

Chapter I of the Clearing Conditions of Eurex Clearing AG

General Provisions

As of 15.06.2016

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

General Provisions

Preamble

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 Bonds, 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 by Eurex Clearing AG as central counterparty of Transactions of one or more Transaction Types (as defined in Number 1.1.2), (ii) the processing by Eurex Clearing AG of such Transactions in preparation for the fulfilment of all obligations resulting therefrom, and (iii) the related services rendered by Eurex Clearing AG, in each case as set out in Chapters I–IX (the “**Clearing Conditions**”), shall together be referred to as “**Clearing**”.

This 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

Chapter I General Provisions

[...]

Part 1 General Clearing Provisions

[...]

3.4 **Currency Conversion, Use of Cash Margin and Income on Margin Assets, Participation of Clearing Members in Investment Losses**

[...]

3.4.5e Eurex Clearing AG may demand from a Clearing Member the reimbursement of expenses arising from the investment of the cash actually delivered in respect of Margin. A liability for reimbursement exists 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 accounting central bank or accounting 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 Elementary Proprietary Margin, Elementary Omnibus Margin, Segregated Margin and/or Net Omnibus 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).

(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 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.

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