

Chapter IX of the Clearing Conditions of Eurex Clearing AG

Clearing of Securities Lending Transactions

As of ~~0327~~.~~0406~~.2017

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Part 1 General Provisions

[...]

- (6) A Lender Clearing Member (other than a holder of a Specific Lender License) may, by way of an election in the relevant Loan Information (as defined in Number 1.2.2 Paragraph (3)), with respect to each individual Securities Lending Transaction, elect that;

[...]

1.1 -Clearing License

[...]

1.1.2 Prerequisites of Clearing Licenses

[...]

- (2) The applicant shall provide evidence for the compliance with the following requirements (as applicable to the respective content of the Clearing License):

- (a) a CBF(l) account with Clearstream Banking AG ("**CBF**"), and accounts with

[...]

- Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. (NECIGEF) (**Euroclear Nederland**), and/or

– Euroclear UK & Ireland Limited ("**EUI**")

[...]

- (b) (i) cash accounts required pursuant to Chapter I Part 1 Number 2.1.2 Paragraph (4) (b) for cash payments in EUR, CHF and GBP, -provided that for cash payments in CHF and/or GBP (except for payments in GBP to be made to or received from Eurex Clearing AG in respect of Loaned Securities or Equivalent Loaned Securities for which EUI acts as the settlement location), which are not made in respect of Margin, the applicant may alternatively use a multicurrency cash account with

[...]

1.1.3 Specific Lender License

[...]

- (5) The prerequisites to be fulfilled for the granting of the Specific Lender License are the following:

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[...]

(e) a CBF(l) account with Clearstream Banking AG (“**CBF**”), and accounts with

[...]

– Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. (NECIGEF) (Euroclear Nederland), and/or

– EUI

[...]

(f) the applicant has authorised Eurex Clearing AG, by providing the appropriate power of attorney, to give, release and transmit all delivery instructions in its name vis-à-vis the respective settlement location recognised by Eurex Clearing AG and to supplement, change or cancel delivery instructions as may be necessary for the timely and correct fulfilment of its delivery and payment obligations vis-à-vis Eurex Clearing AG (provided that no such authorisation is required with respect to Loaned Securities or Equivalent Loaned Securities for which EUI acts as the settlement location);

[...]

1.2 Conclusion of Transactions

[...]

1.2.1 Novation

[...]

(2) If provided for by the rules of the relevant Third Party Flow Provider, Eurex Clearing AG may accept for inclusion in the Clearing lending transactions which have been disbursed and collateralised between the Lender Clearing Member and the Borrower Clearing Member in full or in part (except for lending transactions that relate to securities for which EUI acts as the settlement location) prior to the inclusion into the Clearing (the “**Settled Original Securities Lending Transactions**”). If the Settled Original Securities Lending Transaction is accepted for inclusion in the Clearing, Eurex Clearing AG conducts the novation in accordance with Paragraph (1) above, provided that the effectiveness of the novation pursuant to this Paragraph (2) shall be subject to the condition precedent that Eurex Clearing AG has received the required Principal Collateral pursuant to Number 2.3.4 from the Borrower Clearing Member in full.

[...]

1.2.2 Novation Principles and Criteria

[...]

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- (3) The Securities Lending Transactions resulting from the novation shall be established with the agreed terms (including, without limitation, the loan quantity, the Value Date, whether the Securities Lending Transaction is an Open Term Loan or a Fixed Term Loan, the Underlying Securities or, in the case of Loaned Assets in the form of cash, their underlying currency, the lending rate, the rebate and the manufactured payment rate) set out in the respective loan information received by Eurex Clearing AG from the relevant Clearing Members via the Third Party Flow Provider (such information, as amended from time to time and accepted by Eurex Clearing AG, the "**Loan Information**"). To the extent the rules of the Third Party Flow Provider so provide, the relevant Clearing Members may, during the term of Securities Lending Transactions, at any time agree on an amendment of the Loan Information (including the reduction or the extension of the term of a Fixed Term Loan). The relevant Securities Lending Transactions shall be amended accordingly, provided that Eurex Clearing AG is entitled to reject such amendment. The provisions on Returns or Recalls (as defined in Number 2.2.2 Paragraph (2) and (3), respectively) shall remain unaffected.

[...]

1.3 Margin Requirement

- (1) The Borrower Clearing Member, and, unless and to the extent Number 2.1.5 Paragraphs (2) or (5) apply, the Lender Clearing Member, are subject to an own margin requirement (as set out in Chapter I Part 1 Number 3 together with Part 2 Number 6).

[...]

1.4 Set-Off

- (1) A set-off in relation to the following claims is excluded:

[...]

- (c) cash claims pursuant to Number 2.6.4 Paragraphs (7), (8), (9) ~~and-or~~ (10), ~~and~~ Number 2.6.5 Paragraph (2) and Number 2.6.6 Paragraphs (4), (5), (6) or (7), provided that a cash claim pursuant to Number 2.6.4 Paragraphs (7), (8), (9) ~~and-or~~ (10) or pursuant to Number 2.6.6 Paragraphs (4), (5), (6) or (7) may be set off with a cash claim pursuant to Number 2.6.5 Paragraph (2).

[...]

1.8 Priority of Clearing Conditions over conflicting Rules or Records of Settlement Locations; Reimbursement Obligation

Each of the Lender Clearing Member and the Borrower Clearing Member agrees that, unless otherwise provided in this Chapter IX, (i) the delivery and payment obligations arising under the Clearing Conditions shall prevail over all conflicting provisions or records of any settlement location, (ii) the contents of all Securities Lending Transactions

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to which Eurex Clearing AG is a party shall solely be determined pursuant to the Clearing Conditions and (iii) if and as soon as the Lender Clearing Member or the Borrower Clearing Member becomes aware that the records of any settlement location on the contents (including, without limitation, any Outturn (as defined in Number 2.4.2 Paragraph (1) (as applicable, in conjunction with Number 2.4.2 Paragraph (2)))) of any Securities Lending Transaction deviate from the contents of a Securities Lending Transaction following from the application of the Clearing Conditions, it shall promptly notify Eurex Clearing AG thereof and shall take all actions (including, without limitation, provide all instructions to such settlement location) that are required to ensure that the records of such settlement location match the contents of the relevant Securities Lending Transaction resulting from the application of the Clearing Conditions.

If a Clearing Member obtains any payment or securities in respect of a Securities Lending Transaction pursuant to the rules of any settlement location to which such Clearing Member is not entitled to pursuant to the Clearing Conditions, it shall promptly reimburse Eurex Clearing AG for any such payments or deliveries.

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Part 2 Terms and Conditions of Securities Lending Transactions

[...]

2.1 General Provisions of Securities Lending Transactions

[...]

2.1.2 Eligible Principal Collateral Assets and Redelivery Claim

(1) Principal Collateral to be provided by the Borrower Clearing Member ~~or~~ of Eurex Clearing Borrower may be in the form of financial instruments (the **“Non-Cash Principal Collateral”** and the respective financial instrument(s) generally, the **“Principal Collateral Underlying Security”** or **“Principal Collateral Underlying Securities”**, respectively) or, only in the case of Securities Loans, in the form of cash in a specific currency (the **“Cash Principal Collateral”**), as accepted by Eurex Clearing AG. The currency of the relevant Principal Collateral is herein referred to as the **“Principal Collateral Currency”**. The Principal Collateral provided by Eurex Clearing Borrower to the Lender Clearing Member under a Securities Lending Transaction shall always be equivalent to the Principal Collateral received by Eurex Clearing Lender from the Borrower Clearing Member under the related Securities Lending Transaction.

[...]

(3) Unless Number 2.1.5 Paragraph (2) applies, the purpose of the delivery of Principal Collateral is to ~~secure-cover~~ the claim for (i) delivery of Equivalent Loaned Assets on the Maturity Date (including in the case of a transformed Securities Lending Transaction pursuant to Number 2.7.4 Paragraph (1) (c)) or (ii) payment of the applicable cash amount in the event of a cash settlement pursuant to Number 2.4.1 Paragraph (2) (c) and (d) (ii), Number 2.4.2 Paragraph (1) (a), Number 2.4.5, Number 2.6.4 Paragraph (8), (9) and (10) as well as Number 2.7.2 Paragraph (4) (b) and (c), Number 2.7.3 Paragraph (2) and Number 2.7.4 Paragraph (1) (c) (iii). For the avoidance of doubt, in respect of a Securities Lending Transaction relating to Loaned Securities or Equivalent Loaned Securities for which EUI acts as the settlement location, Principal Collateral shall not cover any claims of the Lender Clearing Member against Eurex Clearing Borrower and Eurex Clearing Lender against the Borrower Clearing Member, that, in each case, result from any Securities Distribution.

[...]

2.1.5 Provision of Principal Collateral, Equivalent Principal Collateral and Pledge-Back Principal Collateral

[...]

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(2) [...]

The purpose of any such pledge is to secure Eurex Clearing Borrower's obligation (i) to deliver the Equivalent Loaned Assets on the Maturity Date (including in the case of a transformed Securities Lending Transaction pursuant to Number 2.7.4 Paragraph (1) (c)) or (ii) to pay the applicable cash amount in the event of a cash settlement pursuant to Number 2.4.1 Paragraph (2) (c) and (d) (ii), Number 2.4.2 Paragraph (1) (a), Number 2.4.5, Number 2.6.4 Paragraph (8), (9) and (10) as well as Number 2.7.2 Paragraph (4) (b) and (c), Number 2.7.3 Paragraph (2) and Number 2.7.4 Paragraph (1) (c) (iii), in each case with regard to the specific Securities Lending Transaction only. The pledge will not secure a Difference Claim of a Clearing Member against Eurex Clearing AG upon the occurrence of a Termination with respect to the Clearing Member or a difference claim of the Clearing Member against Eurex Clearing AG in the event of a close-out with respect to Eurex Clearing AG pursuant to Chapter I Part 1 Number 9. For the avoidance of doubt, in respect of a Securities Lending Transaction relating to Loaned Securities or Equivalent Loaned Securities for which EUI acts as the settlement location, the pledge shall not secure any obligations of Eurex Clearing Borrower in respect of any Securities Distribution.

[...]

2.1.6 Settlement

[...]

(6) The term “**actually delivered**” or “**actually deliver**” when used in this Chapter IX shall be interpreted as to refer to the following point in time:

[...]

(e) with respect to the delivery of Pledge-Back Principal Collateral by the SLLH (Title Transfer/Pledge) by way of a pledge pursuant to Number 2.1.5 Paragraph (5): the point in time on a Business Day immediately after the credit to the relevant securities account (that is used for the granting of such pledge) held with such Tri-Party Collateral Agent; ~~or~~

(f) with respect to the delivery of securities to Eurex Clearing Lender in any of the circumstances set out in Number 2.4.1 Paragraph (3), Number 2.4.2 Paragraph (3) or (4), the point in time on a Business Day immediately after notification by the respective settlement location of the credit to the relevant Eurex Clearing AG securities account; or

~~(g)~~ in all other cases with respect to deliveries by Eurex Clearing AG to Clearing Members, the actual credit of the relevant Underlying Asset or Eligible Principal Collateral Asset to the securities or cash account of the relevant Clearing Member.

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2.1.7 Currency Conversions

For the purpose of determining any prices, sums or values (including Market Value and Required Collateral Value (as defined in Number 2.3.2 below)) on any Business Day, prices, sums or values stated in currencies other than the currency for the Securities Lending Transaction specified in the Loan Information (the “**Transaction Currency**”) or the Principal Collateral Currency or any other relevant currency, as applicable, ~~shall may,~~ if reasonably required, be converted by Eurex Clearing AG (i) into the Transaction Currency on the basis of the exchange rate published by Eurex Clearing AG as of the previous Business Day, or (ii) into the Principal Collateral Currency or such other relevant currency, as applicable, on the basis of the current exchange rates published by Eurex Clearing AG.

2.1.8 Tax

[...]

(5) Transaction Tax

If the Lender Clearing Member or Eurex Clearing ~~Lender-AG~~ is required to pay any amount on account of any Transaction Tax (other than any Transaction Tax that would not be chargeable but for the Lender Clearing Member’s or, as applicable, Eurex Clearing ~~AG Lender’s~~, failure to comply with its obligations under the Clearing Agreement) chargeable in connection with any Securities Lending Transaction, the Lender Clearing Member shall notify Eurex Clearing ~~Borrower-AG~~, and, as applicable, Eurex Clearing ~~Lender-AG~~ shall notify the Borrower Clearing Member of such payment requirement. Upon receipt of ~~such the relevant~~ notification, Eurex Clearing ~~Borrower-AG~~ shall pay to the Lender Clearing Member or, as applicable, the Borrower Clearing Member shall pay to Eurex Clearing ~~Lender-AG~~ an amount equal to such amount payable by the Lender Clearing Member or Eurex Clearing ~~Lender-AG~~, as the case may be. If Eurex Clearing Borrower receives any such notification from the Lender Clearing Member, it shall forward such notification to the Borrower Clearing Member and the Borrower Clearing Member shall, upon receipt of such notification, pay to Eurex Clearing Lender an amount equal to the amount payable by Eurex Clearing Borrower to the Lender Clearing Member in accordance with the preceding sentence.

[...]

2.2 Delivery and Return of Loaned Assets

2.2.1 Delivery of Loaned Assets

[...]

(3) In respect of Loaned Securities for which EUI acts as the settlement location, the Lender Clearing Member and Eurex Clearing Borrower shall provide all instructions to EUI that are required to effect a transfer of the Loaned Securities to Eurex Clearing Borrower, and Eurex Clearing Lender and the Borrower Clearing Member

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shall provide all instructions to EUI that are required to effect a transfer of the Loaned Securities to the Borrower Clearing Member, in each case in accordance with this Number 2.2.1. The Lender Clearing Member and the Borrower Clearing Member shall, in respect of any such transfer, only provide instructions on the transfer of the entirety of the relevant Loaned Securities, but not only on the transfer of any portions thereof.

If and for as long as the Borrower Clearing Member or the Lender Clearing Member negligently or wilfully fails to provide any such required instruction in accordance with the preceding sub-paragraph, Eurex Clearing AG may, in order to enhance settlement discipline, irrespective of whether Eurex Clearing AG has suffered a loss, charge the Borrower Clearing Member or the Lender Clearing Member (as applicable) an amount of EUR 300 or USD 500 for each day of such failure (with a maximum of EUR 3,000 or USD 5,000).

Each of the Lender Clearing Member and the Borrower Clearing Member shall reimburse Eurex Clearing AG for any fees or penalties that may be payable by Eurex Clearing AG to EUI as a result of any instruction required to effect a transfer of Loaned Securities (in relation to Loaned Securities for which EUI acts as the settlement location) having been provided after any deadline applicable pursuant to the rules of EUI, unless Eurex Clearing AG has negligently or wilfully caused the delay of such instruction.

2.2.2 Return of Equivalent Loaned Assets

[...]

(8) [...]

If such Maturity Date is a Business Day immediately following Good Friday, Easter Monday or Labour Day and if, with respect to the Underlying Securities of the relevant Securities Lending Transaction, a corporate action pursuant to Number 2.4.1 Paragraph (2) or Number 2.4.2, requiring an ISIN or a nominal change, is to be carried out on one of these holidays, the Maturity Date of the relevant Securities Lending Transaction shall be postponed to the next following Business Day (i.e. to the second Business Day following Good Friday, Easter Monday or Labour Day).

[...]

In the case of a Recall request by the Lender Clearing Member to Eurex Clearing Borrower, the date specified as “**Maturity Date**” shall be a date which falls (i) not prior to the last day of the standard settlement period of the relevant cash markets for the settlement of the Equivalent Loaned Securities applicable to the date of receipt of such Recall request, as determined by Eurex Clearing AG, and (ii) not after the 31st Business Day after the date on which the Recall has been received by Eurex Clearing Borrower or after the date pursuant to item (i) (b) of the definition of Maturity Date. Moreover, the Maturity Date shall not fall prior to the last day of the standard settlement period of the relevant cash market for the settlement of the

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Equivalent Loaned Securities applicable to the date of receipt of such Recall request, as determined by Eurex Clearing AG, unless the Recall request has been mutually agreed by the Borrower Clearing Member and the Lender Clearing Member.

[...]

(11) In respect of Equivalent Loaned Securities for which EUI acts as the settlement location, the Borrower Clearing Member shall provide all instructions to EUI that are required to effect a transfer of Equivalent Loaned Securities to Eurex Clearing Lender, and Eurex Clearing Borrower shall provide all instructions to EUI that are required to effect a transfer of Equivalent Loaned Securities to the Lender Clearing Member, in each case in accordance with this Number 2.2.2. The Borrower Clearing Member shall, in respect of any such transfer, only provide instructions on the transfer of the entirety of the relevant Equivalent Loaned Securities that are to be delivered on the Maturity Date but not only on the transfer of any portions thereof.

If and for as long as the Borrower Clearing Member negligently or wilfully fails to provide any such required instruction, Eurex Clearing AG may, in order to enhance settlement discipline, irrespective of whether Eurex Clearing AG has suffered a loss, charge the Borrower Clearing Member an amount of EUR 300 or USD 500 for each day of such failure (with a maximum of EUR 3,000 or USD 5,000).

(12) If the Borrower Clearing Member provides any instruction to EUI for a transfer of Equivalent Loaned Securities to Eurex Clearing AG, but no obligation of the Borrower Clearing Member to make such transfer is due in accordance with this Chapter IX, the Borrower Clearing Member shall promptly submit appropriate instructions to EUI for a retransfer of such Equivalent Loaned Securities to the Borrower Clearing Member. If and for as long as the Borrower Clearing Member negligently or wilfully fails to provide any such required instruction to EUI, Eurex Clearing AG will, in order to enhance settlement discipline, irrespective of whether Eurex Clearing AG has suffered a loss, charge the Borrower Clearing Member an amount of EUR 300 or USD 500 for each day of such failure (with a maximum of EUR 3,000 or USD 5,000).

(13) The Borrower Clearing Member shall reimburse Eurex Clearing AG for any fees or penalties that may be payable by Eurex Clearing AG to EUI as a result of any instruction required to effect a transfer of Equivalent Loaned Securities (in relation to Equivalent Loaned Securities for which EUI acts as the settlement location) having been provided after any deadline applicable pursuant to the rules of EUI, unless Eurex Clearing AG has negligently or wilfully caused the delay of such instruction.

[...]

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2.3 Delivery and Return of Principal Collateral and Pledge-Back Principal Collateral

[...]

2.3.2 Marking to Market of Principal Collateral and Pledge-Back Principal Collateral during the term of a Securities Lending Transaction

- (1) The aggregate Market Value (as defined in Paragraph (4) below) of the Eligible Principal Collateral Assets actually delivered in respect of the Principal Collateral to Eurex Clearing Lender by the Borrower Clearing Member and to the Lender Clearing Member by Eurex Clearing Borrower (excluding any Equivalent Principal Collateral repaid or re-delivered under Paragraph (2)) in respect of a Securities Lending Transaction (the "**Posted Collateral**") shall equal the Market Value of the number or aggregate nominal amount, as applicable, of the Underlying Assets equivalent to the Loaned Assets taking into account the applicable Mark-Up Percentage, if any, ~~(the "Required Collateral Value")~~ in respect of such Securities Lending Transaction (the "Required Collateral Value").

[...]

- (3) [...]

the Borrower Clearing Member shall provide to Eurex Clearing Lender, and Eurex Clearing Borrower shall provide to the Lender Clearing Member, such further Eligible Principal Collateral Assets in respect of the Principal Collateral as will eliminate the deficiency (on the next Business Day at the time published by Eurex Clearing AG pursuant to Chapter I Part 1 Number 16.2 on its website (www.eurexclearing.com) with respect to the relevant currency or the relevant Tri-Party Collateral Agent, if applicable).

[...]

2.4 Corporate Actions

[...]

In respect of any corporate action relating to Loaned Securities or Equivalent Loaned Securities for which EUI acts as the settlement location, a Clearing Member shall not provide any instruction to EUI that changes the default processing of such corporate action ("Skip Transformation"). If, contrary to the previous sentence, a Clearing Member negligently or wilfully provides any such "Skip Transformation" instruction to EUI, Eurex Clearing AG may, in order to enhance settlement discipline, irrespective of whether Eurex Clearing AG has suffered a loss, charge such Clearing Member an amount of EUR 300 or USD 500 for each such instruction.

2.4.1 Distributions in respect of Underlying Securities

In relation to any Securities Lending Transaction, if a relevant date on which the holders of the Underlying Securities are identified as being holders of an entitlement to any

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interest, dividends, rights or other distributions of any kind (the “**Record Date**”) falls in the period from, and including, the Value Date (taking into account any postponement pursuant to Number 2.6.1 or 2.6.2) to, and excluding the Maturity Date (taking into account any postponement pursuant to Number 2.6.4 or 2.6.5), in accordance with the following provisions the Borrower Clearing Member shall pay or deliver to Eurex Clearing Lender under such Securities Lending Transaction, and Eurex Clearing Borrower shall pay or deliver to the Lender Clearing Member under the related Securities Lending Transaction, a sum of money, securities or other assets which were agreed between the Lender Clearing Member and the Borrower Clearing Member or, if no such agreement was reached, which are equivalent to the amount of such interest, dividends, rights or other distributions of any kind that would be received by the Lender Clearing Member as a holder thereof on the Record Date assuming such Loaned Securities were retained by the Lender Clearing Member on the Record Date (each a “**Distribution**”), provided that, in respect of Loaned Securities or Equivalent Loaned Securities for which EUI acts as the settlement location, the amount and type of the Distribution shall be the amount and type determined by EUI and communicated to Eurex Clearing AG (subject, however, to Number 2.1.8). No such obligation to pay a Distribution pursuant to the preceding sentence applies, if – on the trade date of the Original Securities Lending Transactions – the Underlying Securities did not include a claim to interest, dividends, rights or other distributions resulting from the respective corporate action.

Unless otherwise provided under this Number 2.4.1 and subject to Number 2.1.8, payments or deliveries of Distributions by the Borrower Clearing Member and Eurex Clearing Borrower, respectively, shall be made on the date on which they would be received by the Lender Clearing Member in respect of the Loaned Securities assuming such Loaned Securities were retained by the Lender Clearing Member on the Record Date, as determined by Eurex Clearing AG (“**Distribution Settlement Date**”), provided that, in respect of Loaned Securities or Equivalent Loaned Securities for which EUI acts as the settlement location, an obligation of Eurex Clearing AG to pay or deliver a Distribution to a Clearing Member shall only become due after Eurex Clearing AG has received delivery or payment from such Clearing Member in respect of any Distributions that are to be paid or delivered by that Clearing Member to Eurex Clearing AG with respect to any Securities Lending Transaction.

[...]

(2) Distribution in the form of Securities if EUI does not act as the settlement location

[...]

(d) Specific provisions in case of Securities Distributions in the form of rights

[...]

In case the Market Default cannot be effected by the settlement location in the relevant market, the Securities Lending Transaction regarding the Securities Distribution in the form of rights with options shall be redeemed by way of cash settlement on the Distribution Settlement Date and each of the Borrower

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Clearing Member and Eurex Clearing Borrower shall be obliged to pay to Eurex Clearing Lender and the Lender Clearing Member, respectively, a respective cash amount in respect of the relevant Securities Lending Transaction.

[...]

(3) Securities Distribution if EUI acts as the settlement location

A Securities Distribution with respect to Securities for which EUI acts as the settlement location shall only result in a unilateral claim against the Borrower Clearing Member and Eurex Clearing Borrower, respectively, for a delivery of the relevant securities in accordance with Number 2.4.1 Paragraph (1) and (2), but shall not result in any amendment of any existing Securities Lending Transaction or in the creation of any new Securities Lending Transaction.

2.4.2 Mandatory Reorganisations, ~~and~~ Voluntary Reorganisations and Mandatory Reorganisations With Options

Mandatory Reorganisations (as defined in Paragraph (1) below), ~~and~~ Voluntary Reorganisations (as defined in ~~this Number 2.4.2 Paragraph (2) below~~ and Mandatory Reorganisations With Options (as defined in Paragraph (4) below) shall have the ~~following~~ effects on Securities Lending Transactions set out in Paragraph (1), (2), (3) or (4) below, as relevant.:

(1) Mandatory Reorganisations

“Mandatory Reorganisations” are corporate actions where the participation of the relevant holder of the relevant Underlying Securities in the corporate action is mandatory and not based on an individual decision or election of such holder of the relevant Underlying Securities. Mandatory Reorganisations may be based on a decision of the competent corporate bodies of the respective company, e.g. the shareholders' meeting, or be triggered by third parties, e.g. in case of a squeeze out following a takeover offer. Any reference to a “Mandatory Reorganisation” shall not include a Mandatory Reorganisation With Options (as defined in Paragraph (4) below).

[...]

(2) Voluntary Reorganisations

“Voluntary Reorganisations” are certain corporate actions that, in respect of the relevant Underlying Securities, are not mandatory but require a decision/election of the holder of the Underlying Securities to participate in the corporate action (including exchange offers, repurchase offers, tender, acquisition, takeover or purchase offers and the execution of rights pursuant to Number 2.4.1 Paragraph (2) (d)). Any reference to a “Voluntary Reorganisation” shall not include a Mandatory Reorganisation With Options (as defined in Paragraph (4) below).

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If the Lender Clearing Member wishes to receive Distributions or to execute any rights with regard to Voluntary Reorganisations (except for any Voluntary Reorganisations that relate to any Loaned Securities or Equivalent Loaned Securities for which EUI acts as the settlement location), it may proceed in accordance with the following provisions and shall submit a Lender Election through the VCA Input System (as defined below). In respect of any Voluntary Reorganisations that relate to any Loaned Securities or Equivalent Loaned Securities for which EUI acts as the settlement location, the VCA Input System (as defined below) may not be used, Number 2.4.2 Paragraph (2) (a) to (c) do not apply and only Number 2.4.2 Paragraph (3) applies.

[...]

(a) [...]

“**Outturn Instruction**” means a statement on the Outturn (including the exact number and amount of any Equivalent Loan Securities that shall be redelivered and/or the exact amounts of any cash components that shall be payable) that would result from the execution of the Lender Election.

[...]

~~(d) By signing the relevant Clearing Agreement with Eurex Clearing AG, each Lender Clearing Member and each Borrower Clearing Member (i) acknowledges to be bound by the provisions of the Dispute Resolution Rules (including, without limitation, the processing of an Outturn and/or the reversal of any Preliminary Outturn in accordance with the Dispute Resolution Rules), (ii) irrevocably authorises (bevollmächtigt) Eurex Clearing AG (and, for such purpose releases Eurex Clearing AG from the limitations on self-contracting pursuant to Section 181 BGB and similar provisions in any other applicable laws) to issue all statements and take all actions on behalf of such Lender Clearing Member and/or Borrower Clearing Member that are required or expedient in order to effect the processing of any Outturn or Preliminary Outturn and/or, as applicable, the reversal of any Preliminary Outturn in accordance with this Paragraph (2) and (iii) agrees and undertakes to issue all statements and take all actions that are necessary to effect the processing of any Outturn or Preliminary Outturn and/or, as applicable, the reversal of any Preliminary Outturn in accordance with this Paragraph (2) or resulting from the Dispute Resolution Procedure.~~

(3) Voluntary Reorganisations in respect of Loaned Securities for which EUI acts as the settlement location

If a Voluntary Reorganisation relates to Loaned Securities or Equivalent Loaned Securities for which EUI acts as the settlement location, the following applies:

(a) A Voluntary Reorganisation that relates to Loaned Securities or Equivalent Loaned Securities for which EUI acts as the settlement location shall only be processed through Eurex Clearing AG in case of those Loaned Securities or

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Equivalent Loaned Securities the ISINs of which are published by Eurex Clearing AG on its website (www.eurexclearing.com) from time to time. Such Voluntary Reorganisations shall be processed in accordance with Paragraph (3) (a) to (f).

Voluntary Reorganisations that relate to any other Loaned Securities or Equivalent Loaned Securities for which EUI acts as the settlement location shall not be processed through Eurex Clearing AG and shall not result in any amendments to any existing Securities Lending Transaction or in any rights or obligations of Eurex Clearing AG. The Lender Clearing Member and the Borrower Clearing Member may agree bilaterally on the legal consequences such Voluntary Reorganisation shall have between them.

- (b) The Lender Clearing Member may, with respect to each Securities Lending Transaction to which such Voluntary Reorganisation relates, submit elections and instructions in the form of an "ACON" message through the CREST system of EUI (subject to the requirements as to form and content as determined by EUI from time to time) to Eurex Clearing Borrower (the "**Lender VCA Election Message**") prior to or after the related ACON VCA Lender Deadline.

"ACON VCA Lender Deadline" means 24 hours before the latest point in time, as applicable pursuant to the terms of the relevant Voluntary Reorganisation for a valid exercise of rights (vis-à-vis the issuer of the relevant Underlying Security or Underlying Securities or any other relevant party) by the holder of the relevant Underlying Security or Underlying Securities in respect of such Voluntary Reorganisation.

- (c) If a Lender VCA Election Message or Borrower VCA Matching Message is submitted later than 60 minutes before the close of business of EUI (for its CREST service) on a Business Day, such Lender VCA Election Message or Borrower VCA Matching Message shall, for the purposes of these Clearing Conditions, not be effective and the Lender Clearing Member or Borrower Clearing Member shall provide all instructions to EUI that are required to reverse the effects of such Lender VCA Election Message or Borrower VCA Matching Message, respectively, in the CREST system of EUI. The Lender Clearing Member shall only send one Lender VCA Election Message and the Borrower Clearing Member shall only send one Borrower VCA Matching Message in respect of the same Voluntary Reorganisation and any additional Lender VCA Election Message or additional Borrower VCA Matching Message in respect of such Voluntary Reorganisation shall, for the purposes of this Paragraph (3), not be effective.

- (d) If a Lender VCA Election Message has been submitted in compliance with Paragraph (3) (c) by no later than the ACON VCA Lender Deadline, Eurex Clearing Lender will, after having been informed by EUI of the Lender VCA Election Message, submit an instruction (in the form of an "ACON" message

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through the CREST system of EUI) corresponding to such Lender VCA Election Message to the Borrower Clearing Member.

The Borrower Clearing Member shall submit a matching instruction (in the form of an "ACON" message through the CREST system of EUI) to Eurex Clearing Lender (the "**Borrower VCA Matching Message**") by no later than the ACON VCA Borrower Deadline.

"**ACON VCA Borrower Deadline**" means one hour before the latest point in time, as applicable pursuant to the terms of the relevant Voluntary Reorganisation for a valid exercise of rights (vis-à-vis the issuer of the relevant Underlying Security or Underlying Securities or any other relevant party) by the holder of the relevant Underlying Security or Underlying Securities in respect of such Voluntary Reorganisation.

Eurex Clearing Borrower will, after having been informed by EUI of the Borrower VCA Matching Message, submit an instruction (in the form of an "ACON" message through the CREST system of EUI) corresponding to such Borrower VCA Matching Message to the Lender Clearing Member.

An Outturn shall be processed at the close of business on the Intended EUI VCA Settlement Date with respect to both related Securities Lending Transactions in accordance with the Lender VCA Election Message, provided that the Borrower VCA Matching Message was submitted by no later than the ACON VCA Borrower Deadline.

"**Intended EUI VCA Settlement Date**" means a date, as predetermined by EUI in respect of the Voluntary Reorganisation to which the relevant Lender VCA Election Message relates, for the processing of the relevant Outturn.

If the Borrower Clearing Member negligently or wilfully fails to submit a Borrower VCA Matching Message by the ACON VCA Borrower Deadline it shall be obliged to pay a contractual penalty to Eurex Clearing AG irrespective of whether Eurex Clearing AG has suffered a loss. The contractual penalty shall be an amount of EUR 300 or USD 500 for each day of such failure (with a maximum of EUR 3,000 or USD 5,000).

(e) If a Lender VCA Election Message has been submitted in compliance with Paragraph (3) (c), but after the ACON VCA Lender Deadline, the following applies:

(A) Eurex Clearing Lender will, after having been informed by EUI of the Lender VCA Election Message, submit an instruction (in the form of an "ACON" message through the CREST system of EUI) corresponding to such Lender VCA Election Message to the Borrower Clearing Member.

(B) If the Borrower Clearing Member submits a Borrower VCA Matching Message in compliance with Paragraph (3) (c) Eurex Clearing Borrower will, after having been informed by EUI of the Borrower VCA Matching Message,

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submit an instruction (in the form of an "ACON" message through the CREST system of EUI) corresponding to such Borrower VCA Matching Message to the Lender Clearing Member and an Outturn shall be processed on the Intended EUI VCA Settlement Date with respect to both related Securities Lending Transactions in accordance with the Lender VCA Election Message.

(C) If the Borrower Clearing Member does not submit a Borrower VCA Matching Message, Eurex Clearing Borrower will not submit an instruction to the Lender Clearing Member and an Outturn in accordance with the Market Default shall be processed at the close of business on the Intended EUI VCA Settlement Date with respect to both related Securities Lending Transactions.

(f) References in this Paragraph (3) to "Outturn", "processed" or "processing" shall have the same meaning as ascribed to such respective terms in Paragraph (2) above, except if and to the extent that the benefit of a Voluntary Reorganisation (if exercised in accordance with the Lender VCA Election Message) equals a Securities Distribution. Number 2.4.1 Paragraph (3) applies *mutatis mutandis*.

(4) Mandatory Reorganisations With Options in respect of Loaned Securities for which EUI acts as the settlement location

"Mandatory Reorganisations With Options" are certain corporate actions in respect of which the participation as such of the relevant holder of the relevant Underlying Securities is mandatory, but in respect of which the holder of the relevant Underlying Securities has the option to choose between different benefits.

If a Mandatory Reorganisation With Options relates to Loaned Securities or Equivalent Loaned Securities for which EUI acts as the settlement location, the following applies:

(a) The Lender Clearing Member may, with respect to each Securities Lending Transaction to which a Mandatory Reorganisation With Options relates, submit an election (specifying the selection of an option that is available pursuant to the terms of such Mandatory Reorganisation With Options) in the form of an "ACON" message through the CREST system of EUI (subject to the requirements as to form and content as determined by EUI from time to time) to Eurex Clearing Borrower (the "**Lender MRWO Election Message**") prior to or after the related ACON MRWO Deadline.

"ACON MRWO Deadline" means 24 hours before the latest point in time, as applicable pursuant to the terms of the relevant Mandatory Reorganisation With Options for a valid exercise of a permissible option (vis-à-vis the issuer of the relevant Underlying Security or Underlying Securities or any other relevant party) by the holder of the relevant Underlying Security or Underlying Securities in respect of such Mandatory Reorganisation With Options.

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(b) If a Lender MRWO Election Message or Borrower Objection Message (as defined in Paragraph (4) (d) (B)) is submitted later than 60 minutes before the close of business of EUI (for its CREST service) on a Business Day, such Lender MRWO Election Message or Borrower Objection Message shall, for the purposes of these Clearing Conditions, not be effective and the Lender Clearing Member or Borrower Clearing Member shall provide all instructions to EUI that are required to reverse the effects of such Lender MRWO Election Message or Borrower Objection Message, respectively, in the CREST system of EUI. The Lender Clearing Member shall only send one Lender MRWO Election Message and the Borrower Clearing Member shall only send one Borrower Objection Message in respect of the same Mandatory Reorganisation with Options and any additional Lender MRWO Election Message or additional Borrower Objection Message in respect of such Mandatory Reorganisation with Options shall, for the purposes of this Paragraph (4), not be effective.

(c) If the relevant Lender MRWO Election Message has been submitted in compliance with Paragraph (4) (b) by no later than the ACON MRWO Deadline, Eurex Clearing Lender will, after having been informed by EUI of the Lender MRWO Election Message, submit an instruction (in the form of an "ACON" message through the CREST system of EUI) corresponding to such Lender MRWO Election Message to the Borrower Clearing Member and an Outturn shall be processed on the Intended MRWO Settlement Date with respect to both related Securities Lending Transactions in accordance with the Lender MRWO Election Message.

"Intended MRWO Settlement Date" means a date, as predetermined by EUI in respect of the Mandatory Reorganisation with Options to which the relevant Lender MRWO Election Message relates, for the processing of the relevant Outturn.

(d) If a Lender MRWO Election Message has been submitted in compliance with Paragraph (4) (b) ,but after the ACON MRWO Deadline, the following applies:

(A) Eurex Clearing Lender will, after having been informed by EUI of the Lender MRWO Election Message, submit an instruction (in the form of an "ACON" message through the CREST system of EUI) corresponding to such Lender MRWO Election Message to the Borrower Clearing Member and (subject to Paragraph (4) (d) (B)) an Outturn shall be processed on the Intended MRWO Settlement Date with respect to both related Securities Lending Transactions in accordance with the Lender MRWO Election Message.

(B) The Borrower Clearing Member may object to the instruction that has been submitted by Eurex Clearing Lender in accordance with Paragraph (4) (d) (A) until 24 hours after the submission of such instruction by Eurex Clearing Lender (the "**Objection Deadline**") by sending a notice in writing (*Textform*) to Eurex Clearing AG (the "**Borrower Objection Message**").

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If the Borrower Clearing Member objects in compliance with Paragraph (4) (b) by no later than the Objection Deadline, (i) Eurex Clearing Borrower will send a corresponding (objecting) notice in writing (Textform) to the Lender Clearing Member, (ii) the processing of the Outturn referred to in Paragraph (4) (d) (A) shall be reversed and (iii) an Outturn shall be processed at the close of business on the Intended MRWO Settlement Date with respect to both related Securities Lending Transactions in accordance with the Market Default. The Lender Clearing Member, the Borrower Clearing Member and Eurex Clearing AG shall provide all instructions to EUI that are required to (i) reverse the effects that the Lender MRWO Election Message and the corresponding instruction of Eurex Clearing Lender may have and (ii) process the Outturn on the basis of the default option of the relevant Mandatory Reorganisation with Options.

If the Borrower Clearing Member does not so object by the Objection Deadline in compliance with Paragraph (4) (b), the Outturn referred to in Paragraph (4) (d) (A) shall continue to be processed.

- (e) The Borrower Clearing Member shall not send conflicting messages through the CREST system of EUI, other than an objecting message in the case of Paragraph (4) (d). If a Borrower Clearing Member sends such conflicting message, it shall provide all instructions to EUI that are required to reverse the effects of such conflicting message. If and for as long as such Borrower Clearing Member negligently or wilfully fails to provide any such required instruction in accordance with the preceding sentence, Eurex Clearing AG will, in order to enhance settlement discipline, irrespective of whether Eurex Clearing AG has suffered a loss, charge such Borrower Clearing Member an amount of EUR 300 or USD 500 for each day of such failure (with a maximum of EUR 3,000 or USD 5,000).
- (f) References in this Paragraph (4) to “Outturn”, “processed” or “processing” shall have the same meaning as ascribed to such respective terms in Paragraph (2) above, except that:
- (A) any references in such defined terms to “Voluntary Reorganisation” shall be read as references to “Mandatory Reorganisation With Options”; and
- (B) if and to the extent that the benefit of a Mandatory Reorganisation With Options (if exercised in accordance with the Lender MRWO Election Message) equals a Securities Distribution, Number 2.4.1 Paragraph (3) applies *mutatis mutandis*.
- (g) For the avoidance of doubt, Number 2.4.1 Paragraph (2) (d) shall apply to Mandatory Reorganisations with Options in relation to Loaned Securities or Equivalent Loaned Securities for which EUI does not act as the settlement location.

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(5) By signing the relevant Clearing Agreement with Eurex Clearing AG, each Lender Clearing Member and each Borrower Clearing Member (i) acknowledges to be bound by the provisions of the Dispute Resolution Rules (including, without limitation, the processing of an Outturn and/or the reversal of any Preliminary Outturn in accordance with the Dispute Resolution Rules) to the extent a Dispute Resolution Procedure may be conducted in accordance with this Number 2.4.2, (ii) irrevocably authorises (*bevollmächtigt*) Eurex Clearing AG (and, for such purpose releases Eurex Clearing AG from the limitations on self-contracting pursuant to Section 181 BGB and similar provisions in any other applicable laws) to issue all statements and take all actions on behalf of such Lender Clearing Member and/or Borrower Clearing Member that are required or expedient in order to effect the processing of any Outturn or Preliminary Outturn and/or, as applicable, the reversal of any Preliminary Outturn in accordance with this Number 2.4.2 and (iii) agrees and undertakes to issue all statements and take all actions that are necessary to effect the processing of any Outturn or Preliminary Outturn and/or, as applicable, the reversal of any Preliminary Outturn in accordance with this Number 2.4.2 or resulting from a Dispute Resolution Procedure.

2.4.3 Principal Collateral Distributions and Principal Collateral Mandatory Reorganisations

(1) [...]

“**Principal Collateral Mandatory Reorganisation Record Date**” means the relevant date on which any holder of the relevant Principal Collateral Underlying Securities is identified as being entitled to the proceeds of the relevant Principal Collateral Mandatory Reorganisation.

(2) If a substitution is not effected in accordance with Paragraph (1), the Lender Clearing Member shall pay or deliver to Eurex Clearing Borrower, and Eurex Clearing Lender shall pay or deliver to the Borrower Clearing Member, in each case in accordance with the following provisions, a sum of money, securities or other assets which are equivalent to (i) the amount of the Principal Collateral Distribution or (ii) the amount of the proceeds of the Principal Collateral Mandatory Reorganisation, as the case may be, that the Lender Clearing Member would have received following the Principal Collateral Distribution Record Date or Principal Collateral Mandatory Reorganisation Record Date, as the case may be, (in each case without taking into account any credit, benefit or other relief in respect of Tax under any applicable law) if the Lender Clearing Member had retained the Non-Cash Principal Collateral on the Principal Collateral Distribution Record Date or Principal Collateral Mandatory ~~Reorganisation~~-~~Reorganisation~~ Record Date, as the case may be (such sum being the “**Principal Collateral Distribution Amount**” and the “**Principal Collateral Mandatory Reorganisation Amount**”, respectively). No such obligation to pay or deliver the Principal Collateral Distribution Amount pursuant to the preceding sentence applies, if – on the day the Non-Cash Principal Collateral was provided to Eurex Clearing Lender or the Lender Clearing Member, respectively

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– such Non-Cash Principal Collateral did not include a claim to interest, dividends, rights or other distributions resulting from the respective corporate action.

[...]

2.4.5 Fractions

No fractions of securities or financial instruments shall be delivered with respect to any Mandatory Reorganisation, Securities Distribution, Principal Collateral Mandatory Reorganisation or Principal Collateral Distribution. Instead, (except in respect of Loaned Securities or Equivalent Loaned Securities for which EUI acts as the settlement location) the relevant party to the Securities Lending Transaction that is subject to the respective delivery obligation shall pay to the other party to such Securities Lending Transaction a cash amount in the currency of the Underlying Securities or Principal Collateral Underlying Security equal to the value of the fractional Securities Distribution, fractional Principal Collateral Distribution or other fractional amount of securities under Number 2.4.2 or Number 2.4.4, as determined by Eurex Clearing AG as soon as reasonable practicable and in its reasonable discretion and notified to the Clearing Members. Such cash amount shall be paid on the Business Day after the notification by Eurex Clearing AG thereof.

[...]

2.6 Failure to Deliver

[...]

2.6.2 Failure to Deliver by the Borrower Clearing Member on the Value Date

(1) [...]

Each party to a Non-Collateralised Transaction or the related Securities Lending Transaction shall return any (Equivalent) Loaned Assets or (Equivalent) Principal Collateral received by it in relation to a Non-Collateralised Transaction or the related Securities Lending Transaction on such Business Day. In respect of the return to the Lender Clearing Member of any (Equivalent) Loaned Securities for which EUI acts as the settlement location, Number 2.2.1 Paragraph (3) shall apply mutatis mutandis.

[...]

2.6.4 Failure to Deliver by the Borrower Clearing Member on the Maturity Date

(2) [...]

(c) with respect to Voluntary Reorganisations pursuant to Number 2.4.2 Paragraph (2), the contractual penalty shall be calculated on the basis of the offer as follows:

[...]

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- Different conversion offers in the event of mandatory corporate actions

[...]

Price bidder's security: Price for a bidder's security, which is determined as follows: (i) If new issues or new securities are offered, the issue price of the newly issued security offered for subscription will be used as the basis, (ii) if existing securities are offered and Eurex Clearing AG has a determined ~~S~~settlement ~~p~~Price for the corresponding security, such fixed Settlement Price shall be used as the basis, (iii) otherwise, the closing price on the stock exchange with the largest turnover in the corresponding security shall be used as the basis. The price of the bidder's securities shall, if necessary, be converted into the currency of the Underlying Security on the basis of the exchange rates published by Eurex Clearing AG on the Market Deadline in connection with a Voluntary Reorganisation.

[...]

(6) [...]

A Buy-In Request that relates to Loaned Securities or Equivalent Loaned Securities for which EUI acts as the settlement location must be provided in writing (Textform).

(7) In the event a Buy-In pursuant to Paragraph (6) is successful, (i) the purchase price for the ~~securities p~~Purchased ~~Securities-in such Buy-in~~ shall be borne by the Borrower Clearing Member and shall be paid on the Business Day following the Buy-In Date in accordance with the daily cash clearing procedure pursuant to Chapter I Part 1 Number 1.4.1 and (ii) the delivery obligations of the Borrower Clearing Member under the Non-Performed Transaction shall be replaced by the obligation of the Borrower Clearing Member to pay such purchase price.

[...]

(8) [...]

- in case the Underlying Securities are equity securities, the ~~S~~settlement ~~P~~price of the Underlying Securities determined by Eurex Clearing AG multiplied by 2 and multiplied by the number of Equivalent Loaned Securities; and
- in case the Underlying Securities are fixed income securities, the ~~s~~Settlement ~~p~~Price of the Underlying Securities as determined by Eurex Clearing AG, plus 300 bp and with such sum to be multiplied by the number of Loaned Securities.

[...]

2.6.5 Failure to Deliver by the Lender Clearing Member on the Maturity Date

(1) [...]

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If any party to a Non-Returned Transaction or the related Securities Lending Transaction has already received any Equivalent Loaned Assets or Equivalent Principal Collateral from the respective other party on such Maturity Date or such Business Day prior to the postponement in relation to such Non-Returned Transaction or the related Securities Lending Transaction, such party shall return such assets on such Business Day. Number 2.2.1 Paragraph (3) shall apply *mutatis mutandis* in respect of any Equivalent Loaned Securities for which EUI acts as the settlement location in relation to the required instruction of the Borrower Clearing Member for a return by Eurex Clearing Lender to the Borrower Clearing Member.

[...]

2.6.6 Failure to Deliver by the Borrower Clearing Member on the due date for a Securities Distribution with respect to Securities for which EUI acts as the settlement location

(1) If, in any of the circumstances set out in Number 2.4.1 Paragraph (3) or Number 2.4.2 Paragraph (3) (e) (B), the Borrower Clearing Member fails to actually deliver the relevant securities to Eurex Clearing Lender on the relevant due date or, if such delivery obligation has been postponed, on the relevant next Business Day (the “Non-Performed Delivery Obligation” and the securities not delivered, the “Non-Delivered Securities”), such delivery obligation (and the corresponding delivery obligation of Eurex Clearing Borrower to the Lender Clearing Member) shall, subject to Paragraph (2), be postponed to the next following Business Day.

If any party to a Securities Lending Transaction or related Securities Lending Transaction to which the Non-Performed Delivery Obligation relates has already received any such securities from the respective other party on such due date or such Business Day prior to the postponement, such party shall return such assets on such Business Day. Number 2.2.1 Paragraph (3) shall apply *mutatis mutandis* in respect of any such securities for which EUI acts as the settlement location (i) in relation to the required instruction of the Lender Clearing Member for a return by the Lender Clearing Member to Eurex Clearing Borrower and (ii) in relation to the required instruction of the Borrower Clearing Member for a return by Eurex Clearing Lender to the Borrower Clearing Member.

(2) If the Borrower Clearing Member has not actually delivered the relevant Non-Delivered Securities on the third Business Day after such delivery obligation had originally become due (without taking into account any postponement in accordance with Paragraph (1)), Eurex Clearing AG is entitled, vis-à-vis the Borrower Clearing Member, to commence a buy-in and to purchase securities equivalent to the Non-Delivered Securities in accordance with the terms and conditions of Paragraphs (3) to (8) below (a “Securities Buy-In”).

(3) The Securities Buy-In shall be conducted on the fourth Business Day after the delivery obligation in respect of the Non-Delivered Securities had originally become due (without taking into account any postponement in accordance with Paragraph (1)) (the “Securities Buy-In Date”) if the Non-Performed Delivery Obligation has not been discharged in full by the end of trading on the Business Day

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preceding the Securities Buy-In Date; the Borrower Clearing Member is not entitled to deliver the relevant Non-Delivered Securities after that point in time. Eurex Clearing AG is entitled to defer the Securities Buy-In Date by one or more Business Days.

Eurex Clearing AG will inform the Borrower Clearing Member and the Lender Clearing Member of the Securities Buy-In and the results thereof via fax or telephone.

- (4) If and to the extent that a Securities Buy-In pursuant to Paragraphs (2) and (3) is successful, (i) the Borrower Clearing Member shall, on the Business Day following the Securities Buy-In Date and in accordance with the daily cash clearing procedure pursuant to Chapter I Part 1 Number 1.4.1, pay to Eurex Clearing AG an amount equal to the purchase price paid or payable by Eurex Clearing AG for the securities purchased by Eurex Clearing AG in such Securities Buy-In and (ii) the delivery obligations of the Borrower Clearing Member in respect of the Non-Delivered Securities shall be replaced by the obligation of the Borrower Clearing Member to pay the amount referred to in (i).
- (5) If and to the extent that a Securities Buy-In pursuant to Paragraphs (2) and (3) is not successful, a cash settlement shall occur on the Business Day following the Securities Buy-In Date with respect to the remaining Non-Performed Delivery Obligations as well as the corresponding delivery obligations of Eurex Clearing Borrower vis-à-vis the Lender Clearing Member in connection with the related Securities Lending Transaction. Number 2.6.4 Paragraph (8) shall apply to such cash settlement *mutatis mutandis*, except for the references to Number 2.2.2 Paragraph (1) and Number 2.3.3 set out therein.
- (6) If the Non-Delivered Securities are subscription rights, no Securities Buy-In shall be made. Instead, the Market Default shall be applied with respect to such Non-Delivered Securities on the date relevant for the exercise of such subscription rights.
- (7) If the Non-Delivered Securities constitute fixed income securities and such securities have not been actually delivered to Eurex Clearing Lender by the sixth Business Day preceding the maturity of such fixed income securities (and no successful Securities Buy-In has been conducted) a cash settlement shall occur on the fifth Business Day preceding the maturity of the fixed income securities. Number 2.6.4 Paragraph (8) Sentences 2 and 3 shall apply *mutatis mutandis* to such cash settlement.
- (8) Eurex Clearing AG will charge a buy-in fee from the Borrower Clearing Member if a Securities Buy-In has been conducted (irrespective of whether it has been successful or not) (the "**Securities Buy-In Fee**"). The Securities Buy-In Fee shall be denominated in the Transaction Currency and amount to 10 per cent. of the market value of the securities (that are equivalent to the Non-Delivered Securities) bought or to be bought in the Securities Buy-In, with a minimum of EUR 250 or CHF 375 and a maximum of EUR 5,000 or CHF 7,000.

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2.6.6.2.6.7 Further rights

Eurex Clearing AG charges a fee pursuant to Chapter V Number 2.2.1 Paragraph (3) (e) from the defaulting Clearing Member for each cash settlement carried out pursuant to Number 2.6.4, [Number 2.6.5](#) or Number 2.6.56. The right of Eurex Clearing AG and the Clearing Member which did not receive delivery in time to claim further damages shall remain unaffected.

2.7 Specific Provisions relating to Termination Events and Default Management Process

[...]

2.7.4 Effect of Termination on Process relating to Voluntary Reorganisations

[...]

(2) Termination in respect of Lender Clearing Member

[...]

(a) If the Securities Lending Transaction is an Open Term Loan,

[...]

- (iv) if the Equivalent Loaned Securities to which the terminated or returned ~~ed~~ing Securities Lending Transaction relates can be delivered by Eurex Clearing Borrower to the relevant account of the Lender Clearing Member prior to the applicable Market Deadline, the Borrower Clearing Member shall be subject to a contractual penalty (to which Number 2.6.4 Paragraph (2) (c) applies) if the Borrower Clearing Member, upon a Recall request by Eurex Clearing Lender pursuant to item (iii) above, fails to deliver to Eurex Clearing Lender the relevant Equivalent Loaned Securities by such Market Deadline; and

[...]