assignment for security purposes of such Difference Claim, which enforcement shall result in a discharge of such secured claims in the same amount;
- (iv) as long as the requirements of Numbers 8.2.1 Paragraph (3) and 8.2.2 Paragraph (3) are met, following the assignment set out in Paragraph (1), the ICM Client is not both creditor and debtor of the Difference Claim set out under the foregoing (iii), the parties agree that such Difference Claim shall equally automatically be discharged; such discharge shall constitute an enforcement of the claims that are secured by an assignment for security purposes of such Difference Claim, which enforcement shall result in a discharge of such secured claims in the same amount.
- (v) Eurex Clearing AG notifies the Clearing Member of the assignments pursuant to Paragraph (1) and (2). The Clearing Member confirms receipt of such notification.

11.2.5 Immediate Transfer to Replacement Clearing Member

Immediately upon settlement pursuant to Number 11.4.3 Paragraph (3), all Direct Covered Transactions and all Direct Redelivery Claims are immediately transferred by operation of the executed Transfer Agreement to the Replacement Clearing Member, and the ICM Client shall immediately enter into new transactions corresponding to all such Direct Covered Transactions with the Replacement Clearing Member. Upon such transfer the following shall apply:

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- (i) in the case of the Elementary Clearing Model Provisions, any Direct Margin or Direct Variation Margin shall be retransferred to the ICM Client immediately following the novation;
- (ii) in the case of the ICM-ECD Provisions, the Direct Margin and Direct Variation Margin shall henceforth constitute Segregated Margin or Segregated Variation Margin, respectively, pursuant to the Individual Clearing Model Provisions and corresponding Redelivery Claims shall arise under each of the relevant Standard Agreement between Eurex Clearing AG and such Clearing Member and the Corresponding Standard Agreement between such Clearing Member and the ICM Client (each as defined in the Individual Clearing Model Provisions), or
- (iii) in the case of the ICM-CCD Provisions, the Direct Margin and Direct Variation Margin shall henceforth constitute Segregated Margin or Segregated Variation Margin, respectively, pursuant to the Individual Clearing Model Provisions and corresponding Redelivery Claims shall arise under the relevant Standard Agreement between Eurex Clearing AG and such Clearing Member and the ICM Client will enter into transactions corresponding to all such transferred Direct Covered Transactions with such Clearing Member under their corresponding Client Clearing Agreement as of the same time as the transfer of the Direct Covered Transactions.

11.2.6 Objection Rights of Eurex Clearing AG

Eurex Clearing AG may decline to accept the transfer to the Replacement Clearing Member if a regulator, court or another authority has prohibited or hindered the application of any or part of the mechanics of the Individual Clearing Model Provisions (including by transferring Covered Transactions to another entity).

In addition, Eurex Clearing AG will not permit the transfer to the Replacement Clearing Member if it becomes aware of circumstances which, in Eurex Clearing AG's reasonable opinion, indicate that a Termination Event or Insolvency Termination Event is about to occur with respect to the Replacement Clearing Member.

The objection rights described herein shall be exercised by giving a written notice to the ICM Client and the Replacement Clearing Member.

11.2.7 Specific Provisions for non-EU Clearing Members

If the Affected Clearing Member is domiciled outside the EU and an additional legal act (including but not limited to a decision or approval by a regulator, public authority, court or insolvency administrator) is necessary to give full effect to the pledge pursuant to Number 8.1.2 or the assignment for security purposes pursuant to Number 8.2.2 under the laws of the jurisdiction applicable to the Affected Clearing Member, the immediate re-establishment with a replacement Clearing Member will only take place if (i) such act has become effective by the point in time at which the Immediate Re-Establishment Conditions need to be satisfied, and if (ii) Eurex Clearing has not yet discharged the Difference Claim by payment to the Affected Clearing Member in accordance with Number 8.1.2 Paragraph (7) or Number 8.2.2 Paragraph (11).

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11.3 Interim Settlement

Following the Termination Time and until the Opening Time, Eurex Clearing AG is entitled to undertake any necessary actions and transactions to ensure the continuation of Clearing with other Clearing Members as a result of the Termination Date with respect to the Covered Transactions between Eurex Clearing AG and the Clearing Member (the “**Interim Settlement**”).

The ICM Client shall be obliged to reimburse Eurex Clearing AG for all of its expenses and costs arising from any such Interim Settlement (the “**Reimbursement Costs**”) no later than the Opening Time.

12 Restrictions, Waivers, Undertakings

12.1 All claims for unjust enrichment or similar claims of the Clearing Member or the ICM Client, if any, which may arise in connection with

- (i) a Termination pursuant to Number 7.1, or Subpart B Number 6.1, if applicable, or a termination of all or some Client Clearing Transactions under the Client Clearing Agreement (however described); or
- (ii) an Interim Participation pursuant to Number 11

are excluded except if necessary to give effect to the economic intent of the Individual Clearing Model Provisions.

12.2 Upon satisfaction of the Interim Participation Conditions in accordance with Number 11.1.2 or the Immediate Re-Establishment Conditions in accordance with Number 11.2.2, neither the ICM Client nor the Clearing Member shall have any claim against Eurex Clearing AG under or in connection with terminated Covered Transactions.

12.3 Only Eurex Clearing AG may set off its Difference Claim against the Clearing Member with any other claim between the Clearing Member and Eurex Clearing AG.

12.4 Eurex Clearing AG shall be entitled to pay and the relevant ICM Client shall be entitled to collect the full amount of each claim that has been pledged or assigned for security purposes in the ICM Clearing Agreement to that ICM Client (as further set out in Number 8), irrespective of the actual value of the relevant secured claim and Section 1282 (1) Sentence 2 of the German Civil Code (Bürgerliches Gesetzbuch) shall not apply.

Upon any assigned or pledged claim being paid in full to the pledgee or assignee the respective pledged or assigned claim shall be considered satisfied vis-à-vis the relevant pledgor or assignor. Any regress claim in lieu of such payment may only be brought against the relevant pledgee or assignee. For the avoidance of doubt, any recourse against Eurex Clearing AG (except for Eurex Clearing AG as pledgee) in connection with such payment shall be excluded.

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- 12.5 Any pledge granted by the Clearing Member over a specific claim in the ICM Clearing Agreement to the relevant secured party pursuant to Number 8 shall be upheld and remain unaffected if and to the extent title to such specific pledged claim has been assigned or otherwise transferred to the secured party under the Individual Clearing Model Provisions, unless and until such specific pledged claim has been satisfied. Section 1256 (1) Sentence 1 of the German Civil Code (Bürgerliches Gesetzbuch) shall not apply and the pledgee shall at all times be protected by, and have a vested legal interest in the existence of, the relevant pledge.
- 12.6 Unless otherwise provided in the Individual Clearing Model Provisions and to the extent legally possible, neither party to the ICM Clearing Agreement shall assign or create any other security interest over, claims arising from the ICM Clearing Agreement. The Difference Claim pursuant to Number 7.3.2 and pursuant to Subpart B Number 6.3.2 is assignable; Section 401 BGB shall apply to any such assignment and the parties of the assignment shall ensure that this also is the case for any further assignment.
- 12.7 The exercise of retention rights (Zurückbehaltungsrecht) against any claims under the relevant Standard Agreement shall be prohibited.
- 12.8 No party subject to the Individual Clearing Model Provisions shall be
- (i) required to satisfy any claims; or
 - (ii) entitled to demand payment or delivery in respect of any claim
- as a result of which, from an economic perspective, that would amount to a double payment or delivery or, as the case may be, to a receipt of the same amount twice by any party subject to the Individual Clearing Model Provisions.
- 13 Default under the Relevant Agreement between the Clearing Member and the ICM Client, Termination of Relevant Transactions**
- 13.1 Each of the Clearing Member and the ICM Client is obliged to notify Eurex Clearing AG in text form or in writing promptly (i) if a Default with respect to the Clearing Member or the ICM Client under their Relevant Agreement has occurred and (ii) if, as a consequence of such a Default, all or only some of the Relevant Transactions between the Clearing Member and the ICM Client have been accelerated, terminated or otherwise closed-out. If Eurex Clearing AG initially received such a notice from the ICM Client, it shall request the Clearing Member to give notice to Eurex Clearing AG, confirming the content of such notice promptly. Eurex Clearing AG may make available to the Clearing Member a form of any such notice or confirmation notice pursuant to this provision in which case the Clearing Member is required to use such form only for its notice or confirmation notice to Eurex Clearing AG.
- 13.2 “**Default**” for the purpose of Number 13.1 means the applicable events of default and other termination events (however described) set out in the Relevant Agreement between the Clearing Member and the ICM Client, including with respect to the Clearing Member

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only the Termination Events pursuant to Number 7.2 of the General Clearing Provisions, and any event having a similar effect under applicable law.

- 13.3 Notwithstanding the occurrence of a Termination Date with respect to the relevant Clearing Member, any termination of Relevant Transactions between the Clearing Member and the ICM Client due to a Default will not terminate the relevant Covered Transactions between Eurex Clearing AG and the Clearing Member.
- 13.4 Following receipt by Eurex Clearing AG of a notice pursuant to Number 13.1 that all or only some of the Relevant Transactions between the Clearing Member and the ICM Client have been terminated under their Relevant Agreement by any party or by operation of law, the following applies with respect to the relevant Standard Agreement between Eurex Clearing AG and the Clearing Member, unless such Default occurs by reference to a Termination Date with respect to the relevant Clearing Member:
- 13.4.1 All Covered Transactions between Eurex Clearing AG and the Clearing Member shall without any further action be novated and be re-entered into under the Clearing Agreement pursuant to the Elementary Clearing Model Provisions. The so novated original Covered Transactions shall be credited to a Clearing Member Own Account (unless Eurex Clearing AG is instructed otherwise by the Clearing Member) and shall constitute Own Transaction or Omnibus Transactions of the Clearing Member depending on whether they are booked to the Clearing Member Own Account or a Client Transaction Account of the Clearing Member.
- 13.4.2 All Redelivery Claims relating to Eligible Margin Assets in form of cash actually delivered in respect of Segregated Margin or Segregated Variation Margin by either party shall without any further action be novated and be re-established under the Clearing Agreement pursuant to the Elementary Clearing Model Provisions.
- 13.4.3 All Eligible Margin Assets in form of Securities actually delivered in respect of the Segregated Margin by the Clearing Member shall, following receipt of any notice or confirmation notice, as the case may be, by the Clearing Member pursuant to Number 13.1, be transferred by Eurex Clearing AG to the Clearing Member and pledged by the Clearing Member to Eurex Clearing AG in accordance with the Elementary Clearing Model Provisions. For such purposes, Eurex Clearing AG shall instruct the Settlement Location to transfer Eligible Margin Assets in form of Securities actually delivered in respect of the Segregated Margin by the Clearing Member from the Securities Margin Account or the Eurex Clearing Securities Margin Account, respectively, to the relevant Pledged Securities Account which will then constitute Margin actually delivered pursuant to the Elementary Clearing Model Provisions. All Redelivery Claims of the Clearing Member against Eurex Clearing AG with respect to the transfer of equivalent Eligible Margin Assets in form of Securities actually delivered in respect of Segregated Margin shall be settled. Number 9 shall not apply.
- 13.4.4 In the case of the ICM-ECD Provisions, any residual Covered Transactions between the Clearing Member and the ICM Client shall without any further action be novated and be re-entered into under the Clearing Agreement pursuant to the Elementary Clearing Model Provisions.

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14 Default Fund

For the purpose of the Individual Clearing Model Provisions and in addition to Number 6 of the General Clearing Provisions, the following provisions apply to all Clearing Members and ICM Clients while acting as Interim Participant under the Clearing Conditions pursuant to Number 11.1:

- (i) All references in Number 6 of the General Clearing Provisions to Clearing Member include all ICM Clients while acting as Interim Participant under the Clearing Conditions;
- (ii) Number 6.1.2 Paragraph (2) of the General Clearing Provisions does not apply to ICM Clients while acting as Interim Participant under the Clearing Conditions;
- (iii) all contributions to the Default Fund of a Clearing Member with respect to which a Termination has occurred shall be available to cover the Default Fund Secured Claims with respect to the financial consequences and losses of any one or more Terminations that may occur with respect to any of its ICM Clients while any such ICM Client is an Interim Participant and references in Number 6.2.1 of the General Clearing Provisions to the Affected Clearing Member shall therefore include that Clearing Member and the ICM Client acting as Interim Participant provided that the contributions of the ICM Client acting as Interim Participant to the Default Fund shall be used first and only thereafter the contributions of that Clearing Member;
- (iv) Number 6.2 of the General Clearing Provisions does not apply to the ICM Client as Interim Participant with respect to the Termination relating to its Clearing Member and resulting in the application of Number 11.1; and
- (v) contributions of the ICM Client shall be released at least one month following the effective date of the Transfer Agreement referred to in Number 11.1.6, subject to Number 6.4 of the General Clearing Provisions which shall apply *mutatis mutandis*.

15 Specific Provisions regarding Eligible Margin Assets in form of Securities

15.1 Securities Income

15.1.1 Any payments of interest, dividends or other distributions in the form of Securities arising in relation to Securities that constitute Segregated Margin and are credited to the Securities Margin Account or to the relevant Eurex Clearing Securities Margin Account in respect of which no payment of consideration is required as well as any other rights arising in relation to Securities credited to the Securities Margin Account of a Clearing Member or to the relevant Eurex Clearing Securities Margin Account (such as bonus shares) (the "**Securities Income**") will be credited to the Securities Margin Account or to the relevant Eurex Clearing Securities Margin Account, respectively.

15.1.2 Securities Income credited to the Securities Margin Account or to the relevant Eurex Clearing Securities Margin Account constitutes Segregated Margin between Eurex Clearing AG and the Clearing Member and between the Clearing Member and the ICM Client (in the case of the ICM-ECD Provisions and, if the relevant Securities Margin

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Account or the relevant Eurex Clearing Securities Margin Account relates to Segregated Margin provided with respect to more than one ICM Client, only between the Clearing Member and the relevant ICM Client to which the specific customer identifier refers) and the relevant Redelivery Claims between such parties will be increased or, if any such Securities Income subsequently expires decreased accordingly.

- 15.1.3 Number 3.2.3 of the General Clearing Provisions applies accordingly if such Securities Income constitutes Non-Eligible Margin Assets.

15.2 Cash Income

Upon payment of any interest, dividends or other distributions in cash in relation to Securities or Equivalent Securities (as defined in Number 15.4.2), as the case may be, that constitute Segregated Margin and are credited to the Securities Margin Account of a Clearing Member or to the relevant Eurex Clearing Securities Margin Account (the “**Cash Income**”), Eurex Clearing AG shall pay to the Clearing Member a cash amount equivalent to and in the same currency as such Cash Income (net of any withholding or deduction) (the “**Equivalent Notional Cash Income**”). Following the credit of any Cash Income or Equivalent Notional Cash Income, as the case may be, by Clearstream Banking AG or Clearstream Banking S.A., as the case may be, directly to a designated cash account of the Clearing Member, Eurex Clearing AG’s obligation to pay the relevant Equivalent Notional Cash Income to the Clearing Member shall be fulfilled. Number 9.1 applies upon receipt by the Clearing Member of the relevant Equivalent Notional Cash Income.

15.3 Information in relation to the Securities held in the Securities Margin Account or the Eurex Clearing Securities Margin Account

Eurex Clearing AG shall forward any and all information received, if any, in relation to Securities held in the relevant Eurex Clearing Securities Margin Account to the relevant Clearing Member.

The Clearing Member shall forward any information in relation to Securities held in the Securities Margin Account or the relevant Eurex Clearing Securities Margin Account it receives from Eurex Clearing AG, Clearstream Banking AG or Clearstream Banking S.A. to the ICM Client or Clearstream Banking S.A. to the ICM Client (provided that, if the relevant Securities Margin Account or the relevant Eurex Clearing Securities Margin Account relates to Segregated Margin provided with respect to more than one ICM Client, such information shall only be forwarded to the relevant ICM Client to which the specific customer identifier of such Securities refers).

15.4 No Obligation in relation to Corporate Actions

- 15.4.1 Where any voting rights or elections in relation to corporate actions (e.g. the exercise of subscription rights) have to be exercised in relation to any Securities provided as Segregated Margin, Eurex Clearing AG shall have no obligation in respect of the exercise of such voting rights or the exercise of such elections in relation to corporate actions to be made in accordance with the instructions of the Clearing Member and the Clearing

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Member shall have no obligation in respect of the exercise of such voting rights or the exercise of such elections in relation to corporate actions to be made in accordance with the instructions of the ICM Client.

- 15.4.2 In relation to Securities credited to the Securities Margin Account or to the relevant Eurex Clearing Securities Margin Account, Eurex Clearing AG (i) shall not exercise any voting or other rights resulting from such Securities; and (ii) shall, at all times, until the Termination Time on the Termination Date has occurred, keep such Securities or Equivalent Securities in the Securities Margin Account or the relevant Eurex Clearing Securities Margin Account, respectively. The term “**Equivalent Securities**” in this context means Securities with commercially the same features (*gleicher Art und Güte*) (which is usually reflected by the same securities identification number) and in the identical amount or number, as the case may be.

If the ICM Client wishes any voting rights to be exercised or to be exercised in a particular manner or any election with respect to a specific corporate action (e.g. the exercise of subscription rights) to be made or to be made in a particular manner, it must make use of the substitution right pursuant to Number 15.5 or the Relevant Agreement. The Clearing Member is solely responsible for monitoring the rights and obligations arising out of or accruing in connection with the Securities provided as Segregated Margin as well as for providing any (timely) request to substitute those Securities in order to be able to exercise such rights in person.

- 15.4.3 Eurex Clearing AG shall neither be under any obligations to exercise any subscription right resulting from Securities provided as Segregated Margin nor under any obligations to sell such subscription rights and any subscription right resulting from such Securities provided as Segregated Margin which has not been exercised by the end of the subscription period (e.g. because the relevant Securities have not been released to and exercised by the ICM Client) shall lapse without the ICM Client being entitled to any compensation.

15.5 Substitution of Eligible Margin Securities

The ICM Client may request from the Clearing Member, and the Clearing Member – following a request from the ICM Client – from Eurex Clearing AG, the return of Eligible Margin Assets in form of Securities equivalent to certain Securities actually delivered as Segregated Margin (the “**Return Margin Asset**”) in exchange for other Eligible Margin Assets, subject to the requirements set out in Number 5.3.5.

15.6 Indemnity from the Clearing Member and the ICM Client

- 15.6.1 The Clearing Member shall indemnify Eurex Clearing AG in respect of all obligations and/or costs and/or liabilities arising from or in connection with the Securities provided as Segregated Margin (including any rights arising therefrom such as subscription rights) that are imposed on Eurex Clearing AG as a consequence of Eurex Clearing AG’s ownership of rights or interests in such Securities (regardless of whether such claims are made by the respective issuer of such securities, other holders of such Securities or any third parties including any public or governmental authorities). The ICM Client shall

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indemnify the Clearing Member in respect of all liabilities of the Clearing Member resulting from the preceding sentence.

15.6.2 The provisions in this Number 15 do not impose on Eurex Clearing AG any fiduciary duties in relation to the Clearing Member or the ICM Client. Moreover, they do not impose any fiduciary duties on the Clearing Member in relation to the ICM Client.

15.7 **Respective agreement between Clearing Member and ICM Client for ICM-CCD**

The Clearing Member and the ICM Client agree to ensure compliance with the provisions of this Number 15 in the Client Clearing Agreement, if required, with regard to income on, or corporate actions in respect to, Eligible Margin Assets.

16 **Direct Segregated Margin Transfers and Direct Segregated Margin Retransfers**

16.1 **Direct Segregated Margin Transfers**

16.1.1 The ICM Client may directly transfer to Eurex Clearing AG Eligible Margin Assets in the form of cash or Securities in respect of Segregated Margin (the “**Direct Segregated Margin Transfer**”) provided that a Direct Delivery Obligation (as defined in Number 16.1.4) exists. To the extent that such Direct Segregated Margin Transfer is made, such transfer will discharge (erfüllen) (i) the Margin Requirement (pursuant to Number 5.2) of the Clearing Member to Eurex Clearing AG in respect of the relevant Standard Agreement between Eurex Clearing AG and the Clearing Member, (ii) in the case of the ICM-ECD Provisions, the obligation of the ICM Client to provide Segregated Margin (pursuant to Subpart B Number 4) to the Clearing Member in respect of the Corresponding Standard Agreement between the Clearing Member and the ICM Client or, as applicable, in the case of the ICM-CCD Provisions, the obligation of the ICM Client to provide Credit Support Margin to the Clearing Member pursuant to the corresponding Client Clearing Agreement and (iii) the Direct Delivery Obligation. In the event of a Direct Segregated Margin Transfer, title in the relevant Eligible Margin Assets shall pass directly from the ICM Client to Eurex Clearing AG.

16.1.2 Direct Segregated Margin Transfers may not be made by using Xemac.

16.1.3 A Direct Segregated Margin Transfer in the form of cash will be effected by Eurex Clearing AG, upon the request of the Clearing Member, by directly debiting an account of the ICM Client designated by the Clearing Member on behalf of the ICM Client for such purpose. The ICM Client and the Clearing Member shall ensure that all required instructions and authorisations are issued to or, as relevant, granted by any bank in order for such direct debit to become effective. Number 5.4 shall not apply to such Direct Segregated Margin Transfer of cash. The ICM Client, by entering into the ICM Clearing Agreement, irrevocably authorises the Clearing Member to designate on behalf of the ICM Client one account of the ICM Client per currency from which such direct debits shall be made and to issue the relevant instructions to the respective banks. The ICM Client shall issue all necessary instructions or authorisations to relevant banks to ensure the validity of such direct debits and provide evidence of such instructions or authorisations to Eurex Clearing AG upon request.

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- 16.1.4 For purposes of the Direct Segregated Margin Transfer the ICM Client shall also have a direct obligation vis-à-vis Eurex Clearing AG to transfer to Eurex Clearing AG, when the obligation of the Clearing Member to provide Segregated Margin to Eurex Clearing AG has become due (*fällig*) and has not been discharged, Eligible Margin Assets in the same amount (the “**Direct Delivery Obligation**”). The Direct Delivery Obligation shall be reduced if and to the extent that (i) the ICM Client directly transfers Eligible Margin Assets to the Clearing Member in accordance with the terms of, in the case of the ICM-ECD Provisions, the Corresponding Standard Agreement between the Clearing Member and the ICM Client or, in the case of the ICM-CCD Provisions, in accordance with the terms of the corresponding Client Clearing Agreement and/or (ii) the Clearing Member directly transfers Eligible Margin Assets to Eurex Clearing AG in accordance with the terms of the Standard Agreement between the Clearing Member and Eurex Clearing AG. To the extent that the ICM Client performs the Direct Delivery Obligation, the second sentence of Number 16.1.1 applies.
- 16.1.5 The Direct Delivery Obligation and the obligation of the Clearing Member to provide Segregated Margin shall not constitute a joint and several liability (*keine Gesamtschuld*).
- 16.1.6 In the event that the ICM Client transfers Eligible Margin Assets to Eurex Clearing AG in accordance with Number 16.1.1, (A) the ICM Client shall not have any recourse claims against the Clearing Member as a result of such performance and (B) no claims of Eurex Clearing AG against the Clearing Member shall pass to the ICM Client as a result of such performance. In the event that the Clearing Member directly transfers Eligible Margin Assets to Eurex Clearing AG in accordance with Number 5.2 (A) the Clearing Member shall not have any recourse claims against the ICM Client as a result of such performance and (B) no claims of Eurex Clearing AG against the ICM Client shall pass to the Clearing Member as a result of such performance.
- 16.1.7 In the case of a Direct Segregated Margin Transfer in the form of Securities by using a Securities Margin Account, Numbers 5.1.2 to 5.1.4 shall apply *mutatis mutandis*, provided that (i) references to the Clearing Member shall be read as references to the ICM Client, (ii) references to the Securities Margin Account of the Clearing Member shall be read as references to the Securities Margin Account of the Clearing Member that is referable to the ICM Client, (iii) in the case of a transfer of Securities in the form of book-entry securities, the instruction by the ICM Client shall (either directly or indirectly through any securities depository bank, custodian, central securities depository or otherwise) constitute an offer to Eurex Clearing AG for the assignment of the claim for surrender (*Abtretung des Herausgabeanspruchs*) against Clearstream Banking AG or the relevant other depository bank, custodian or central securities depository of the ICM Client; and (iv) in the case of a transfer of Securities in the form of co-ownership interests, the instruction shall be given by the ICM Client (either directly or indirectly through any securities depository bank, custodian, central securities depository or otherwise), and possession shall pass by means of constituting a bailment (*Begründung eines Besitzmittlungsverhältnisses*) between Clearstream Banking AG and Eurex Clearing AG and by modification of the bailment intention (*Besitzmittlungswillen*) of Clearstream Banking AG regarding the fractions to be transferred. The transfer of possession is completed when the ICM Client’s instruction resulted in a debit entry into the ICM Client’s

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custody account and a credit entry regarding the respective co-ownership interests in the Securities Margin Account of the Clearing Member that is referable to the ICM Client.

In the case of a Direct Segregated Margin Transfer in the form of Securities to a Eurex Clearing Securities Margin Account, Number 5.1.5 shall apply mutatis mutandis, provided that references to the Clearing Member shall be read as references to the ICM Client.

By entering into the relevant ICM Clearing Agreement, Eurex Clearing AG, the Clearing Member and the ICM Client expressly agree that, in the event of a Direct Segregated Margin Transfer, title in the relevant assets shall pass directly from the ICM Client to Eurex Clearing AG. The ICM Client shall, through its relevant securities depository bank or custodian, a central securities depository or otherwise, procure that an instruction for such transfer to the relevant Securities Margin Account or to the relevant Eurex Clearing Securities Margin Account will be given.

- 16.1.8 Any Direct Segregated Margin Transfer shall only create (or, as applicable, increase) a Relevant Redelivery Claim of the ICM Client against the Clearing Member and a Redelivery Claim of the Clearing Member against Eurex Clearing AG and shall (without prejudice to the Direct Redelivery Obligation (as defined in Number 16.2.3)) not result in any Redelivery Claims of the ICM Client against Eurex Clearing AG.
- 16.1.9 The Clearing Member and the ICM Client may agree on a bilateral basis to narrow down the types of Eligible Margin Assets that can be transferred by the ICM Client to Eurex Clearing AG by way of a Direct Segregated Margin Transfer.
- 16.2 Direct Segregated Margin Retransfer**
- 16.2.1 In respect of any Redelivery Claim of the Clearing Member with respect to Segregated Margin, Eurex Clearing AG may and, if so instructed by the Clearing Member in the relevant ICM Clearing Agreement, shall, make direct payments to the ICM Client or directly transfer to the ICM Client the relevant assets, (the “**Direct Segregated Margin Retransfer**”) provided that a Direct Redelivery Obligation (as defined in Number 16.2.3) exists. To the extent that such Direct Segregated Margin Retransfer is made, such transfer will discharge (*erfüllen*) (i) the Redelivery Claim of the Clearing Member against Eurex Clearing AG in respect of the relevant Standard Agreement between Eurex Clearing AG and the Clearing Member, (ii) the Relevant Redelivery Claim of the ICM Client against the Clearing Member with respect to Segregated Margin or Credit Support Margin, as applicable, and (iii) the Direct Redelivery Obligation. In the event of a Direct Segregated Margin Retransfer, no title in the relevant asset shall pass through the Clearing Member.
- 16.2.2 Direct Segregated Margin Retransfers may not be made (i) after Eurex Clearing AG has received a notice pursuant to Number 13 of a Default (as defined in Number 13.2) of the relevant ICM Client and (ii) by using Xemac.
- 16.2.3 For purposes of the Direct Segregated Margin Retransfer Eurex Clearing AG shall also have a direct obligation vis-à-vis the ICM Client to transfer to the ICM Client, whenever a Relevant Redelivery Claim of the ICM Client against the Clearing Member with respect to

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Segregated Margin or Credit Support Margin, as applicable, has become due (*fällig*) and has not been discharged and if and to the extent that a corresponding Redelivery Claim of the Clearing Member against Eurex Clearing AG is due (*fällig*) and has not been discharged, the relevant Eligible Margin Assets in such amount (the “**Direct Redelivery Obligation**”). The Direct Redelivery Obligation shall be reduced if and to the extent that (i) Eurex Clearing AG directly transfers Eligible Margin Assets to the Clearing Member in performance of the corresponding Redelivery Claim of the Clearing Member in accordance with the terms of the Standard Agreement between Eurex Clearing AG and the Clearing Member and/or (ii) the Clearing Member directly transfers Eligible Margin Assets to the ICM Client in performance of the Relevant Redelivery Claim of the ICM Client in accordance with the terms of the Corresponding Standard Agreement or the corresponding Client Clearing Agreement, respectively, between the Clearing Member and the ICM Client. To the extent that Eurex Clearing AG performs the Direct Redelivery Obligation, the second sentence of Number 16.2.1 applies.

Any Direct Redelivery Obligation of Eurex Clearing AG in respect of Eligible Margin Assets (a) in the form of Securities shall already be discharged if a credit entry in relation to such Securities is made into a custody account of the ICM Client’s securities depository bank, custodian or central securities depository that has been mandated by the ICM Client (irrespective of a credit entry in the custody account of the ICM Client) and (b) in the form of cash shall already be fulfilled if a credit entry in relation to such cash is made into a cash account of the ICM Client’s correspondent bank that has been mandated by the ICM Client (irrespective of a credit entry in the cash account of the ICM Client). Any consequences of errors in the recording or on-transfer incurred by the correspondent bank, securities depository bank, custodian or central securities depository that has been mandated by the ICM Client shall be borne by the ICM Client.

For the avoidance of doubt, the Direct Redelivery Obligation shall lapse if the relevant Redelivery Claim of the Clearing Member against Eurex Clearing AG ceases to exist and the Direct Redelivery Obligation shall not be taken into account in the determination or valuation of any Difference Claim, Relevant Difference Claim, Regress Claim or Shortfall Claim.

- 16.2.4 The Direct Redelivery Obligation and the Redelivery Claim of the ICM Client against the Clearing Member shall not constitute a joint and several liability (*keine Gesamtschuld*).
- 16.2.5 In the event that Eurex Clearing AG transfers Eligible Margin Assets to the ICM Client in performance of the Direct Redelivery Obligation, (a) Eurex Clearing AG shall not have any recourse claims against the Clearing Member as a result of such performance and (b) no claims of the ICM Client against the Clearing Member shall pass to Eurex Clearing AG as a result of such performance. In the event that the Clearing Member directly transfers Eligible Margin Assets to the ICM Client in performance of the Relevant Redelivery Claim of the ICM Client in accordance with the terms of the Corresponding Standard Agreement or corresponding Client Clearing Agreement, respectively, between the Clearing Member and the ICM Client, (a) the Clearing Member shall not have any recourse claims against Eurex Clearing AG as a result of such performance and (b) no

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claims of the ICM Client against Eurex Clearing AG shall pass to the Clearing Member as a result of such performance.

- 16.2.6 The ICM Client, by entering into an ICM Clearing Agreement, accepts in advance any offer by Eurex Clearing AG to transfer to the ICM Client any assets (that are credited to the Securities Margin Account of the Clearing Member that is referable to the ICM Client or are credited to the relevant Eurex Clearing Securities Margin Account and refer to the ICM Client) by way of a Direct Segregated Margin Retransfer. Section 151 BGB applies. The parties to the relevant ICM Clearing Agreement expressly agree that, in the event of a Direct Segregated Margin Retransfer, no title in the relevant asset shall pass through the Clearing Member.

16.3 Sub Pools

In case the Sub Pool Provisions apply, Number 16.1 and 16.2 shall apply mutatis mutandis per Segregated Internal Margin Account.

17 Additional Confirmation vis-à-vis Irish Clearing Members

The ICM Client acting as Non-Clearing Member acknowledges and accepts that as all payments and deliveries of cash and financial instruments by it to an Irish Clearing Member as collateral with respect to Covered Transactions, Margin Calls and Redelivery Claims are made as full title transfers to the Irish Clearing Member, such assets will not constitute the holding of client funds or client financial instruments, within the meaning of Regulation 158 of the European Communities (Markets in Financial Instruments) Regulations 2007, as amended, or the client asset requirements issued pursuant to those regulations, by the Irish Clearing Member.

18 Undertakings by Clearing Member and ICM Client

- 18.1 Each of the Clearing Member and the ICM Client undertakes (i) not to create any security interests or charges over the Difference Claim or the Relevant Difference Claim and (ii) not to assign the Difference Claim or the Relevant Difference Claim, in each case other than pursuant to the Individual Clearing Model Provisions:
- 18.2 The Clearing Member undertakes not to assign, encumber, receive the proceeds of or otherwise deal with its rights under any Relevant Transactions otherwise than in accordance with the Individual Clearing Model Provisions.
- 18.3 To the extent required or expedient under its national laws, the Clearing Member and/or an ICM Client (in particular, a Clearing Member or an ICM Client established under Irish, English, Scottish or Welsh law) will arrange for the due filing and registration with any relevant competent authority or register of any security interest granted or to be granted pursuant to or in accordance with this Subpart A and will evidence the due filing and registration of such security interest under this Subpart A to Eurex Clearing AG.
- 18.4 The ICM Client undertakes to inform Eurex Clearing AG and the Security Trustee, if Eurex Clearing AG, the Security Trustee and the Clearing Member have entered into the

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Security Trust Agreement, without undue delay after any Client Clearing Termination Claim has been determined, of the amount of such Client Clearing Termination Claim.

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Part 3 Subpart B: ICM-ECD Provisions

1 Application

These Numbers 1 through 6 of Subpart B shall apply with respect to Transactions between the Clearing Member and such ICM Client under the ICM Clearing Agreement for ICM-ECD.

2 Content of ICM Clearing Agreement, the Standard Agreement between Clearing Member and ICM Client

2.1 Construction

2.1.1 Any Transaction between the Clearing Member and the ICM Client under the relevant ICM Clearing Agreement for ICM-ECD shall be a **“Covered Transaction”** between such parties for the purpose of these Individual Clearing Model Provisions. Any Covered Transaction between the Clearing Member and the ICM Client which corresponds to a Covered Transaction between Eurex Clearing AG and such Clearing Member under the same ICM Clearing Agreement for ICM-ECD shall be a **“Corresponding Covered Transaction”**.

2.1.2 All rights and obligations between the Clearing Member and the ICM Client with respect to Corresponding Covered Transactions shall for the purpose of these Clearing Conditions constitute a separate arrangement (hereinafter a **“Standard Agreement”** and with respect to the corresponding Standard Agreement between Eurex Clearing AG and such Clearing Member, the **“Corresponding Standard Agreement”**). If the ICM Client is a Relevant Fund or Relevant Fund Segment acting through an Authorised Manager, (i) all rights and obligations between the Clearing Member and that Relevant Fund or Relevant Fund Segment with respect to Corresponding Covered Transactions as well as (ii) all rights and obligations between Eurex Clearing AG and the Clearing Member with respect to Covered Transactions corresponding to the Corresponding Covered Transactions described in (i) shall each constitute a separate Standard Agreement.

References in these Individual Clearing Model Provisions to a Standard Agreement or Corresponding Standard Agreement shall be construed so as to exclude a Standard Agreement pursuant to the Elementary Clearing Model Provisions, the U.S. Clearing Model Provisions and the Basic Clearing Member Provisions, if any.

2.1.3 All Corresponding Covered Transactions and all Redelivery Claims between the Clearing Member and the ICM Client arising pursuant to the Individual Clearing Model Provisions (as defined and set out in Subpart A Number 2.2.3), together the **“Covered Claims”**, form a single agreement between the parties to the relevant Corresponding Standard Agreement and such agreement constitutes a separate master agreement (Rahmenvertrag) between such parties which (subject to provisions in this Chapter I on the termination of individual Covered Transactions) can be terminated only in its entirety.

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2.1.4 The Clearing Member and the ICM Client may agree on additional terms to their Corresponding Standard Agreement to the extent those additional terms do not deviate from the ICM Clearing Agreement for ICM-ECD (incorporating the Clearing Conditions). Any such additional agreement shall form part of that Corresponding Standard Agreement and, in the event of any inconsistencies between any such additional agreement (as amended from time to time) and the ICM Clearing Agreement for ICM-ECD (incorporating the Clearing Conditions), the ICM Clearing Agreement for ICM-ECD and the Clearing Conditions shall always prevail.

2.2 **General Principles applicable to the Settlement of Covered Transactions and any Delivery and Redelivery of Segregated Margin or Segregated Variation Margin**

Subpart A Numbers 2.2.1 through 2.2.4 shall apply to the Corresponding Standard Agreement between the Clearing Member and the ICM Client pursuant to the Individual Clearing Model Provisions, provided that the Clearing Member shall – subject to the occurrence of a Termination Date – be the determining party for the purposes of the Segregated Margin and Segregated Variation Margin and the determination of an aggregate value pursuant to Subpart A Number 2.2.4.

3 **Conclusion of Transactions between Clearing Member and ICM Client**

Corresponding Covered Transactions shall be concluded pursuant to Number 1.2.2 of the General Clearing Provisions.

4 **Segregated Margin between Clearing Member and ICM Client**

The Clearing Member is required to separately demand cover from the ICM Client for all Corresponding Covered Transactions in an amount not less than the applicable Default Margin Requirement (the “**Segregated Margin**”). The Clearing Member and the ICM Client agree individually on further details on the delivery and redelivery of Segregated Margin.

Subpart A Number 5.3.5 applies mutatis mutandis to Redelivery Claims of the ICM Client against the Clearing Member in accordance with the margin requirement for Segregated Margin agreed between the Clearing Member and the ICM Client.

5 **Segregated Variation Margin between Clearing Member and ICM Client**

5.1 **General Obligation to provide Segregated Variation Margin**

If Subpart A Number 6 applies to Covered Transactions between Eurex Clearing AG and the Clearing Member, the Clearing Member is also required to separately demand or provide (additional) cover in respect of the relevant daily profits and losses from or to the ICM Client in respect of the Corresponding Covered Transactions in an amount not less than the Segregated Variation Margin Requirement (as defined in Subpart A Number 6.2) applicable from time to time (the “**Segregated Variation Margin**”).

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Only Eligible Margin Assets in the form of cash shall be delivered as cover in respect of Segregated Variation Margin. Subpart A Number 5.3.2 applies mutatis mutandis.

5.2 Redelivery Claim

Eligible Margin Assets actually delivered in the form of cash in respect of the Segregated Variation Margin by the Segregated Variation Margin Provider (as defined in Subpart A Number 6.2) will give rise to or increases a Redelivery Claim of such party against the Segregated Variation Margin Taker (as defined in Subpart A Number 6.2) in accordance with Subpart A Number 2.2.3. Subpart A Number 6.3 second and third sub-paragraph shall apply mutatis mutandis under the Corresponding Standard Agreement.

6 Termination, Consequences of a Termination between Clearing Member and ICM Client

6.1 Termination

6.1.1 Upon the occurrence of a Termination Event or Insolvency Termination Event and a Termination Date (each as defined in Number 7.2 of the General Clearing Provisions) with respect to the Clearing Member either a Termination Payment pursuant to this Number 6 shall become due or a Re-Establishment pursuant to Subpart A Number 11 shall occur with regard to the Corresponding Standard Agreement. A Termination under such Corresponding Standard Agreement pursuant to this Number 6 corresponds to the Termination with regard to the relevant Standard Agreement between Eurex Clearing AG and the Clearing Member pursuant to Subpart A Number 7.

6.1.2 It is the responsibility of the Clearing Member and the ICM Client to agree on the relevant provisions regarding the termination of the Corresponding Standard Agreement with respect to the ICM Client on a bilateral basis.

6.2 Limitation or Suspension of Clearing

If Eurex Clearing AG becomes aware of a Termination Event, Eurex Clearing AG may limit or suspend the Clearing of new Covered Transactions in accordance with Subpart A Number 7.2.

6.3 Consequences of a Termination

If a Termination Date has occurred with respect to the Clearing Member, the following provisions shall apply.

6.3.1 Termination of Covered Claims

Without prejudice to the following provisions of this Number 6.3, all current and future primary obligations (including payment and delivery obligations) of each party under the Corresponding Standard Agreement arising from Covered Claims shall expire (*auflösende Bedingung*) as of the Termination Time and shall no longer be required to be performed by the relevant obligor. Further all due but unsatisfied obligations to deliver Segregated Margin and Segregated Variation Margin under the Corresponding Standard

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Agreement shall expire (*auflösende Bedingung*) as of the Termination Time. The expiration affects all claims arising from Corresponding Covered Transactions independently of the time they came into existence or would have come into existence otherwise. These expired primary obligations and delivery obligations, respectively, are reflected in the Difference Claim (as defined in Number 6.3.2 below), subject to and in accordance with Number 7.3 of the General Clearing Provisions.

6.3.2 Difference Claim

With regard to the relevant Corresponding Standard Agreement referred to in Number 6.3.1, the difference claim which was created by the signing of the ICM Clearing Agreement for ICM-ECD shall become unconditional and immediately due in the Termination Currency from one party to the relevant Corresponding Standard Agreement to the respective other party as of the end of the Last Valuation Date and shall be determined in accordance with Number 7.3 of the General Clearing Provisions using the Liquidation Price Approach (i) if no IP Election or Immediate Re-Establishment Election is made within the ICM Porting Election Period, (ii) if an IP Election is made within the ICM Porting Election Period but the Interim Participation Conditions are not satisfied by the expiry of the ICM Porting Period, or (iii) if an Immediate Re-Establishment Election is made within the ICM Porting Election Period but the Immediate Re-Establishment Conditions are not satisfied by the expiry of the ICM Porting Period. If either (i) the Interim Participation Conditions or, as the case may be, (ii) the Immediate Re-Establishment Conditions are satisfied by the expiry of the ICM Porting Period, such difference claim shall become unconditional and immediately due in the Termination Currency from one party to the relevant Standard Agreement to the respective other party as of the Opening Time and shall be determined in accordance with Number 7.3 of the General Clearing Provisions using the Exchange Price Approach. Each such claim shall be a “**Difference Claim**”.

To determine the Difference Claim, the ICM Client will use the determinations notified to it by Eurex Clearing AG pursuant to Subpart A Number 7.3.2.

6.3.3 Payment of Difference Claim

- (1) Unless either (i) an IP Election is made within the ICM Porting Election Period and the Interim Participation Conditions are satisfied by the expiry of the ICM Porting Period or (ii) an Immediate Re-Establishment Election is made within the ICM Porting Election Period and the Immediate Re-Establishment Conditions are satisfied by the expiry of the ICM Porting Period, such party to the relevant Corresponding Standard Agreement which is the obligor of the Difference Claim shall be obliged to pay the determined amount of the Difference Claim to the other party as soon as reasonably practicable following the notification by the determining party of the payable amount.

If and to the extent upon enforcement of the ICM Client's pledge over or assignment for security purposes of the relevant Difference Claim between Eurex Clearing AG and the Clearing Member such Difference Claim between Eurex Clearing AG and the Clearing Member has been discharged in accordance with Subpart A

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Number 7.3.3 Paragraph (1) by delivery of Securities to the ICM Client, the Difference Claim between the Clearing Member and the ICM Client pursuant to this Number 6.3.2 as well as, the Shortfall Claim pursuant to Subpart A Number 10.1 shall be discharged in the value of the so delivered Securities as of such time.

- (2) The debtor of the Difference Claim shall not be obliged to pay any interest on the amount of the Difference Claim unless it is in default (*Verzug*) following the receipt of a payment reminder (*Mahnung*) by the other party. Default interest shall be paid on the basis of the effective overnight interest rate applicable to the currency of the Difference Claim.

6.4 Post Settlement

Following the Termination Date and prior to the end of the Last Valuation Date or the Opening Time, as the case may be, payment and delivery claims arising under Corresponding Covered Transactions which were due and enforceable but unsettled at the Termination Date or will become due and enforceable prior to the end of the Last Valuation Date or the Opening Time, as the case may be and for which a binding valid and irrevocable settlement has occurred between the ICM Client and the Clearing Member shall for the purpose of the Difference Claim be disregarded and deemed to have been settled (the “**Post Settlement**”).

6.5 Cash Settlement of a Liquidation Group

6.5.1 Consequences of Cash Settlement of a Liquidation Group

If a Liquidation Group Cash Settlement Time has occurred with respect to the Relevant Liquidation Group, the following provisions shall apply with respect to Corresponding Covered Transactions of Covered Transactions being Liquidation Group Transactions (“**Corresponding Liquidation Group Covered Transactions**”):

All current and future primary obligations (including payment and delivery obligations) of each party under the relevant Corresponding Standard Agreement arising from Corresponding Liquidation Group Covered Transactions and all Redelivery Claims relating to the Variation Margin with respect to such Corresponding Liquidation Group Transactions shall expire (*auflösende Bedingung*) as of the Liquidation Group Cash Settlement Time and shall no longer be required to be performed by the relevant obligor. Further all due but unsatisfied obligations to deliver Variation Margin under the Corresponding Standard Agreement with respect to Corresponding Liquidation Group Covered Transactions shall expire (*auflösende Bedingung*) as of Liquidation Group Cash Settlement Time. The expiration affects all claims arising from Corresponding Liquidation Group Covered Transactions independently of the time they came into existence or would have come into existence otherwise. These expired primary obligations and delivery obligations, respectively, are reflected by the Corresponding Liquidation Group Difference Claim (as defined in Number 6.5.2. below).

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6.5.2 Corresponding Liquidation Group Difference Claim

With regard to the relevant Corresponding Standard Agreement referred to in Number 6.3.1, the difference claim related to the Relevant Liquidation Group which was created by the signing of the ICM Clearing Agreement for ICM-ECD shall become unconditional and immediately due in the Termination Currency from one party to the relevant Corresponding Standard Agreement to the respective other party as of the end of the Liquidation Group Cash Settlement Date (each such claim shall be a **“Corresponding Liquidation Group Difference Claim”**).

To determine the Difference Claim, the Clearing Member will use the determinations notified to it by Eurex Clearing AG pursuant to Number 7.5.4 paragraph (3) of the General Clearing Provisions.

6.5.3 Payment of Corresponding Liquidation Group Difference Claim

Such party to the relevant Corresponding Standard Agreement which is the obligor of the Liquidation Group Difference Claim shall be obliged to pay the determined amount to the other party as soon as reasonably practicable following the notification by the Clearing Member of the payable amount.

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Part 3 Subpart C: ICM-CCD Provisions

1 Application

These Numbers 1 through 5 shall apply with respect to the Transactions between the Clearing Member and the ICM Client under a Client Clearing Agreement for ICM-CCD.

2 Conditions for Participation

2.1 Client Clearing Agreement

2.1.1 In order to participate in the Clearing of Transactions under the ICM-CCD Provisions, the Clearing Member and the ICM Client must have entered into a Client Clearing Agreement as of the time of the execution of the ICM Clearing Agreement for ICM-CCD (the “**Client Clearing Agreement**”) which must conform to the requirements on an Eligible Client Clearing Agreement as defined in Number 2.1.2 below.

2.1.2 A Client Clearing Agreement is an “**Eligible Client Clearing Agreement**” if it meets the following requirements:

- (1) **Governing Law:** The Client Clearing Agreement must be governed by English law or German law.
- (2) **Transactions:** Upon conclusion of a Covered Transaction between Eurex Clearing AG and the Clearing Member in accordance with these Individual Clearing Model Provisions, the Clearing Member and the ICM Client shall enter at the same time into a separate transaction on identical terms under the Client Clearing Agreement by reference to such Covered Transaction between Eurex Clearing AG and the Clearing Member (herein referred to as the “**Client Clearing Transaction**”) and together with all other separate Client Clearing Transactions under such Client Clearing Agreement corresponding to Covered Transactions between Eurex Clearing AG and the Clearing Member under the ICM Clearing Agreement for ICM-CCD, the “**Client Clearing Transactions**”).

Upon any amendment, modification, transfer or termination of a Covered Transaction between Eurex Clearing AG and the Clearing Member, the Clearing Member and the ICM Client shall agree in advance that the related Client Clearing Transaction shall be amended, modified, transferred or terminated accordingly by reference to such Covered Transaction.

- (3) **Margin:** The Clearing Member is required to demand from the ICM Client separate cover for all Client Clearing Transactions in an amount not less than the applicable Default Margin Requirement (the “**Credit Support Margin**”). Securities Income shall increase the Credit Support Margin in accordance with Subpart A Number 16.1.2.
- (4) **Variation Margin:** The Clearing Member is further required to demand from or to provide to the ICM Client (additional) separate cover in respect of the relevant daily

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profits and losses in respect of all such Client Clearing Transactions corresponding to Covered Transactions which are subject to a Segregated Variation Margin Requirement (as defined in Subpart A Number 6.2) in an amount not less than the Segregated Variation Margin Requirement applicable from time to time pursuant to these Individual Clearing Model Provisions (the “**Credit Support Variation Margin**”).

- (5) **Eligible Margin Assets:** Eligible assets to be provided as cover are (i) in respect of the Credit Support Margin, such currency amounts and such Securities accepted by Eurex Clearing AG from the Clearing Member under the Clearing Conditions in respect of the Segregated Margin and (ii) in respect of the Credit Support Variation Margin, such currency amounts accepted by Eurex Clearing AG from the Clearing Member under the Clearing Conditions in respect of the Segregated Variation Margin (herein also referred to as “**Eligible Margin Assets**”).
- (6) **Transfer Principles, Forwarding Obligation of Clearing Member:** Any Eligible Margin Assets in respect of the separate Credit Support Margin and separate Credit Support Variation Margin as well as any payment and settlement of Client Clearing Transactions must be delivered or redelivered in accordance with the principles set out in Subpart A Numbers 2.2.1, 2.2.2 and 2.2.4 and/or in Subpart A Number 17 (with regard to the direct transfer mechanism for delivery and, if selected in the ICM Clearing Agreement, for redelivery of Credit Support Margin). Further, any Credit Support Margin or Credit Support Variation Margin shall not be segregated as client money.

In addition, the Client Clearing Agreement must ensure compliance with the Clearing Member's forwarding obligations pursuant to Subpart A Number 9.

- (7) **Close-out Netting:** Upon the occurrence of a Termination Event, Insolvency Termination Event and a Termination Date with respect to the Clearing Member under the Clearing Conditions, the Clearing Member and the ICM Client agree by reference to such Termination Event, Insolvency Termination Event and Termination Date, however described under the Client Clearing Agreement (hereinafter a “**Client Clearing Termination Event**”), on a separate termination and on a separate, legally valid and enforceable close-out netting of all Client Clearing Transactions entered into under such Client Clearing Agreement, taking into account all Credit Support Margin and Credit Support Variation Margin actually delivered, and resulting in a separate difference claim owed by either party.

It must be legally ensured that such difference claim (i) arises and becomes due and enforceable at the same time as the Difference Claim under Subpart A Number 7.3.2 of these Individual Clearing Model Provisions, (ii) is not contingent, (iii) is determined by reference to the values of the corresponding terminated Covered Transactions between Eurex Clearing AG and the Clearing Member and the values of the corresponding equivalent Eligible Margin Assets subject to the expired Redelivery Claims under the corresponding Standard Agreement between Eurex Clearing AG and the Clearing Member (determined in accordance with the Clearing Conditions), (iv) is denominated in the Clearing Currency (using the same currency exchange

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methods as applied by Eurex Clearing AG) and (v) shall be payable in accordance with Subpart A Number 7.3.3 Paragraph (1). The resulting difference claim is herein referred to as the “**Client Clearing Termination Claim**”.

Subject to the requirements of the applicable laws, the forgoing must not apply to the occurrence of a close-out netting following a default by the ICM Client under the Client Clearing Agreement (however described in the Client Clearing Agreement).

- (8) **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 A Number 11.

- 2.1.3 If the ICM Client is a Relevant Fund or Relevant Fund Segment acting through an Authorised Manager, the Client Clearing Agreement must constitute a separate Client Clearing Agreement between the Clearing Member and each Relevant Fund or Relevant Fund Segment that meets the requirements of an Eligible Client Clearing Agreement. All rights and obligations between Eurex Clearing AG and the Clearing Member with respect to Covered Transactions corresponding to the Client Clearing Transactions between the Clearing Member and each Relevant Fund or Relevant Fund Segment shall constitute a separate Standard Agreement.

2.2 Governing Documentation

Client Clearing Transactions will be governed solely by the Client Clearing Agreement and not by the ICM Clearing Agreement. The **Client Clearing Agreement** is not a Standard Agreement or Corresponding Standard Agreement for the purposes of the Clearing Conditions.

2.3 Interpretation

For the purposes of these ICM-CCD Provisions, the term “**separate**” means with respect to a Client Clearing Agreement and the requirements under Number 2.1.2 that (i) an agreement, a transaction, a margin, a legal consequence, an amount, a right or claim expressly relates to or is expressly entered into, shall occur, is made or raised between the Clearing Member and the ICM Client by reference to the Clearing of Covered Transactions pursuant to these Individual Clearing Model Provisions and (ii) expressly excludes – and therefore any of the definitions used in this Subpart C will not comprise - any agreement, transaction, margin, legal consequence, amount, right or claim relating to, or entered into, occurred, caused, made or raised between the Clearing Member and

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the ICM Client with respect to any other cleared or non-cleared transactions between such parties of whatever nature.

2.4 Responsibility for Client Clearing Agreement

It is the responsibility of the Clearing Member and the ICM Client to ensure compliance of their Client Clearing Agreement with the requirements on an Eligible Client Clearing Agreement. Eurex Clearing AG will verify compliance with these requirements in its own interest and not on behalf or for the benefit of the Clearing Member or ICM Client and will not assume any corresponding liability.

2.5 Publication of Market Standard Client Clearing Agreements

Eurex Clearing AG will publish market standard templates of Eligible Client Clearing Agreements (each a "**Market Standard Client Clearing Agreement**") on its website (www.eurexclearing.com).

3 Specific Obligations

3.1 Audit of Client Clearing Agreement

- (1) Eurex Clearing AG may require the Clearing Member or the ICM Client to provide a copy of their Client Clearing Agreement in order to verify whether the requirements on an Eligible Client Clearing Agreement are met.
- (2) If the respective Client Clearing Agreement is not a Market Standard Client Clearing Agreement, Eurex Clearing AG may request the Clearing Member to provide a legal opinion from a counsel of recognised standing regarding the fulfilment of the requirements on an Eligible Client Clearing Agreement by the specific Client Clearing Agreement and on the validity of its provisions.
- (3) Eurex Clearing AG is entitled to reasonably request an updated legal opinion pursuant to Paragraph (2), in particular in the case of a change in law or interpretation of applicable laws or within regular or customary periods of time.

3.2 Notifications by the Clearing Member or the ICM Client

The Clearing Member or the ICM Client is obliged to promptly notify Eurex Clearing AG if any of the following events occurs:

- (1) non-compliance of the Client Clearing Agreement with the requirements on an Eligible Client Clearing Agreement pursuant to Number 2.1.2 following an amendment of its terms,
- (2) a Client Clearing Transaction is no longer identical in its (economic) terms to the corresponding Covered Transaction, or

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- (3) it becomes aware of any material changes in law or legal interpretation of the opinions or of the reasoning given in the legal opinions pursuant to Number 3.1 Paragraphs (2) and (3).

3.3 Closing or Transfer of single Covered Transactions in the case of discrepancy

If (i) a Client Clearing Transaction has been terminated, closed or has become subject to an unwind by agreement between the Clearing Member and the ICM Client (other than by reason of a Default as defined under Subpart A Number 14.2) (ii) or a Client Clearing Transaction is no longer identical in its (economic) terms to the corresponding Covered Transaction, the Clearing Member shall instantly close or transfer and novate the corresponding Covered Transactions into a Transaction under the Clearing Agreement pursuant to the Elementary Clearing Model Provisions.

3.4 Right to Refuse Payment of the Difference Claim in the case of Non-Compliance

Eurex Clearing AG is entitled to refuse performance of the Difference Claim of the Clearing Member against Eurex Clearing AG pursuant to Subpart A Number 7.3.2 vis-à-vis the Clearing Member and the ICM Client and/or the Security Trustee, as applicable, as security taker as long as Eurex Clearing AG has not received from the relevant claiming party either a confirmation that the Client Clearing Agreement and the Client Clearing Termination Claim fulfils the respective requirements on an Eligible Client Clearing Agreement or any other evidence to the satisfaction of Eurex Clearing AG that it is entitled to claim performance from Eurex Clearing AG.

4 Client Clearing Agreement, Representations and Liability

4.1 Each of the Clearing Member and the ICM Client, severally but not jointly, represents and warrants by way of an independent guarantee and irrespective of fault (*selbständiges, verschuldensunabhängiges Garantieverprechen*) to Eurex Clearing AG that the Client Clearing Agreement has been correctly described in the ICM Clearing Agreement for ICM-CCD and fulfils the requirements on an Eligible Client Clearing Agreement during the entire term of the ICM Clearing Agreement.

4.2 Each of the Clearing Member and the ICM Client undertakes individually and separately towards Eurex Clearing AG to indemnify Eurex Clearing AG against, and compensate Eurex Clearing AG for, any damages, losses, claims, taxes, costs, charges or fees, if any, that may have occurred as a result of a non-compliance of their Client Clearing Agreement with the requirements on an Eligible Client Clearing Agreement.

5 Conflicting Arrangements, Right to request amendment of Client Clearing Agreement

5.1 In case of any inconsistency between the provisions of the ICM Clearing Agreement for ICM-CCD and/or the Clearing Conditions and the provisions of the Client Clearing Agreement specified in the ICM Clearing Agreement for ICM-CCD (as amended), the following applies:

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- (1) the provisions of the ICM Clearing Agreement for ICM-CCD (including all specified provisions of the Clearing Conditions) will prevail;
 - (2) Subpart A and Subpart C of this Part 3 as a whole will prevail,
 - (3) to the extent that the ICM Clearing Agreement for ICM-CCD specifies that the ICM Client acts as Non-Clearing Member with respect to a Transaction Type, the obligations and rights of a Non-Clearing Member under the Clearing Conditions will prevail if and to the extent they relate to mandatory exchange rules or mandatory statutory provisions, and
 - (4) the product specific terms of the Clearing Conditions will prevail if and to the extent a mismatch exists between the terms of a Covered Transaction and the corresponding Client Clearing Transaction.
- 5.2 If the Client Clearing Agreement is in breach of the requirements on an Eligible Client Clearing Agreement, the provisions of Subpart B of this Part 3 shall prevail to the extent of any inconsistency between Subpart B and the Client Clearing Agreement.
- 5.3 Eurex Clearing AG shall have the right to request the Clearing Member and the ICM Client to amend the Client Clearing Agreement in order to ensure or restore compliance with the requirements on an Eligible Client Clearing Agreement.

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Part 4 U.S. Clearing Model Provisions

1 Application of the U.S. Clearing Model Provisions; General Provisions

- 1.1 The provisions set forth in this Part 4 apply to Clearing services provided by Eurex Clearing AG with respect to OTC IRS FCM Clearing Members that clear OTC Interest Rate Derivative Transactions for the account of OTC IRS FCM Clients (as defined below).
- 1.2 An OTC IRS FCM Clearing Member may clear OTC Interest Rate Derivative Transactions for the account of a customer in accordance with this Part 4 (each such customer, an **“OTC IRS FCM Client”**) and only if Eurex Clearing AG, the OTC IRS FCM Clearing Member and the relevant OTC IRS FCM Client have entered into a Clearing Agreement in the form appended to the Clearing Conditions as Appendix 9 and provided that the OTC IRS FCM Client meets the following requirements:
- (1) The OTC IRS FCM Client must be an entity that is legally organised and has its principal place of business in a state or district of the United States of America.
 - (2) The OTC IRS FCM Client has a technical connection to the systems of Eurex Clearing AG.
 - (3) The OTC IRS FCM Client may not be an Affiliate of the OTC IRS FCM Clearing Member. **“Affiliate”** means with respect to an OTC IRS FCM Clearing Member, any entity that controls, directly or indirectly, the OTC IRS FCM Clearing Member, any entity controlled, directly or indirectly, by the OTC IRS FCM Clearing Member or any entity directly or indirectly under common control with such OTC IRS FCM Clearing Member. For this purpose, “control” of an entity or of an OTC IRS FCM Clearing Member means ownership of a majority of the voting power of the entity or the OTC IRS FCM Clearing Member. The term Affiliate also covers any legal entity, corporation, partnership, association, trust, sovereign state, or agency whose account, when carried by the OTC IRS FCM Clearing Member, would be considered a proprietary account pursuant to CFTC Regulation 1.3(y) (or any successor or replacement regulation thereto).
- 1.3 The OTC IRS FCM Client Standard Agreement and any OTC IRS FCM Client Transaction will be directly established between Eurex Clearing AG and the OTC IRS FCM Client as further set out in this Part 4.
- If the OTC IRS FCM Clearing Member clears Own Transactions, the provisions relating to Own Transactions of Clearing Members in Part 1 and Part 2 apply unless otherwise stated therein.
- 1.4 If OTC Interest Rate Derivative Transactions relate to OTC IRS FCM Clients, such OTC Interest Rate Derivative Transactions are concluded between Eurex Clearing AG and the relevant OTC IRS FCM Client (each an **“OTC IRS FCM Client Transaction”**) as follows:

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(1) Whenever

- (i) an Original OTC Transaction to which an OTC IRS FCM Client is a party is submitted to Eurex Clearing AG by an OTC IRS FCM Clearing Member on behalf of an OTC IRS FCM Client or, if approved by the relevant OTC IRS FCM Clearing Member, by an OTC IRS FCM Client for the Clearing under the U.S. Clearing Model Provisions, either directly or via a third party information provider, as provided for in the Special Clearing Provisions, and
- (ii) Eurex Clearing AG accepts such Original OTC Transaction for inclusion in the Clearing in accordance with the Special Clearing Provisions,

Eurex Clearing AG will, subject to the following provisions, interpose itself by means of a novation as central counterparty between the parties of the Original OTC Transaction.

Any novation of Original OTC Transactions shall be subject to the novation procedures, criteria and effectiveness requirements specified in the Special Clearing Provisions. The OTC Interest Rate Derivative Transactions resulting from the novation shall not be subject to the valid existence of the Original OTC Transaction (abstract novation).

The Original OTC Transaction shall – subject to the Special Clearing Provisions – upon the novation becoming effective be replaced by two OTC Interest Rate Derivative Transactions, each on terms that are identical to the terms of the other OTC Interest Rate Derivative Transaction, between Eurex Clearing AG and the relevant Clearing Member(s) or OTC IRS FCM Client(s) (as applicable).

If an OTC IRS FCM Client is a counterparty to the Original OTC Transaction, upon the novation becoming effective, the relevant new OTC Interest Rate Derivative Transaction shall be concluded directly between Eurex Clearing AG and the OTC IRS FCM Client.

Number 1.2.2 Paragraph (2) of the General Clearing Conditions shall not apply to the conclusion of OTC Interest Rate Derivative Transactions between Eurex Clearing AG and an OTC IRS FCM Client.

- (2) To the extent that a counterparty to the Original OTC Transaction is not an OTC IRS FCM Client, the provisions under Number 1.2.2 Paragraph (2) of the General Clearing Provisions remain unaffected.
- (3) Before an OTC IRS FCM Clearing Member submits to Eurex Clearing AG an Original OTC Transaction to which an OTC IRS FCM Client is a party, such OTC IRS FCM Clearing Member shall obtain the required instruction from the OTC IRS FCM Client.
- (4) The parties to the Original OTC Transaction are obliged to agree on a bilateral basis that upon the novation becoming effective, (i) the Original OTC Transaction is automatically cancelled, (ii) the parties to the Original OTC Transaction shall be

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released from their obligations to each other under such Original OTC Transaction and (iii) any outstanding obligations relating to payments and deliveries that have become due, but have not been paid or delivered on or before the date of novation shall continue to exist in accordance with the contractual provisions of the Original OTC Transaction.

- (5) Any OTC IRS FCM Client Transaction shall be concluded as a proprietary Transaction of the relevant OTC IRS FCM Client only. The OTC IRS FCM Client may not clear customer-related Transactions.

- 1.5 The OTC IRS FCM Clearing Member may, subject to the provisions of this Part 4 and the Special Clearing Conditions, provide clearing services to an OTC IRS FCM Client on terms and conditions mutually agreed between the OTC IRS FCM Clearing Member and the OTC IRS FCM Client (the “**OTC IRS FCM Client Clearing Agreement**”).
- 1.6 Agency Relationship between OTC IRS FCM Clearing Member and OTC IRS FCM Client; OTC IRS FCM Clearing Member Guarantee**
- 1.6.1 In relation to OTC IRS FCM Client Transactions, the OTC IRS FCM Clearing Member acts as agent (for purposes of CFTC Regulation 39.12 (b) (6)) on behalf and for the account of the OTC IRS FCM Client and the entire clearing relationship shall be administered and settled through the OTC IRS FCM Clearing Member (or any Replacement OTC IRS FCM Clearing Member) as further set out in this Part 4.
- 1.6.2 Unless otherwise provided in these Clearing Conditions and subject to this Part 4, the OTC IRS FCM Clearing Member will, in respect of any OTC IRS FCM Client Transaction, act on behalf and for the account of the OTC IRS FCM Client.
- 1.6.3 By entering into the Clearing Agreement with Eurex Clearing AG and the OTC IRS FCM Clearing Member, the OTC IRS FCM Client irrevocably authorises (*bevollmächtigt*) the OTC IRS FCM Clearing Member to issue, submit and receive, also on behalf of the OTC IRS FCM Client, all statements (including, without limitation, any notice, termination notice or other declaration to and from Eurex Clearing AG) and to take and accept all other acts on behalf of the OTC IRS FCM Client that are necessary or expedient to effect OTC IRS FCM Client Transactions and for the performance by or to the OTC IRS FCM Client of obligations arising thereunder or under the Clearing Conditions.
- 1.6.4 If an Original OTC Transaction has been submitted to Eurex Clearing AG by the OTC IRS FCM Clearing Member (either directly or via a third party information provider) and such submission states that the OTC IRS FCM Client is a party to such Original OTC Transaction, the OTC IRS FCM Client, by entering into the Clearing Agreement, agrees to be legally bound by the OTC Interest Rate Derivative Transaction established between Eurex Clearing AG and the OTC IRS FCM Client in accordance with Number 1.4 above and acknowledges that no further specific agreement to be legally bound shall be required to be given by the OTC IRS FCM Client at the time of the conclusion of such OTC Interest Rate Derivative Transaction.

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1.6.5 For as long as the OTC IRS FCM Clearing Member acts as agent for the OTC IRS FCM Client in accordance with this Part 4, the OTC IRS FCM Client and Eurex Clearing AG shall discharge all present and future delivery and payment obligations which may arise under the relevant OTC IRS FCM Client Standard Agreement or the OTC IRS FCM Client Transactions to each other by payment and delivery, respectively, only through the OTC IRS FCM Clearing Member.

1.6.6 The OTC IRS FCM Client and Eurex Clearing AG agree that (without prejudice to Number 1.6.5) Eurex Clearing AG is entitled and obliged to discharge all present and future delivery and payment obligations (including, without limitation, any Difference Claim of the OTC IRS FCM Client against Eurex Clearing AG that may arise pursuant to the provisions of Numbers 8 or 9 and any difference claim of the OTC IRS FCM Client against Eurex Clearing AG that may arise pursuant to Chapter I Part 1 Number 9 of the Clearing Conditions) which may arise under the relevant OTC IRS FCM Client Standard Agreement or the OTC IRS FCM Client Transactions solely by payment and delivery, respectively, to the OTC IRS FCM Clearing Member and, following the occurrence of a U.S. Bankruptcy Event (as defined in Number 8.1.2) with respect to the OTC IRS FCM Clearing Member, to the Bankruptcy Trustee (as defined in Number 8.7.2) of the OTC IRS FCM Clearing Member. Any such payment or delivery by Eurex Clearing AG to the OTC IRS FCM Clearing Member or its Bankruptcy Trustee will discharge (*erfüllen*) the relevant payment or delivery obligation of Eurex Clearing AG to the OTC IRS FCM Client under the OTC IRS FCM Client Standard Agreement or the OTC IRS FCM Client Transactions. The OTC IRS FCM Client hereby irrevocably authorises the OTC IRS FCM Clearing Member to collect any Difference Claim of the OTC IRS FCM Client against Eurex Clearing AG that may arise pursuant to the provisions of Numbers 8 or 9 and any difference claim of the OTC IRS FCM Client against Eurex Clearing AG that may arise pursuant to Chapter I Part 1 Number 9 of the Clearing Conditions and the OTC IRS FCM Client agrees that such authorisation may not be revoked as a result of the occurrence of a U.S. Bankruptcy Event with respect to the OTC IRS FCM Clearing Member.

Eurex Clearing AG agrees that (without prejudice to the OTC IRS FCM Clearing Member's obligations arising under the OTC IRS FCM Clearing Member Guarantee and to Number 1.6.5) the OTC IRS FCM Clearing Member is entitled to discharge (*erfüllen*) all present and future delivery and payment obligations of the OTC IRS FCM Client which may arise under the relevant OTC IRS FCM Client Standard Agreement or the OTC IRS FCM Client Transactions by payment and delivery, respectively, to Eurex Clearing AG. Any such payment or delivery by the OTC IRS FCM Clearing Member to Eurex Clearing AG will discharge (*erfüllen*) the relevant payment or delivery obligation of the OTC IRS FCM Client to Eurex Clearing AG under the OTC IRS FCM Client Standard Agreement or the OTC IRS FCM Client Transactions.

1.6.7 By entering into the Clearing Agreement with Eurex Clearing AG and the OTC IRS FCM Client, the OTC IRS FCM Clearing Member grants the following unlimited guarantee to Eurex Clearing AG (the "**OTC IRS FCM Clearing Member Guarantee**"):

(1) The OTC IRS FCM Clearing Member unconditionally and irrevocably guarantees (*garantiert*) upon first demand (*auf erstes Anfordern*) by Eurex Clearing AG by way

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of an independent abstract obligation to perform (*selbständiges, abstraktes Leistungsversprechen*) to Eurex Clearing AG the due and punctual performance by the OTC IRS FCM Client of all present and future obligations of the OTC IRS FCM Client (including, without limitation, any payment and delivery obligations, such as any Difference Claim) that are or will be owed by the OTC IRS FCM Client to Eurex Clearing AG under or in connection with any Clearing Agreement, the relevant OTC IRS FCM Client Standard Agreement and/or any OTC IRS FCM Client Transaction.

- (2) The OTC IRS FCM Clearing Member Guarantee constitutes an unsubordinated obligation of the OTC IRS FCM Clearing Member and shall rank at least *pari passu* with any other unsubordinated obligations of the OTC IRS FCM Clearing Member (save for secured obligations, to the extent of the collateral provided, and any mandatory provisions of law).
- (3) The OTC IRS FCM Clearing Member Guarantee is a continuing guarantee and will extend to all obligations that are or will be owed by the OTC IRS FCM Client to Eurex Clearing AG under or in connection with any Clearing Agreement, any OTC IRS FCM Client Standard Agreement and/or any OTC IRS FCM Client Transaction, regardless of any intermediate payment or discharge in whole or in part. If any discharge, release or arrangement is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of the OTC IRS FCM Clearing Member under the OTC IRS FCM Clearing Member Guarantee will continue or be reinstated as if the discharge, release or arrangement had not occurred. Performance under the OTC IRS FCM Clearing Member Guarantee may also be required if Eurex Clearing AG had received any performance from the OTC IRS FCM Client, but was subsequently required to repay the amount received, or return the performance received, in accordance with any provisions of mandatory law (including, without limitation, insolvency, liquidation or administration provisions) and has made the relevant payment or return.
- (4) The obligations of the OTC IRS FCM Clearing Member under the OTC IRS FCM Clearing Member Guarantee shall, subject to Number 1.6.8 below, be separate and independent from the obligations of the OTC IRS FCM Client vis-à-vis Eurex Clearing AG and shall exist irrespective of the legality, validity and binding effect or enforceability of Eurex Clearing AG's claims against the OTC IRS FCM Client. The OTC IRS FCM Clearing Member may, in respect of its obligations under the OTC IRS FCM Clearing Member Guarantee, not raise any objections that the OTC IRS FCM Client may have in respect of its obligations vis-à-vis Eurex Clearing AG (including, without limitation, any personal defences of the OTC IRS FCM Client (*Einreden des Hauptschuldners*) or any right of revocation (*Anfechtung*) or set-off (*Aufrechnung*) of the OTC IRS FCM Client). The OTC IRS FCM Clearing Member Guarantee does not constitute a suretyship (*Bürgschaft*) and no rights of Eurex Clearing AG shall pass to the OTC IRS FCM Clearing Member upon the payment of any amount under the OTC IRS FCM Clearing Member Guarantee.
- (5) The OTC IRS FCM Clearing Member waives any right it may have of first requiring Eurex Clearing AG to proceed against or enforce any other rights or security or claim

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payment from any person (including the OTC IRS FCM Client) before claiming from the OTC IRS FCM Clearing Member under the OTC IRS FCM Clearing Member Guarantee.

- (6) If the OTC IRS FCM Clearing Member is required by law to make any deductions or withholdings from payments under the OTC IRS FCM Clearing Member Guarantee, the OTC IRS FCM Clearing Member shall pay such additional amounts as may be necessary in order that the net amount received by Eurex Clearing AG after such deductions or withholdings (including any required deduction or withholding on such additional amounts) shall equal the amount that Eurex Clearing AG would have received had no such deductions or withholdings been made.

1.6.8 The obligations of the OTC IRS FCM Clearing Member under the OTC IRS FCM Clearing Member Guarantee and the obligations of the OTC IRS FCM Client to which the OTC IRS FCM Clearing Member Guarantee relates shall not constitute a joint and several liability (*keine Gesamtschuld*). If and to the extent the OTC IRS FCM Clearing Member has discharged any obligation subsisting under the OTC IRS FCM Clearing Member Guarantee, the corresponding obligation of the OTC IRS FCM Client to Eurex Clearing AG shall be discharged.

1.6.9 Any recourse, reimbursement or other claims of the OTC IRS FCM Clearing Member against the OTC IRS FCM Client resulting from the performance by the OTC IRS FCM Clearing Member of any claims arising under the relevant Clearing Agreement (including under the OTC IRS FCM Clearing Member Guarantee) or of any obligations of the OTC IRS FCM Client are solely a matter of, and subject to, the OTC IRS FCM Client Clearing Agreement, unless otherwise set out in this Part 4.

1.6.10 The OTC IRS FCM Clearing Member shall participate in any default management process in accordance with the General Clearing Provisions. The OTC IRS FCM Client shall not be obliged or entitled to participate in any default management process.

2 Content of Clearing Agreement and OTC IRS FCM Client Standard Agreement

2.1 Construction

2.1.1 If a Clearing Agreement in the form appended to the Clearing Conditions as Appendix 9 is entered into by Eurex Clearing AG, an OTC IRS FCM Clearing Member and an OTC IRS FCM Client, such Clearing Agreement will provide for terms and conditions applying (i) between Eurex Clearing AG, the OTC IRS FCM Clearing Member and the OTC IRS FCM Client and (ii) between Eurex Clearing AG and the OTC IRS FCM Client with respect to the OTC IRS FCM Client Standard Agreement and the OTC IRS FCM Client Transactions of such OTC IRS FCM Client.

2.1.2 All rights and obligations between Eurex Clearing AG and the OTC IRS FCM Client with respect to OTC IRS FCM Client Transactions under the Clearing Agreement pursuant to Number 2.1.1 shall constitute a separate arrangement (each such arrangement a “**OTC IRS FCM Client Standard Agreement**”). All OTC IRS FCM Client Transactions and all Redelivery Claims between Eurex Clearing AG and the relevant OTC IRS FCM Client

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arising pursuant to the U.S. Clearing Model Provisions under the relevant OTC IRS FCM Client Standard Agreement form a single agreement between the parties and such agreement constitutes a separate master agreement (*Rahmenvertrag*) between such parties which (subject to provisions in this Chapter I on the termination of individual OTC IRS FCM Client Transactions and subject to the provisions of this Part 4 stipulating specific requirements for terminations) can be terminated only in its entirety.

OTC IRS FCM Client Transactions, OTC IRS FCM Client Margin, OTC IRS FCM Client Variation Margin, Redelivery Claims and any other rights and obligations under each OTC IRS FCM Client Standard Agreement relating to the relevant OTC IRS FCM Client will be separate from:

- (a) all OTC IRS FCM Client Transactions, OTC IRS FCM Client Margin, OTC IRS FCM Client Variation Margin, any Redelivery Claims, and any other rights and obligations under any other OTC IRS FCM Client Standard Agreement relating to any other OTC IRS FCM Client (if any),
- (b) all Own Transactions, Margin, Variation Margin, any Redelivery Claims and any other rights and obligations under the Proprietary Standard Agreement of the OTC IRS FCM Clearing Member with Eurex Clearing AG, and
- (c) all other Standard Agreements, Transactions, Margin, Variation Margin, Redelivery Claims and any other rights and obligations under the Elementary Clearing Model Provisions, the Individual Clearing Model Provisions and the Basic Clearing Member Provisions.

2.1.3 The OTC IRS FCM Clearing Member and the OTC IRS FCM Client may, in their OTC IRS FCM Client Clearing Agreement, agree on additional terms to the Clearing Agreement in the form appended to the Clearing Conditions as Appendix 9 to the extent those additional terms do not conflict with such Clearing Agreement. In the event of any inconsistencies between any such OTC IRS FCM Client Clearing Agreement (as amended from time to time) and the Clearing Agreement, the Clearing Agreement shall always prevail.

2.2 **General principles applicable to the settlement of OTC IRS FCM Client Transactions and any Delivery and Redelivery of OTC IRS FCM Client Margin or OTC IRS FCM Client Variation Margin**

2.2.1 Subject to Numbers 1.6.5 and 1.6.6, each party to the OTC IRS FCM Client Standard Agreement (and, with respect to any obligations of the OTC IRS FCM Client, the relevant OTC IRS FCM Clearing Member pursuant to the OTC IRS FCM Clearing Member Guarantee) shall be obliged to fulfil any payment obligations under the OTC IRS FCM Client Transactions or obligations to deliver or redeliver cover in respect of either the OTC IRS FCM Client Margin in the form of cash or the OTC IRS FCM Client Variation Margin under the relevant OTC IRS FCM Client Standard Agreement by transferring to the transferee all right, title and interest in and to the Eligible Margin Assets in the form of cash free and clear of any and all rights and claims of the transferring party and of any third person, howsoever arising, including, without limitation, pursuant to applicable law or

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regulation or under any statutory or other trust. The value of such assets shall, as of the date the transfer is effected, be at least equal to the value at that date of the concerned payment or delivery obligation.

- 2.2.2 The actual payment of Eligible Margin Assets in the form of cash in respect of OTC IRS FCM Client Margin or OTC IRS FCM Client Variation Margin gives rise to a corresponding contractual claim of the margin provider against the margin taker for repayment of equivalent assets in the same amount as such Eligible Margin Assets actually delivered (or increases an already existing repayment or redelivery claim; each such claim shall be referred to as a **“Redelivery Claim”**). Each such Redelivery Claim shall be allocated to the relevant OTC IRS FCM Client Standard Agreement.

In the case of OTC IRS FCM Client Margin in the form of cash, only the OTC IRS FCM Client may be the creditor of the relevant Redelivery Claim and in the case of OTC IRS FCM Client Variation Margin, Eurex Clearing AG or the OTC IRS FCM Client may be the creditor of the relevant Redelivery Claim.

For the purpose of the relevant Redelivery Claim, the term **“equivalent”** means the same amount in the same currency as such Eligible Margin Assets actually delivered in respect of the OTC IRS FCM Client Margin or the OTC IRS FCM Client Variation Margin.

A Redelivery Claim will become due with respect to (i) OTC IRS FCM Client Margin in the form of cash (a) upon receipt of a respective declaration from the OTC IRS FCM Clearing Member (on behalf of the OTC IRS FCM Client) by Eurex Clearing AG prior to the then applicable cut-off time of any Business Day, as specified by Eurex Clearing AG on its website www.eurexclearing.com for cash with respect to the relevant currency and if and to the extent the relevant applicable Default OTC IRS FCM Client Margin Requirement (as defined in Number 5.2) is below the aggregate value of all Eligible Margin Assets actually delivered in respect of the OTC IRS FCM Client Margin or (b) in accordance with Number 5.3.1 Paragraph (3) and (ii) with respect to the OTC IRS FCM Client Variation Margin in accordance with Number 6, in each case provided that no OTC IRS FCM Client Termination Date or Termination Date has occurred with respect to the OTC IRS FCM Client or its OTC IRS FCM Clearing Member, respectively.

- 2.2.3 Subject to Number 3.2.2 Paragraph (2) and (3) of the General Clearing Provisions, the term **“actually delivered”** when used in the U.S. Clearing Model Provisions means
- (i) the actual credit of an Eligible Margin Asset in the form of cash to the relevant Eurex Clearing AG cash account or, as the case may be, the actual entry on the Internal OTC IRS FCM Client Margin Account pursuant to Number 5.3.1 Paragraph (3), or
 - (ii) an Eligible Margin Asset in the form of Securities has been credited to the relevant OTC IRS FCM Client Pledged Securities Account and such Eligible Margin Asset is subject to a valid pledge in accordance with Number 5.7.1 Paragraph (3), or
 - (iii) in the event of a set-off pursuant to Number 4, the legal effectiveness of such set-off.

The term **“actual delivery”** shall be interpreted accordingly.

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Where reference is made in the U.S. Clearing Model Provisions to the “**aggregate value**” of Eligible Margin Assets in connection with the assessment of compliance with the Default OTC IRS FCM Client Margin Requirement or an obligation to deliver or redeliver cover in respect of the OTC IRS FCM Client Margin or the OTC IRS FCM Client Variation Margin, as applicable, the aggregate value will be determined by Eurex Clearing AG in accordance with Number 3.2.2 of the General Clearing Provisions.

2.3 Obligation of the OTC IRS FCM Clearing Member to forward Assets

Whenever (a) the OTC IRS FCM Clearing Member has received from Eurex Clearing AG a cash amount to settle an OTC IRS FCM Client Transaction, (b) the OTC IRS FCM Clearing Member has received from Eurex Clearing AG Eligible Margin Assets in the form of cash to deliver or redeliver cover in respect of OTC IRS FCM Client Margin or OTC IRS FCM Client Variation Margin under the relevant OTC IRS FCM Client Standard Agreement or (c) a pledge over Eligible Margin Assets in the form of Securities that have been provided as OTC IRS FCM Client Margin to Eurex Clearing AG has lapsed or has been released, the OTC IRS FCM Clearing Member shall – always subject to Number 5.3.1 Paragraph (3) and any applicable termination provisions (including, without limitation, Number 8.1) – promptly transfer the same cash amount or the same amount of equivalent Eligible Margin Assets to the relevant OTC IRS FCM Client or credit such cash amount or such amount of equivalent Eligible Margin Assets to the OTC IRS FCM Client in the books and records of the OTC IRS FCM Clearing Member. The same applies with respect to a redelivery of non-Eligible Margin Assets.

Whenever the OTC IRS FCM Clearing Member has received an amount of Eligible Margin Assets from the OTC IRS FCM Client for delivery of cover in respect of OTC IRS FCM Client Margin or OTC IRS FCM Client Variation Margin under the relevant OTC IRS FCM Client Standard Agreement to Eurex Clearing AG, the OTC IRS FCM Clearing Member shall promptly transfer (or, in the case of Securities, pledge) the same amount of equivalent Eligible Margin Assets to Eurex Clearing AG as OTC IRS FCM Client Margin or OTC IRS FCM Client Variation Margin, as relevant, in respect of the OTC IRS FCM Client Standard Agreement of such OTC IRS FCM Client.

3 Internal Accounts; Books and Records

In addition to the internal accounts set out in Number 4.2 of the General Clearing Provisions, Eurex Clearing AG shall establish and maintain with respect to each OTC IRS FCM Clearing Member (acting in its capacity as agent for one or more OTC IRS FCM Clients pursuant to this Part 4) the following internal accounts:

3.1 Transaction Accounts

Eurex Clearing AG opens and maintains with respect to each OTC IRS FCM Clearing Member one transaction account with respect to own transactions of each OTC IRS FCM Client (each a “**OTC IRS FCM Client Own Account**”) in which the OTC IRS FCM Client Transactions of the relevant OTC IRS FCM Client shall be booked.

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3.2 Internal Cash Accounts for OTC IRS FCM Client Transactions

With respect to each currency accepted by it, Eurex Clearing AG shall establish and maintain for each OTC IRS FCM Client of the OTC IRS FCM Clearing Member one internal cash account for the settlement of claims, into which all daily settlement payments, fees and other cash payment obligations arising under OTC IRS FCM Client Transactions or under the Clearing Conditions with respect or relating to the relevant OTC IRS FCM Client Standard Agreement shall be booked.

The daily balance of each internal cash account (after taking into account the set-offs pursuant to the Clearing Conditions) shall be debited or credited, as the case may be, to the respective OTC IRS U.S. Clearing Member Cash Account of the OTC IRS FCM Clearing Member to the extent that Eurex Clearing AG does not claim any credit balance in such account as OTC IRS FCM Client Margin or OTC IRS FCM Client Variation Margin.

3.3 Internal Margin Accounts for OTC IRS FCM Client Standard Agreements

Eurex Clearing AG will establish and maintain for each OTC IRS FCM Clearing Member an internal client margin account with respect to each OTC IRS FCM Client Standard Agreement (each an “**Internal OTC IRS FCM Client Margin Account**”) in which all Eligible Margin Assets that have been actually delivered to Eurex Clearing AG as OTC IRS FCM Client Margin in respect of such OTC IRS FCM Client Standard Agreement will be recorded.

Subject to Numbers 5.3.1 Paragraph (3) and 5.3.2 Paragraph (3),

- (i) all credits and debits of Securities to the relevant OTC IRS FCM Client Pledged Securities Account, and
- (ii) all daily cash credits or debits in respect of OTC IRS FCM Client Margin to the OTC IRS U.S. Clearing Member Cash Accounts of the OTC IRS FCM Clearing Member,

will be allocated to the relevant OTC IRS FCM Client Standard Agreement and recorded on the relevant Internal OTC IRS FCM Client Margin Account.

3.4 Records of the OTC IRS FCM Clearing Member; Method of assigning Eligible Margin Assets to an OTC IRS FCM Client Standard Agreement

The OTC IRS FCM Clearing Member shall establish and maintain records with respect to all OTC IRS FCM Client Transactions under each OTC IRS FCM Client Standard Agreement detailing (i) all OTC IRS FCM Client Transactions, (ii) all payments under the OTC IRS FCM Client Transactions, (iii) all OTC IRS FCM Client Margin and OTC IRS FCM Client Variation Margin actually delivered and (iv) all Redelivery Claims relating to such OTC IRS FCM Client Standard Agreement.

The OTC IRS FCM Clearing Member shall establish and provide to Eurex Clearing AG a specific customer identifier with respect to each of its OTC IRS FCM Clients. Any transfer by the OTC IRS FCM Clearing Member (acting for the account of an OTC IRS FCM

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Client) of Eligible Margin Assets in the form of cash to Eurex Clearing AG in respect of OTC IRS FCM Client Margin or OTC IRS FCM Client Variation Margin as well as of any Eligible Margin Assets in the form of Securities in respect of OTC IRS FCM Client Margin to the relevant OTC IRS FCM Client Pledged Securities Account shall clearly refer to the applicable customer identifier.

3.5 Books and Records

Eurex Clearing AG undertakes to maintain all books and records relating to OTC IRS FCM Client Transactions in compliance with any applicable rules and regulations of the CFTC.

4 Set-off

4.1 Unless otherwise provided in the relevant Special Clearing Provisions, Eurex Clearing AG is at any time entitled to set off (i) its claims vis-à-vis an OTC IRS FCM Clearing Member (except for any claims under or in relation to the Proprietary Standard Agreement) against claims of such OTC IRS FCM Clearing Member (except for any claims under or in relation to the Proprietary Standard Agreement) vis-à-vis Eurex Clearing AG or (ii) Eurex Clearing AG's claims vis-à-vis an OTC IRS FCM Client against claims of such OTC IRS FCM Client vis-à-vis Eurex Clearing AG, in each case subject to and in accordance with the rules set forth below. For the avoidance of doubt, Eurex Clearing AG is not entitled to set off its claims vis-à-vis the OTC IRS FCM Clearing Member against claims of an OTC IRS FCM Client or to set off Eurex Clearing AG's claims vis-à-vis one OTC IRS FCM Client against claims of another OTC IRS FCM Client.

OTC IRS FCM Clearing Members and OTC IRS FCM Clients are only entitled to set off own claims that are uncontested or have been finally and non-appealably established with claims of Eurex Clearing AG.

4.2 Any claim of Eurex Clearing AG and the OTC IRS FCM Client under an OTC IRS FCM Client Standard Agreement, including claims to provide cover in respect of OTC IRS FCM Client Margin or OTC IRS FCM Client Variation Margin pursuant to Numbers 5 and 6, may only be set off against claims arising from OTC IRS FCM Client Transactions under the same OTC IRS FCM Client Standard Agreement or claims to provide cover in respect of OTC IRS FCM Client Margin or OTC IRS FCM Client Variation Margin pursuant to Numbers 5 and 6 of the respective other party under the same OTC IRS FCM Client Standard Agreement.

4.3 Claims of Eurex Clearing AG arising under the OTC IRS FCM Clearing Member Guarantee may not be set off against any claims of the OTC IRS FCM Clearing Member against Eurex Clearing AG (unless such claims of the OTC IRS FCM Clearing Member against Eurex Clearing AG are uncontested or have been finally and non-appealably established).

4.4 Number 1.3.1 of the General Clearing Provisions shall not apply, provided that Number 1.3.1 Paragraph (1) sub-paragraphs (f) and (g) of the General Clearing

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Provisions shall apply *mutatis mutandis* to a set-off by Eurex Clearing AG in accordance with this Number 4.

4.5 The provisions of Number 4.1 to 4.4 shall also serve the purpose of complying with CFTC Rules 22.2 (a), (d) and 22.3 (c).

5 OTC IRS FCM Client Margin

5.1 General Obligation to provide OTC IRS FCM Client Margin

5.1.1 The OTC IRS FCM Client is required to provide margin for all OTC IRS FCM Client Transactions under the relevant OTC IRS FCM Client Standard Agreement (“**OTC IRS FCM Client Margin**”) in such amounts, in such forms and at such times as are required pursuant to this Number 5 and the Special Clearing Provisions.

5.1.2 The purpose of OTC IRS FCM Client Margin actually delivered under the relevant OTC IRS FCM Client Standard Agreement in the form of cash is to collateralise all claims (whether present, future, actual, contingent or prospective) of Eurex Clearing AG arising under OTC IRS FCM Client Transactions, any Difference Claim and any other present and future claims of Eurex Clearing AG against the OTC IRS FCM Client under the relevant OTC IRS FCM Client Standard Agreement.

5.2 The Margin Requirement

5.2.1 The amount of Eligible Margin Assets to be delivered as cover in respect of the relevant Margin for each OTC IRS FCM Client Standard Agreement shall be determined in accordance with Number 3.1 of the General Clearing Provisions also taking into account all Original OTC Transactions which are to be novated in the course of the novation process (the “**Default OTC IRS FCM Client Margin Requirement**”).

5.2.2 Eurex Clearing AG will determine the Default OTC IRS FCM Client Margin Requirement separately with respect to each OTC IRS FCM Client Standard Agreement, based on the margin requirement for the OTC IRS FCM Client Transactions included in the relevant OTC IRS FCM Client Standard Agreement.

5.2.3 The Default OTC IRS FCM Client Margin Requirement with respect to each OTC IRS FCM Client Standard Agreement will be notified by Eurex Clearing AG to the OTC IRS FCM Clearing Member and the relevant OTC IRS FCM Client.

5.2.4 Non-compliance with the Default OTC IRS FCM Client Margin Requirement by the OTC IRS FCM Clearing Member (under the OTC IRS FCM Clearing Member Guarantee) shall constitute a Termination Event pursuant to Number 7.2.1 Paragraph (1) of the General Clearing Provisions, unless such non-compliance has been remedied by the OTC IRS FCM Clearing Member by the time the Termination would occur.

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5.3 Margin Call

5.3.1 Margin Calls and direct debit prior to the end of a Business Day

- (1) If Eurex Clearing AG at any time prior to the end of a Business Day determines that the aggregate value of Eligible Margin Assets actually delivered as cover in respect of OTC IRS FCM Client Margin is less than the applicable Default OTC IRS FCM Client Margin Requirement under the relevant OTC IRS FCM Client Standard Agreement, Eurex Clearing AG will require the OTC IRS FCM Client or the OTC IRS FCM Clearing Member (under the OTC IRS FCM Clearing Member Guarantee) to provide (additional) Eligible Margin Assets in an amount up to the relevant Default OTC IRS FCM Client Margin Requirement by the time specified by Eurex Clearing AG.
- (2) To the extent Eligible Margin Assets are not delivered with respect to a Margin Call in accordance with Number 5.3.1 Paragraph (1), Eurex Clearing AG shall be entitled to (and without having an obligation towards the OTC IRS FCM Client or the OTC IRS FCM Clearing Member to do so, will on or around the time specified) directly debit the relevant OTC IRS U.S. Clearing Member Cash Account of the OTC IRS FCM Clearing Member in an amount equal to the requested amount of Eligible Margin Assets in accordance with the daily cash clearing procedure pursuant to Number 1.4.1 of the General Clearing Provisions. Any such direct debit shall discharge the relevant Margin Call relating to the relevant OTC IRS FCM Client Standard Agreement (and consequentially such direct debit will increase the respective Redelivery Claim of the OTC IRS FCM Client).
- (3) If an OTC IRS FCM Clearing Member elects to deliver, for the account of such OTC IRS FCM Client, (additional) Eligible Margin Assets in the form of cash pursuant to Number 3.3.2 of the General Clearing Provisions with respect to a Margin Call relating to OTC IRS FCM Client Margin under a specific OTC IRS FCM Client Standard Agreement, then:
 - (i) The OTC IRS FCM Clearing Member shall notify Eurex Clearing AG of such election;
 - (ii) Eurex Clearing AG shall make the relevant debit entry in the Internal Proprietary Margin Account of such OTC IRS FCM Clearing Member and the respective credit entry in the Internal OTC IRS FCM Client Margin Account with such cash credit being allocated to the OTC IRS FCM Client Standard Agreement and being recorded as having been provided by the OTC IRS FCM Clearing Member from its own assets; and
 - (iii) the related Redelivery Claim under the Proprietary Standard Agreement between Eurex Clearing AG and such OTC IRS FCM Clearing Member shall be reduced accordingly upon Eurex Clearing AG having made those record entries (which Eurex Clearing AG shall do without undue delay) in the Internal OTC IRS FCM Client Margin Account and an equivalent Redelivery Claim arises under the OTC IRS FCM Client Standard Agreement.

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5.3.2 Margin Calls and direct debit at the end of a Business Day

- (1) If Eurex Clearing AG at the end of a Business Day determines that the aggregate value of Eligible Margin Assets actually delivered as cover in respect of OTC IRS FCM Client Margin is less than the applicable Default OTC IRS FCM Client Margin Requirement under the relevant OTC IRS FCM Client Standard Agreement, Eurex Clearing AG will require the OTC IRS FCM Client or the OTC IRS FCM Clearing Member (under the OTC IRS FCM Clearing Member Guarantee) to provide (additional) Eligible Margin Assets in the form of cash in the Clearing Currency in an amount sufficient to satisfy the Default OTC IRS FCM Client Margin Requirement by the time specified by Eurex Clearing AG.
- (2) To the extent Eligible Margin Assets are not delivered with respect to a Margin Call in accordance with Number 5.3.2 Paragraph (1), Eurex Clearing AG shall be entitled to (and without having an obligation towards the OTC IRS FCM Client or the OTC IRS FCM Clearing Member to do so, will on or around the time specified) directly debit the relevant OTC IRS U.S. Clearing MemberCash Account of the OTC IRS FCM Clearing Member in the amount determined pursuant to Number 5.3.2 Paragraph (1) in accordance with the daily cash clearing procedure pursuant to Number 1.4.1 of the General Clearing Provisions. Any such direct debit shall discharge the relevant Margin Call relating to the relevant OTC IRS FCM Client Standard Agreement (and consequentially such direct debit will increase the respective Redelivery Claim of the OTC IRS FCM Client).
- (3) Number 5.3.1 Paragraph (3) shall apply *mutatis mutandis*.

5.4 OTC IRS FCM Client Excess Margin

The OTC IRS FCM Clearing Member (for the account of the OTC IRS FCM Client) may provide Eligible Margin Assets to Eurex Clearing AG in excess of the Default OTC IRS FCM Client Margin Requirement under the relevant OTC IRS FCM Client Standard Agreement (the “**OTC IRS FCM Client Excess Margin**”). Any OTC IRS FCM Client Excess Margin actually delivered shall form part of the relevant OTC IRS FCM Client Margin and shall, if and to the extent that such OTC IRS FCM Client Excess Margin consists of cash, be subject to a Redelivery Claim under the relevant OTC IRS FCM Client Standard Agreement.

Eurex Clearing AG will book any Eligible Margin Asset delivered to it as OTC IRS FCM Client Excess Margin into the relevant Internal OTC IRS FCM Client Margin Account and shall record the Eligible Margin Asset in the Internal OTC IRS FCM Client Margin Account as an Eligible Margin Asset delivered by the OTC IRS FCM Clearing Member (either from the OTC IRS FCM Clearing Member's own assets or from assets obtained by the OTC IRS FCM Clearing Member from the OTC IRS FCM Client) for the account of the OTC IRS FCM Client.

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5.5 **Obligation of the OTC IRS FCM Clearing Member to request Margin from the OTC IRS FCM Client; Segregation by the OTC IRS FCM Clearing Member**

- 5.5.1 Each OTC IRS FCM Clearing Member is required to separately demand margin from its OTC IRS FCM Client in an amount at least equal to the Default OTC IRS FCM Client Margin Requirement for the OTC IRS FCM Client Transactions under the relevant OTC IRS FCM Client Standard Agreement (as determined by Eurex Clearing AG pursuant to this Number 5).
- 5.5.2 Each OTC IRS FCM Clearing Member shall establish and maintain one or more account(s) for its OTC IRS FCM Clients with a permitted depository in accordance with the CEA and CFTC regulations (a "**Permitted Depository**"), which are segregated in accordance with the CEA and CFTC regulations and contain the margin collateral delivered by its OTC IRS FCM Clients pursuant to Number 5.5.1 in connection with OTC IRS FCM Client Transactions cleared for such OTC IRS FCM Clients by such OTC IRS FCM Clearing Member.
- 5.5.3 Such account(s) shall be maintained by the OTC IRS FCM Clearing Member with a Permitted Depository and the name of each such account shall identify the account as a "Cleared Swaps Customer Account" and clearly indicate that the assets therein are "Cleared Swaps Customer Collateral" subject to segregation in accordance with Part 22 of the CFTC Regulations and Section 4d(f) of the CEA. Before depositing margin collateral delivered by OTC IRS FCM Clients to the OTC IRS FCM Clearing Member with a Permitted Depository, the OTC IRS FCM Clearing Member shall obtain and retain in its files a separate written acknowledgement letter from each Permitted Depository in accordance with CFTC Rule 22.5. Each OTC IRS FCM Clearing Member shall treat margin collateral delivered by OTC IRS FCM Clients as belonging to such OTC IRS FCM Clients. All OTC IRS FCM Client margin collateral shall be separately accounted for, and shall not be commingled with the money, securities or property of an OTC IRS FCM Clearing Member or of any other person, or be used to secure or guarantee the transactions of any other person.
- 5.5.4 Numbers 5.5.2 and 5.5.3 shall apply *mutatis mutandis* in respect of each OTC IRS FCM Client Pledged Securities Account of an OTC IRS FCM Clearing Member.

5.6 **Delivery of Eligible Margin Assets in the form of Cash**

Eligible Margin Assets in form of cash for the purposes of granting OTC IRS FCM Client Margin shall be provided in accordance with the cash clearing procedure pursuant to Number 1.4.1 of the General Clearing Provisions. If, in the case of a Margin Call with respect to OTC IRS FCM Client Margin, the OTC IRS FCM Clearing Member (acting for the account of the relevant OTC IRS FCM Client) transfers Eligible Margin Assets in form of cash, the OTC IRS FCM Clearing Member shall transfer such cash into Eurex Clearing AG's OTC IRS FCM Client TARGET2 Account (as defined in Number 5.8.1 below) maintained with Deutsche Bundesbank and stating the specific customer identifier pursuant to Number 3.4.

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5.7 Delivery of Eligible Margin Assets in the form of Securities

5.7.1 In order to provide Eligible Margin Assets in the form of Securities as cover in respect of the OTC IRS FCM Client Margin in respect of an OTC IRS FCM Client Standard Agreement, the OTC IRS FCM Clearing Member (acting for the account of the relevant OTC IRS FCM Client) shall transfer Eligible Margin Assets in the form of Securities to the relevant OTC IRS FCM Client Pledged Securities Account.

- (1) The OTC IRS FCM Clearing Member shall instruct Clearstream Banking AG in a timely manner to transfer the relevant Securities to the relevant OTC IRS FCM Client Pledged Securities Account and authorises Clearstream Banking AG to inform Eurex Clearing AG of such transfer.
- (2) In relation to Securities credited to any OTC IRS FCM Client Pledged Securities Account that confer voting rights or other optional rights on the OTC IRS FCM Clearing Member (including, but not limited to, warrants, options, conversion and subscription rights, rights in connection with takeovers, other forms of offers or capital reorganisations, redemption rights, tenders, options to tender or non-mandatory puts or calls) or that provide for discretionary action or alternative courses of action by the OTC IRS FCM Clearing Member, Eurex Clearing AG shall not be responsible for exercising such voting or optional rights or for taking up such discretionary actions or alternative courses of action; the OTC IRS FCM Clearing Member shall remain responsible in this respect.
- (3) The OTC IRS FCM Clearing Member shall, by way of one or more separate pledge agreements and in the form and upon terms satisfactory to Eurex Clearing AG, grant pledges to Eurex Clearing AG over all Securities which are at present or will in the future be credited to the relevant OTC IRS FCM Client Pledged Securities Account.

5.7.2 The security purpose (*Sicherungszweck*) of each pledge granted to Eurex Clearing AG in accordance with this Number 5.7 shall be to secure all present and future claims of Eurex Clearing AG against the OTC IRS FCM Client arising under the relevant Clearing Agreement, the relevant OTC IRS FCM Client Standard Agreement and all OTC IRS FCM Client Transactions under the OTC IRS FCM Client Standard Agreement with the OTC IRS FCM Client.

5.7.3 To the extent required or expedient under applicable U.S. laws or regulations, the OTC IRS FCM Clearing Member will arrange for the due filing and registration with any relevant competent authority or register of any collateral granted or to be granted pursuant to or in accordance with this Number 5.7 and will evidence the due filing and registration of such security interest to Eurex Clearing AG.

5.8 Treatment of OTC IRS FCM Client Margin by Eurex Clearing AG

5.8.1 Eligible Margin Assets in the form of cash delivered to Eurex Clearing AG as OTC IRS FCM Client Margin shall be maintained on a separate TARGET2-account of Eurex Clearing AG at Deutsche Bundesbank which is reserved for all cash delivered to Eurex

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Clearing AG as OTC IRS FCM Client Margin (“**OTC IRS FCM Client TARGET2 Account**”).

- 5.8.2 The OTC IRS FCM Client TARGET2 Account shall, subject to the other provisions of this Number 5, be maintained in a manner compliant with applicable provisions of the CEA and the CFTC Regulations on “Cleared Swaps Customer Accounts”, including but not limited to Part 1, Part 22 and Part 190 of the CFTC Regulations. The Eligible Margin Assets booked on such account shall be maintained separately from any and all assets of the OTC IRS FCM Clearing Members or any other assets that Eurex Clearing AG is holding for or with respect to customers other than OTC IRS FCM Clients and shall contain no assets other than Eligible Margin Assets provided with respect to OTC IRS FCM Client Transactions.
- 5.8.3 All Eligible Margin Assets received by Eurex Clearing AG from, or for the account of, an OTC IRS FCM Client as OTC IRS FCM Client Margin shall be separately accounted for and segregated with respect to the relevant individual OTC IRS FCM Client. For purposes of complying with CFTC Regulation 22.15 (and subject to CFTC Regulation 22.3(d)), Eurex Clearing AG shall treat the value of all Eligible Margin Assets delivered by or for the account of each OTC IRS FCM Client as being allocated to such individual OTC IRS FCM Client and such amount shall be credited to such OTC IRS FCM Client’s applicable Internal OTC IRS FCM Client Margin Account and shall not be used to margin, guarantee, or secure any Own Transaction or other obligations of the OTC IRS FCM Clearing Member or of any other OTC IRS FCM Client.
- 5.8.4 The name of each account in which Eligible Margin Assets delivered to Eurex Clearing AG as OTC IRS FCM Client Margin are deposited shall identify the account as a “Cleared Swaps Customer Account” and clearly indicate that the assets therein are “Cleared Swaps Customer Collateral” subject to segregation in accordance with Part 22 of the CFTC Regulations and Section 4d(f) of the CEA. Eurex Clearing AG shall obtain and retain in its files for the period provided by CFTC Regulation 1.31 an acknowledgment from each Permitted Depository that it was informed that the Eligible Margin Assets deposited in such accounts are those allocated to OTC IRS FCM Clients and are being held for purpose of complying with the provisions of the CEA and the CFTC Regulations. For the purpose of CFTC Rule 22.8 the situs of the accounts referred to in this Number 5.8.4 shall be deemed to be in the United States.

5.9 Redelivery and release of Eligible Margin Assets

- 5.9.1 If and to the extent that the aggregate value of all Eligible Margin Assets actually delivered as OTC IRS FCM Client Margin in respect of the relevant OTC IRS FCM Client Standard Agreement exceeds the Default OTC IRS FCM Client Margin Requirement for such OTC IRS FCM Client Standard Agreement, the OTC IRS FCM Client (or the relevant OTC IRS FCM Clearing Member on its behalf and for its account) may either raise a Redelivery Claim in accordance with Number 2.2.2 or, prior to the then applicable cut-off time specified by Eurex Clearing AG in relation to Clearstream Banking AG with respect to any Business Day, require Eurex Clearing AG (by submitting a release request) to release its pledge over pledged Securities actually delivered in respect of

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OTC IRS FCM Client Margin in respect of such OTC IRS FCM Client Standard Agreement, unless the OTC IRS FCM Clearing Member (acting on behalf of the relevant OTC IRS FCM Client) and Eurex Clearing AG agree otherwise. Such release request shall be processed by Eurex Clearing AG during that same Business Day if such request is received by Eurex Clearing prior to the applicable cut-off time and, if such request is received after such cut-off time, on the next Business Day.

- 5.9.2 The relevant OTC IRS FCM Clearing Member on behalf of the relevant OTC IRS FCM Client may select which Eligible Margin Assets credited to the Internal OTC IRS FCM Client Margin Account shall be redelivered or, as applicable, released from the pledge. Eurex Clearing AG will not and shall not be obliged to check whether there is, and whether the OTC IRS FCM Clearing Member complies with, any agreement between the OTC IRS FCM Clearing Member and the OTC IRS FCM Client.
- 5.9.3 The relevant Redelivery Claim is discharged by Eurex Clearing AG if the relevant cash amount has been credited to the relevant account of the relevant OTC IRS FCM Clearing Member or to an account of a correspondent bank designated by the OTC IRS FCM Clearing Member. Such discharge shall occur irrespective of any booking or forwarding errors of the depository, the settlement institution, the custodian, the deposit bank, the central securities depository or the correspondent bank.

6 OTC IRS FCM Client Variation Margin

6.1 General Obligation to provide OTC IRS FCM Client Variation Margin

- 6.1.1 Each of Eurex Clearing AG and the OTC IRS FCM Client shall be required to transfer, with respect to each OTC IRS FCM Client Standard Agreement separately, (additional) cover in respect of daily profits or losses for all OTC IRS FCM Client Transactions under each OTC IRS FCM Client Standard Agreement ("**OTC IRS FCM Client Variation Margin**") in such amounts and at such times as are required pursuant to this Number 6.
- 6.1.2 The OTC IRS FCM Clearing Member is required to separately demand cover in respect of daily profits or losses arising in respect of the OTC IRS FCM Client Transactions from each OTC IRS FCM Client in an amount not less than the OTC IRS FCM Client Variation Margin Requirement.

6.2 OTC IRS FCM Client Variation Margin Requirement

- 6.2.1 Only Eligible Margin Assets in the form of cash shall be delivered as cover in respect of OTC IRS FCM Client Variation Margin.
- 6.2.2 With respect to the relevant OTC IRS FCM Client Standard Agreement, the amount of Eligible Margin Assets in form of cash to be delivered by the party obliged to provide OTC IRS FCM Client Variation Margin (the "**OTC IRS FCM Client Variation Margin Provider**") to the other party (the "**OTC IRS FCM Client Variation Margin Taker**") as cover in respect of the relevant OTC IRS FCM Client Variation Margin (the "**OTC IRS FCM Client Variation Margin Requirement**") shall be determined in accordance with Chapter VIII Part 2 Number 2.1.6 of the Clearing Conditions.

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6.3 Delivery of OTC IRS FCM Client Variation Margin and Redelivery Claim

- 6.3.1 OTC IRS FCM Client Variation Margin shall be delivered and/or returned on each Business Day in accordance with the daily cash clearing procedure pursuant to Number 1.4.1 and Number 1.3 of the General Clearing Provisions.
- 6.3.2 Eligible Margin Assets in the form of cash actually delivered in respect of the relevant OTC IRS FCM Client Variation Margin by the relevant OTC IRS FCM Client Variation Margin Provider will give rise to or increase a Redelivery Claim of such OTC IRS FCM Client Variation Margin Provider against the OTC IRS FCM Client Variation Margin Taker in accordance with Number 2.2.2. Any such Redelivery Claim shall become due if and to the extent that on any subsequent Business Day a profit amount has been determined in respect of the relevant OTC IRS FCM Client Standard Agreement for the benefit of such OTC IRS FCM Client Variation Margin Provider in accordance with Chapter VIII Part 2 Number 2.1.6 (the applicable amount shall be the “**Redelivery Amount**”). However, if equivalent Eligible Margin Assets in form of cash have been actually delivered to the OTC IRS FCM Client Variation Margin Provider by the FCM Variation Margin Taker, the value of such Eligible Margin Assets will be applied to reduce (subject to a minimum of zero) the Redelivery Amount and the value of the Redelivery Claim then due. If the profit amount determined for the benefit of the OTC IRS FCM Client Variation Margin Provider is higher than its Redelivery Claim as of such time, the payment of the excess amount by the other party itself constitutes a delivery of OTC IRS FCM Client Variation Margin and in this case the OTC IRS FCM Client Variation Margin Provider shall become the OTC IRS FCM Client Variation Margin Taker and vice versa.
- 6.3.3 If, upon the conclusion of an OTC IRS FCM Client Transaction under an FCM Standard Agreement, the terms and conditions of such OTC IRS FCM Client Transaction provide that due to a netting with an applicable initial consideration no actual payment in respect of such OTC IRS FCM Client Variation Margin will occur, an actual delivery in respect of the relevant OTC IRS FCM Client Variation Margin resulting in a corresponding Redelivery Claim shall take place.
- 6.3.4 Eligible Margin Assets in the form of cash delivered to Eurex Clearing AG as OTC IRS FCM Client Variation Margin shall be maintained on the relevant OTC IRS FCM Client TARGET2 Account or on another relevant currency account of Eurex Clearing AG.
- 6.3.5 Each of the accounts referred to in Number 6.3.4 shall, subject to the other provisions of this Number 6, be maintained in a manner compliant with applicable provisions of the CEA and the CFTC Regulations on “Cleared Swaps Customer Accounts”, including but not limited to Part 1, Part 22 and Part 190 of the CFTC Regulations. The Eligible Margin Assets booked on such accounts shall be maintained separately from any and all assets of the OTC IRS FCM Clearing Members or any other assets that Eurex Clearing AG is holding for or with respect to customers other than OTC IRS FCM Clients and shall contain no assets other than Eligible Margin Assets provided with respect to OTC IRS FCM Client Transactions.
- 6.3.6 All Eligible Margin Assets received by Eurex Clearing AG from, or for the account of, an OTC IRS FCM Client as OTC IRS FCM Client Variation Margin shall be separately

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accounted for and segregated with respect to the relevant individual OTC IRS FCM Client. For purposes of complying with CFTC Regulation 22.15 (and subject to CFTC Regulation 22.3(d)), Eurex Clearing AG shall treat the value of all Eligible Margin Assets delivered by or for the account of each OTC IRS FCM Client as being allocated to such individual OTC IRS FCM Client and such amount shall not be used to margin, guarantee, or secure any Own Transaction or other obligations of the OTC IRS FCM Clearing Member or of any other OTC IRS FCM Client.

- 6.3.7 The name of each account in which Eligible Margin Assets delivered to Eurex Clearing AG as OTC IRS FCM Client Variation Margin are deposited shall identify the account as a "Cleared Swaps Customer Account" and clearly indicate that the assets therein are "Cleared Swaps Customer Collateral" subject to segregation in accordance with Part 22 of the CFTC Regulations and Section 4d(f) of the CEA. Eurex Clearing AG shall obtain and retain in its files for the period provided by CFTC Regulation 1.31 an acknowledgment from each Permitted Depository that it was informed that the Eligible Margin Assets deposited in such accounts are those allocated to OTC IRS FCM Clients and are being held for purpose of complying with the provisions of the CEA and the CFTC Regulations. For the purpose of CFTC Rule 22.8 the situs of the accounts referred to in this Number 6.3.7 shall be deemed to be in the United States.

7 **Default Fund Contributions for OTC IRS FCM Client Transactions**

The OTC IRS FCM Clearing Member shall also pay Contributions to the Default Fund with respect to all OTC IRS FCM Client Transactions under each OTC IRS FCM Client Standard Agreement in accordance with Chapter I Part 1 Number 6 of the Clearing Conditions. An OTC IRS FCM Client shall not be entitled or obliged to make contributions to the Default Fund.

8 **Consequences of the occurrence of a Termination Event or Insolvency Termination Event with respect to an OTC IRS FCM Clearing Member**

8.1 **Application**

- 8.1.1 The provisions set forth in this Number 8 apply upon the occurrence of a Termination Event or Insolvency Termination Event with respect to an OTC IRS FCM Clearing Member. The provisions of Numbers 8.2 to 8.6 are subject to the provisions of Number 8.7 if a U.S. Bankruptcy Event has occurred with respect to the OTC IRS FCM Clearing Member.
- 8.1.2 A "**U.S. Bankruptcy Event**" occurs when (a) an order for relief has been entered in a bankruptcy case commenced by or against the OTC IRS FCM Clearing Member under subChapter IV of Chapter 7 of the U.S. Bankruptcy Code, 11 U.S.C. § 101 et seq. (the "**Bankruptcy Code**"), (b) if the OTC IRS FCM Clearing Member is also a stockbroker who is a member of Securities Investor Protection Corporation, a liquidation proceeding (a "**SIPA proceeding**") has been commenced under the U.S. Securities Investor Protection Act, 15 U.S.C. § 78aaa et seq., in which the assets and liabilities of the OTC IRS FCM Clearing Member attributable to its status as a futures commission merchant are administered as a separate estate under subChapter IV, or (c) a proceeding has been

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commenced against the OTC IRS FCM Clearing Member under Title II of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, 12 U.S.C. § 5301 et seq. (a “**Title II proceeding**”).

8.2 Suspension or Restriction, Termination, Porting

Upon the occurrence of a Termination Event or Insolvency Termination Event and Termination Date with respect to an OTC IRS FCM Clearing Member (the “**Affected OTC IRS FCM Clearing Member**”),

- (i) the Clearing of new OTC IRS FCM Client Transactions under all OTC IRS FCM Client Standard Agreements of such OTC IRS FCM Clearing Member's OTC IRS FCM Clients shall be suspended; and/or
- (ii) if Eurex Clearing AG declares a Termination in accordance with Number 8.5, the existing OTC IRS FCM Client Transactions under the relevant OTC IRS FCM Client Standard Agreement shall be terminated and a termination payment shall fall due with respect to the relevant OTC IRS FCM Client Standard Agreement; or
- (iii) if the relevant OTC IRS FCM Client submits a Termination Election Notice prior to the Replacement Cut-Off Time, the existing OTC IRS FCM Client Transactions under the relevant OTC IRS FCM Client Standard Agreement shall be terminated and a termination payment shall fall due with respect to the relevant OTC IRS FCM Client Standard Agreement; or
- (iv) if the relevant OTC IRS FCM Client does not submit a Replacement Election Notice by the Replacement Cut-off Time or the OTC IRS FCM Clearing Member Replacement Requirements are not met within the Replacement Period, in each case in accordance with Number 8.4, the existing OTC IRS FCM Client Transactions under the relevant OTC IRS FCM Client Standard Agreement shall be terminated and a termination payment shall fall due with respect to the relevant OTC IRS FCM Client Standard Agreement, or
- (v) if the relevant OTC IRS FCM Client submits a Replacement Election Notice at or prior to the Replacement Cut-Off Time and the OTC IRS FCM Clearing Member Replacement Requirements are met within the Replacement Period, the existing OTC IRS FCM Client Transactions shall be continued and the OTC IRS FCM Clearing Member will be replaced with the relevant Replacement OTC IRS FCM Clearing Member, in each case in accordance with Number 8.4,

in each case as further set out in this Number 8.

Eurex Clearing AG will notify the CFTC without undue delay of the occurrence of a Termination Event or Insolvency Termination Event and a Termination Date with respect to an OTC IRS FCM Clearing Member and of any intended replacement of the OTC IRS FCM Clearing Member.

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8.3 Suspension or Restriction of Clearing

If a Termination Event or any of the following events occurs with respect to an OTC IRS FCM Clearing Member:

- (i) the existence of an unremedied breach by the OTC IRS FCM Clearing Member of its Clearing Agreement with Eurex Clearing AG, except where such breach is minor, technical or administrative in nature in the reasonable opinion of Eurex Clearing AG;
- (ii) a determination is made by Eurex Clearing AG that a limitation or suspension of Clearing is necessary for it to contain its exposure to the OTC IRS FCM Clearing Member or its OTC IRS FCM Client(s);
- (iii) the suspension or termination (other than a voluntary termination) of the OTC IRS FCM Clearing Member's membership of another clearing house provided that the circumstances relating to that suspension or termination are, in Eurex Clearing AG's reasonable opinion, material to the management of the risk of Eurex Clearing AG, and that Eurex Clearing AG first consults or attempts to consult with the OTC IRS FCM Clearing Member and the competent regulatory authorities;
- (iv) the commencement of Disciplinary Procedures as defined in Number 7.2.1(b) (aa) of the General Clearing Provisions against the OTC IRS FCM Clearing Member; or
- (v) any other event in respect of the OTC IRS U.S. Clearing Member that could materially impact the ability of that OTC IRS FCM Clearing Member to perform its obligations under the Clearing Conditions and the relevant Clearing Agreement,

then Eurex Clearing AG may (taking into account the interests of such OTC IRS FCM Clearing Member and its OTC IRS FCM Clients and provided that such action constitutes a proportionate and reasonable action) one or more times suspend or limit the Clearing pursuant to the U.S. Clearing Model Provisions, of new OTC IRS FCM Client Transactions under all OTC IRS FCM Client Standard Agreements of such OTC IRS FCM Clearing Member's OTC IRS FCM Clients.

Eurex Clearing AG shall notify the Affected OTC IRS FCM Clearing Member and all OTC IRS FCM Clients of such OTC IRS FCM Clearing Member of the decision to suspend or limit the Clearing. Eurex Clearing AG shall specify in the notification a reasonable period of time during which such suspension or limitation shall apply.

Furthermore, if Eurex Clearing AG so demands, the relevant OTC IRS FCM Clearing Member shall, at the OTC IRS FCM Clearing Member's own expense, provide such information and evidence as Eurex Clearing AG, in its reasonable opinion may deem necessary, to conduct an appropriate investigation of the facts and circumstances relating to a Termination Event or any of the events listed above.

Before limiting or suspending the Clearing of new OTC IRS FCM Client Transactions under this Number 8.3, and without limiting its rights under Number 7.2.1 of the General Clearing Provisions and Number 8.5 below, Eurex Clearing AG shall, where reasonable in the circumstances, attempt to consult with the relevant OTC IRS FCM Clearing

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Member, further to which Eurex Clearing AG may in its absolute discretion agree a grace period within which the OTC IRS FCM Clearing Member may remedy the event in question. For the avoidance of doubt, in case the relevant event constitutes an Alleged Breach (as defined in the Disciplinary Procedures Rules) Eurex Clearing AG may commence Disciplinary Procedures in respect of the OTC IRS FCM Clearing Member subject to and in accordance with the Disciplinary Procedures Rules.

8.4 Porting in relation to OTC IRS FCM Client Standard Agreements

8.4.1 For the purposes of this Number 8 and solely with respect to an OTC IRS FCM Client Standard Agreement (including all existing OTC IRS FCM Client Transactions) and all Redelivery Claims relating thereto, a Termination and a Termination Date shall only occur subject to Number 8.6 below.

8.4.2 Unless Eurex Clearing AG has exercised its termination right pursuant to Number 8.5, Eurex Clearing AG shall if

- (1) a Termination Event (other than an Insolvency Termination Event) has occurred with respect to the OTC IRS FCM Clearing Member,
 - (a) if a Grace Period Notice has been given, without undue delay after the end of the relevant Grace Period, and
 - (b) if a Termination Notice has been given, without undue delay after the time specified in the Termination Notice, or
- (2) an Insolvency Termination Event has occurred with respect to the OTC IRS FCM Clearing Member, without undue delay after the Termination Time,

give notice to all other Clearing Members and the OTC IRS FCM Clients of the Affected OTC IRS FCM Clearing Member in accordance with Number 16.1 (ii) of the General Clearing Provisions of (i) the occurrence of the Termination Event or Insolvency Termination Event and (ii) that the Replacement Period commences (the "**Replacement Notice**").

8.4.3 Upon the receipt of the Replacement Notice, each OTC IRS FCM Client may elect by giving notice to Eurex Clearing AG as soon as possible, but not later than 13:00 hours (Frankfurt am Main time) on the Business Day following the Termination Date (such Termination Date, for the purpose of this Number 8.4.3 only, being determined as if Number 8.4.1 did not apply) (the "**Replacement Cut-Off Time**"):

- (i) to continue the Clearing of its OTC IRS FCM Client Transactions under the relevant OTC IRS FCM Client Standard Agreement with a Replacement OTC IRS FCM Clearing Member (the "**Replacement Election Notice**"); or
- (ii) not to continue the clearing of its OTC IRS FCM Client Transactions under the relevant OTC IRS FCM Client Standard Agreement and to terminate and close-out its OTC IRS FCM Client Transactions (the "**Termination Election Notice**").

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If Eurex Clearing AG (i) does not receive a Replacement Election Notice by the Replacement Cut-Off Time or (ii) does receive a Termination Election Notice at or prior to the Replacement Cut-Off Time, Number 8.6 below shall apply.

8.4.4 If the OTC IRS FCM Client has provided a Replacement Election Notice by the Replacement Cut-Off Time, this Number 8.4.4 applies.

If, at or prior to the end of the Replacement Period, Eurex Clearing AG determines that all OTC IRS FCM Clearing Member Replacement Requirements in respect of an OTC IRS FCM Client Standard Agreement are fulfilled, all rights and obligations of the Affected OTC IRS FCM Clearing Member arising from the relevant Clearing Agreement appended in the form of Appendix 9 entered into between Eurex Clearing AG, the Affected OTC IRS FCM Clearing Member and the relevant OTC IRS FCM Client in respect of all existing OTC IRS FCM Client Transactions under the relevant OTC IRS FCM Client Standard Agreement (including, without limitation, any obligations under the OTC IRS FCM Clearing Member Guarantee) shall be transferred, by way of an assumption of contract (*Vertragsübernahme*), (a “**Transfer**”) to the new OTC IRS FCM Clearing Member (the “**Replacement OTC IRS FCM Clearing Member**”), and the Affected OTC IRS FCM Clearing Member hereby expressly and irrevocably consents to such Transfer with respect to it in such event.

“**Replacement Period**” means

- (i) if an Insolvency Termination Event has occurred, the period from the occurrence of the Insolvency Termination Event until (and including) 13:00 hours Frankfurt am Main time on the immediately following Business Day; and
- (ii) if any other Termination Event has occurred, the period from the publication of the Replacement Notice until (and including) 13:00 hours Frankfurt am Main time on the immediately following Business Day.

Eurex Clearing AG may extend the Replacement Period in order to facilitate a Transfer by giving notice to all Clearing Members and the OTC IRS FCM Clients of the Affected OTC IRS FCM Clearing Member in accordance with Number 16.1 (ii) of the General Clearing Provisions.

“ **OTC IRS FCM Clearing Member Replacement Requirements**” means all of the following requirements:

- (i) the Replacement OTC IRS FCM Clearing Member is another OTC IRS FCM Clearing Member;
- (ii) the Replacement OTC IRS FCM Clearing Member has agreed with Eurex Clearing AG and the relevant OTC IRS FCM Client in writing on the assumption of contract (*Vertragsübernahme*) pursuant to this Number 8.4.4 in form and substance satisfactory to Eurex Clearing AG;
- (iii) the Replacement OTC IRS FCM Clearing Member and the relevant OTC IRS FCM Client have undertaken to Eurex Clearing AG in form and substance satisfactory to

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Eurex Clearing AG that they will, no later than five (5) Business Days after the end of the Replacement Period, enter into a Clearing Agreement with Eurex Clearing AG in the form appended to the Clearing Conditions as Appendix 9 unless such Clearing Agreement has already been entered into;

- (iv) the Replacement OTC IRS FCM Clearing Member has represented to Eurex Clearing AG that it meets the minimum funding requirements of CFTC Regulation 1.17 (a) (4); and
- (v) the Replacement OTC IRS FCM Clearing Member has (a) provided Eurex Clearing AG with sufficient Eligible Margin Assets to cover (for the account of the OTC IRS FCM Client) any shortfall in OTC IRS FCM Client Margin and OTC IRS FCM Client Variation Margin in respect of all OTC IRS FCM Client Transactions to which the Transfer relates or (b) committed itself to Eurex Clearing AG to provide the relevant amount of Eligible Margin Assets without undue delay following the Transfer.

If, following the receipt of a Replacement Election Notice by the Replacement Cut-Off Time, the OTC IRS FCM Clearing Member Replacement Requirements are not satisfied until the end of the Replacement Period, Number 8.6 shall apply.

- 8.4.5 Each OTC IRS FCM Client may designate in advance by notice to Eurex Clearing AG another OTC IRS FCM Clearing Member as a potential Replacement OTC IRS FCM Clearing Member for its OTC IRS FCM Client Standard Agreement. The OTC IRS FCM Clearing Member designated as a potential Replacement OTC IRS FCM Clearing Member assumes no obligation to accept a Transfer. The OTC IRS FCM Clearing Member Replacement Requirements apply.

Eurex Clearing AG may provide for further or alternative procedures for the transfer of assets and positions that it deems necessary taking into account applicable laws with respect to any such transfer.

- 8.4.6 The OTC IRS FCM Clearing Member hereby irrevocably offers to transfer to the Replacement OTC IRS FCM Clearing Member all Eligible Margin Assets in the form of Securities that are credited to the relevant OTC IRS FCM Client Pledged Securities Account at the time when the OTC IRS FCM Clearing Member Replacement Requirements are fulfilled. Such transfer shall be without prejudice to the security interest granted to Eurex Clearing AG in the relevant Securities. The OTC IRS FCM Clearing Member hereby also irrevocably authorises (*bevollmächtigt*) Eurex Clearing AG to offer to transfer to the Replacement OTC IRS FCM Clearing Member, on behalf of the OTC IRS FCM Clearing Member, all Eligible Margin Assets in the form of Securities that are credited to the relevant OTC IRS FCM Client Pledged Securities Account at the time when the OTC IRS FCM Clearing Member Requirements are fulfilled and to issue all other statements and to take all other acts on behalf of the OTC IRS FCM Clearing Member that Eurex Clearing AG considers necessary or expedient to effect the transfer of the relevant Securities to the Replacement OTC IRS FCM Clearing Member.

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8.4.7 Eurex Clearing AG and the OTC IRS FCM Clearing Member agree that, following the transfer of all Eligible Margin Assets in the form of Securities to the Replacement OTC IRS FCM Clearing Member in accordance with Number 8.4.6 above, the security purpose of the security interests held by Eurex Clearing AG in such Securities shall also extend to all present and future claims of Eurex Clearing AG against the Replacement OTC IRS FCM Clearing Member under the relevant Clearing Agreement (in the form appended to the Clearing Conditions as Appendix 9) with such Replacement OTC IRS FCM Clearing Member. If a transfer of Eligible Margin Assets in the form of Securities to the securities account of the Replacement OTC IRS FCM Clearing Member is impossible or impractical due to restrictions of the securities depository bank, custodian or central securities depository used by the Replacement OTC IRS FCM Clearing Member or for other reasons, the OTC IRS FCM Clearing Member hereby irrevocably authorises (*bevollmächtigt*) Eurex Clearing AG to liquidate on behalf of the OTC IRS FCM Clearing Member such Eligible Margin Assets in the form of Securities and to appropriate the proceeds of the realisation of such Securities and such proceeds shall then constitute, and be treated as, OTC IRS FCM Client Margin in the form of cash with respect to the relevant OTC IRS FCM Client Standard Agreement (and a corresponding Redelivery Claim shall arise under such OTC IRS FCM Client Standard Agreement pursuant to Number 2.2.2).

8.4.8 As a result of a Transfer, the Affected OTC IRS FCM Clearing Member will be released from all its obligations (including under its OTC IRS FCM Clearing Member Guarantee) in relation to the OTC IRS FCM Client Transactions under the relevant OTC IRS FCM Client Standard Agreement that have been transferred to the Replacement OTC IRS FCM Clearing Member and the Replacement OTC IRS FCM Clearing Member shall have assumed such obligations (including the relevant OTC IRS FCM Clearing Member Guarantee) in relation to the OTC IRS FCM Client Transactions under the relevant OTC IRS FCM Client Standard Agreement.

8.4.9 After the Transfer, Eurex Clearing AG shall

- (i) book the relevant OTC IRS FCM Client Transactions from the relevant OTC IRS FCM Client Own Account(s) of the Affected OTC IRS FCM Clearing Member to the relevant OTC IRS FCM Client Own Account(s) of the Replacement OTC IRS FCM Clearing Member; and
- (ii) with respect to the relevant OTC IRS FCM Client Standard Agreement to which the Transfer relates, attribute to the Replacement OTC IRS FCM Clearing Member (acting for the account of the relevant OTC IRS FCM Client), by making appropriate changes to its records, all OTC IRS FCM Client Margin and all OTC IRS FCM Client Variation Margin provided to Eurex Clearing AG in respect of such OTC IRS FCM Client Standard Agreement

and, following such changes to the records, such amounts or assets shall be deemed to constitute OTC IRS FCM Client Margin and OTC IRS FCM Client Variation Margin, respectively, that has been provided by the Replacement OTC IRS FCM Clearing Member for the account of the relevant OTC IRS FCM Client.

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8.4.10 During the Replacement Period

- (i) the Clearing of new OTC IRS FCM Client Transactions under each OTC IRS FCM Client Standard Agreement of the Affected OTC IRS FCM Clearing Member's OTC IRS FCM Clients shall always be suspended;
- (ii) all Redelivery Claims of the Affected OTC IRS FCM Clearing Member's OTC IRS FCM Clients with respect to OTC IRS FCM Client Margin in the form of cash and OTC IRS FCM Client Variation Margin shall be deferred (*gestundet*);
- (iii) Eurex Clearing AG shall not be obliged to provide any OTC IRS FCM Client Variation Margin to the Affected OTC IRS FCM Clearing Member's OTC IRS FCM Clients (or the Affected OTC IRS FCM Clearing Member acting for their account).

8.4.11 Partial Transfers

Subject to appropriate arrangements between the Affected OTC IRS FCM Clearing Member, the OTC IRS FCM Client, the Replacement OTC IRS FCM Clearing Member and Eurex Clearing AG (upon terms satisfactory to Eurex Clearing AG), the porting and transfers set out in Numbers 8.4.1 to 8.4.9 may also be made only with respect to some, but not all, OTC IRS FCM Client Transactions under the relevant OTC IRS FCM Client Standard Agreement, provided that, following such porting and transfers, the aggregate value of all Eligible Margin Assets actually delivered to Eurex Clearing AG in respect of OTC IRS FCM Client Margin allocated to the OTC IRS FCM Client Transactions that continue to form part of the existing OTC IRS FCM Client Standard Agreement is equal to or exceeds the applicable Default OTC IRS FCM Client Margin Requirement. In the case of such partial porting and transfer, the assumption of contract by the Replacement OTC IRS FCM Clearing Member shall be limited accordingly and (i) the OTC IRS FCM Client Transactions to which such transfer does not relate (and the relevant Redelivery Claims relating to OTC IRS FCM Client Margin and OTC IRS FCM Client Variation Margin allocated to such OTC IRS FCM Client Transactions) will continue to form part of the existing OTC IRS FCM Client Standard Agreement, a Termination and Termination Date shall occur, and Numbers 8.6.2 to 8.6.5 shall apply with respect to such existing OTC IRS FCM Client Standard Agreement and (ii) the OTC IRS FCM Client Transactions to which such transfer relates (and the relevant Redelivery Claims relating to OTC IRS FCM Client Margin and OTC IRS FCM Client Variation Margin allocated to such OTC IRS FCM Client Transactions) shall become part of a new OTC IRS FCM Client Standard Agreement.

8.4.12 Other Requirements relating to U.S. Law

Notwithstanding any other requirements of this Number 8.4,

- (1) any Replacement OTC IRS FCM Clearing Member must meet the minimum funding requirements of CFTC Regulation 1.17 (a) (4) or otherwise be approved by the CFTC to receive the porting and transfer;
- (2) following the commencement of a bankruptcy case with respect to the OTC IRS FCM Clearing Member under subChapter IV of Chapter 7 of the Bankruptcy Code or otherwise following the occurrence of a U.S. Bankruptcy Event with respect to the

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OTC IRS FCM Clearing Member, (a) any OTC IRS FCM Client Margin ported and transferred to a Replacement OTC IRS FCM Clearing Member may not exceed the “funded balance” of the OTC IRS FCM Client Margin as provided in CFTC Regulation 190.06 (e) (2) and (b) Eurex Clearing AG may not effect any porting and transfer that has been disapproved by the CFTC; and

(3) Eurex Clearing AG may not charge a commission for any porting and transfer.

8.5 Termination Right of Eurex Clearing AG

Upon the occurrence of a Termination Event or Insolvency Termination Event, Eurex Clearing AG shall, in its discretion, unless a Termination Date has already occurred pursuant to Number 8.6 or a porting has been completed pursuant to Numbers 8.4 or 8.7, be entitled to declare a Termination by notice to the OTC IRS FCM Clearing Member and the OTC IRS FCM Client.

8.6 Consequences of a Termination with respect to OTC IRS FCM Client Transactions

8.6.1 A Termination and a Termination Time with respect to the relevant OTC IRS FCM Client Standard Agreement (including all OTC IRS FCM Client Transactions under such OTC IRS FCM Client Standard Agreement) shall occur:

- (i) with effect as of the Replacement Cut-Off Time, if Eurex Clearing AG has not received a Replacement Election Notice or a Termination Election Notice by the Replacement Cut-Off Time; or
- (ii) with effect as of the end of the Replacement Period, if Eurex Clearing AG has received a Replacement Election Notice by the Replacement Cut-Off Time, but the OTC IRS FCM Clearing Member Replacement Requirements are not satisfied until the end of the Replacement Period; or
- (iii) if Eurex Clearing AG has received a Termination Election Notice at or before the Replacement Cut-Off Time, with effect as of the time of receipt of such Termination Election Notice by Eurex Clearing AG; or
- (iv) if Eurex Clearing AG has declared a Termination in accordance with Number 8.5, with effect as of the time of receipt of the related notice by the OTC IRS FCM Clearing Member and the OTC IRS FCM Client.

If a Termination Date has occurred with respect to an OTC IRS FCM Client Standard Agreement, the following provisions shall apply.

8.6.2 Termination of OTC IRS FCM Client Transactions and Redelivery Claims

All current and future primary obligations (including payment and delivery obligations) under the relevant OTC IRS FCM Client Standard Agreement between Eurex Clearing AG and the OTC IRS FCM Client arising from OTC IRS FCM Client Transactions and any Redelivery Claim under the relevant OTC IRS FCM Client Standard Agreement shall expire (*auflösende Bedingung*) as of the Termination Time and

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shall no longer be required to be performed by the relevant obligor. Furthermore, all due but unsatisfied obligations in respect of the relevant OTC IRS FCM Client Margin or OTC IRS FCM Client Variation Margin shall expire (*auflösende Bedingung*) as of the Termination Time. The expiration affects all claims arising from OTC IRS FCM Client Transactions under the relevant OTC IRS FCM Client Standard Agreement independent of the time they came into existence or would have come into existence otherwise. These expired primary obligations and delivery obligations, respectively, are reflected by the Difference Claim.

8.6.3 Difference Claim

The difference claim of either Eurex Clearing AG or (subject to the provisions on payment to the OTC IRS FCM Clearing Member set out in Number 1.6.6) the OTC IRS FCM Client under the relevant OTC IRS FCM Client Standard Agreement shall become unconditional and immediately due in the Termination Currency against the respective other party as of the end of the Last Valuation Date and shall be determined in accordance with Number 7.3 (except for Number 7.3.3) of the General Clearing Provisions using the Liquidation Price Approach (each a "**Difference Claim**") and provided that Eurex Clearing AG shall be the party entitled to value the Difference Claim.

8.6.4 Notification

Eurex Clearing AG shall notify the value of the Difference Claim determined by it with respect to the relevant OTC IRS FCM Client Standard Agreement to the OTC IRS FCM Clearing Member and the OTC IRS FCM Client as soon as reasonably practicable after its determination, together with reasonable detail regarding the data and information forming the basis of the determination.

8.6.5 Payment of Difference Claim

- (1) The debtor of the Difference Claim under the relevant OTC IRS FCM Client Standard Agreement between Eurex Clearing AG and the relevant OTC IRS FCM Client shall pay the determined amount of the Difference Claim as soon as reasonably practicable following the notification by Eurex Clearing AG of the payable amount pursuant to Number 8.6.4.
- (2) The debtor of the Difference Claim shall not be obliged to pay any interest on the amount of the Difference Claim unless it is in default (*Verzug*) following the receipt of a payment reminder (*Mahnung*) by the other party. Default interest shall be paid on the basis of the effective overnight interest rate applicable to the currency of the Difference Claim.

8.7 Special Consequences if a U.S. Bankruptcy Event has Occurred

8.7.1 Application

This Number 8.7 applies if a U.S. Bankruptcy Event has occurred with respect to an OTC IRS FCM Clearing Member. Unless otherwise indicated in this Number 8.7, the other provisions of Number 8 also apply. However, if there is any inconsistency between a

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provision in this Number 8.7 and a provision in Numbers 8.2 to 8.6, the provisions in this Number 8.7 prevail.

8.7.2 Termination by Eurex Clearing AG

- (1) Eurex Clearing AG's right to declare a Termination set out in Number 8.5 shall also apply in the case and on account of the occurrence of the U.S. Bankruptcy Event. Upon any such declaration, the provisions of Numbers 8.6.1 (iv) to 8.6.5 will apply, subject, however, to Number 8.7.3 Paragraph (2).
- (2) If a Difference Claim is owing by Eurex Clearing AG to the OTC IRS FCM Client (subject to the provisions on payment to the OTC IRS FCM Clearing Member set out in Number 1.6.6), the OTC IRS FCM Client hereby irrevocably instructs Eurex Clearing AG to pay the determined amount of the Difference Claim for the account of the OTC IRS FCM Client to the trustee (the "**Bankruptcy Trustee**") appointed in the OTC IRS FCM Clearing Member's bankruptcy case or SIPA proceeding, or administering the Title II proceeding with respect to the assets and liabilities of the OTC IRS FCM Clearing Member, and the OTC IRS FCM Client and Eurex Clearing AG agree that only such payment to the Bankruptcy Trustee will discharge such Difference Claim. Any Eligible Margin Assets in the form of Securities attributable to the OTC IRS FCM Client that have not been realised by Eurex Clearing AG in accordance with the security purpose set out in Number 5.7.2 will be released from the pledges as a matter of law.
- (3) If a Difference Claim is owing by the OTC IRS FCM Client to Eurex Clearing AG, the right of Eurex Clearing AG to enforce its pledges over the relevant Eligible Margin Assets in the form of Securities that constitute OTC IRS FCM Client Margin of such OTC IRS FCM Client shall remain unaffected.

8.7.3 Further Termination Provisions; Porting in Lieu of Termination

If Eurex Clearing AG has not declared a Termination and a Termination Date with respect to an OTC IRS FCM Client Standard Agreement with an OTC IRS FCM Client, the following provisions apply:

- (1) Eurex Clearing AG will seek to contact the Bankruptcy Trustee to determine whether the OTC IRS FCM Client has chosen the liquidation or the porting of the OTC IRS FCM Client Transactions under the OTC IRS FCM Client Standard Agreement.
- (2) If the Bankruptcy Trustee timely communicates to Eurex Clearing AG that a particular OTC IRS FCM Client has chosen liquidation, Eurex Clearing AG will exercise its termination right pursuant to Number 8.7.2 Paragraph (1) in consultation with the Bankruptcy Trustee and with a view to the Termination of all OTC IRS FCM Client Transactions with the OTC IRS FCM Client occurring within a period (the "**Relevant Period**") of seven calendar days following the entry of the order for relief in the bankruptcy case or the commencement of the SIPA proceeding or Title II proceeding or within such longer period as the Bankruptcy Trustee and the CFTC, by order of the bankruptcy court, may approve.

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- (3) If the Bankruptcy Trustee timely communicates to Eurex Clearing AG that a particular OTC IRS FCM Client has chosen porting in relation to its OTC IRS FCM Client Transactions or has not made a choice, Eurex Clearing AG will consult with the Bankruptcy Trustee to effect the porting of the OTC IRS FCM Client Transactions with the OTC IRS FCM Client and the porting of OTC IRS FCM Client Margin in the form of cash and OTC IRS FCM Client Variation Margin as well as the transfer of OTC IRS FCM Client Margin in the form of Securities in accordance with the Bankruptcy Code and CFTC Regulation 190.06. As soon as possible, and in any event within three calendar days following the commencement of the Relevant Period, Eurex Clearing AG will give the CFTC notice of Eurex Clearing AG's intent to conduct a porting in relation to the OTC IRS FCM Client Transactions, and, unless the porting and transfer is disapproved by the CFTC, Eurex Clearing AG will complete the porting and transfer within the Relevant Period.
- (4) If a particular OTC IRS FCM Client has designated to Eurex Clearing AG a potential Replacement OTC IRS FCM Clearing Member for its OTC IRS FCM Client Standard Agreement pursuant to the provisions of Number 8.4.5, Eurex Clearing AG will consult with the Bankruptcy Trustee to determine whether a porting in relation to the OTC IRS FCM Client Transactions with the OTC IRS FCM Client to the designated Replacement OTC IRS FCM Clearing Member may be conducted so long as the other requirements of the provisions of Number 8.4 and this Number 8.7 have been satisfied.
- (5) Notwithstanding the provisions of Number 8.4.11, no partial porting in relation to the OTC IRS FCM Client Transactions of any OTC IRS FCM Client will be made unless all of the OTC IRS FCM Client Transactions of the OTC IRS FCM Client cannot be ported or the CFTC otherwise approves of the partial porting.
- (6) Notwithstanding the provisions of Numbers 8.4.6 and 8.4.7, the Bankruptcy Trustee may require that less than all of the OTC IRS FCM Client Margin relating to any OTC IRS FCM Client Transactions with an OTC IRS FCM Client is ported and, as applicable, transferred to the Replacement OTC IRS FCM Clearing Member in order for the Bankruptcy Trustee to comply with the pro rata loss sharing provisions of §§ 766(c) and (h) of the Bankruptcy Code. The OTC IRS FCM Client Margin that is not subject to the porting or transfer will be held by Eurex Clearing AG at the direction of or delivered (including, in the case of Eligible Margin Assets in the form of Securities, by way of release of Eurex Clearing AG's pledges therein) to the Bankruptcy Trustee.

8.7.4 Application of the Bankruptcy Code and CFTC Rule 190 to Payments and Deliveries

Any payment or delivery by Eurex Clearing AG to the Bankruptcy Trustee pursuant to Number 1.6.6 or this Number 8.7, whether as payment of a Difference Claim or any difference claim of the OTC IRS FCM Client against Eurex Clearing AG that may arise pursuant to Chapter I Part 1 Number 9 of the Clearing Conditions or, in the case of release of a pledge of Eligible Margin Assets, at the direction of the Bankruptcy Trustee, will be for the account of the bankruptcy estate of the OTC IRS FCM Clearing Member.

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The payment or delivery will be administered and distributed by the Bankruptcy Trustee for the benefit of those OTC IRS FCM Clients and other “customers” (as defined in § 761(9) of the Bankruptcy Code) of the OTC IRS FCM Clearing Member who have claims against the OTC IRS FCM Clearing Member arising out of cleared swap agreement transactions, all in accordance with the Bankruptcy Code and CFTC Rule 190 including the pro rata loss sharing provisions of §§ 766(c) and (h) of the Bankruptcy Code. No OTC IRS FCM Client will have any claim to or interest in the payment or delivery except in accordance with the distribution rules of the Bankruptcy Code and CFTC Rule 190.

9 Insolvency or Default with respect to an OTC IRS FCM Client

9.1 A “**OTC IRS FCM Client Insolvency Termination Event**” occurs with respect to an OTC IRS FCM Client, when a case commenced by or against the OTC IRS FCM Client under the U.S. Bankruptcy Code or a receiver or other insolvency administrator is appointed for the OTC IRS FCM Client or any of the OTC IRS FCM Client's assets.

“**OTC IRS FCM Client Default**” for the purpose of this Number 9 means the occurrence of one of the following events with respect to the OTC IRS FCM Client (unless the relevant event has already resulted in an OTC IRS FCM Client Insolvency Termination Event):

(1) Insolvency related Events

Any action, legal proceedings or other procedure or step is taken in relation to any of the following events or any of the following events occurs with respect to the OTC IRS FCM Client:

- (a) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, termination of existence, liquidation, administration, reorganisation or restructuring (by way of voluntary arrangement, scheme of arrangement or otherwise), bankruptcy, insolvency, judicial management or curatorship;
- (b) a settlement, deferred payment, debt restructuring, transfer, restructuring, composition, compromise, assignment or similar arrangement of the OTC IRS FCM Client with any of its creditors;
- (c) the appointment of a liquidator, trustee, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of that OTC IRS FCM Client or any of its assets; or

any analogous procedure or step is taken in any jurisdiction.

(2) Failure to comply with Clearing Conditions

The OTC IRS FCM Client fails to comply with the Clearing Agreement (incorporating the Clearing Conditions) to which it is a party or is in breach of any of its representations given in a Clearing Agreement and such failure is not remedied by the OTC IRS FCM Client or by the OTC IRS FCM Clearing Member under the OTC IRS FCM Clearing Member Guarantee.

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(3) **Violation of Regulatory Provisions**

Non-compliance with regulatory requirements by the OTC IRS FCM Client, provided that non-compliance with such requirements may, in the reasonable opinion of Eurex Clearing AG, materially impair the proper fulfilment of the obligations of the OTC IRS FCM Client under the relevant OTC IRS FCM Client Standard Agreement.

(4) **Change in Law and other similar Causes**

- (a) Any change takes place in the laws of Germany or the laws applicable to the OTC IRS FCM Client, respectively, or the official interpretation or application of such laws which, in the reasonable opinion of Eurex Clearing AG, have a material adverse impact on the interests or services of Eurex Clearing AG under the Clearing Conditions or the interests of Clearing Members (other than the OTC IRS FCM Clearing Member of such OTC IRS FCM Client), or
- (b) any similar event occurs having a similar adverse impact on the interests or services of Eurex Clearing AG under the Clearing Conditions or the interests of Clearing Members (other than the OTC IRS FCM Clearing Member of such OTC IRS FCM Client).

(5) **Failure to comply with rules of other DCO(s)**

The OTC IRS FCM Client fails to comply in any material respect with the provisions of the rulebook(s) of any other Derivatives Clearing Organisation.

(6) **Termination for serious cause (aus wichtigem Grund)**

Eurex Clearing AG declines to continue the Clearing of OTC IRS FCM Client Transactions with the OTC IRS FCM Client due to the occurrence of an event which gives rise to a serious cause (*wichtiger Grund*) and the continuation of the Clearing of such OTC IRS FCM Client Transactions, taking into account all the circumstances of the specific case and weighing the interests of both parties, cannot reasonably be expected.

9.2 Upon the occurrence of an OTC IRS FCM Client Insolvency Termination Event or an OTC IRS FCM Client Default with respect to an OTC IRS FCM Client, the following provisions of this Number 9 shall apply, provided that if, prior to the OTC IRS FCM Client Insolvency Termination Event or before any of the actions set out in this Number 9 has been taken, a U.S. Bankruptcy Event with respect to the OTC IRS FCM Clearing Member of such OTC IRS FCM Client occurs, the restrictions set out in Number 8.7 shall apply *mutatis mutandis*.

9.3 If at any time an OTC IRS FCM Client Insolvency Termination Event has occurred with respect to the OTC IRS FCM Client, a termination in relation to the OTC IRS FCM Client Standard Agreement (as further specified in Number 9.6) (a “**OTC IRS FCM Client Termination**”) shall occur with immediate effect as of such time (the date of such OTC IRS FCM Client Termination being the “**OTC IRS FCM Client Termination Date**” and the respective termination time being the “**OTC IRS FCM Client Termination Time**”). As of

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such time Eurex Clearing AG will suspend the Clearing pursuant to the U.S. Clearing Model Provisions of new OTC IRS FCM Client Transactions of such OTC IRS FCM Client.

- 9.4 If an OTC IRS FCM Client Default occurs with respect to an OTC IRS FCM Client, Eurex Clearing AG may one or more times suspend or limit the Clearing pursuant to the U.S. Clearing Model Provisions of new OTC IRS FCM Client Transactions of such OTC IRS FCM Client.

Eurex Clearing shall notify the affected OTC IRS FCM Client and its OTC IRS FCM Clearing Member of the decision to suspend or limit the Clearing. Eurex Clearing AG shall, unless an OTC IRS FCM Client Default pursuant to Number 9.1 Paragraph (1) has occurred, specify in the notification a reasonable period of time during which such suspension or limitation shall apply.

Furthermore, if Eurex Clearing AG so demands, the relevant OTC IRS FCM Client shall, at its own expense, provide such information and evidence as Eurex Clearing AG, in its reasonable opinion may deem necessary, to conduct an appropriate investigation of the facts and circumstances relating to the OTC IRS FCM Client Default.

Before limiting or suspending the Clearing of new OTC IRS FCM Client Transactions under this Number 9.4, and without limiting its rights under Number 9.5 below, Eurex Clearing AG shall, where reasonable in the circumstances and unless an OTC IRS FCM Client Default pursuant to Number 9.1 Paragraph (2) has occurred, attempt to consult with the relevant OTC IRS FCM Clearing Member, further to which Eurex Clearing AG may in its absolute discretion agree a grace period within which the OTC IRS FCM Client or its OTC IRS FCM Clearing Member may remedy the event in question.

- 9.5 If an OTC IRS FCM Client Default has occurred and is continuing with respect to an OTC IRS FCM Client, Eurex Clearing AG may give a written termination notice to such OTC IRS FCM Client (with a copy to its OTC IRS FCM Clearing Member) (the “**OTC IRS FCM Client Termination Notice**”) specifying the date and time on which an OTC IRS FCM Client Termination shall occur.

For such OTC IRS FCM Client Termination, the OTC IRS FCM Client Termination Date will be the date, and the OTC IRS FCM Client Termination Time will be the time, as specified in the OTC IRS FCM Client Termination Notice.

- 9.6 If an OTC IRS FCM Client Termination Date has occurred with respect to an OTC IRS FCM Client Standard Agreement, the following provisions shall apply:

- 9.6.1 Termination of OTC IRS FCM Client Transactions and Redelivery Claims

All current and future primary obligations (including payment and delivery obligations) under the relevant OTC IRS FCM Client Standard Agreement between Eurex Clearing AG and the OTC IRS FCM Client arising from OTC IRS FCM Client Transactions and any Redelivery Claim under the relevant OTC IRS FCM Client Standard Agreement shall expire (*auflösende Bedingung*) as of the OTC IRS FCM Client Termination Time and shall no longer be required to be performed by the relevant obligor.

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Furthermore, all due but unsatisfied obligations in respect of the relevant OTC IRS FCM Client Margin or OTC IRS FCM Client Variation Margin shall expire (*auf lösende Bedingung*) as of the OTC IRS FCM Client Termination Time. The expiration affects all claims arising from OTC IRS FCM Client Transactions under the relevant OTC IRS FCM Client Standard Agreement independent of the time they came into existence or would have come into existence otherwise. These expired primary obligations and delivery obligations, respectively, are reflected by the Difference Claim (as defined below).

9.6.2 Difference Claim

The difference claim of either Eurex Clearing AG or the OTC IRS FCM Client under the relevant OTC IRS FCM Client Standard Agreement shall become unconditional and immediately due in the Termination Currency against the respective other party as of the end of the Last Valuation Date and shall be determined in accordance with Number 7.3 (except for Number 7.3.3) of the General Clearing Provisions using the Liquidation Price Approach (each a "**Difference Claim**"), provided that references in such provisions of Number 7.3 of the General Clearing Provisions to "Termination", "Termination Date" and "Termination Time" shall be read as references to "OTC IRS FCM Client Termination", "OTC IRS FCM Client Termination Date" and "OTC IRS FCM Client Termination Time", respectively, and Eurex Clearing AG shall be the party entitled to value the Difference Claim.

9.6.3 Notification

Eurex Clearing AG shall notify the value of the Difference Claim determined by it with respect to the relevant OTC IRS FCM Client Standard Agreement to the OTC IRS FCM Client and the relevant OTC IRS FCM Clearing Member as soon as reasonably practicable after its determination, together with reasonable detail regarding the data and information forming the basis of the determination.

9.6.4 Payment of Difference Claim

- (1) The debtor of the Difference Claim under the relevant OTC IRS FCM Client Standard Agreement between Eurex Clearing AG and the relevant OTC IRS FCM Client shall pay the determined amount of the Difference Claim as soon as reasonably practicable following the notification by Eurex Clearing AG of the payable amount pursuant to Number 9.6.3.
- (2) The debtor of the Difference Claim shall not be obliged to pay any interest on the amount of the Difference Claim unless it is in default (*Verzug*) following the receipt of a payment reminder (*Mahnung*) by the other party. Default interest shall be paid on the basis of the effective overnight interest rate applicable to the currency of the Difference Claim.

9.6.5 Establishment of Own Transactions with the OTC IRS FCM Clearing Member

- (1) By signing the Clearing Agreement in the form appended to the Clearing Conditions as Appendix 9, the OTC IRS FCM Clearing Member agrees that, with effect as of the OTC IRS FCM Client Termination Time and without any further action being

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required, Own Transactions will be established directly between Eurex Clearing AG and the OTC IRS FCM Clearing Member in lieu of the terminated OTC IRS FCM Client Transactions. Each such Own Transaction shall have the same terms and conditions as the corresponding terminated OTC IRS FCM Client Transaction as of the OTC IRS FCM Client Termination Time as if no OTC IRS FCM Client Termination Date had occurred (except that the OTC IRS FCM Clearing Member and not the OTC IRS FCM Client will be the contractual counterparty to Eurex Clearing AG). Each Own Transaction so established will form part of the Proprietary Standard Agreement of the OTC IRS FCM Clearing Member and Eurex Clearing AG and be subject to the Elementary Clearing Model Provisions.

- (2) Upon the establishment of all Own Transactions that correspond to the terminated OTC IRS FCM Client Transactions in accordance with Paragraph (1),
 - (i) if a Difference Claim of Eurex Clearing AG against the OTC IRS FCM Client has been determined pursuant to Number 9.6.2, Eurex Clearing AG shall assign to the OTC IRS FCM Clearing Member such Difference Claim;
 - (ii) if a Difference Claim of the OTC IRS FCM Client against Eurex Clearing AG has been determined pursuant to Number 9.6.2, the OTC IRS FCM Clearing Member shall pay to Eurex Clearing AG an amount equal to such Difference Claim; and
 - (iii) Eurex Clearing AG shall release its pledges over Eligible Margin Assets in the form of Securities provided by the OTC IRS FCM Clearing Member as OTC IRS FCM Client Margin in relation to the terminated OTC IRS FCM Client Transactions if Eurex Clearing AG's claims secured by such pledges have been discharged or, in the case of a Difference Claim of Eurex Clearing AG, assigned to the OTC IRS FCM Clearing Member, unless, in each case, the relevant pledges have lapsed as a matter of law.
- (3) After the OTC IRS FCM Clearing Member (a) in the case of Paragraph (2) (i) above, has, through the OTC IRS FCM Clearing Member Guarantee, discharged all remaining Secured U.S. Clearing Model Claims of Eurex Clearing AG against the OTC IRS FCM Client or the OTC IRS FCM Clearing Member or (b) in the case of Paragraph (2) (ii) above, has paid such amount to Eurex Clearing AG and has, through the OTC IRS FCM Clearing Member Guarantee, discharged all remaining Secured U.S. Clearing Model Claims of Eurex Clearing AG against the OTC IRS FCM Client or the OTC IRS FCM Clearing Member, the OTC IRS FCM Clearing Member Guarantee shall lapse and Eurex Clearing AG shall release its pledges over any Eligible Margin Assets that form part of the OTC IRS FCM Client Margin of the OTC IRS FCM Client (unless such pledges lapse as a matter of law).

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Collateralisation of OTC IRS FCM Client Difference Claim

Eurex Clearing AG will provide collateral to the OTC IRS FCM Client to secure any Difference Claim of the OTC IRS FCM Client against Eurex Clearing AG that may arise pursuant to the provisions of Numbers 8 or 9 and any difference claim of the OTC IRS

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FCM Client against Eurex Clearing AG that may arise pursuant to Chapter I Part 1 Number 9. The collateral will be provided by way of pledging to the OTC IRS FCM Client a bank account under German law (each a “**Collateral Account**”) at a Permitted Depository of Eurex Clearing AG in which Eurex Clearing AG will deposit sufficient cash funds to cover the Difference Claim as determined from time to time.

The OTC IRS FCM Client irrevocably authorises (*bevollmächtigt*) the OTC IRS FCM Clearing Member to enforce, on behalf of the OTC IRS FCM Client, the pledge over the Collateral Account if and when such pledge becomes enforceable. The OTC IRS FCM Client shall, if a U.S. Bankruptcy Event has occurred with respect to the OTC IRS FCM Clearing Member, comply with any instruction of the Bankruptcy Trustee and any order of the relevant bankruptcy court in respect of the enforcement of such pledge and the proceeds of such enforcement.

11 Replacement of OTC IRS FCM Clearing Member

Without prejudice to a replacement of an Affected OTC IRS FCM Clearing Member in accordance with Number 8, prior to the occurrence of an Insolvency Termination Event or Termination Event with respect to its OTC IRS FCM Clearing Member, the OTC IRS FCM Client may effect a replacement of its OTC IRS FCM Clearing Member in accordance with this Number 11 with respect to all or some of its OTC IRS FCM Client Transactions under the relevant OTC IRS FCM Client Standard Agreement only with the prior written consent of Eurex Clearing AG, the OTC IRS FCM Clearing Member and a replacement OTC IRS FCM Clearing Member and subject to the prior conclusion of a Clearing Agreement in the form appended to the Clearing Conditions as Appendix 9 between Eurex Clearing AG, the OTC IRS FCM Client and the replacement OTC IRS FCM Clearing Member. Eurex Clearing AG’s consent will not be unreasonably withheld. In order to effect such replacement of an OTC IRS FCM Clearing Member on a Business Day, all or, in the case of a partial transfer, the relevant rights and obligations of the OTC IRS FCM Clearing Member in respect of such OTC IRS FCM Client Transactions shall be transferred, by way of assumption of contract (*Vertragsübernahme*) to the replacement OTC IRS FCM Clearing Member to be set out in a separate transfer agreement between the existing OTC IRS FCM Clearing Member, the replacement OTC IRS FCM Clearing Member, the OTC IRS FCM Client and Eurex Clearing AG. For the avoidance of doubt, the provisions under Number 8 of the General Clearing Conditions shall not apply to a replacement of an OTC IRS FCM Clearing Member.

Such transfer shall become effective only upon Eurex Clearing AG having received all of the documents set out below in form and substance satisfactory to it (provided that, where Eurex Clearing AG itself would be required to become a party to any such document for it to become effective, nothing in this Number 11 shall prejudice Eurex Clearing AG’s decision whether or not to do so). Eurex Clearing AG shall notify the relevant parties in writing promptly upon being so satisfied and specify a transfer date binding on all relevant parties in such notice.

In the case of a partial transfer, Number 8.4.11 (except for any provisions on a Termination or a Termination Date) shall apply *mutatis mutandis*.

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Original copies of the following documents shall be provided to Eurex Clearing AG:

- (i) a transfer agreement in the form published by Eurex Clearing AG on the Eurex Clearing AG website (www.eurexclearing.com);
- (ii) a Clearing Agreement in the form appended to the Clearing Conditions as Appendix 9 between Eurex Clearing AG, the OTC IRS FCM Client and the replacement OTC IRS FCM Clearing Member; and
- (iii) any other document which Eurex Clearing AG reasonably considers to be necessary or useful (if it has notified the relevant parties accordingly) in connection with such transfer,

duly executed, in each case, by or on behalf of all parties required to execute it.

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Part 5 Basic Clearing Member Provisions

1 Application of the Basic Clearing Member Provisions

- 1.1 The provisions set forth in this Part 5 (the “**Basic Clearing Member Provisions**”) apply to entities other than a Clearing Member that participate in the Clearing of certain Transactions as a Basic Clearing Member (as defined in Part 1 Number 1.1.4) through a clearing agent (“**Clearing Agent**”) by entering into a Clearing Agreement with Eurex Clearing AG in the form appended to the Clearing Conditions as Appendix 10 (each a “**Basic Clearing Member Clearing Agreement**”).
- 1.2 Any Transaction between the Basic Clearing Member and Eurex Clearing AG shall be concluded only as a proprietary Transaction of the Basic Clearing Member (each a “**Basic Clearing Member Transaction**”). The Basic Clearing Member may not clear Transactions for clients, but only for its own account.
- 1.3 Basic Clearing Member Transactions may only be Market Transactions (except for Eurex Transactions, FWB Transactions and ISE Transactions) or OTC Interest Rate Derivative Transactions. Market Transactions and OTC Transactions are concluded in accordance with the following provisions:
- (1) Whenever an order or quote entered into the trading systems of a Market by a Basic Clearing Member or a Clearing Agent acting on behalf of the Basic Clearing Member is matched with another order or quote, in each case a Market Transaction with identical terms shall be concluded between Eurex Clearing AG and the relevant Basic Clearing Member.
 - (2) Whenever
 - (i) an Original OTC Transaction to which a Basic Clearing Member is a party is submitted to Eurex Clearing AG by a Clearing Agent on behalf of such Basic Clearing Member, either directly or via a third party information provider, as provided for in the Special Clearing Provisions, and
 - (ii) Eurex Clearing AG accepts such Original OTC Transaction for inclusion in the Clearing Procedures in accordance with the Special Clearing Provisions,

Eurex Clearing AG will, subject to the following provisions, interpose itself by means of a novation as central counterparty between the parties of the Original OTC Transaction.

Any novation of Original OTC Transactions shall be subject to the novation procedures, criteria and effectiveness requirements specified in the Special Clearing Provisions. The OTC Transactions resulting from the novation shall not be subject to the valid existence of the Original OTC Transaction (abstract novation).

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The Original OTC Transaction shall – subject to the Special Clearing Provisions – upon the novation becoming effective be replaced by two OTC Transactions, each on terms that are identical to the terms of the other OTC Transaction, one of which shall exist directly between Eurex Clearing AG and the Basic Clearing Member.

2 Admission Criteria; Continuing Obligations

An entity may enter into a Basic Clearing Member Clearing Agreement as a Basic Clearing Member or as a Clearing Agent in accordance with the following conditions.

2.1 Basic Clearing Member

2.1.1 Granting of Clearing Licence

- (1) The participation in the Clearing of Basic Clearing Member Transactions as a Basic Clearing Member requires a license issued by Eurex Clearing AG for each applicable Transaction Type (each a “**Basic Clearing Member Clearing License**”).
- (2) Eurex Clearing AG may grant a Basic Clearing Member Clearing License for a Transaction Type if the applicant meets the general prerequisites pursuant to Number 2.1.2 and the special prerequisites for the relevant Transaction Type set forth in the Special Clearing Provisions.
- (3) A Basic Clearing Member Clearing License for a Transaction Type will be granted upon the conclusion of (or an amendment to this effect of) the Basic Clearing Member Clearing Agreement.
- (4) Basic Clearing Member Clearing Licenses as well as any rights and obligations resulting therefrom may not be assigned or transferred by way of contractual agreement or otherwise without the consent of Eurex Clearing AG.

2.1.2 General Prerequisites for Basic Clearing Member Clearing Licenses

- (1) The Basic Clearing Member must be a credit institution, financial institution, investment firm, insurance undertaking, reinsurance undertaking, collective investment undertaking (in the case of an Unincorporated Fund, Sub-Fund or Fund Segment, acting through an Authorised Manager) as defined in Article 4(1) of the CRR or an institution for occupational retirement provision as defined in Article 6(a) of Directive 2003/41/EC, in each case domiciled in a member state of the EU or in Switzerland.
- (2) The Basic Clearing Member must have a technical connection to the systems of Eurex Clearing AG on the basis of the Basic Clearing Member Clearing Agreement, which shall incorporate the General Terms and Conditions to the Agreement on Technical Connection to the Clearing EDP of Eurex Clearing AG.
- (3) The requirements and procedures pursuant to Part 1 Number 2.1.2 Paragraph (3) as regards available own funds, equivalent regulatory capital and assets under management shall likewise apply to a Basic Clearing Member, except that Part 1

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Number 2.1.2 Paragraph (3) (d) shall not apply. If the own funds of the Basic Clearing Member fall below the minimum amount so required by Eurex Clearing AG from time to time, Eurex Clearing AG shall be entitled to require the Basic Clearing Member to provide Supplementary Margin; for the avoidance of doubt, non-compliance by the Basic Clearing Member with such requirement to provide Supplementary Margin shall constitute a Basic Clearing Member Termination Event. It is in Eurex Clearing AG's discretion to permit (or not permit) shortfalls in own funds, equivalent regulatory capital or the value of the assets under management, as applicable, to be made up, or continue to be made up, by Supplementary Margin.

- (4) Eurex Clearing AG must have conducted a positive internal assessment of the creditworthiness of the Basic Clearing Member prior to its admission and at least annually thereafter in accordance with the procedures and criteria defined for Clearing Members in Part 1 Number 1.6. The Basic Clearing Member is obliged to provide the data relevant to perform the respective assessments upon request of Eurex Clearing AG. Eurex Clearing AG determines dedicated thresholds or limits for each of the monitored risks. The Basic Clearing Member is required to comply with these thresholds and limits at all times.
- (5) The Basic Clearing Member must, upon admission and at all times thereafter, have a General Clearing Member appointed to act as its Clearing Agent in accordance with a Basic Clearing Member Clearing Agreement and such Clearing Agent must satisfy all requirements with respect to a Clearing Agent stipulated in these Clearing Conditions.

2.1.3 Rejection and Termination of Basic Clearing Member Clearing Licenses

- (1) Part 1 Number 2.1.4 Paragraph (1) shall apply *mutatis mutandis* to a Basic Clearing Member Clearing License.
- (2) Basic Clearing Member Clearing Licenses may be terminated by Eurex Clearing AG or the Basic Clearing Member in accordance with Part 1 Number 13.1.
- (3) Upon the occurrence of a Basic Clearing Member Termination Date, all Basic Clearing Member Clearing Licenses of the affected Basic Clearing Member shall automatically expire.

2.1.4 Certain continuing Obligations of Basic Clearing Members

- (1) Each Basic Clearing Member shall ensure that, at any time, sufficient funds are credited to the Basic Clearing Member Cash Accounts and that sufficient amounts of Securities and cash amounts for the settlement of Settlement Claims are credited to relevant security accounts and the corresponding cash accounts.
- (2) Each Basic Clearing Member shall – in accordance with any mandatory laws applicable to it – promptly inform Eurex Clearing AG if it is no longer in compliance with any of the prerequisites for any Basic Clearing Member Clearing License granted to it or if any other circumstances prevail, which might render any of these

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prerequisites no longer satisfied or if a Basic Clearing Member Termination Event or Basic Clearing Member Insolvency Termination Event has occurred.

- (3) Basic Clearing Members are obliged, at the request of Eurex Clearing AG, to provide Eurex Clearing AG with evidence of continued compliance with the prerequisites for a Basic Clearing Member Clearing License.
- (4) Each Basic Clearing Member shall notify Eurex Clearing AG immediately and without request if it is unable to fulfil any obligations under a Basic Clearing Member Transaction or any other obligations under a Basic Clearing Member Standard Agreement or Basic Clearing Member Clearing Agreement, including its obligations to deliver Basic Clearing Member Margin or Basic Clearing Member Variation Margin, if it becomes aware that its Clearing Agent is unable to fulfil any of the Clearing Agent's obligations under the Basic Clearing Member Clearing Agreement or any of the Basic Clearing Member's obligations that shall be performed through the Clearing Agent.

2.2 Clearing Agent

- 2.2.1 The Clearing Agent must be a Clearing Member, hold a General Clearing License and meet the general and special prerequisites for each Transaction Type that the Basic Clearing Member intends to clear.
- 2.2.2 Eurex Clearing AG retains the right to reject a Clearing Agent for a Basic Clearing Member in order to prevent and control adverse risk constellations in accordance with Eurex Clearing AG's risk management policy.

3 Role of Clearing Agent

- 3.1 The Clearing Agent acts on behalf and for the account of the Basic Clearing Member with respect to the rights and obligations of the Basic Clearing Member towards Eurex Clearing AG under the Basic Clearing Member Clearing Agreement and any Basic Clearing Member Transaction as further set out in this Part 5. Subject to Number 3.7, the entire clearing relationship between the Basic Clearing Member and Eurex Clearing AG shall accordingly be administered and settled through the Clearing Agent as further set out in these Basic Clearing Member Provisions.

The Clearing Agent shall, without prejudice to the right of Eurex Clearing AG pursuant to Number 7.3.1 Paragraph (2) and Number 7.3.2 Paragraph (2) to directly debit a Basic Clearing Member Cash Account held by the Clearing Agent, not have any obligation (i) to provide Basic Clearing Member Margin or Basic Clearing Member Variation Margin and/or (ii) to satisfy any Settlement Claims in respect of any Basic Clearing Member Transactions and any failure to do so shall as such not constitute a Termination Event in respect of the Clearing Agent.

- 3.2 By entering into the Basic Clearing Member Clearing Agreement with the Clearing Agent and Eurex Clearing AG, subject to Number 3.7, the Basic Clearing Member irrevocably authorizes (*bevollmächtigt*) the Clearing Agent to submit and receive, also on behalf of

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the Basic Clearing Member, all statements (including, without limitation, any notice, termination notice or other declaration to and from Eurex Clearing AG) and to take and accept all other acts on behalf of the Basic Clearing Member that are necessary or expedient to effect Basic Clearing Member Transactions and for the performance by or to the Basic Clearing Member of obligations arising thereunder or under the Basic Clearing Member Clearing Agreement. The Clearing Agent shall be entitled to grant sub-authorisations (*Untervollmachten*).

- 3.3 The Basic Clearing Member agrees that Eurex Clearing AG is entitled to discharge (*erfüllen*) all present and future delivery and payment obligations which may arise under the relevant Basic Clearing Member Clearing Agreement or any Basic Clearing Member Transaction by payment or delivery, respectively, to the Clearing Agent. Any such payment or delivery by Eurex Clearing AG to the Clearing Agent will discharge (*erfüllen*) the relevant payment or delivery obligation of Eurex Clearing AG to the Basic Clearing Member.
- 3.4 Eurex Clearing AG agrees that the Clearing Agent is entitled to discharge (*erfüllen*) all present and future delivery and payment obligations of the Basic Clearing Member which may arise under the relevant Basic Clearing Member Clearing Agreement or any Basic Clearing Member Transaction by payment or delivery, respectively, to Eurex Clearing AG. Any such payment or delivery by the Clearing Agent to Eurex Clearing AG will discharge (*erfüllen*) the relevant payment or delivery obligation of the Basic Clearing Member to Eurex Clearing AG.
- 3.5 Unless otherwise set out in these Basic Clearing Member Provisions, any recourse, reimbursement or other claims of the Clearing Agent against the Basic Clearing Member resulting from the performance by the Clearing Agent of any claims arising under the relevant Basic Clearing Member Clearing Agreement or of any obligations of the Basic Clearing Member are solely a matter of, and subject to, any additional terms to the Basic Clearing Member Clearing Agreement, as such additional terms may be agreed on a bilateral basis between the Clearing Agent and the Basic Clearing Member in accordance with Number 4.1.5.
- 3.6 The Clearing Agent shall, subject to and in accordance with the General Clearing Provisions, participate in any default management process with respect to all Basic Clearing Member Transactions of a particular Basic Clearing Member (for which it acts as Clearing Agent). Subject to and in accordance with the DM Auction Rules, a Basic Clearing Member (with respect to which no Basic Clearing Member Termination Event has occurred) may, upon invitation by Eurex Clearing AG, participate in any default management process directly or through its Clearing Agent.
- 3.7 The Basic Clearing Member may, subject to the Clearing Agent's prior written consent, upon at least five (5) Business Days' prior written notice to Eurex Clearing AG and the Clearing Agent, limit the role, tasks, functions and authorities of the Clearing Agent to only some of the tasks, functions and authorities of the Clearing Agent set out or referred to in this Part 5 (the "**Clearing Agent Limitation Notice**"), except that a Clearing Agent Limitation Notice may not limit any of the Clearing Agent's tasks, functions and authorities

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set out or referred to in Number 3.6 or Number 9. The Clearing Agent Limitation Notice must set out the tasks, functions and authorities of the Clearing Agent that shall be subject to such limitation (and, as relevant, the scope of such limitation in respect to a particular task, function and authority) and the point in time at which such limitation shall take effect. Upon a limitation having become effective in accordance with the preceding sentences, the tasks, functions and authorities of the Clearing Agent specified in the Clearing Agent Limitation Notice shall be transferred to the Basic Clearing Member, and the relevant provisions of the Clearing Conditions shall be read accordingly. Upon the Clearing Agent Limitation Notice becoming effective, the relevant Basic Clearing Member Clearing Agreement shall automatically be amended accordingly. The provision of this Number 3.7 shall apply accordingly, with respect to a subsequent termination of a limitation of the Clearing Agent's tasks, functions and authorities.

3.8 If the Basic Clearing Member Cash Account is an account held by the Clearing Agent, upon the occurrence of a Basic Clearing Member Default Information Event, the Clearing Agent shall be entitled to withdraw, by written notice to Eurex Clearing AG (a "**Clearing Agent Debit Withdrawal Notice**"), the right of Eurex Clearing AG to debit such Basic Clearing Member Cash Account and Eurex Clearing AG shall, without undue delay (*unverzüglich*) after receipt of such Clearing Agent Debit Withdrawal Notice, cease to debit such Basic Clearing Member Cash Account for any payments owed by such Basic Clearing Member.

3.9 The Clearing Agent shall notify Eurex Clearing AG and the Basic Clearing Member immediately and without request if it is, or becomes aware that it will be, unable to fulfil any of its obligations under the Basic Clearing Member Clearing Agreement.

4 Content of Basic Clearing Member Clearing Agreement and the Basic Clearing Member Standard Agreement

4.1 Construction

4.1.1 If a Basic Clearing Member Clearing Agreement is entered into by Eurex Clearing AG, a Clearing Agent and a Basic Clearing Member, such Basic Clearing Member Clearing Agreement will provide for terms and conditions applying (i) between Eurex Clearing AG, the Clearing Agent and the Basic Clearing Member and (ii) between Eurex Clearing AG and the Basic Clearing Member with respect to the Basic Clearing Member Standard Agreement (as defined below) and the Basic Clearing Member Transactions of such Basic Clearing Member.

4.1.2 All rights and obligations between Eurex Clearing AG and the Basic Clearing Member with respect to Basic Clearing Member Transactions under the Basic Clearing Member Clearing Agreement shall constitute a separate arrangement (each such arrangement a "**Basic Clearing Member Standard Agreement**"). All Basic Clearing Member Transactions and all Redelivery Claims between Eurex Clearing AG and the relevant Basic Clearing Member arising pursuant to the Basic Clearing Member Provisions under the relevant Basic Clearing Member Standard Agreement form a single agreement between the parties and such agreement constitutes a separate master agreement

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(*Rahmenvertrag*) between such parties which (subject to the provisions in these General Clearing Provisions on the termination of individual Basic Clearing Member Transactions) can be terminated only in its entirety.

4.1.3 Basic Clearing Member Transactions and all corresponding rights and obligations under the Basic Clearing Member Standard Agreement relating to the relevant Basic Clearing Member will be separate from:

- (a) all Basic Clearing Member Transactions and all corresponding rights and obligations under any other Basic Clearing Member Standard Agreement relating to any other Basic Clearing Member of the Clearing Agent,
- (b) all Own Transactions and all corresponding rights and obligations under the Proprietary Standard Agreement between the Clearing Agent (acting in its capacity as Clearing Member) and Eurex Clearing AG, and
- (c) any other rights and obligations under any other Standard Agreement established under any other Clearing Agreement between the Clearing Agent (acting in its capacity as Clearing Member) and Eurex Clearing AG pursuant to the Elementary Clearing Model Provisions or the Individual Clearing Model Provisions.

4.1.4 References in these Basic Clearing Member Provisions to a Basic Clearing Member Standard Agreement shall be construed solely by reference to the Basic Clearing Member Clearing Agreement and a certain Basic Clearing Member (and shall therefore exclude any other Basic Clearing Member Standard Agreement or any other Standard Agreement established under any other Clearing Agreement pursuant to the Clearing Conditions).

4.1.5 The Clearing Agent and the Basic Clearing Member may separately agree on additional terms to the Basic Clearing Member Clearing Agreement to the extent those additional terms do not conflict with the Basic Clearing Member Clearing Agreement. In the event of any inconsistencies between any such additional terms and the Basic Clearing Member Clearing Agreement, the Basic Clearing Member Clearing Agreement shall prevail.

4.2 General principles applicable to the settlement of Basic Clearing Member Transactions and any Delivery and Redelivery of Basic Clearing Member Margin or Basic Clearing Member Variation Margin

4.2.1 The Clearing Agent shall notify Eurex Clearing AG and the Basic Clearing Member Eurex Clearing AG and the Basic Clearing Member shall be obliged to fulfil any payment obligations under the Basic Clearing Member Transactions or obligations to deliver or redeliver cover in respect of either the Basic Clearing Member Margin (as defined in Number 7.1) or the Basic Clearing Member Variation Margin (as defined in Number 8.1) under the relevant Basic Clearing Member Standard Agreement by transferring to the transferee all right, title and interest in and to the Eligible Margin Assets in the form of cash free and clear of any and all rights and claims of the transferring party and of any third person, howsoever arising, including, without limitation, pursuant to applicable law or regulation or under any statutory or other trust. The value of such assets shall, as of the

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date the transfer is effected, be at least equal to the value at that date of the concerned payment or delivery obligation.

- 4.2.2 The actual payment of Eligible Margin Assets in the form of cash in respect of Basic Clearing Member Margin or Basic Clearing Member Variation Margin gives rise to a corresponding contractual claim of the margin provider against the margin taker for repayment of equivalent assets in the same amount as such Eligible Margin Assets actually delivered (or increases an already existing repayment or redelivery claim; each such claim shall be referred to as a “**Redelivery Claim**”). Each such Redelivery Claim shall be allocated to the relevant Basic Clearing Member Standard Agreement.

In the case of Basic Clearing Member Margin in the form of cash, only the Basic Clearing Member may be the creditor of the relevant Redelivery Claim and in the case of Basic Clearing Member Variation Margin, Eurex Clearing AG or the Basic Clearing Member may be the creditor of the relevant Redelivery Claim.

For the purpose of the relevant Redelivery Claim, the term “**equivalent**” means the same amount in the same currency as such Eligible Margin Assets actually delivered in respect of the Basic Clearing Member Margin or the Basic Clearing Member Variation Margin.

A Redelivery Claim will become due with respect to (i) Basic Clearing Member Margin in the form of cash upon receipt of a respective declaration from the Clearing Agent (acting on behalf and for the account of the Basic Clearing Member) by Eurex Clearing AG prior to the then applicable cut-off time of any Business Day, as specified by Eurex Clearing AG on its website www.eurexclearing.com for cash with respect to the relevant currency, if and to the extent the relevant applicable Default Basic Clearing Member Margin Requirement (as defined in Number 7.2.1) is below the aggregate value of all Eligible Margin Assets actually delivered in respect of the Basic Clearing Member Margin, and with respect to (ii) Basic Clearing Member Variation Margin in accordance with Number 8, in each case provided that no Termination Date with respect to the Clearing Agent and no Basic Clearing Member Termination Date has occurred, respectively.

- 4.2.3 Subject to Number 3.2.2 Paragraph (2) and (3) of the General Clearing Provisions, the term “**actually delivered**” when used in the Basic Clearing Member Provisions means (i) the actual credit of an Eligible Margin Asset in the form of cash to the relevant Eurex Clearing AG cash account, (ii) the actual credit of an Eligible Margin Asset in the form of Securities to the relevant Basic Clearing Member Pledged Securities Account and such Eligible Margin Asset being subject to a valid pledge in accordance with Number 7.6.1 Paragraph (3), or (iii) in the event of a set-off pursuant to Number 6, the legal effectiveness of such set-off. The term “**actual delivery**” shall be interpreted accordingly.

Where reference is made in the Basic Clearing Member Provisions to the “**aggregate value**” of Eligible Margin Assets in connection with the assessment of compliance with the Default Basic Clearing Member Margin Requirement or an obligation to deliver or redeliver cover in respect of the Basic Clearing Member Margin or the Basic Clearing Member Variation Margin, as applicable, the aggregate value will be determined by Eurex Clearing AG in accordance with Number 3.2.2 of the General Clearing Provisions.

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5 Internal Accounts

In addition to the internal accounts set out in Number 4 of the General Clearing Provisions, Eurex Clearing AG establishes and maintains with respect to each Basic Clearing Member the following internal accounts:

5.1 Transaction Accounts

Eurex Clearing AG opens and maintains for each Basic Clearing Member one transaction account (each a “**Basic Clearing Member Own Account**”) in which the Basic Clearing Member Transactions of the relevant Basic Clearing Member shall be booked.

5.2 Internal Cash Accounts

5.2.1 With respect to each currency accepted by it, Eurex Clearing AG establishes and maintains for each Basic Clearing Member one internal cash account for the settlement of claims into which all daily settlement payments, fees and other cash payment obligations (other than any obligation to provide Basic Clearing Member Margin) arising under Basic Clearing Member Transactions or under the Clearing Conditions with respect or relating to the relevant Basic Clearing Member Standard Agreement shall be booked.

5.2.2 The daily balance of each internal cash account (after taking into account any set-off pursuant to the Clearing Conditions) shall be debited or credited, as the case may be, to the respective Basic Clearing Member Cash Account to the extent that Eurex Clearing AG does not claim any credit balance in such account as Basic Clearing Member Margin or Basic Clearing Member Variation Margin.

5.3 Internal Margin Accounts

5.3.1 Eurex Clearing AG establishes and maintains for each Basic Clearing Member an internal client margin account (each an “**Internal Basic Clearing Member Margin Account**”) in which all Eligible Margin Assets that have been actually delivered to Eurex Clearing AG as Basic Clearing Member Margin in respect of the Basic Clearing Member Standard Agreement will be recorded.

5.3.2 For this purpose, (i) all credits and debits of Securities to the relevant Basic Clearing Member Pledged Securities Account (and, if an Accepted Collateral Management System is used, all pledges or releases of pledges of Securities made by use of such Accepted Collateral Management System), and (ii) all daily cash credits or debits in respect of Basic Clearing Member Margin to the Basic Clearing Member Cash Account will be allocated to the relevant Basic Clearing Member Standard Agreement and recorded on the relevant Internal Basic Clearing Member Margin Account.

5.4 Methods of assigning transfers or pledges of Eligible Margin Assets to a Basic Clearing Member Standard Agreement

Eurex Clearing AG will provide the Clearing Agent with specific customer identifiers with respect to each of such Clearing Agent’s Basic Clearing Members. Any transfer or pledge of Eligible Margin Assets to Eurex Clearing AG in respect of Basic Clearing Member

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Margin or Basic Clearing Member Variation Margin shall clearly refer to the applicable customer identifier.

6 Set-off

6.1 Any claim of Eurex Clearing AG and the Basic Clearing Member under a Basic Clearing Member Standard Agreement, including claims to provide cover in respect of Basic Clearing Member Margin or Basic Clearing Member Variation Margin, may only be set off against claims arising from Basic Clearing Member Transactions under the same Basic Clearing Member Standard Agreement or claims to provide cover in respect of Basic Clearing Member Margin or Basic Clearing Member Variation Margin of the respective other party under the same Basic Clearing Member Standard Agreement. Eurex Clearing AG is not entitled to set off its claims vis-à-vis the Clearing Member (acting as Clearing Agent for the Basic Clearing Member or otherwise) against claims of a Basic Clearing Member or to set off its claims vis-à-vis one Basic Clearing Member against claims of another Basic Clearing Member.

6.2 Any other set-off of claims between Eurex Clearing AG and the Basic Clearing Member or between Eurex Clearing AG and a Clearing Member acting as Clearing Agent for the Basic Clearing Member shall be prohibited. This does not apply to a set-off by the Basic Clearing Member or the Clearing Agent with claims which are undisputed or have been determined as legally binding.

7 Basic Clearing Member Margin

7.1 General Obligation to provide Basic Clearing Member Margin

7.1.1 The Basic Clearing Member is required to provide margin for all Basic Clearing Member Transactions under the relevant Basic Clearing Member Standard Agreement (“**Basic Clearing Member Margin**”) in such amounts, in such forms and at such times as are required pursuant to this Number 7 and the Special Clearing Provisions.

7.1.2 The purpose of Basic Clearing Member Margin actually delivered under the relevant Basic Clearing Member Standard Agreement is to collateralise all claims (whether present, future, actual, contingent or prospective) of Eurex Clearing AG arising under Basic Clearing Member Transactions, any Difference Claim and any other present and future claims of Eurex Clearing AG against the Basic Clearing Member under the relevant Basic Clearing Member Standard Agreement.

7.2 The Margin Requirement

7.2.1 The amount of Eligible Margin Assets to be delivered as cover in respect of the relevant Margin for each Basic Clearing Member Standard Agreement shall be determined in accordance with Number 3.1 of the General Clearing Provisions (the “**Default Basic Clearing Member Margin Requirement**”).

7.2.2 Eurex Clearing AG will determine the Default Basic Clearing Member Margin Requirement separately with respect to each Basic Clearing Member Standard

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Agreement, based on the margin requirement for the Basic Clearing Member Transactions included in the relevant Basic Clearing Member Standard Agreement.

7.2.3 The Default Basic Clearing Member Margin Requirement with respect to each Basic Clearing Member Standard Agreement will be notified by Eurex Clearing AG to the Clearing Agent and the relevant Basic Clearing Member.

7.3 Margin Call

7.3.1 Margin Calls and direct debit prior to the end of a Business Day

- (1) If Eurex Clearing AG at any time prior to the end of a Business Day determines that the aggregate value of Eligible Margin Assets actually delivered as cover in respect of Basic Clearing Member Margin is less than the applicable Default Basic Clearing Member Margin Requirement under the relevant Basic Clearing Member Standard Agreement, Eurex Clearing AG will require the Basic Clearing Member to provide (additional) Eligible Margin Assets (including via the Clearing Agent) in accordance with the delivery procedures pursuant to Numbers 7.5 and 7.6 in an amount up to the relevant Default Basic Clearing Member Margin Requirement by the time specified by Eurex Clearing AG.
- (2) Subject to Number 3.8, to the extent Eligible Margin Assets are not delivered with respect to a Margin Call in accordance with Paragraph (1), Eurex Clearing AG will (without having an obligation towards the Basic Clearing Member or the Clearing Agent to do so, on or around the time specified) directly debit the relevant Basic Clearing Member Cash Account in an amount equal to the requested amount of Eligible Margin Assets in accordance with the daily cash clearing procedure pursuant to Number 1.4.1 of the General Clearing Provisions. Any such direct debit shall discharge the relevant Margin Call relating to the relevant Basic Clearing Member Standard Agreement (and consequentially such direct debit will increase the respective Redelivery Claim of the Basic Clearing Member).
- (3) If a Clearing Agent elects to deliver, for the account of such Basic Clearing Member, (additional) Eligible Margin Assets in the form of cash pursuant to Number 3.3.2 of the General Clearing Provisions with respect to a Margin Call relating to Basic Clearing Member Margin under a specific Basic Clearing Member Standard Agreement, then:
 - (i) the Clearing Agent shall notify Eurex Clearing AG of such election;
 - (ii) Eurex Clearing AG shall make the relevant debit entry in the Internal Proprietary Margin Account of such Clearing Agent and the respective credit entry in the Internal Basic Clearing Member Margin Account with such cash credit being allocated to the Basic Clearing Member Standard Agreement, provided that the aggregate value of the remaining Eligible Margin Assets in respect of the Proprietary Margin would not be less than the applicable Margin Requirement; and

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- (iii) the related Redelivery Claim under the Proprietary Standard Agreement between Eurex Clearing AG and such Clearing Agent shall be reduced accordingly upon Eurex Clearing AG having made those record entries (which Eurex Clearing AG shall do without undue delay) in the Internal Basic Clearing Member Margin Account and an equivalent Redelivery Claim arises under the Basic Clearing Member Standard Agreement.

7.3.2 Margin Calls and direct debit at the end of a Business Day

- (1) If Eurex Clearing AG at the end of a Business Day determines that the aggregate value of Eligible Margin Assets actually delivered as cover in respect of Basic Clearing Member Margin is less than the applicable Default Basic Clearing Member Margin Requirement under the relevant Basic Clearing Member Standard Agreement, Eurex Clearing AG will require the Basic Clearing Member to provide (additional) Eligible Margin Assets in the form of cash in the Clearing Currency in an amount sufficient to satisfy the Default Basic Clearing Member Margin Requirement by the time specified by Eurex Clearing AG.
- (2) Subject to Number 3.8, to the extent Eligible Margin Assets are not delivered with respect to a Margin Call in accordance with Paragraph (1), Eurex Clearing AG will (without having an obligation towards the Basic Clearing Member or the Clearing Agent to do so), on or around the time specified, directly debit the relevant Basic Clearing Member Account in the amount determined pursuant to Paragraph (1) in accordance with the daily cash clearing procedure pursuant to Number 1.4.1 of the General Clearing Provisions. Any such direct debit shall discharge the relevant Margin Call relating to the relevant Basic Clearing Member Standard Agreement (and consequentially such direct debit will increase the respective Redelivery Claim of the Basic Clearing Member).
- (3) Number 7.3.1 Paragraph (3) shall apply *mutatis mutandis*.

7.4 Basic Clearing Member Excess Margin

The Basic Clearing Member or Clearing Agent (acting on behalf and for the account of the Basic Clearing Member) may provide Eligible Margin Assets to Eurex Clearing AG in excess of the Default Basic Clearing Member Margin Requirement under the relevant Basic Clearing Member Standard Agreement (the “**Basic Clearing Member Excess Margin**”). Any Basic Clearing Member Excess Margin actually delivered shall form part of the relevant Basic Clearing Member Margin and shall, if and to the extent that such Basic Clearing Member Excess Margin consists of cash, be subject to a Redelivery Claim under the relevant Basic Clearing Member Standard Agreement.

Eurex Clearing AG will book any Eligible Margin Asset delivered to it as Basic Clearing Member Excess Margin into the relevant Internal Basic Clearing Member Margin Account and shall record the Eligible Margin Asset in the Internal Basic Clearing Member Margin Account as an Eligible Margin Asset for the account of the Basic Clearing Member.

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7.5 Delivery of Eligible Margin Assets in the form of Cash

Eligible Margin Assets in the form of cash shall be provided in accordance with the cash clearing procedure pursuant to Number 1.4.1 of the General Clearing Provisions.

7.6 Delivery of Eligible Margin Assets in the form of Securities

7.6.1 Eligible Margin Assets in the form of Securities as cover in respect of the Basic Clearing Member Margin in respect of a Basic Clearing Member Standard Agreement shall be provided by transferring Eligible Margin Assets in the form of Securities to the relevant Basic Clearing Member Pledged Securities Account.

- (1) The Clearing Agent or the Basic Clearing Member shall instruct Clearstream Banking AG, Clearstream Banking S.A. or SIX SIS AG in a timely manner to transfer the relevant Securities to the Basic Clearing Member Pledged Securities Account and authorizes Clearstream Banking AG, Clearstream Banking S.A. or SIX AG to inform Eurex Clearing AG of such transfer. In case of a Third Party Account Holder, the Basic Clearing Member shall procure that the instructions and authorisations are given by the Third Party Account Holder.
- (2) In relation to Securities credited to any Basic Clearing Member Pledged Securities Account that confer voting rights or other optional rights (including, but not limited to, warrants, options, conversion and subscription rights, rights in connection with takeovers, other forms of offers or capital reorganisations, redemption rights, tenders, options to tender or non-mandatory puts or calls) or that provide for discretionary action or alternative courses of action, Eurex Clearing AG shall not be responsible for exercising such voting or optional rights or for taking up such discretionary actions or alternative courses of action.
- (3) The Basic Clearing Member shall, by way of one or more separate pledge agreements and in the form and upon terms satisfactory to Eurex Clearing AG, grant pledges to Eurex Clearing AG over all Securities which are at present or will in the future be credited to the relevant Basic Clearing Member Pledged Securities Account. Eurex Clearing AG may allow pledges to be granted by the Clearing Agent on behalf of the Basic Clearing Member or acting upon a disposal authorisation (*Verfügungsermächtigung*) of the Basic Clearing Member or by a Third Party Account Holder.

7.6.2 The security purpose (*Sicherungszweck*) of each pledge granted to Eurex Clearing AG in accordance with this Number 7.6 is to secure all claims (whether present, future, actual, contingent or prospective) of Eurex Clearing AG against the Basic Clearing Member arising under Basic Clearing Member Transactions, any Difference Claim and any other present and future claims of Eurex Clearing AG against the Basic Clearing Member arising under the relevant Basic Clearing Member Standard Agreement.

7.6.3 Notwithstanding Number 7.6.1, Basic Clearing Member Margin may also be provided to Eurex Clearing AG in the form of Securities by way of pledge by using an Accepted Collateral Management System.

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7.6.4 To the extent required or expedient under its national laws, the Basic Clearing Member will arrange for the due filing and registration with any relevant competent authority or register of any security interest granted or to be granted pursuant to or in accordance with this Number 7.6 and will evidence the due filing and registration of such security interest to Eurex Clearing AG.

7.7 Redelivery and release of Eligible Margin Assets

7.7.1 If and to the extent that the aggregate value of all Eligible Margin Assets actually delivered as Basic Clearing Member Margin in respect of the relevant Basic Clearing Member Standard Agreement exceeds the Default Basic Clearing Member Margin Requirement, the Clearing Agent (acting on behalf and for the account of the Basic Clearing Member) may either raise a Redelivery Claim or, prior to the then applicable cut-off time specified by Eurex Clearing AG with respect to any Business Day, require Eurex Clearing AG by submitting a release request to release the pledge over pledged Securities actually delivered in respect of Basic Clearing Member Margin. The release request shall be processed by Eurex Clearing AG during the same Business Day if such request is received by Eurex Clearing prior to the applicable cut-off time and, if such request is received after such cut-off time, on the next Business Day.

7.7.2 The Clearing Agent (acting on behalf and for the account of the Basic Clearing Member) may select which Eligible Margin Assets credited to the Internal Basic Clearing Member Margin Account shall be redelivered or, as applicable, released from the pledge. Eurex Clearing AG will not and shall not be obliged to check whether there is, and whether the Clearing Agent complies with, any agreement between the Clearing Agent and the Basic Clearing Member.

7.7.3 The Redelivery Claim is discharged by Eurex Clearing AG if the relevant cash amount has been credited to the Basic Clearing Member Cash Account or to an account of a correspondent bank designated by the Basic Clearing Member (including via its Clearing Agent). Such discharge shall occur irrespective of any booking or forwarding errors of the depository, the settlement institution, the custodian, the deposit bank, the central securities depository or the correspondent bank.

8 Basic Clearing Member Variation Margin

8.1 General Obligation to provide Basic Clearing Member Variation Margin

Each of Eurex Clearing AG and the Basic Clearing Member shall be required to transfer (additional) cover in respect of daily profits or losses for all Basic Clearing Member Transactions under the Basic Clearing Member Standard Agreement (“**Basic Clearing Member Variation Margin**”) in such amounts and at such times as are required pursuant to this Number 8.

8.2 Basic Clearing Member Variation Margin Requirement

Only Eligible Margin Assets in the form of cash shall be delivered as cover in respect of Basic Clearing Member Variation Margin. The amount of Eligible Margin Assets in form of

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cash to be delivered by the party obliged to provide Basic Clearing Member Variation Margin (the “**Basic Clearing Member Variation Margin Provider**”) to the other party (the “**Basic Clearing Member Variation Margin Taker**”) as cover in respect of the relevant Basic Clearing Member Variation Margin (the “**Basic Clearing Member Variation Margin Requirement**”) shall be determined in accordance with the Special Clearing Provisions.

8.3 Delivery of Basic Clearing Member Variation Margin and Redelivery Claim

8.3.1 Basic Clearing Member Variation Margin shall be delivered and/or returned on each Business Day in accordance with the daily cash clearing procedure pursuant to Numbers 1.3 and 1.4.1 of the General Clearing Provisions.

8.3.2 Eligible Margin Assets in the form of cash actually delivered in respect of the Basic Clearing Member Variation Margin by the Basic Clearing Member Variation Margin Provider will give rise to or increase a Redelivery Claim of the Basic Clearing Member Variation Margin Provider against the Basic Clearing Member Variation Margin Taker. Any such Redelivery Claim shall become due if and to the extent that on any subsequent Business Day a profit amount has been determined in respect of the Basic Clearing Member Standard Agreement for the benefit of the Basic Clearing Member Variation Margin Provider in accordance with the Special Clearing Provisions (the applicable amount shall be the “**Redelivery Amount**”).

8.3.3 If equivalent Eligible Margin Assets in the form of cash have been actually delivered to the Basic Clearing Member Variation Margin Provider by the Basic Clearing Member Variation Margin Taker, the value of such Eligible Margin Assets will be applied to reduce (subject to a minimum of zero) the Redelivery Amount and the value of the Redelivery Claim then due. If the profit amount determined for the benefit of the Basic Clearing Member Variation Margin Provider is higher than its Redelivery Claim as of such time, the payment of the excess amount by the other party itself constitutes a delivery of Basic Clearing Member Variation Margin and in this case the Basic Clearing Member Variation Margin Provider shall become the Basic Clearing Member Variation Margin Taker and vice versa.

9 Default Fund Contributions for Basic Clearing Member Transactions and DM Auctions

9.1 Default Fund Contribution

9.1.1 The Clearing Agent shall make Contributions to the Default Fund with respect to all Basic Clearing Member Transactions under each Basic Clearing Member Standard Agreement in accordance with Part 1 Number 6. For the avoidance of doubt, the Basic Clearing Member is in accordance with Article 2 Paragraph 14 of EMIR responsible for discharging the financial obligations arising from its participation in the Clearing as Basic Clearing Member. Accordingly, without imposing any additional obligations on the Basic Clearing Member, any failure to pay or deliver by the Clearing Agent with respect to the Contributions that have been determined by Eurex Clearing AG in relation to a Basic Clearing Member shall constitute a Basic Clearing Member Termination Event for the

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relevant Basic Clearing Member. For as long as any such failure continues to exist, Eurex Clearing AG may one or more times suspend or limit the Clearing of new Basic Clearing Member Transactions of such Basic Clearing Member in accordance with Number 10.2 and/or may terminate the clearing membership of the Basic Clearing Member by giving a Basic Clearing Member Termination Notice in accordance with Number 10.3.

- 9.1.2 If a Termination Date and a Realisation Event occurs with respect to a Clearing Agent (irrespective of whether the underlying Termination Event relates to a Basic Clearing Member Clearing Agreement or any other Clearing Agreement to which the Clearing Agent is a party as a Clearing Member), the Contributions paid by the Affected Clearing Agent (as defined in Number 11.1.1) that are attributable to any Basic Clearing Member shall not form part of the Affected Clearing Agent's own Contribution but shall be realised *pari passu* with the Contributions of all Non-Affected Clearing Members in accordance with Part 1 Number 6, in particular, the order of priority set out in Part 1 Number 6.2.1.
- 9.1.3 If a Basic Clearing Member Termination Date and a Realisation Event with respect to a Basic Clearing Member occur, the Contributions made by the Clearing Agent which are attributable to the Basic Clearing Member shall be realised in accordance with Part 1 Number 6, in particular, the order of priority set out in Part 1 Number 6.2.1.
- 9.1.4 If, following a Realisation Event with respect to a Basic Clearing Member, the Contribution attributable to the Basic Clearing Member is not sufficient to cover the Default Fund Secured Claims against the Basic Clearing Member, Eurex Clearing AG is entitled at its discretion to require from the Clearing Agent of the Basic Clearing Member further Contributions in accordance with Part 1 Number 6.3. Those further Contributions shall be used to cover the Default Fund Secured Claims against the Basic Clearing Member in accordance with Part 1 Number 6, in particular, the order of priority set out in Part 1 Number 6.2.1.

9.2 DM Auctions

- 9.2.1 Basic Clearing Members are not obliged to participate in DM Auctions. Basic Clearing Members may choose to participate in DM Auctions (including through their Clearing Agent acting on their behalf), subject to certain restrictions as set forth in the DM Auction Rules and upon invitation of Eurex Clearing AG.
- 9.2.2 Irrespective of any participation of its Basic Clearing Members in DM Auctions pursuant to Number 9.2.1, Clearing Agents are obliged to participate in DM Auctions in accordance with Part 1 Number 7.5 as if they (instead of the Basic Clearing Members) were party to the Basic Clearing Member Transactions of their Basic Clearing Members. For the purposes of determining whether the Clearing Agent is a Mandatory Participant and the scope of the bidding obligation of the Clearing Agent in accordance with the DM Auction Rules, the Basic Clearing Member Transactions of all Basic Clearing Members of the Clearing Agent shall be attributed to the Clearing Agent as if it (instead of the Basic Clearing Members) were party to the Basic Clearing Member Transactions of its Basic Clearing Members.

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10 Basic Clearing Member Termination Event

10.1 Suspension of Clearing, Termination

Upon the occurrence of Basic Clearing Member Termination Date with respect to a Basic Clearing Member,

- (i) the Clearing of new Basic Clearing Member Transactions under the relevant Basic Clearing Member Standard Agreement will be suspended; and
- (ii) the existing Basic Clearing Member Transactions shall be terminated and a termination payment shall fall due with respect to such Basic Clearing Member Standard Agreement,

each as further set out in this Number 10.

Eurex Clearing AG shall notify the affected Basic Clearing Member and the Clearing Agent of such Basic Clearing Member of the suspension of the Clearing and the termination. Eurex Clearing AG shall specify in the notification a reasonable period of time during which such suspension shall apply.

10.2 If a Basic Clearing Member Termination Event (other than a Basic Clearing Member Insolvency Termination Event) or any of the following events occurs with respect to a Basic Clearing Member:

- (i) a determination is made by Eurex Clearing AG that a limitation or suspension of Clearing is necessary to limit its exposure with respect to such Basic Clearing Member;
- (ii) the suspension or termination (other than a voluntary termination) of the Basic Clearing Member's membership with another clearing house provided that the circumstances relating to that suspension or termination are, in Eurex Clearing AG's reasonable opinion, material for Eurex Clearing AG's risk management, and that Eurex Clearing AG first consults or attempts to consult with the Basic Clearing Member and the competent regulatory authorities;
- (iii) the commencement of Disciplinary Procedures pursuant to Number 14.2.1 of the General Clearing Provisions against a Basic Clearing Member; or
- (iv) any other event with respect to the Basic Clearing Member that could materially impact the ability of that Basic Clearing Member to perform its obligations under the Clearing Conditions and the relevant Basic Clearing Member Standard Agreement,

Eurex Clearing AG may one or more times suspend or limit the Clearing of new Basic Clearing Member Transactions of such Basic Clearing Member.

Eurex Clearing shall notify the relevant Basic Clearing Member and its Clearing Agent of the decision to suspend or limit the Clearing and specify a reasonable period of time during which such suspension or limitation of the Clearing shall apply.

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The Basic Clearing Member and the Clearing Agent shall provide at their own expense such information and evidence as Eurex Clearing AG in its reasonable opinion may deem necessary to conduct an investigation of the facts and circumstances relating to a Basic Clearing Member Termination Event or any of the afore mentioned events.

Before limiting or suspending the Clearing of new Basic Clearing Member Transactions, Eurex Clearing AG shall, where reasonable in the circumstances, attempt to consult with the Basic Clearing Member, further to which Eurex Clearing AG may in its absolute discretion set a grace period within which the Basic Clearing Member may remedy the event in question. In the case of a Clearing Agent Debit Withdrawal Notice, such remedy may be made by (i) establishing a Basic Clearing Member Cash Account held by the Basic Clearing Member itself and granting to Eurex Clearing AG a right to directly debit such account in accordance with Number 7.3.1 Paragraph (2) or (ii) a replacement of the Clearing Agent (and, except for the provisions on a Replacement Notice and a DCM Election Notice, Numbers 11.2.1, 11.2.2, 11.2.3 and 11.2.7 to 11.2.10 shall apply to such replacement).

- 10.3 If a Basic Clearing Member Termination Event has occurred with respect to the Basic Clearing Member and is continuing, Eurex Clearing AG may either
- (i) give written notice thereof to the Basic Clearing Member (“**Basic Clearing Member Grace Period Notice**”) and designate a reasonable grace period to remedy the relevant Basic Clearing Member Termination Event (“**Basic Clearing Member Grace Period**”), which may be extended by Eurex Clearing AG from time to time; or
 - (ii) if – taking taking into account all relevant circumstances of the specific case – it would be unreasonable (*unzumutbar*) to set a Basic Clearing Member Grace Period or if the relevant Basic Clearing Member Termination Event cannot be remedied, give a written termination notice to such Basic Clearing Member (with a copy to its Clearing Agent) (the “**Basic Clearing Member Termination Notice**”) specifying the date and time on which the Basic Clearing Member Termination shall take effect.

If the relevant Basic Clearing Member Termination Event has been remedied to Eurex Clearing AG’s satisfaction by the end of the Basic Clearing Member Grace Period, Eurex Clearing AG shall inform the Basic Clearing Member (and the relevant Clearing Agent) thereof. If the relevant Basic Clearing Member Termination Event has not been remedied to Eurex Clearing AG’s satisfaction by the end of the Basic Clearing Member Grace Period, Eurex Clearing AG may give a Basic Clearing Member Termination Notice in accordance with Number 10.3 (ii).

10.3.1 “**Basic Clearing Member Termination Event**” means

- (a) the occurrence of any of the events set out in Part 1 Number 7.2.1 Paragraphs (1) to (11) with respect to the Basic Clearing Member, provided that references therein to the Clearing Member shall be read as references to the Basic Clearing Member;
- (b) the occurrence of any of the events set out in Part 1 Number 7.2.1 Paragraphs (1) to (11) with respect to the Basic Clearing Member acting as Clearing Member under

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any other Standard Agreement entered into between Eurex Clearing AG and the Basic Clearing Member acting as Clearing Member,

- (c) the appointment of the Clearing Agent pursuant to the Basic Clearing Member Clearing Agreement or the granting of any authorisation by the Basic Clearing Member to the Clearing Agent pursuant to this Part 5 is or becomes invalid in whole or in part;
- (d) Eurex Clearing AG has received a Clearing Agent Debit Withdrawal Notice from the Clearing Agent;
- (e) a Basic Clearing Member Default Information Event; and/or
- (f) any failure to pay or deliver by the Clearing Agent with respect to the Contributions to the Default Fund determined by Eurex Clearing AG for the Basic Clearing Member pursuant to Number 9.1.1.

A “**Basic Clearing Member Default Information Event**” occurs if the Clearing Agent notifies Eurex Clearing AG that (i) the Basic Clearing Member has failed to perform any of its obligations vis-à-vis the Clearing Agent (irrespective of whether such obligations arise under the Basic Clearing Member Clearing Agreement) that the Clearing Agent considers material and/or (ii) an event has occurred which entitles the Clearing Agent to terminate the bilateral agreement between itself and the Basic Clearing Member. Eurex Clearing AG may rely on, and is not obliged to verify the contents of, any such notification from the Clearing Agent.

10.3.2 Prior to the delivery of a Basic Clearing Member Termination Notice with respect to a Basic Clearing Member Termination Event, other than a Basic Clearing Member Termination Event pursuant to lit. (a) of the definition of “Basic Clearing Member Termination Event” in conjunction with Part 1 Number 7.2.1 Paragraph (1) (Failure to Pay; Failure to Deliver Margin), Paragraph (5) (Insolvency related Events), Paragraph (7) (Regulatory Actions), Paragraph (9) (Opening of Reorganisation or Restructuring Procedures and Similar Measures) and Paragraph (12) (Termination for serious cause (*Kündigung aus wichtigem Grund*)), Eurex Clearing AG shall

- (a) attempt to notify, and consult with, the relevant Basic Clearing Member regarding the relevant event,
- (b) consider in good faith whether delivering a Basic Clearing Member Termination Notice is proportionate, having regard to
 - (aa) other courses of action available to Eurex Clearing AG (in particular the opening of Disciplinary Procedures pursuant to the Disciplinary Procedures Rules (as defined in each case in Part 1 Number 14.2.1)),
 - (bb) the interests of the Basic Clearing Member, and

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(cc) whether the Basic Clearing Member Termination Event has a material adverse impact on the ongoing financial soundness of Eurex Clearing AG or the proper performance of the Clearing, and

(c) ensure that the decision to deliver a Basic Clearing Member Termination Notice, as the case may be, has been approved by the chairman of the Executive Board of Eurex Clearing AG, a member of the Executive Board of Eurex Clearing AG or any other senior personnel of Eurex Clearing AG that Eurex Clearing AG deems to be appropriate.

10.3.3 Where Eurex Clearing has commenced Disciplinary Procedures against a Basic Clearing Member with respect to an Alleged Breach (as defined in the Disciplinary Procedures Rules), Eurex Clearing AG shall for as long as such Disciplinary Procedures are continuing, refrain from delivering a Basic Clearing Member Termination Notice to such Basic Clearing Member (or the Clearing Agent acting on its behalf) on the basis of those facts that have led to the determination of the Alleged Breach by Eurex Clearing AG.

10.4 If at any time a Basic Clearing Member Insolvency Termination Event has occurred, the Basic Clearing Member Standard Agreement shall terminate with immediate effect as of such time and the Clearing of new Basic Clearing Member Transactions of the Basic Clearing Member will be suspended.

“Basic Clearing Member Insolvency Termination Event” shall have the same meaning as the term “Insolvency Termination Event” in Part 1 Number 7.2.2, provided that references therein to the Clearing Member shall be read as references to the Basic Clearing Member.

10.1 Basic Clearing Member Termination

A termination with respect to the Basic Clearing Member Standard Agreement (**“Basic Clearing Member Termination”**) occurs

- (a) in the circumstances specified in Number 11.3.2, at the relevant time specified in Number 11.3.2;
- (b) in case of the occurrence of a Basic Clearing Member Insolvency Termination Event, with immediate effect as of the time of the occurrence of such event; or
- (c) in all other cases, on the date and time specified in the Basic Clearing Member Termination Notice

(the relevant date under (a) to (c) being the **“Basic Clearing Member Termination Date”** and the relevant time being the **“Basic Clearing Member Termination Time”**).

10.2 Consequences of a Basic Clearing Member Termination

If a Basic Clearing Member Termination occurs with respect to the Basic Clearing Member Standard Agreement, the following provisions shall apply.

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10.2.1 Termination of Basic Clearing Member Transactions and Redelivery Claims

All current and future primary obligations (including payment and delivery obligations) under the relevant Basic Clearing Member Standard Agreement between Eurex Clearing AG and the Basic Clearing Member arising from Basic Clearing Member Transactions and any Redelivery Claim under the relevant Basic Clearing Member Standard Agreement shall expire (*auflösende Bedingung*) as of the Basic Clearing Member Termination Time and shall no longer be required to be performed by the relevant obligor. Furthermore, all due but unsatisfied obligations in respect of the relevant Basic Clearing Member Margin or Basic Clearing Member Variation Margin shall expire (*auflösende Bedingung*) as of the Basic Clearing Member Termination Time. The expiration affects all claims arising from Basic Clearing Member Transactions under the relevant Basic Clearing Member Standard Agreement independent of the time they came into existence or would have come into existence otherwise. These expired primary obligations and delivery obligations, respectively, are reflected by the Difference Claim (as defined below).

10.2.2 Difference Claim

The difference claim of either Eurex Clearing AG or the Basic Clearing Member under the relevant Basic Clearing Member Standard Agreement shall become unconditional and immediately due in the Termination Currency against the respective other party as of the end of the Last Valuation Date and shall be determined in accordance with Part 1 Number 7.3 (applied *mutatis mutandis* as if (i) the Basic Clearing Member were a Clearing Member in respect of its Basic Clearing Member Transactions, (ii) Basic Clearing Member Transactions were Transactions and (iii) the Basic Clearing Member Termination Time were the Termination Time, and provided that the Termination Currency shall be the Clearing Currency last agreed in writing between Eurex Clearing AG and the Clearing Agent (acting on behalf of the Basic Clearing Member)) using the Liquidation Price Approach (each a “**Difference Claim**”).

The Clearing Agent shall notify the applicable Clearing Currency to the Basic Clearing Member.

10.2.3 Notification

Eurex Clearing AG shall notify the value of the Difference Claim determined by it with respect to the relevant Basic Clearing Member Standard Agreement to the Clearing Agent and the Basic Clearing Member as soon as reasonably practicable after its determination, together with reasonable detail regarding the data and information forming the basis of the determination.

10.2.4 Payment of Difference Claim

The debtor of the Difference Claim under the Basic Clearing Member Standard Agreement between Eurex Clearing AG and the relevant Basic Clearing Member shall pay the determined amount of the Difference Claim as soon as reasonably practicable following the notification by Eurex Clearing AG of the payable amount pursuant to

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Number 10.6.3. If Eurex Clearing AG is the debtor of the Difference Claim, Eurex Clearing AG shall pay the determined amount of the Difference Claim in accordance with the instructions of the Basic Clearing Member.

The debtor of the Difference Claim shall not be obliged to pay any interest on the amount of the Difference Claim unless it is in default (*Verzug*) following the receipt of a payment reminder (*Mahnung*) by the other party. Default interest shall be paid on the basis of the effective overnight interest rate (as determined by Eurex Clearing AG by reference to such overnight interest rate references and with such adjustments as Eurex Clearing AG considers appropriate) applicable to the currency of the Difference Claim.

11 Consequences of a Termination Event with respect to a Clearing Agent

11.1 Suspension or Restriction of Clearing

11.1.1 If a Termination Event or any of the following events occur with respect to a Clearing Agent, whether in relation to a Basic Clearing Member Clearing Agreement or any other Clearing Agreement to which the Clearing Agent is a party as a Clearing Member (the "**Affected Clearing Agent**"):

- (i) the existence of an unremedied breach by the Clearing Agent of a Basic Clearing Member Clearing Agreement, except where such breach is minor, technical or administrative in nature in the reasonable opinion of Eurex Clearing AG;
- (ii) a determination is made by Eurex Clearing AG that a limitation or suspension of Clearing is necessary for it to contain its exposure to the Clearing Agent or its Basic Clearing Member(s);
- (iii) the suspension or termination (other than a voluntary termination) of the Clearing Agent's membership of another clearing house, provided that the circumstances relating to that suspension or termination are, in Eurex Clearing AG's reasonable opinion, material to the management of the risk of Eurex Clearing AG;
- (iv) the commencement of Disciplinary Procedures as defined in Part 1 Number 7.2.1(b)(aa) against the Clearing Agent; or
- (v) any other event in respect of the Clearing Agent that could materially impact the ability of that Clearing Agent to perform its obligations under a Basic Clearing Member Clearing Agreement,

then Eurex Clearing AG may (taking into account the interests of the Affected Clearing Agent and its Basic Clearing Members):

- (a) one or more times suspend or limit the Clearing of new Basic Clearing Member Transactions under all Basic Clearing Member Standard Agreements of the Affected Clearing Agent's Basic Clearing Members; and
- (b) refrain from paying any amounts owed to the Basic Clearing Member to any Basic Clearing Member Cash Account that is held by the Clearing Agent and instead pay

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such amounts to any account of the Basic Clearing Member notified by the Basic Clearing Member to Eurex Clearing AG from time to time.

- 11.1.2 Eurex Clearing AG shall notify the Affected Clearing Agent and its Basic Clearing Members of the decision to suspend or limit the Clearing and specify a reasonable period of time during which the suspension or limitation will apply.
- 11.1.3 The Affected Clearing Agent shall provide at its own expense such information and evidence as Eurex Clearing AG in its reasonable opinion may deem necessary to conduct an investigation of the facts and circumstances relating to a Termination Event or any of the events listed above.
- 11.1.4 Before limiting or suspending the Clearing of new Basic Clearing Member Transactions and without limiting its rights under Part 1 Number 7.2.1, Eurex Clearing AG shall, where reasonable in the circumstances, attempt to consult with the Affected Clearing Agent, further to which Eurex Clearing AG may in its absolute discretion set a grace period within which the Affected Clearing Agent may remedy the event in question.
- 11.1.5 If a Termination Date occurs with respect to an Affected Clearing Agent, Eurex Clearing AG will suspend the Clearing of new Basic Clearing Member Transactions under all Basic Clearing Member Standard Agreements of all Basic Clearing Members of the Affected Clearing Agent as of the relevant Termination Time, unless Eurex Clearing AG permits otherwise.

11.2 Replacement of Affected Clearing Agent

11.2.1 If a Termination Date has occurred with respect to an Affected Clearing Agent, Eurex Clearing AG shall

- (i) if a Grace Period Notice has been given, without undue delay after the time specified in the Grace Period Termination Notice;
- (ii) if a Termination Notice has been given, without undue delay after the time specified in the Termination Notice; or
- (iii) in the case of an Insolvency Termination Event with respect to the Affected Clearing Member, without undue delay after the Termination Time,

give written notice to all Clearing Members, Basic Clearing Members, Non-Clearing Members and Registered Customers in accordance with Number 16.1 of the General Clearing Provisions of the occurrence of the Termination Event and that the Replacement Period commences (the "**Replacement Notice**").

Eurex Clearing AG shall also be entitled to give a Replacement Notice if any of the events set out in Number 11.1.1 (i) to (v) have occurred and Eurex Clearing AG considers the delivery of the Replacement Notice appropriate in light of the relevant event. Where Eurex Clearing AG has taken any of the measures pursuant to Number 11.1.1 but has not yet issued a Replacement Notice, the Basic Clearing Member affected by these measures shall for as long as these measures continue be entitled to provide a

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Replacement Election Notice or DCM Election Notice and Numbers 11.2.3 to 11.2.10 shall apply in this respect.

“**Replacement Period**” means:

- (i) if an Insolvency Termination Event has occurred with respect to the Clearing Agent, the period from the occurrence of the Insolvency Termination Event until (and including) 13:00 hours Frankfurt am Main time on the immediately following Business Day; and
- (ii) if any other Termination Event has occurred with respect to the Clearing Agent, the period from the publication of the Replacement Notice until (and including) 13:00 hours Frankfurt am Main time on the immediately following Business Day.

Eurex Clearing AG may extend the Replacement Period in order to facilitate a Replacement by giving notice to all Clearing Members and the Basic Clearing Members of the Affected Clearing Agent.

11.2.2 Each Basic Clearing Member of the Affected Clearing Agent may elect, by giving notice to Eurex Clearing AG prior to the end of the Replacement Period (“**Basic Clearing Member Election Notice**”),

- (i) to continue the Clearing of all its Basic Clearing Member Transactions under the Basic Clearing Member Standard Agreement with a Replacement Clearing Agent (“**Replacement Election**”);
- (ii) to continue the Clearing of its Transactions under a Clearing Agreement pursuant to Annex 1 of the Clearing Conditions as a Direct Clearing Member (“**DCM Election**”); or
- (iii) to terminate and close-out its Basic Clearing Member Transactions under the Basic Clearing Member Standard Agreement (“**Termination Election**”).

If Eurex Clearing AG does not receive a Basic Clearing Member Election Notice prior to the end of the Replacement Period or receives a Basic Clearing Member Election Notice in which the relevant Basic Clearing Member makes a Termination Election, prior to end of the Replacement Period, Number 11.3 shall apply.

11.2.3 Replacement Election

If the Basic Clearing Member of the Affected Clearing Agent has made a Replacement Election and Eurex Clearing AG determines, at or prior to the end of the Replacement Period, that all Clearing Agent Replacement Requirements are fulfilled, the Affected Clearing Agent ceases to be the Clearing Agent and another Clearing Member (the “**Replacement Clearing Agent**”) becomes the new Clearing Agent (such replacement of the existing Clearing Agent with respect to the Basic Clearing Member by the Replacement Clearing Agent, the “**Replacement**”).

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- (a) **“Clearing Agent Replacement Requirements”** means all of the following requirements:
- (i) the Replacement Clearing Agent is a Clearing Member that meets the admission criteria for Clearing Agents pursuant to Number 2.2;
 - (ii) the Replacement Clearing Agent and the Basic Clearing Member have entered into a Basic Clearing Member Clearing Agreement with Eurex Clearing AG or have agreed in form and substance satisfactory to Eurex Clearing AG to already be bound by the provisions set out in the form of the Basic Clearing Member Clearing Agreement appended to the Clearing Conditions of Eurex Clearing AG as Appendix 10 and to execute a Basic Clearing Member Clearing Agreement no later than five (5) Business Days after the end of the Replacement Period;
 - (iii) the Replacement Clearing Agent and the Basic Clearing Member have agreed in form and substance satisfactory to Eurex Clearing AG that the Basic Clearing Member Clearing Agreement under (ii) shall cover all Basic Clearing Member Transactions which are booked on the Basic Clearing Member Own Account of the Basic Clearing Member at the end of the Replacement Period, or at such earlier time at which Eurex Clearing determines that the Clearing Agent Replacement Requirements are satisfied; Eurex Clearing AG hereby expressly and irrevocably consents to such agreement;
 - (iv) the Basic Clearing Member has provided Eurex Clearing AG with sufficient Eligible Margin Assets to cover Basic Clearing Member Margin and Basic Clearing Member Variation Margin in respect of all Basic Clearing Member Transactions to which the Replacement relates or committed itself in form and substance satisfactory to Eurex Clearing AG to provide the relevant amount of Eligible Margin Assets without undue delay following the Replacement, for which purposes all Eligible Margin Assets actually delivered prior to such Replacement shall be taken into account; and
 - (v) the Replacement Clearing Agent has made the Contribution to the Default Fund with respect to its capacity as the Clearing Agent of the Basic Clearing Member.
- (b) If the Clearing Agent Replacement Requirements are satisfied by the end of the Replacement Period, the existing Basic Clearing Member Clearing Agreement shall terminate at the end of the Replacement Period, or at such earlier time at which Eurex Clearing AG determines that the Clearing Agent Replacement Requirements are satisfied.
- (c) If Eligible Margin Assets in the form of Securities have been credited to a Basic Clearing Member Pledged Securities Account maintained in the name of the Affected Clearing Agent and the Basic Clearing Member holds title to such Securities, Eurex Clearing AG shall instruct in its own name or on behalf for the Basic Clearing Member the relevant collateral location to transfer such Securities

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to the relevant account, which has to qualify as a Basic Clearing Member Pledged Securities Account, specified by the Basic Clearing Member or , if such account shall be an account of the Replacement Clearing Agent, specified by the Replacement Clearing Agent (acting in its own name or on behalf of the Basic Clearing Member) for the purpose of providing Basic Clearing Member Margin at the time when the Clearing Agent Replacement Requirements are fulfilled.

Such transfer shall be without prejudice to the security interest granted to Eurex Clearing AG in the relevant Securities. The Clearing Agent hereby also irrevocably authorises (*bevollmächtigt*) Eurex Clearing AG to take all acts on behalf of the Clearing Agent that Eurex Clearing AG considers necessary or expedient to effect the transfer of the relevant Securities.

11.2.4 DCM Election

If the Basic Clearing Member of the Affected Clearing Agent has made a DCM Election and Eurex Clearing AG determines, at or prior to the end of the Replacement Period, that all DCM Requirements are fulfilled, the Affected Clearing Agent ceases to be the Clearing Agent and the Basic Clearing Member shall assume the role of a Direct Clearing Member. The Basic Clearing Member Transactions shall be included in the Proprietary Standard Agreement of such new Direct Clearing Member, and the Clearing Conditions applicable to Direct Clearing Members shall apply with respect to such new Direct Clearing Member (the “**Replacement**”).

(a) “**DCM Requirements**” means all of the following requirements:

- (i) the Basic Clearing Member meets the admission criteria for Direct Clearing Members pursuant to Number 2 of the General Clearing Provisions and has provided evidence thereof to the satisfaction of Eurex Clearing AG;
- (ii) the Basic Clearing Member has agreed with Eurex Clearing AG in writing to act as Direct Clearing Member in form and substance satisfactory to Eurex Clearing AG;
- (iii) the Basic Clearing Member has entered into a Clearing Agreement in the form appended to the Clearing Conditions as Appendix 1 with Eurex Clearing AG or has agreed in form and substance satisfactory to Eurex Clearing AG to already be bound by the provisions set out in the Clearing Agreement in the form appended to the Clearing Conditions as Appendix 1 and to execute such Clearing Agreement no later than five (5) Business Days after the end of the Replacement Period;
- (iv) the Basic Clearing Member (acting as Direct Clearing Member) has provided Eurex Clearing AG with sufficient Eligible Margin Assets to cover Margin and Variation Margin in respect of all Transactions to which the Replacement relates or committed itself to provide the relevant amount of Eligible Margin Assets without undue delay following the Replacement, for which purposes all

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Eligible Margin Assets actually delivered prior to such Replacement shall be taken into account;

- (v) the Basic Clearing Member has made the Contribution to the Default Fund with respect to its capacity as the new Direct Clearing Member; and
 - (vi) if Eligible Margin Assets in the form of Securities have been credited on a Basic Clearing Member Pledged Securities Account which is maintained in the name of a Third Party Account Holder, the Basic Clearing Member has provided Eurex Clearing AG with a sufficient authorisation by the Third Party Account Holder according to which Eurex Clearing AG is entitled to instruct the relevant collateral location to transfer all Securities booked on such Basic Clearing Member Pledged Securities Account to the relevant Pledged Securities Account as specified by the new Direct Clearing Member (the **“Third Party Account Holder Authorisation”**).
- (b) Subject to the DCM Requirements under Number 11.2.4 (b) (ii), Eurex Clearing AG hereby irrevocably offers to the Basic Clearing Member to transfer by way of novation (*Novation*) all Basic Clearing Member Transactions covered by the Replacement from the relevant Basic Clearing Standard Agreement established between Eurex Clearing AG and the Basic Clearing Member to the Proprietary Standard Agreement established between Eurex Clearing AG and the new Direct Clearing Member. The Basic Clearing Member hereby accepts this transfer. The novation shall become effective as of the end of the Replacement Period or at such earlier time at which Eurex Clearing AG determines that the Clearing Agent Replacement Requirements are satisfied.
- (c) If the DCM Requirements are satisfied by the end of the Replacement Period, the existing Basic Clearing Member Clearing Agreement and the relevant Basic Clearing Member Standard Agreement shall terminate at the end of the Replacement Period, or at such earlier time at which Eurex Clearing determines that the Clearing Agent Replacement Requirements are satisfied.
- (d) When the DCM Requirements are satisfied by the end of the Replacement Period, or at such earlier time at which Eurex Clearing AG determines that the DCM Requirements are satisfied, the following shall apply:
- (i) All Basic Clearing Member Transactions under the relevant Basic Clearing Member Standard Agreement shall without any further action not form part of the Basic Clearing Member Standard Agreement anymore and shall be included in the Proprietary Standard Agreement established between Eurex Clearing AG and the new Direct Clearing Member. The Basic Clearing Member Transactions shall be booked on an Own Account of the new Direct Clearing Member and shall constitute Own Transactions.
 - (ii) All Redelivery Claims relating to Eligible Margin Assets in the form of cash actually paid to Eurex Clearing AG in respect of Basic Clearing Member Margin and Basic Clearing Member Variation Margin under the relevant

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Basic Clearing Member Standard Agreement shall without any further action not form part of the Basic Clearing Member Standard Agreement anymore and shall be included in the Proprietary Standard Agreement between Eurex Clearing AG and the new Direct Clearing Member.

(iii) If Eligible Margin Assets in the form of Securities have been credited to the Basic Clearing Member Pledged Securities Account, all such Securities shall be transferred to the relevant Pledged Securities Account of the new Direct Clearing Member in accordance with the following provisions:

1. If the Basic Clearing Member Pledged Securities Account is maintained in the name of the Basic Clearing Member, Eurex Clearing AG shall instruct, either in its own name or on behalf of the Basic Clearing Member, the relevant collateral location to transfer such Securities to the relevant Pledged Securities Account of the new Direct Clearing Member. The Basic Clearing Member hereby irrevocably authorises (*bevollmächtigt*) Eurex Clearing AG to take all acts on behalf of the Basic Clearing Member that Eurex Clearing AG considers necessary or expedient to effect the transfer of such Securities.
2. If the Basic Clearing Member Pledged Securities Account is maintained in the name of the Clearing Agent of the relevant Basic Clearing Member and the Basic Clearing Member holds title in such Securities, Eurex Clearing AG shall instruct, either in its own name or on behalf of the Clearing Agent, the relevant collateral location to transfer such Securities to the relevant account, which has to qualify as a Basic Clearing Member Pledged Securities Account, specified by the new Direct Clearing Member for the purpose of providing Margin. Such transfer shall be without prejudice to the security interest granted to Eurex Clearing AG in the relevant Securities. The Clearing Agent hereby also irrevocably authorises (*bevollmächtigt*) Eurex Clearing AG to take all acts on behalf of the Clearing Agent that Eurex Clearing AG considers necessary or expedient to effect the transfer of the relevant Securities.
3. If the Basic Clearing Member Pledged Securities Account is maintained in the name of a Third Party Account Holder, Eurex Clearing AG shall instruct, either in its own name or on behalf of the Third Party Account Holder, the relevant collateral location to transfer such Securities to the relevant Pledged Securities Account of the new Direct Clearing Member in accordance with the Third Party Account Holder Authorisation.

11.2.5 If neither the DCM Requirements nor the Clearing Agent Replacement Requirements are satisfied by the end of the Replacement Period, Number 11.3 shall apply.

11.2.6 Each Basic Clearing Member may designate in advance by notice to Eurex Clearing AG another Clearing Agent as a potential Replacement Clearing Agent. The Clearing Agent so designated assumes no obligation to accept a Replacement. Eurex Clearing AG may

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provide for further or alternative procedures for the transfer of any assets that it deems necessary taking into account applicable laws with respect to any such Replacement.

11.2.7 In respect of each Basic Clearing Member Standard Agreement to which the Replacement relates, Eurex Clearing AG shall:

- (i) in the case of a Replacement of the Affected Clearing Agent by a Replacement Clearing Agent, establish a new Basic Clearing Member Own Account and a new Internal Basic Clearing Member Margin Account and book the Basic Clearing Member Transactions, Basic Clearing Member Margin and the Basic Clearing Member Variation Margin to the new Basic Clearing Member Own Account and the new Internal Basic Clearing Member Margin Account, as applicable; and
- (ii) if the Basic Clearing Member becomes a Direct Clearing Member, book the Basic Clearing Member Transactions, the Basic Clearing Member Margin and the Basic Clearing Member Variation Margin to the Own Account and the Internal Proprietary Margin Account of the new Direct Clearing Member, as applicable.

The corresponding assets shall constitute Basic Clearing Member Margin and Basic Clearing Member Variation Margin of the relevant Basic Clearing Member or Proprietary Margin and Proprietary Variation Margin of the new Direct Clearing Member, as applicable.

11.2.8 During the Replacement Period:

- (i) the Clearing of new Basic Clearing Member Transactions under each Basic Clearing Member Standard Agreement of the Affected Clearing Agent's Basic Clearing Members shall be suspended unless Eurex Clearing AG permits otherwise;
- (ii) all Redelivery Claims of the Affected Clearing Agent's Basic Clearing Members with respect to Basic Clearing Member Margin in the form of cash and Basic Clearing Member Variation Margin shall be deferred (*gestundet*); and
- (iii) Eurex Clearing AG shall not be obliged to provide any Basic Clearing Member Variation Margin to the Affected Clearing Agent's Basic Clearing Members.

11.2.9 In the case of a Replacement, Eurex Clearing shall release the Contributions of the Affected Clearing Agent to the Default Fund that are attributable to the Affected Clearing Agent acting as Clearing Agent for the Basic Clearing Member without undue delay (*unverzüglich*) following receipt of the Contributions to the Default Fund from the Replacement Clearing Agent or the new Direct Clearing Member, as applicable.

11.3 Termination of Basic Clearing Member Standard Agreement

11.3.1 Upon the occurrence of a Termination Event or an Insolvency Termination Event with respect to a Clearing Agent, unless a Replacement pursuant to Number 11.2 has already been completed, Eurex Clearing AG shall be entitled to terminate the Basic Clearing Member Clearing Agreement (including the Basic Clearing Member Standard Agreement) by submitting a Basic Clearing Member Termination Notice to the Basic Clearing Member

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(with a copy to the Affected Clearing Agent) specifying the date and time on which the termination shall occur.

- 11.3.2 The relevant Basic Clearing Member Standard Agreement shall also terminate:
- (i) if the relevant Basic Clearing Member has not made a Replacement Election or a DCM Election prior to the end of the Replacement Period, with effect as of the end of the Replacement Period;
 - (ii) if the relevant Basic Clearing Member has made a Replacement Election or a DCM Election, but the Clearing Agent Replacement Requirements or the DCM Requirements, respectively, are not satisfied prior to the end of the Replacement Period, with effect as of the end of the Replacement Period;
 - (iii) if the relevant Basic Clearing Member made a Termination Election prior to the end of the Replacement Period, with effect as of the time of receipt of such Termination Election Notice by Eurex Clearing AG.

12 Replacement of Clearing Agent that is not an Affected Clearing Agent

- 12.1 Without prejudice to a replacement of an Affected Clearing Agent in accordance with Number 11.2, prior to the occurrence of an Insolvency Termination Event or Termination Event with respect to its Clearing Agent, the Basic Clearing Member may effect a replacement of its Clearing Agent in accordance with this Number 12 with respect to all or some of its Basic Clearing Member Transactions under the relevant Basic Clearing Member Standard Agreement only with the prior written consent of Eurex Clearing AG, the Clearing Agent and a replacement Clearing Agent and subject to the prior conclusion of a Basic Clearing Member Clearing Agreement in the form appended to the Clearing Conditions as Appendix 10 between Eurex Clearing AG, the Basic Clearing Member and the replacement Clearing Agent. Eurex Clearing AG's consent will not be unreasonably withheld.

Such replacement shall become effective only upon Eurex Clearing AG having received all of the documents set out below in form and substance satisfactory to it (provided that, where Eurex Clearing AG itself would be required to become a party to any such document for it to become effective, nothing in this Number 12 shall prejudice Eurex Clearing AG's decision whether or not to do so). Eurex Clearing AG shall notify the relevant parties in writing promptly upon being so satisfied and specify a replacement date binding on all relevant parties in such notice.

Original copies of the following documents shall be provided to Eurex Clearing AG:

- (i) a Basic Clearing Member Clearing Agreement in the form appended to the Clearing Conditions as Appendix 10 between Eurex Clearing AG, the Basic Clearing Member and the replacement Clearing Agent; and
- (ii) any other document which Eurex Clearing AG reasonably considers to be necessary or useful (if it has notified the relevant parties accordingly) in connection with such replacement,

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duly executed, in each case, by or on behalf of all parties required to execute it.

- 12.2 In the case of a transfer of only some, but not all Basic Clearing Member Transactions, the following provisions apply in addition to the provisions of Number 12.1:

The Basic Clearing Member Transactions to which such transfer does not relate (and the relevant Redelivery Claims relating to Basic Clearing Member Margin and Basic Clearing Member Variation Margin allocated to such Basic Clearing Member Transactions) will continue to form part of the existing Basic Clearing Member Standard Agreement, and the Basic Clearing Member Transactions to which such transfer relates (and the relevant Redelivery Claims relating to Basic Clearing Member Margin and Basic Clearing Member Variation Margin allocated to such Basic Clearing Member Transactions) shall become part of the new Basic Clearing Member Standard Agreement. Following such partial transfers, the aggregate value of all Eligible Margin Assets actually delivered to Eurex Clearing AG in respect of Basic Clearing Member Margin allocated to the Basic Clearing Member Transactions that continue to form part of the existing Basic Clearing Member Standard Agreement must be equal to or exceed the applicable Default Basic Clearing Member Margin Requirement in respect of the existing Basic Clearing Member Standard Agreement.

- 12.3 In the case of a replacement of a Clearing Agent in accordance with this Number 12, Eurex Clearing shall, without undue delay (*unverzüglich*) following receipt of the Contributions to the Default Fund from the Replacement Clearing Agent, release the Contributions of the existing Clearing Agent to the Default Fund that are attributable to the existing Clearing Agent acting as Clearing Agent for the Basic Clearing Member in respect of the Basic Clearing Member Transactions to which such replacement relates.
