

Eurex Clearing Circular 013/18

Consultation on changes and amendments of Special Provisions and changes and amendments of other provisions of Eurex Clearing AG

Summary

Eurex Clearing plans to introduce clearing and settlement services for OTC FX products (FX Spots, Swaps, and Forwards) and Cross Currency Swaps (XCCY Swaps), together called OTC Currency Products. Certain amendments of the planned offering fall within the scope of Special Provisions and, hence, are subject to a Consultation process.

The amended sections of the Clearing Conditions and other rules, as decided by the Executive Board of Eurex Clearing AG, are attached to this circular.

Attachments:

1. Amended sections of the Clearing Conditions and other rules of Eurex Clearing AG
2. Form for appointment of individuals entitled to submit comments

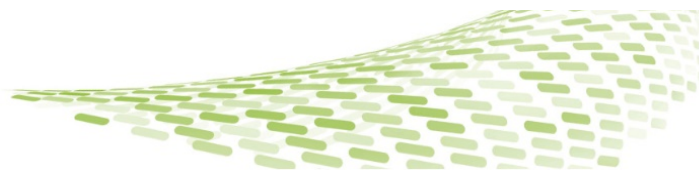
Date: 1 February 2018

Recipients: All Clearing Members, Basic Clearing Members, OTC IRS FCM Clients, Non-Clearing Members and Registered Customers of Eurex Clearing AG

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Target group:
All departments

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Group Client Key Account Manager
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Consultation on changes and amendments of Special Provisions and changes and amendments of other provisions of Eurex Clearing AG

Eurex Clearing plans to introduce clearing and settlement services for OTC FX products (FX Spots, Swaps, and Forwards) and Cross Currency Swaps (XCCY Swaps), together called OTC Currency Products. Settlement will be on a net basis at CLS Bank International (US).

In order to support this new offering, Eurex Clearing has decided to change or amend certain Special Provisions which requires a Consultation on the proposed changes or amendments, pursuant to Chapter I Part 1 Number 17.3 of the Clearing Conditions, and to change or amend certain other provisions.

Such Consultation will commence on **2 February 2018** and shall end on **2 March 2018** at midnight (Consultation period).

Eurex Clearing herewith invites all Affected Customers to submit comments on the proposed changes or amendments of Special Provisions (i.e. Chapter I Part 1 Number 1.5.2, 6, 7.3.3, 7.5.1, 7.5.3, 17.2.4, 17.3.2, Chapter VIII Part 2 Number 2.2.5 Paragraph (7), Default Management Committee Rules and Default Management Auction Rules, see amended sections in Attachment 1 of this circular) within the Consultation period.

Such Consultation period will be immediately followed by a Regular Notification Period of fifteen (15) Business Days, after which the proposed changes will come into effect on 26 March 2018, provided that in total no more than two Affected Customers request a Prolonged Notification Period (three months).

If Eurex Clearing receives such request for a Prolonged Notification Period from more than two Affected Customers during the Consultation, Eurex Clearing will notify all affected parties promptly upon the receipt of such requests in an additional electronic circular.

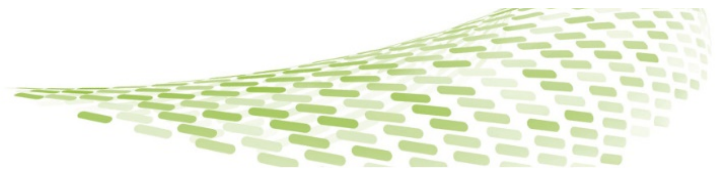
To reflect the adjustments described above, the following provisions shall be amended:

- Chapter I Part 1 Numbers 1.1.2, 1.2.2., 1.2.4, 1.5.2 (Special Provision), 1.9, 3.4.6, 6 (Special Provision), 7.3.3 (Special Provision), 7.5.1 (Special Provision), 7.5.3 (Special Provision), 14.1.2, 17.2.4 (Special Provision), 17.3.2 (Special Provision), Part 2 Numbers 5.1, 5.4, 6.2.1, Part 3 Sub-Part A Numbers 6, 7.2, 11.3.9, 11.4.7, Part 4 Number 6.2.2, 6.3.2, 8.3;
- Chapter VIII Parts 1, 2 (Number 2.2.5 Paragraph (7) (Special Provision), 3 and 4 (Parts 3 and 4 new)
- Appendix 1;
- Appendix 13 (new);
- Default Management Committee Rules (Special Provisions); and
- Default Management Auction Rules (Special Provisions).

During the Consultation period, comments on proposed changes or amendments of Special Provisions shall be submitted through a web-based commenting service provided by Eurex Clearing, only. Any Affected Customer intending to submit comments are requested to appoint one or more individuals for the Consultation who may submit comments on behalf of the respective Affected Customer using the form in Attachment 2 to this circular.

The form has to be duly signed and returned to Eurex Clearing via e-mail to SpecialProvisions@eurexclearing.com in order to obtain a User ID and Password together with a Link for accessing the web-based commenting service.

To the extent Eurex Clearing decides to implement any comments of Affected Customers, the so-amended version will be published again applying the initial notification period, i.e. either the Regular Notification or the Prolonged Notification Period, as applicable.



When the amendments come into effect, they will be available for download on the Eurex Clearing website www.eurexclearing.com under the following link:

Resources > Rules and Regulations

Terms used and not otherwise defined in this circular shall have the meanings ascribed to them in the Clearing Conditions of Eurex Clearing AG.

If you have any questions or need further information please contact Group Client Key Account Manager Clearing, clearing.services-admission@eurexclearing.com.

1 February 2018

Chapter I of the Clearing Conditions of Eurex Clearing AG

General Provisions

As of 26.03.2018

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AMENDMENTS ARE MARKED AS FOLLOWS:
INSERTIONS ARE UNDERLINED
DELETIONS ARE CROSSED OUT

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Part 1 General Clearing Provisions

1 General Rules

1.1 Scope of Application

[...]

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

[...]

- (6) the novation of (i) 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**”); (ii) over-the-counter FX spot transactions, over-the-counter FX forward transactions and over-the-counter FX swap transactions pursuant to Chapter VIII Part 3 (the resulting Transactions being referred to together as “**OTC FX Transactions**”) and (iii) over-the-counter cross currency swap transactions pursuant to Chapter VIII Part 4 (the resulting Transactions being referred to as “**OTC XCCY Transactions**”);

[...]

1.2 Clearing Procedures

1.2.1 General

(1) The specific Clearing Procedures applicable to a Transaction shall be determined on the basis of:

[...]

- (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/Bestimmungen*)) 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**”).

[...]

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1.2.2 Conclusion of Transactions and Transfer of Transactions

[...]

(4) Transactions pursuant to the Default Management Process; Settlement failures

[...]

(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 ~~procedures~~procedures 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

[...]

(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) ~~(eb)~~(bb)) or a RC-Related Transaction (as defined in Number 1.2.3 Paragraph (1) ~~(db)~~(cc)), 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.

[...]

1.2.4 Certain Definitions and Interpretation

In these Clearing Conditions:

(1) "**Business Days**" means

[...]

(f) for the Clearing of OTC Interest Rate Derivative Transactions, OTC FX Transactions and OTC XCCY Transactions (Chapter VIII): the days determined by the Executive Board of Eurex Clearing AG;

[...]

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1.5 EMIR Risk Committee

[...]

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:

[...]

(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)

[...]

(iii) to the Interim Participation Conditions (as defined in Part 3 Subpart A Number 11.43.2) or the Immediate Re-Establishment Conditions (as defined in Part 3 Subpart A Number 11.24.2).

[...]

1.9 No Clearing of FX Options contracts and OTC XCCY Transactions for U.S. Persons

1.9.1 In relation to FX Options contracts and OTC XCCY 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 an FX Options contract or makes an entry in an Approved Trade Source System in relation to an OTC XCCY Transaction to be cleared by Eurex Clearing AG, 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 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/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.

[...]

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1.9.3 In relation to FX Options ~~Transactions~~contracts, each Registered Customer and/or Non-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, 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 Interpretive 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.

[...]

1.9.5 In relation to FX Options ~~Transactions~~contracts, the Clearing Agent 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 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 ~~aan~~ FX Options ~~Transaction~~contract. Number 7.2.1 (2) shall apply accordingly.

[...]

1.9.7 In relation to FX Options ~~Transactions~~contracts, 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**

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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

[...]

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

[...]

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

[...]

- (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~~Members which 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.

[...]

3 General Provisions regarding Margin

[...]

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

[...]

- 3.4.6 In case (A) 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~~, (B) the Clearing Member pays a Prefunding Amount (as defined in

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Chapter VIII Part 3 Number 3.2.1 Paragraph (1) (d)) denominated in a Commercial Bank Currency, to Eurex Clearing AG, (C) the Clearing Member pays a Late Payment Amount (as defined in Chapter VIII Part 3 Number 3.3.4) denominated in a Commercial Bank Currency, to Eurex Clearing AG, and/or (D) a Corresponding Pay-In Amount (as defined in Chapter VIII Part 3 Number 3.4.3) denominated in a Commercial Bank Currency is received by Eurex Clearing AG and a Deferred Payment (as defined in Chapter VIII Part 3 Number 3.3.4) will be made to a Clearing Member and Eurex Clearing AG either (X) holds such cash amounts on an account maintained with a commercial bank or (Y) invests such cash amounts, partly or in whole, for purposes of liquidity management and liquidity generation (each in case of (X) and (Y) above, 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 relevant Clearing Member in accordance with the following provisions:

(i) [...]

“Commercial Bank Currency” means any (A) currency accepted by Eurex Clearing AG as Eligible Margin Assets and/or (B) currency of a Currency Pair (as defined in Chapter VIII Part 3 Number 3.1.4.1 Paragraph (2)), 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) [...]

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, Prefunding Amounts, Late Payment Amounts and Corresponding Pay-In Amounts, denominated in the relevant Commercial Bank Currency, which were paid by all Clearing Members to Eurex Clearing AG (or, in the case of Corresponding Pay-In Amounts, relate to all Late CMs as receivers of a Deferred Payment Amount) with respect to all Standard Agreements and (ii) the sum of the Eligible Margin Assets in form of cash, Prefunding Amounts, Late Payment Amounts and Corresponding Pay-In Amounts, denominated in all Commercial Bank Currencies, which were paid by all Clearing Members to Eurex Clearing AG (or, in the case of Corresponding Pay-In Amounts, relate to all Late CMs as receivers of a Deferred Payment Amount) 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, Prefunding Amounts, Late Payment Amounts and Corresponding Pay-In Amounts, denominated in the relevant

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Commercial Bank Currency, which were paid by all Clearing Members to Eurex Clearing AG (or, in the case of Corresponding Pay-In Amounts, relate to all Late CMs as receivers of a Deferred Payment Amount) 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 ~~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, Prefunding Amounts, Late Payment Amounts and Corresponding Pay-In Amounts, denominated in the Commercial Bank Currency, which were paid by the relevant Clearing Member to Eurex Clearing AG (or, in the case of Corresponding Pay-In Amounts, relate to the relevant Late CM as receiver of a Deferred Payment Amount) with respect to all Standard Agreements and (ii) the sum of the Eligible Margin Assets in form of cash, Prefunding Amounts, Late Payment Amounts and Corresponding Pay-In Amounts, denominated in the Commercial Bank Currency, which were paid by all Clearing Members to Eurex Clearing AG (or, in the case of Corresponding Pay-In Amounts, relate to all Late CMs as receivers of a Deferred Payment Amount) 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**").

The Clearing Member-Related Investment Loss with respect to Eligible Margin Assets in form of cash paid by the relevant Clearing Member (and with respect to each Commercial Bank Currency) shall be 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, Prefunding Amounts, Late Payment Amounts and Corresponding Pay-In Amounts, denominated in the Commercial Bank Currency, which were paid by all Clearing Members to Eurex Clearing AG (or, in the case of Corresponding Pay-In Amounts, relate to all Late CMs as receivers of a Deferred Payment Amount) with respect to all of their Standard Agreements plus the Available Own Contribution or the Available Currency-Related Own Contribution (the "**Margin Clearing Member-Related Investment Loss**").

The Clearing Member-Related Investment Loss with respect to a Prefunding Amount paid by the relevant Clearing Member (and with respect to each Commercial Bank Currency) shall be the product of (A) the Investment Loss and (B) the ratio of (i) the sum of the Prefunding Amount, denominated in the Commercial Bank Currency, which was 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, Prefunding Amounts, Late Payment Amounts and Corresponding Pay-In Amounts, denominated in the Commercial Bank Currency, which were paid by all Clearing Members to Eurex Clearing AG (or, in the case of Corresponding Pay-In

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Amounts, relate to all Late CMs as receivers of a Deferred Payment Amount) with respect to all of their Standard Agreements plus the Available Own Contribution or the Available Currency-Related Own Contribution (the “**Prefunding Amount Clearing Member-Related Investment Loss**”).

The Clearing Member-Related Investment Loss with respect to a Late Payment Amount paid by the relevant Clearing Member (and with respect to each Commercial Bank Currency) shall be the product of (A) the Investment Loss and (B) the ratio of (i) the sum of the Late Payment Amount, denominated in the Commercial Bank Currency, which was 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, Prefunding Amounts, Late Payment Amounts and Corresponding Pay-In Amounts, denominated in the Commercial Bank Currency, which were paid by all Clearing Members to Eurex Clearing AG (or, in the case of Corresponding Pay-In Amounts, relate to all Late CMs as receivers of a Deferred Payment Amount) with respect to all of their Standard Agreements plus the Available Own Contribution or the Available Currency-Related Own Contribution (the “**Late Payment Amount Clearing Member-Related Investment Loss**”).

The Clearing Member-Related Investment Loss with respect to a Corresponding Pay-In Amount which relates to the relevant Late CM as receiver of a Deferred Payment Amount (and with respect to each Commercial Bank Currency) shall be the product of (A) the Investment Loss and (B) the ratio of (i) the sum of the Corresponding Pay-In Amount, denominated in the Commercial Bank Currency, which relates to the relevant Late CM as receiver of a Deferred Payment Amount with respect to all Standard Agreements and (ii) the sum of the Eligible Margin Assets in form of cash, Prefunding Amounts, Late Payment Amounts and Corresponding Pay-In Amounts, denominated in the Commercial Bank Currency, which were paid by all Clearing Members to Eurex Clearing AG (or, in the case of Corresponding Pay-In Amounts, relate to all Late CMs as receivers of a Deferred Payment Amount) with respect to all of their Standard Agreements plus the Available Own Contribution or the Available Currency-Related Own Contribution (the “**Corresponding Pay-In Amount Clearing Member-Related Investment Loss**”).

Eurex Clearing AG shall notify the Clearing Member about the Clearing Member-Related Investment Loss (including the Margin Clearing Member-Related Investment Loss, the Prefunding Amount Clearing Member-Related Investment Loss, the Late Payment Amount Clearing Member-Related Investment Loss and the Corresponding Pay-In Amount Clearing Member-Related Investment Loss, as relevant) without undue delay (“**Investment Loss Notice**”).

- (v) The Clearing Member shall pay to Eurex Clearing AG the relevant 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

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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, or Eurex Clearing AG has paid the excess pursuant to Chapter VIII Part 3 Number 3.4.1 Paragraph (6) or Number 3.4.2 Paragraph (3), Eurex Clearing AG shall distribute the Reduction Amount between all Clearing Members, which paid their Clearing Member-Related Investment Loss to Eurex Clearing AG or received such excess, and Eurex Clearing AG by applying, *mutatis mutandis*, the share in the Investment Loss determined under Paragraph (iii) or (iv).

[...]

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.

[...]

7 Termination Rules with respect to the Clearing Member

[...]

7.3 Consequences of a Termination

[...]

7.3.3

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

- (a) [...]

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 11.43.4 and Number 11.24.3, 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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7.5 Default Management Process

[...]

7.5.1 Default Management Committees

[...]

(2) [...].

If there is at least one OTC Interest Rate Derivative Transaction (as defined in Chapter VIII Part 2 Number 2.1,1) or OTC Currency Transaction (as defined in Chapter VIII Part 1 Paragraph (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 Interest Rate Derivative Transaction or OTC Currency Transaction belongs.

[...]

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

[...]

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

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

(i) If the relevant DM Auction Transactions qualify as OTC Interest Rate Derivative Transactions, DM Auctions will be conducted with respect to one Auction Unit per currency in which the relevant DM Auction OTC Interest Rate Derivatives Transactions are denominated. Each, each Auction Unit will generally consist of all DM Auction Transactions denominated in the same currency. If the relevant DM Auction Transactions qualify as OTC Currency Transactions, DM Auctions will be conducted with respect to one Auction Unit per Currency Pair applicable to the relevant OTC Currency Transactions; each Auction Unit will generally consist of all DM Auction Transactions to which the same Currency Pair applies.

(ii) Each Mandatory Participant is obliged to submit one Mandatory Bid for the respective Auction Unit with respect to all currencies such ~~mandatory~~ Mandatory Participant holds a Clearing Licence for, subject to the DM Auction Rules.

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

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- (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 or all OTC Currency Transactions, as applicable, in the relevant Auction Unit (the “**Auction Unit Margin Amount**”)

[...]

- (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~~ **Chapter VIII Product Non-Bidding Participant**”), the ~~IRS~~ **Chapter VIII Product 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~~ **Chapter VIII Product 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~~ **Chapter VIII Product 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~~ **Chapter VIII Product Non-Bidding Participant**. Any amount received by Eurex Clearing AG from the relevant ~~IRS~~ **Chapter VIII Product 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~~ **Chapter VIII Product Non-Bidding Participants**.

[...]

- (6) Special provisions relating to Eurex Bonds Transactions and 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

[...]

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(iii) [...]

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 AG 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.

[...]

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

[...]

13.1.5 If a Basic Clearing Member Clearing Agreement has been terminated, Eurex Clearing AG 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.

[...]

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

14.1 Liability, Emergency Actions

[...]

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~~ provisions under Sentence 4 ~~the previous sentences~~ 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.

[...]

17 Miscellaneous

[...]

17.2 Changes and Amendments to the Clearing Conditions

[...]

17.2.4 "Special Provisions" are

[...]

- ~~Chapter VIII Part 2~~ Number 2.2.5 Paragraph (1.6 Paragraphs (1) and (8),
- ~~Chapter VIII Part 3~~ Numbers 3.3 to 3.7),
- ~~Chapter VIII Part 4~~ Number 4.4 to 4.7 and 4.10,

[...]

- Appendix 14 Clause 5 sentence 6,

[...]

- any newly added provisions relating to the subject matter of ~~these~~ the ~~provisions~~ listed above.

[...]

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~~ 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

[...]

17.3.2 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,

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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~~ 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.

[...]

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Part 2 Subpart A: General Elementary Clearing Model Provisions

[...]

5 Variation Margin

5.1 Variation Margin Requirement

[...]

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 2.1.7, Part 3 Number 3.1.6 or Part 4 Number 4.1.6, as applicable.

[...]

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 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 2.1.7, Part 3 Number 3.1.6 or Part 4 Number 4.1.6, 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

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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

[...]

6.2 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:

[...]

(iv) the commencement of Disciplinary Procedures as defined in Number ~~7.2.1(b)~~ (aa)¹⁴ of the General Clearing Provisions against a Clearing Member; or

(v) [...]

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 AG 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.

[...]

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Part 3 Subpart A: General Provisions for ICM-ECD and ICM-CCD

[...]

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 2.1.67 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 2.1.67 Paragraph (3), as applicable.

[...]

6.3 Delivery of Segregated Variation Margin and 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 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 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 2.1.67 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

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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.

[...]

7 Termination, Consequences of a Termination, Post Settlement and Re-Establishment

[...]

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:

[...]

(iv) the commencement of Disciplinary Procedures as defined in Number ~~7.2.1(b)~~ (aa)¹⁴ of the General Clearing Provisions against a Clearing Member; or

[...]

11 Re-Establishment of Transactions upon request by ICM-Client

[...]

11.43 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:

[...]

11.43.3 Delivery of Interim Margin and Interim Variation

[...]

11.43.4 Establishment of ICM Client as Interim Participant

[...]

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11.43.5 Further Terms and Conditions applicable during Interim Participation

[...]

11.43.6 Re-Establishment with other Clearing Member

[...]

11.43.7 Objection Right of Eurex Clearing AG

[...]

11.43.8 Assignment of Eurex Clearing AG's Difference Claim

[...]

11.43.9 Specific Provisions for non-EU Clearing Members

[...]

11.24 Immediate Re-Establishment with Replacement Clearing Member

11.4.1 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.

11.4.2 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:

[...]

11.24.3 Re-Establishment of Transactions with ICM Client

[...]

11.24.4 Assignment of Eurex Clearing AG's Difference Claim

[...]

11.24.5 Immediate Transfer to Replacement Clearing Member

[...]

11.24.6 Objection Rights of Eurex Clearing AG

[...]

11.24.7 Specific Provisions for non-EU Clearing Members

[...]

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11.35 **Interim Settlement**

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Part 4 U.S. Clearing Model Provisions

[...]

6 OTC IRS FCM Client Variation Margin

[...]

6.2 OTC IRS FCM Client Variation Margin Requirement

[...]

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 2.1.67 of the Clearing Conditions.

6.3 Delivery of OTC IRS FCM Client Variation Margin and Redelivery Claim

[...]

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 2.1.67 (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.

[...]

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8 Consequences of the occurrence of a Termination Event or Insolvency Termination Event with respect to an OTC IRS FCM Clearing Member

[...]

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:

[...]

(iv) the commencement of Disciplinary Procedures as defined in Number ~~7.2.1(b) (aa)~~¹⁴ of the General Clearing Provisions against the OTC IRS FCM Clearing Member; or

[...]

9 Insolvency or Default with respect to an OTC IRS FCM Client

[...]

9.4 [...]

Eurex Clearing AG 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.

[...]

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Part 5 Basic Clearing Member Provisions

[...]

10 Basic Clearing Member Termination Event

10.1 Suspension of Clearing, Termination

Upon the occurrence of a Basic Clearing Member Termination Date with respect to a Basic Clearing Member,

[...]

10.2

Eurex Clearing AG 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.

[...]

11 Consequences of a Termination Event with respect to a Clearing Agent

[...]

11.2 Replacement of Affected Clearing Agent

[...]

11.2.9 In the case of a Replacement, Eurex Clearing AG 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.

[...]

12 Replacement of Clearing Agent that is not an Affected Clearing Agent

[...]

12.3 In the case of a replacement of a Clearing Agent in accordance with this Number 12, Eurex Clearing AG 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.

Chapter VIII of the Clearing Conditions of Eurex Clearing AG

**Clearing of OTC Interest Rate Derivative
Transactions, OTC FX Transactions and OTC
XCCY Transactions**

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AMENDMENTS ARE MARKED AS FOLLOWS:
INSERTIONS ARE UNDERLINED
DELETIONS ARE CROSSED OUT

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Chapter VIII Preamble	

Preamble

[...]

Chapter I together with this Chapter VIII and all references to other Chapters or Annexes of the Clearing Conditions shall apply for (i) all Clearing Members (including OTC IRS FCM Clearing Members) with a respective Clearing License, their Non-Clearing Members, Registered Customers, ICM Clients and OTC IRS FCM Clients, (ii) Basic Clearing Members with a respective Basic Clearing Member Clearing ~~Licence~~License and their Clearing Agents as well as (iii) all Interim Participants (in each case, if applicable).

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Clearing of OTC Interest Rate Derivative Transactions, OTC FX Transactions and OTC XCCY Transactions

Part 1 General Provisions

- (1) Eurex Clearing AG offers the Clearing and settlement of ~~derivatives~~interest and currency related products traded over-the-counter (~~“which are OTC Interest Rate Derivative Transactions”~~), (as defined in Part 2 Number 2.1.1), OTC FX Transactions (as defined in Part 3 Number 3.1.1) or OTC XCCY Transactions (as defined in Part 4 Number 4.1.1 and together with the OTC FX Transactions, the “OTC Currency Transactions”) provided that such OTC Interest Rate Derivative Transactions and OTC Currency Transactions meet the applicable novation criteria set out in ~~this Chapter VIII~~Number 1.2.3.
- (2) In addition to this Chapter VIII, (i) the provisions of Chapter I, including in particular the Elementary Clearing Model Provisions, the Individual Clearing Model Provisions, the U.S. Clearing Model Provisions and the Basic Clearing Member Provisions shall apply to the Clearing of OTC ~~Derivative Transactions, unless~~ Interest Rate Derivative Transactions and (ii) the provisions of Chapter I, including in particular the Elementary Clearing Model Provisions (but excluding the Individual Clearing Model Provisions, the Net Omnibus Clearing Model Provisions, the U.S. Clearing Model Provisions and the Basic Clearing Member Provisions) shall apply to the Clearing of OTC FX Transactions and OTC XCCY Transactions, unless – in case of both (i) and (ii) – otherwise provided hereinafter.

[...]

1.1 Clearing License

1.1.1 Granting of the Clearing License

In order to participate in the Clearing of (i) OTC Interest Rate Derivative Transactions, (ii) OTC FX Transactions and (iii) OTC XCCY Transactions, a clearing license for ~~the each~~ relevant Transaction ~~Types~~Type (as defined in Chapter I Part 1 Number 1.1.2) is required (each an “**OTC Clearing License**”). The OTC Clearing License may be granted by Eurex Clearing AG upon written application. Each OTC Clearing License may be restricted to certain product groups within the scope of a Transaction Type if this is provided for in respect of such OTC Clearing License. Notwithstanding Chapter I Part 1 Number 2.1.1 Paragraph (4), ~~an OTC Clearing License, as regulated in more detail in the respective Clearing Agreement, will be exclusively issued as a~~

(A) an Interest Rate Derivatives Clearing License (as defined in Part 2 Number 2.1.3) , as regulated in more detail in the respective Clearing Agreement, will be exclusively issued as a

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- (i) General Clearing License which entitles its holder to clear Own Transactions, UDC-Related Transactions, SC-Related Transactions and RC-Related Transactions (all as defined in Chapter I Part 1 Number 1.2.3) 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, also OTC IRS FCM Client Transactions ~~or~~;
- (ii) Direct Clearing License which entitles its holder to clear Own Transactions only; or
- (iii) Basic Clearing Member Clearing License which entitles its holder to clear Own Transactions; and

(B) an OTC Currency Products Clearing License (as defined in Part 3 Number 3.1.3), as regulated in more detail in the respective Clearing Agreement, will be issued as a Direct Clearing License which entitles its holder to clear Own Transactions only.

1.1.2 Prerequisites of the Clearing License

The prerequisites ~~to be fulfilled~~ for the granting of ~~(i) an OTC Interest Rate Derivatives Clearing License~~ are set out in Part 2 ~~of this Chapter VIII for each relevant Transaction Type (as defined~~ and (ii) an OTC Currency Products Clearing License are set out in ~~Chapter I Part 1 Number 1.1.2).~~ 3.

1.2 Conclusion of Transactions

OTC Interest Rate Derivative Transactions, OTC FX Transactions and OTC XCCY Transactions pursuant to this Chapter VIII are concluded by way of novation in accordance with the following provisions:

1.2.1 Novation

- (1) For the purposes of including OTC Interest Rate Derivative Transactions, OTC FX Transactions and/or OTC XCCY Transactions into the Clearing by Eurex Clearing AG, the trade record of the relevant Original OTC Transaction (as defined in Chapter I Part 1 Number 1.2.2 Paragraph (2)) has to be transmitted to Eurex Clearing AG via an Approved Trade Source System / ATS (both as defined in Paragraph (7)(a) below).
- (2) [...]
 - (a) (x) with respect to an OTC Interest Rate Derivative Transaction, the parties to the related Original OTC Transaction are Clearing Members or Basic Clearing Members, each holding the relevant OTC Interest Rate Derivatives Clearing License or OTC IRS FCM Clients; or (y) with respect to an OTC FX Transaction or an OTC XCCY Transaction, the parties to the related Original OTC Transaction are Clearing Members, each holding the relevant OTC Currency Products Clearing License; or

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- (b) with respect to an OTC Interest Rate Derivative Transaction, only if any party to the Original OTC Transaction is neither a Clearing Member holding the relevant ~~OTC~~Interest Rate Derivatives Clearing License nor a Basic Clearing Member: ~~According~~according to such Trade Record, the Clearing Member holding the relevant ~~OTC~~Interest Rate Derivatives Clearing License has been designated as a Clearing Member for such party with respect to the relevant Original OTC Transaction, and

[...]

- (c) Eurex Clearing AG accepts such Original OTC Transaction for inclusion in the Clearing Procedures by making an OTC Trade Novation Report available to the Clearing Member (in the case of an OTC IRS FCM Clearing Member, acting on behalf of the relevant OTC IRS FCM Client) or, if applicable, the Basic Clearing Member (or the Clearing Agent acting on behalf of the Basic Clearing Member) electronically via its system,

~~OTC Derivative~~CCP Transactions and, if applicable, CM-RC Transaction(s), Client Clearing CM-RC Transaction(s) or CM-Customer Transaction(s) will be concluded by way of novation (i) in accordance with Chapter I Part 1 Number 1.2.2 Paragraph (2), (ii) in the case of CCP-OTC IRS FCM Client Transactions, Chapter I Part 4 Number 1.4, or (iii) in case of a Basic Clearing Member Transaction, Chapter I Part 5 Number 1.3, within the novation process in each case as provided for further specified with respect to the Transaction TypeOTC Interest Rate Derivative Transactions in Part 2, with respect to OTC FX Transactions in Part 3 and with respect to OTC XCCY Transactions in Part 4.

- (3) Any acceptance of the Original OTC Transaction by Eurex Clearing AG for inclusion in the Clearing and the related novation pursuant to Chapter I Part 1 Number 1.2.2 Paragraph (2) or, in the case of CCP-OTC IRS FCM Client Transactions, Chapter I Part 4 Number 1.4, ~~and/or~~, in the case of a Basic Clearing Member Transaction, Chapter I Part 5 Number 1.3, as applicable, will be subject to the novation criteria pursuant to Number 1.2.3 and will be based on the Trade Record including, as the case may be, the Credit Limit Token, provided by the ATS on behalf of the parties to the Original OTC Transaction. Eurex Clearing AG relies on the accuracy of the data set out in the Trade Record, including, as the case may be, the Credit Limit Token and is neither able nor obliged to verify whether the Trade Record received properly reflects the terms of the Original OTC Transaction entered into by the relevant parties, nor whether the respective Clearing Member – as indicated in the Credit Limit Token submitted to Eurex Clearing AG via the ATS – has actually approved that it will act as a Clearing Member for the respective party with respect to such Original OTC Transaction and resulting CCP- and CM-RC Transactions and clear such transaction.
- (4) Under the CCP Transactions created upon novation, the relevant Clearing Member or, if applicable, the relevant Basic Clearing Member has, in economic terms, the same economic role (e.g. as floating rate payer or as fixed rate payer, respectively)

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as such Clearing Member or Basic Clearing Member (in case of Own Transactions), or Registered Customer (in case of RC-Related Transactions) or Undisclosed Direct Client (in case of UDC-Related Transactions) or Specified Client (in case of SC-Related Transactions) of the Clearing Member had under the Original OTC Transaction (in the case of STM Transactions, subject to the amendments pursuant to Part 2 Number 2.1.4 Paragraph (3)). The same principle applies to CM-RC Transactions *mutatis mutandis*. Under the CCP-OTC IRS FCM Client Transactions created upon novation, the relevant OTC IRS FCM Client has, in economic terms, the same economic role (e.g. as floating rate payer or as fixed rate payer, respectively) as such OTC IRS FCM Client had under the Original OTC Transaction.

[...]

(7) For the purposes of this Chapter VIII,

- (a) **“Approved Trade Source System”** or **“ATS”** means a provider of trade information to be appointed by each of the parties to an Original OTC Transaction, and recognised by Eurex Clearing AG, for the purpose of transmitting Trade Records of ~~OTC Interest Rate Derivative Transactions~~ for Clearing with Eurex Clearing AG, as published on the website of Eurex Clearing AG (www.eurexclearing.com).
- (b) **“CCP-OTC IRS FCM Client Transaction”** means with respect to a Clearing Agreement with an OTC IRS FCM Client in the form appended to the Clearing Conditions as Appendix 9, an OTC Interest Rate Derivative Transaction established between Eurex Clearing AG and the relevant OTC IRS FCM Client pursuant to Paragraph (2) and Chapter I Part 4 Number 1.4.
- (c) **“CCP Transaction”** means (A) any OTC Interest Rate Derivative Transaction, OTC FX Transaction or OTC XCCY Transaction (i) between Eurex Clearing AG and the relevant Clearing Member created pursuant to Chapter I Part 1 Number 1.2.2 Paragraph (2) or (ii) if applicable, between Eurex Clearing AG and the relevant Basic Clearing Member created pursuant to Chapter I Part 5 Number 1.3 Paragraph (2) or (B) if applicable, a CCP-OTC IRS FCM Client Transaction between Eurex Clearing AG and the relevant OTC IRS FCM Client.
- (d) **“CM-RC Transaction”** means, with respect to a Clearing Agreement with a Registered Customer in the form appended to the Clearing Conditions as Appendix 2 or Appendix 3, an OTC Interest Rate Derivative Transaction corresponding to a certain CCP Transaction (which is an OTC Interest Rate Derivative Transaction) and which has been created between the Clearing Member and a Registered Customer pursuant to Chapter I Part 1 Number 1.2.2 Paragraph (2).

[...]

- (g) **“OTC Trade Daily Summary Report”** means a report that lists events occurring after the original novation which will be made available to the Clearing Members

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or Basic Clearing Members holding an Interest Rate Derivatives Clearing License (or the Clearing Agent acting on behalf of the relevant Basic Clearing Member) and/or to the Clearing Members holding an OTC Currency Products Clearing License electronically via Eurex Clearing AG's system on each Business Day. The last OTC Trade Daily Summary Report will be made available at or around 11 pm (Frankfurt am Main time).

- (h) **"OTC Trade Novation Report"** means a report produced by Eurex Clearing AG on the basis of the Trade Records transmitted via the relevant ~~Approved Trade Source System~~ ATS which specifies the Original OTC Transactions to be novated into ~~OTC Interest Rate Derivative Transactions (as defined in Part 2 of this Chapter VIII)~~ as well as the respective CCP Transactions, and, if applicable, the CM-RC Transaction(s), Client Clearing CM-RC Transaction(s) or CM-Customer Transaction(s).

[...]

1.2.2 Legal Effectiveness of Novation

The novation becomes legally effective at the point of time when Eurex Clearing AG accepts the relevant ~~Original OTC Derivative~~ Transaction for Clearing by making the relevant OTC Trade Novation Report available to the relevant Clearing Member (and, in the case of a CCP-OTC IRS FCM Client ~~Transactions~~ Transaction, to the OTC IRS FCM Clearing Member acting on behalf of the relevant OTC IRS FCM Client) or, ~~as if applicable, to the case may be, relevant~~ Basic Clearing Member (or Clearing Agent acting on behalf of the Basic Clearing Member) electronically via Eurex Clearing AG's system.

1.2.3 Novation Criteria

- (1) Eurex Clearing AG will accept an Original OTC Transaction for inclusion in the Clearing in accordance with the novation process if all of the following novation criteria are fulfilled:
1. A Trade Record of the Original OTC Transaction must be transmitted to the system of Eurex Clearing AG via an ATS and the Original OTC Transaction was either
 - (i) entered into between two Clearing Members, two Basic Clearing Members or a Clearing Member and a Basic Clearing Member, as provided for in Number 1.2.1 Paragraph (2) (a), in each case holding the relevant OTC Clearing License on the basis of the specifications made in such Trade Record, or
 - (ii) accepted by the relevant Clearing Member(s) holding the relevant OTC Clearing License, as provided for in Number 1.2.1 Paragraph (2) ~~a) (b) (i)~~ or Number 1.2.1 Paragraph (2) ~~a) (b) (ii)~~.

[...]

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3. (i) The Trade Record is transmitted to Eurex Clearing AG in a format which allows Eurex Clearing AG to import the relevant data in its system, as communicated by Eurex Clearing AG to Clearing Members or Basic Clearing Members (or the Clearing Agent acting on behalf of the relevant Basic Clearing Member) that hold an OTC Clearing License and (ii) no information required with respect to the terms of the relevant OTC Interest Rate Derivative Transaction, OTC FX Transaction or OTC XCCY Transaction as set out in Part 2, Part 3 or Part 4, respectively, is missing;

[...]
6. No Registered Customer who is a party to the Original OTC Transaction has been excluded from the Clearing of Original OTC Transactions as set out in this Chapter VIII;
7. No OTC IRS FCM Client Termination Date has occurred with respect to an OTC IRS FCM Client that is a party to the Original OTC Transaction;
8. Such Original OTC Transactions Transaction that are transmitted to the system of Eurex Clearing AG in order to be novated into an OTC Interest Rate Derivative Transaction must be of a product type recognised by Eurex Clearing AG as published on its website (www.eurexclearing.com) and provided for in ~~this Chapter VIII~~ Part 2 (the “**Product Type**”);
9. The Clearing Member(s) (including, in the case of OTC Interest Rate Derivative Transactions that are OTC IRS FCM Client Transactions, the relevant OTC IRS FCM Clearing Member(s) acting for the account of the relevant OTC IRS FCM Client(s)) and, if applicable, the Basic Clearing Member(s) seeking to clear the relevant Original OTC Derivative Transaction must have delivered Eligible Margin Assets to Eurex Clearing AG, in the case of OTC Interest Rate Derivative Transactions, as required pursuant to Chapter I Part 1 Number 3, the Elementary Clearing Model Provisions, the Individual Clearing Model Provisions, the U.S. Clearing Model Provisions and the Basic Clearing Member Clearing Provisions, and in the case of OTC FX Transactions and OTC XCCY Transactions as required pursuant to Chapter I Part 1 Number 3 and the Elementary Clearing Model Provisions to cover the calculated risks resulting from all Transactions and the CCP Transaction to be created;
10. The Clearing Member must have complied with the scheduled intraday margin calls as further set out below and if applicable:
 - (a) If Eurex Clearing AG determines that the aggregate value of the Eligible Margin Assets actually delivered to Eurex Clearing AG is insufficient to provide the cover required in order to fulfil the margin requirements (as set forth in Part 2 Number 2.1.7, Part 3 Number 3.1.6 and Part 4 Number 4.1.6) also taking into account all CCP Transactions arising pursuant to Part 2 Numbers 2.5, 2.6 and 2.7 and Part 4 Number 4.8 (any such shortfall of Eligible Margin Assets, the “**Shortfall Margin Requirement**”), Eurex

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Clearing AG will require the Clearing Member (in the case of CCP-OTC IRS FCM Client Transactions, the relevant OTC IRS FCM Clearing Member acting for the account of the relevant OTC IRS FCM Client) or the Basic Clearing Member, as the case may be, to provide additional Eligible Margin Assets intra-day in an amount up to the Shortfall Margin Requirement (such amount, the “**Shortfall Margin Amount**”) in accordance with the following provisions.

- (b) Eurex Clearing AG shall notify the Clearing Member of (A) the Transactions arising pursuant to Part 2 Numbers 2.5, 2.6 and 2.7 and Part 4 Number 4.8 to be covered by the Shortfall Margin Requirement as well as (B) the Shortfall Margin Amount in both the relevant Preliminary OTC Margin Call Report and OTC Margin Call Report.

A “**Preliminary OTC Margin Call Report**” means a preliminary report produced by Eurex Clearing AG and made available at 12:00 noon, 2 p.m. and 6 p.m. (each Frankfurt am Main time) that specifies the CCP Transactions arising pursuant to Part 2 Numbers 2.5, 2.6 and 2.7 and Part 4 Number 4.8 as well as the Shortfall Margin Amount as calculated by Eurex Clearing AG as per the time when the relevant Preliminary OTC Margin Call Report is made available (the “**Preliminary Shortfall Margin Amount**”).

An “**OTC Margin Call Report**” means a report produced by Eurex Clearing AG and made available at 1 p.m., 3 p.m., 7 p.m., and 10:30 p.m. (each Frankfurt am Main time) that specifies (i) the Original OTC Transactions which are to be novated in the course of the Daily Novation, (ii) the CCP Transactions arising pursuant to Part 2 Numbers 2.5, 2.6 and 2.7 and Part 4 Number 4.8 and (iii) the Final Shortfall Margin Amount.

The “**Final Shortfall Margin Amount**” shall be the lower of the (i) Preliminary Shortfall Margin Amount and (ii) the Shortfall Margin Amount calculated by Eurex Clearing AG as per the time when the relevant OTC Margin Call Report is made available.

- (c) Eurex Clearing AG will debit the Final Shortfall Margin Amount set forth in an OTC Margin Call Report in the agreed Clearing Currency from the relevant Currency Products Cash Account of the Clearing Member (as defined in Part 3 Number 3.1.3 Paragraph (4)), relevant Basic Clearing Member Cash Account or relevant OTC IRS U.S. Clearing Member Cash Account, as relevant, in accordance with the daily cash clearing procedure pursuant to Chapter I Part 1 Number 1.4.1. If such Clearing Currency can no longer be settled, Eurex Clearing AG shall convert the Final Shortfall Margin Amount in USD at the exchange rate determined by Eurex Clearing AG (as mentioned in the relevant Preliminary OTC Margin Call Report or OTC Margin Call Report).
- (d) The payment made by direct debit of the Final Shortfall Margin Amount determined in the OTC Margin Call Report produced and made available by

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Eurex Clearing AG at 1 p.m., 3 p.m. and 7 p.m. (each Frankfurt am Main time) shall constitute cover in respect of the Margin to which the margin requirement pursuant to Part 2 Number 2.1.7, Part 3 Number 3.1.6 or Part 4 Number 4.1.6, as applicable, relates and accordingly will constitute (i) Proprietary Margin or Omnibus Margin delivered by the Clearing Member pursuant to the Elementary Clearing Model Provisions, (ii) Segregated Margin delivered by the Clearing Member pursuant to the Individual Clearing Model Provisions, (iii) OTC IRS FCM Client Margin delivered by the relevant OTC IRS FCM Clearing Member for the account of the relevant OTC IRS FCM Client pursuant to the U.S. Clearing Model Provisions or (iv) Basic Clearing Member Margin delivered by the Basic Clearing Member pursuant to the Basic Clearing Member Provisions, if applicable. The payment made by direct debit of the Final Shortfall Margin Amount determined in the OTC Margin Call Report produced and made available by Eurex Clearing AG at 10:30 p.m. (Frankfurt am Main time) shall be treated accordingly and shall constitute cover either in respect of (i) the Proprietary Margin or Omnibus Margin delivered by the Clearing Member pursuant to the Elementary Clearing Model Provisions, (ii) the Segregated Margin delivered by the Clearing Member pursuant to the Individual Clearing Model Provisions, (iii) the OTC IRS FCM Client Margin delivered by the OTC IRS FCM Clearing Member for the account of the relevant OTC IRS FCM Client pursuant to the U.S. Clearing Model Provisions or (iv) the Basic Clearing Member Margin delivered by the Basic Clearing Member pursuant to the Basic Clearing Member Provisions, if applicable.

(e) Such amount shall be settled in full by the time when the relevant OTC Margin Call Report is published on the relevant Business Day pursuant to Paragraph (c) above.

(f) The margin call pursuant to this Number 1.2.3 Paragraph (10) applies in addition to the Margin Calls pursuant to Chapter I Part 1 Number 3.3, Part 2 Number 6.3, Part 3 Subpart A Number 5.3, Part 4 Number 6.3, Part 5 Number 5.3 and Part 6 Number 7.3, as applicable;

11. If such Original OTC Transaction is transmitted to the system of Eurex Clearing AG in order to be novated into an OTC Currency Transaction, then the novation of such Original OTC Transaction must not result in any of the Clearing Members exceeding on the two Business Days for the relevant Currency Pair (as set out in Part 3 Number 3.1.4.1 Paragraph (4)) immediately following the date of the novation:

(i) its respective GBP Maximum Amount (as applicable at the time of the proposed novation) also taking into account the relevant Clearing Member GBP OTC Currency Transactions Payment Obligation with respect to the same Settlement Date; and/or

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(ii) its respective USD Maximum Amount (as applicable at the time of the proposed novation) also taking into account the relevant Clearing Member USD OTC Currency Transactions Payment Obligation with respect to the same Settlement Date.

The terms "Clearing Member GBP OTC Currency Transactions Payment Obligation", "Clearing Member USD OTC Currency Transactions Payment Obligation", "GBP Maximum Amount" and "USD Maximum Amount" shall have the meanings given to such terms in Part 3 Number 3.2.1 Paragraph (1)(d) and the term "Settlement Date" shall have the meaning given to such term in Part 3 Number 3.2.1 Paragraph (1)(a); and

12. All applicable additional novation criteria set forth in ~~the following part of this Chapter VIII~~ Part 2, Part 3 and Part 4 (as applicable) are fulfilled.

- (2) If a novation criterion is not fulfilled but the relevant OTC Trade Novation Report has nevertheless been made available via the system of Eurex Clearing AG and, accordingly, novation is effective, Eurex Clearing AG is entitled to terminate the CCP Transactions by notifying the relevant Clearing Member(s) (in the case of an Original OTC Transaction to which an OTC IRS FCM Client is a party, the relevant OTC IRS FCM Clearing Member acting on behalf of such OTC IRS FCM Client) and the relevant Basic Clearing Member(s) (or the Clearing Agent(s) acting on behalf of the relevant Basic Clearing Member(s)) in writing (including by fax or e-mail) provided that none of the two CCP Transactions created upon novation of the Original OTC Transaction was subject to (i) any netting or accumulation pursuant to Part 2 Number 2.6 or Part 4 Number 4.8 or (ii) a transfer pursuant to Part 2 Number 2.7 or (iii) trade amendment pursuant to Part 2 Number 2.7.

[...]

1.2.4 Special Provisions with respect to the Conclusion of CCP Transactions

- (1) If (A) in the case of OTC Interest Rate Derivatives Transactions, the Clearing Member or, if applicable, the Basic Clearing Member holds an Interest Rate Derivatives Clearing License pursuant to Part 2 Number 2.1.3 or (B) in the case of OTC FX Transactions, the Clearing Member or holds an OTC Currency Products Clearing License, the Clearing Member or the Basic Clearing Member (or the Clearing Agent acting on behalf of the Basic Clearing Member) (i) authorises Eurex Clearing AG to capture and maintain records vis-à-vis the respective ATS, and (ii) confirms that it has appointed the relevant ATS to receive trade communications and generate and send trade communications to Eurex Clearing AG on its behalf for the Clearing Member or, if applicable, the Basic Clearing Member (or the Clearing Agent acting on behalf of the Basic Clearing Member). Eurex Clearing AG may rely on such trade communications.

[...]

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- (3) The Clearing Member or the Basic Clearing Member, as the case may be, agrees that upon acceptance of an Original OTC Transaction for inclusion in the Clearing by Eurex Clearing AG based on a Trade Record of an Original OTC Transaction (including, as the case may be, a Credit Limit Token) submitted by the ATS to Eurex Clearing AG on behalf of the Clearing Member or the Basic Clearing Member pursuant to Number 1.2.1, a Transaction will be concluded between Eurex Clearing AG and the Clearing Member on terms based on the Trade Record pursuant to Number 1.2.1 in conjunction with Number 1.2.2 Paragraph (2) of the General Clearing Provisions or between Eurex Clearing AG and the Basic Clearing Member on terms based on the Trade Record pursuant to Number 1.2.1 in conjunction with Number 1.3 Paragraph (2) of the Basic Clearing Member Provisions. The Clearing Member or the Basic Clearing Member, as the case may be, agrees to be legally bound by each such Transaction and acknowledges that no further specific agreement to be legally bound shall be required to be given by the Clearing Member or the Basic Clearing Member, as the case may be, at the time of the conclusion of such Transaction.

[...]

- (5) The Clearing Member, the OTC IRS FCM Client and the Basic Clearing Member should check without undue delay all notices and reports received from Eurex Clearing AG with regard to the correct conclusion of Transactions and inform Eurex Clearing AG of any mistakes, errors, omissions, deviations or irregularities in such notice or report in accordance with Chapter I Part 1 Number 4.6 of the General Clearing Provisions.

[...]

- (7) The Clearing Member ~~and~~, the Basic Clearing Member and the OTC IRS FCM Clearing Member acknowledge that Eurex Clearing AG does not assume any liability vis-à-vis them

[...]

1.2.7 Daily Novation Process

- (1) The novation and clearing process will be carried out on each Business Day (“Daily Novation”) for each Original OTC Transaction which has been submitted to Eurex Clearing AG via an ATS and which fulfils the applicable novation criteria. The novation process will be performed pursuant to the following paragraphs.
- (2) Original OTC Transactions that are to be included in the Clearing by way of Daily Novation may be submitted to Eurex Clearing AG at any point in time. On each Business Day between 8:00 a.m. (Frankfurt am Main time) and 9:59 p.m. (Frankfurt am Main time) Eurex Clearing AG processes and accepts or rejects Original OTC Transactions submitted to it for Clearing as quickly as technologically practicable, using automated systems. Original OTC Transactions which are submitted to Eurex Clearing AG at any other time will be processed and accepted or rejected at the

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beginning of the next Business Day. However, Original OTC Transactions submitted to Eurex Clearing AG at 10:00 pm (Frankfurt am Main time) may be processed and accepted or rejected on that or the next Business Day.

Original OTC Transactions which (i) have a minimum remaining term of one Business Day between the day of submission and the settlement of the near leg or the termination date and (ii) are not included in the Daily Novation on the Business Day on which they were submitted to Eurex Clearing AG via an ATS will be rejected for Clearing.

- (3) As a result of the novation process, all Original OTC Transactions which fulfil all novation criteria will be accepted for Clearing and all Original OTC Transactions which do not fulfil all novation criteria, including the requirement to provide sufficient Eligible Margin Assets in time according to Part 1 Number 1.2.3 Paragraph (1) Clause 9, will be rejected.
- (4) If an Original OTC Transaction has been accepted for Clearing, an OTC Trade Novation Report will be made available to the relevant Clearing Member (in respect of an OTC IRS FCM Client Transaction, to the relevant OTC IRS FCM Clearing Member acting on behalf of the relevant OTC IRS FCM Client) or to the relevant Basic Clearing Member (or Clearing Agent acting on behalf of the Basic Clearing Member) electronically via Eurex Clearing AG's system. The last OTC Trade Novation Report will be made available at or around 11:00 p.m. (Frankfurt am Main time). Such last OTC Trade Novation Report summarizes all novations of the respective Business Day.
- (5) Upon rejection of an Original OTC Transaction for Clearing, Eurex Clearing AG will inform the respective Clearing Member of such non-acceptance as quickly as technologically practicable.
- (6) A Clearing Member, a Registered Customer, an OTC IRS FCM Client or a Basic Clearing Member (or Clearing Agent acting on behalf of the Basic Clearing Member) may subsequently cancel the submission with respect to any CCP Transaction intended to be transferred pursuant to Part 2 Number 2.7 or to be terminated pursuant to Part 2 Number 2.8 and/or Part 4 Number 4.9, provided that (i) the cancellation request is entered by the Clearing Member (and, in respect of an OTC IRS FCM Client Transaction, by the relevant OTC IRS FCM Clearing Member acting on behalf of the relevant OTC IRS FCM Client), the Registered Customer, the OTC IRS FCM Client or the Basic Clearing Member (or Clearing Agent acting on behalf of the Basic Clearing Member) into the system of, and received by, Eurex Clearing AG, and (ii) each, the responsible Clearing Member, in case the request is entered by a Registered Customer, or the relevant OTC IRS FCM Clearing Member (acting on behalf of the relevant OTC IRS FCM Client), in case the request is entered on behalf of its OTC IRS FCM Client, and the other Clearing Member or Basic Clearing Member (or Clearing Agent acting on behalf of the Basic Clearing Member) that is a party to the relevant transaction have given their prior consent in the system of Eurex Clearing AG.

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[...]

1.5 Emergency Resolutions

- (1) The Executive Board of Eurex Clearing AG may adopt a resolution in response to Extraordinary Market Conditions (as defined in Chapter I Part 1 Number 17.3.1 Paragraph (2)) ("**Emergency Resolution**") which shall supersede and supplant all resolutions or provisions of this Chapter VIII of the Clearing Conditions that are contrary to or inconsistent with the Emergency Resolution, except for this provision. In urgent matters such decision may also be taken by a senior officer generally appointed by the Executive Board of Eurex Clearing AG for such purposes, ~~provided that~~ if the decision by such officer is afterwards approved by the Executive Board of Eurex Clearing AG.

[...]

1.6 Certain Definitions

In this Chapter VIII:

- (1) "**Bloomberg Screen**" means, when used in connection with any designated page, the display page so designated on the Bloomberg service, or any successor display page that has been officially designated by the sponsor of the original page or, if the sponsor has not officially designated a successor display page, the successor display page designated by the relevant information vendor or provider (if different from the sponsor).
- (2) "**Calculation Agent**" means Eurex Clearing AG.
- (3) "**EONIA**" is a reference rate equal to the overnight rate as calculated by the European Central Bank and appearing on the Reuters Screen EONIA Page in respect of the relevant day.
- (4) "**FEDFUND**" is a reference rate equal to the rate set forth in H.15(519) in respect of the relevant day under the caption "EFFECT", as such rate is displayed on the Reuters Screen FEDFUNDS1 Page. If such rate does not appear on the Reuters Screen FEDFUNDS1 Page, in respect of the relevant day, the rate for that day will be the rate displayed on the Reuters Screen FEDFUNDS1 Page in respect of the first preceding New York Banking Day.
- (5) "**ISDA**" means the International Swaps and Derivatives Association, Inc.
- (6) "**London Banking Day**", "**Zurich Banking Day**", "**New York Banking Day**", "**Frankfurt Banking Day**", "**Paris Banking Day**", "**Madrid Banking Day**", "**Brussels Banking Day**", "**Milan Banking Day**", "**Tokyo Banking Day**", "**Copenhagen Banking Day**", "**Stockholm Banking Day**", "**Oslo Banking Day**" and "**Warsaw Banking Day**" means, in respect of the relevant city, any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in that city.

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- (7) “Reuters Screen” means, when used in connection with any designated page and any Floating Rate, the display page so designated on the Reuters service, or any successor display page that has been officially designated by the sponsor of the original page or, if the sponsor has not officially designated a successor display page, the successor display page designated by the relevant information vendor or provider (if different from the sponsor).
- (8) “SONIA” is a reference rate equal to the overnight rate as calculated by the Wholesale Markets Brokers’ Association and appearing on the Reuters Screen SONIA Page in respect of the relevant day.
- (9) “TARGET Settlement Day” means a day on which TARGET2 (the Trans-European Automated Real-time Gross settlement Express Transfer system) is open.

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Part 2 Clearing of OTC Interest Rate Derivative Transactions

2.1 General Provisions

[...]

2.1.2 Consultation of Clearing Members and Basic Clearing Members/Committees

2.1.2.1 Determination of Transactions to be included in the Clearing

- (1) On the basis of the relevant Transaction Type specific novation criteria set out in Number 2.1.45.1 below, Eurex Clearing AG determines the ~~product types~~Product Types of OTC Interest Rate Derivative Transactions to be included in the Clearing of Eurex Clearing AG in consultation with the IRS Product Committee and publishes the relevant ~~product types~~Product Types on its website (www.eurexclearing.com).
- (2) Where a Trade Record containing an OTC Interest Rate Derivative Transaction which falls within a ~~product type~~Product Type recognised by Eurex Clearing AG pursuant to Paragraph (1) provides for any additional terms which are not contemplated in Numbers 2.2 to 2.4 below, such as e.g. optional or mandatory early termination provisions, such additional terms will not be included in the OTC Trade Novation Report and will not become part of the terms applicable to a CCP Transaction or a CM-RC Transaction, if applicable. Eurex Clearing AG will not store or record any data relating to such additional provisions.
- (3) Eurex Clearing AG will determine those ~~product types~~Product Types of OTC Interest Rate Derivative Transactions that may be cleared by OTC IRS FCM Clearing Members (acting for the account of OTC IRS FCM Clients) pursuant the U.S. Clearing Model Provisions ("**FCM OTC Interest Rate Derivatives Transactions**") in consultation with the IRS Product Committee and publish the relevant ~~product types~~Product Types on its website (www.eurexclearing.com).

The determination will be based upon a review of at least the following factors:

- (i) trading volume;
- (ii) liquidity;
- (iii) availability of reliable prices;
- (iv) ability of Eurex Clearing AG and the relevant OTC IRS ~~U.S. FCM~~ Clearing Members to gain access to the relevant market for purposes of creating, liquidating, transferring, auctioning, and/or allocating positions;
- (v) Eurex Clearing AG's capability to measure risk for setting appropriate margin requirements; and
- (vi) any unusual risk characteristics of a product.

All Transactions that may be cleared by OTC IRS FCM Clearing Members must be within a product class ~~of contracts~~ for which Eurex Clearing AG has been found eligible to offer clearing services by the CFTC.

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OTC IRS FCM Clearing Members may not clear any OTC Interest Rate Derivative Transactions which are not determined to be FCM OTC Interest Rate Derivatives Transactions pursuant to this Number 2.1.2.1 Paragraph (3).

2.1.2.2 IRS Product Committee

If at least 3 (three) Clearing Members (including Basic Clearing Members) are holders of an Interest Rate Derivatives Clearing License, Eurex Clearing AG shall establish a committee consisting of Clearing Members and/or Basic Clearing Members which are holders of an Interest Rate Derivatives Clearing License (as defined in Number 2.1.3) with respect to the following matters in connection with the Clearing of OTC Interest Rate Derivative Transactions (hereinafter the “**IRS Product Committee**”):

1. Determination of the ~~product types~~ Product Types of OTC Interest Rate Derivative Transactions, and

[...]

2.1.3 License for the Clearing of OTC Interest Rate ~~Derivative~~ Derivatives Transactions

The OTC Clearing License granted for the Clearing of OTC Interest Rate Derivative Transactions (the “**Interest Rate Derivatives Clearing License**”) entitles

- (i) the relevant General Clearing Member to clear OTC Interest Rate Derivative Transactions that are Own Transactions, RC-Related Transactions, UDC-Related Transactions, SC-Related Transactions or OTC IRS FCM Client Transactions (in respect of which the Clearing Member act as an OTC IRS FCM Clearing Member) under the Elementary Clearing Model Provisions, the Individual Clearing Model Provisions or the U.S. Clearing Model Provisions, as applicable;
- (ii) the relevant Direct Clearing Member to clear OTC Interest Rate Derivative Transactions that are Own Transactions under the Elementary Clearing Model Provisions; and
- (iii) the relevant Basic Clearing Member to clear OTC Interest Rate Derivative Transactions that are Own Transactions under the Basic Clearing Model Provisions; ~~without~~

Without prejudice to Number-2.1.2.1 Paragraph-(3), the relevant Clearing Member or Basic Clearing Member may elect that the Interest Rate Derivatives Clearing License shall be restricted to the Clearing of OTC Interest Rate Derivative Transactions in only some or one of the currencies referred to in Number 2.1.3.1.

[...]

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2.1.3.1 Requirements for the Granting of an Interest Rate Derivative ~~Derivatives~~ Clearing License

The general requirements for obtaining a Clearing License set out in Chapter I Part 1 ~~Number 2.1.1 to 2.1.3 and 2.3.1~~ shall apply ~~(except for subject to the provisions set out in this Chapter I Part 1 Number 2.1.2 Paragraph (4) (a) (cc) and Number 2.1.2 Paragraph (5) (e)).~~ VIII. In addition, the institution applicant applying for an Interest Rate Derivatives Clearing License shall meet the following requirements:

- (a) the institution applicant is a participant in an ATS;
- (b) confirmation that a license agreement is concluded between the institution applicant and Swaps Monitor Publications, Inc., New York for the usage of data to determine the relevant Business Day;

[...]

- (j) in the Interest Rate Derivatives Clearing License License of the relevant Clearing Member or Basic Clearing Member covers OTC Interest Rate Derivative Transactions in CHF, a bank cash account for CHF; and

[...]

2.1.5 Novation Criteria and Process Regarding OTC Interest Rate Derivative Transactions

[...]

2.1.5.1 Transaction Type Specific Novation Criteria

[...]

- (5) Minimum ~~residual~~ remaining term

[...]

- (7) Shortened or extended calculation period (stub period)

In case of IRS and OIS, any non-standard shortened or extended calculation period ("**Interest Rate Stub Period**"), if any, must meet the following criteria:

- (a) a short or long first calculation period ("**Interest Rate Front Stub Period**") and a short or long last calculation period ("**Interest Rate Back Stub Period**") may be specified for IRS and OIS, provided that:

- (aa) For floating rate versus floating rate basis swaps and OIS both ~~an Interest Rate Front Stub Period and an Interest Rate Back Stub Period~~ are not eligible. If both legs have ~~an Interest Rate Stub Period~~, these have to be of the same type, i.e. both Interest Rate Front Stub Periods or both Interest Rate Back Stub Periods;

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- (bb) For fixed rate versus floating rate IRS, up to two Interest Rate Stub Periods (Interest Rate Front Stub Periods and/or Interest Rate Back Stub Periods) per leg are eligible, whereby the following conditions have to be fulfilled: (i) If both legs have ~~an~~ Interest Rate Stub Period, these have to be of the same type, i.e. both Interest Rate Front Stub Periods or Interest Rate Back Stub Periods. (ii) If a leg has both ~~an~~ Interest Rate Front Stub Period and ~~an~~ Interest Rate Back Stub Period, then the other leg must have also both ~~an~~ Interest Rate Front Stub Period and ~~an~~ Interest Rate Back Stub Period.
- (cc) Interest Rate Stub Periods must not be specified for OTC Interest Rate Derivative Transactions with (i) payments of floating amounts which are calculated on a compounding basis (except OIS) as set out in Paragraph 4617 below, or (ii) zero coupon payments.
- (b) The minimum period length of short Interest Rate Stub Periods is one day. The maximum period length for long Interest Rate Stub Periods for both, fixed rate payments under IRS in any eligible currency, and OIS is not restricted. The maximum period length for long Interest Rate Stub Periods is one year and one month for floating rate payments under IRS in EUR or GBP. For floating rate payments under IRS in CHF, USD, DKK, NOK, PLN and JPY, the maximum length for long Interest Rate Stub Periods is seven months and for floating rate payments under IRS in SEK the maximum length for long Stub Periods is six months.
- (c) For IRS floating payments, the floating rates for Interest Rate Stub Periods must be specified in the Trade Record submitted via the ATS as follows:
- (aa) in case of ~~an~~ Interest Rate Front Stub Period, the applicable first fixed floating rate for the Interest Rate Stub Period is specified as such; or
- (bb) a floating rate index tenor is specified, which is used for the fixing in respect of the Interest Rate Stub Period. The following tenors (W = week(s), M = month(s), Y = year) are eligible: in case the currency is EUR: 1W, 2W, 1M, 2M, 3M, 6M, 9M, 1Y; in case the currency is GBP: 1W, 1M, 2M, 3M, 6M, 1Y; in case the currency is USD, CHF or JPY: 1W, 1M, 2M, 3M, 6M. Only neighboring tenors of the ~~stub period~~ Interest Rate Stub Period length are allowed (e.g. 2M or 3M for ~~stub period~~ Interest Rate Stub Period length 2M+1W). In case the currency is DKK, SEK, NOK or PLN, only subcase (aa) is accepted; or
- (cc) linear interpolation is specified, i.e. the floating rate for the relevant Interest Rate Stub Period is to be interpolated linearly between two specified rate index tenors. The interpolation tenors must be the two neighbours of the ~~stub period~~ Interest Rate Stub Period length (e.g. 2M and 3M for ~~stub period~~ Interest Rate Stub Period length 2M+1W). The eligible tenors are the

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same as for method (bb). In case the currency is DKK, SEK, NOK or PLN, only subcase (aa) is accepted; or

- (dd) a floating rate index tenor is specified, which is used for the fixing in respect of the Interest Rate Stub Period. The following tenors (W = week(s), M = month(s), Y = year) are eligible: in case the currency is EUR 3W, 4M, 5M, 7M, 8M, 10M, 11M; in case the currency is GBP: 2W, 4M, 5M, 7M, 8M, 9M, 10M, 11M; in case the currency is USD, CHF or JPY: 2W, 4M, 5M, 7M. In this case, a linear interpolation as laid out in subcase (cc) will be applicable.

(8) Floating rate indices

The floating rate index (Floating Rate Option or base rate) must be one of the following:

- (a) EUR-EURIBOR-~~REUTERS~~Reuters

[...]

- (~~ap~~) Non revised Eurozone Harmonised Indices of Consumer Prices excluding Tobacco ("**HICPxT**") (ZCIS in trade currency EUR);

- (~~aq~~) Non revised French Inflation Consumer Price Index excluding Tobacco ("**FRCPIx**") (ZCIS in trade currency EUR);

- (~~ar~~) Non revised UK Retail Price Index ("**UK RPI**") (ZCIS in trade currency GBP).

[...]

(11) Calculation periods

The calculation period(s) for payment(s) of floating amounts under the relevant OTC Interest Rate Derivative Transaction (other than OIS or an OTC Interest Rate Derivative Transaction in CHF, USD or JPY) must be one month, three months, six months or twelve months and the calculation period(s) for payment(s) of floating amounts under an OTC Interest Rate Derivative Transaction in CHF, USD or JPY must be one month, three months or six months (in all cases except for Interest Rate Stub Periods, zero coupon payments and payments on a compounding basis). For SEK three months, for DKK, NOK or PLN six months are supported. Where the relevant OTC Interest Rate Derivative Transaction is an OIS, floating amounts must be payable monthly, quarterly, semi-annually, annually or at maturity (except for Interest Rate Stub Periods). For ZCIS, only zero coupon payments are supported.

If a payment date for a fixed or floating rate payment is adjusted in accordance with any applicable business day convention, the ~~number~~number of days in the relevant calculation period may either be adjusted to the new payment date or remain unadjusted, which is to be specified in the Trade Record submitted via the ATS.

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Except for ZCIS and FRA, the start and end dates can be different for each swap leg.

[...]

(15) Business Day Convention

The business day convention must be one of the following as defined in Number 2.4 Paragraph (1): (i) Following, (ii) Modified Following, or (iii) Preceding;

(16) Special eligibility criteria for FRA

In case of FRA, no spread is specified, the FRA Amount is either payable on the effective date as a discounted amount or on the termination date, the discount rate and discount rate day count fraction (if applicable) are not defined separately from the floating rate and floating rate day count fraction and the calculation period is no longer than one year, Interest Rate Stub Periods are not permitted;

(17) Compounding

The floating leg (incl. spread) of an IRS can be subject to **Compounding** (also referred to as "**straight compounding**" if **Flat Compounding** is not specified as applicable) or **Flat Compounding**, each as defined in Number 2.2.4 below. Only standard monthly, quarterly, semi-annual and, in case of EUR and GBP only, annual floating rate indices can be referenced for payments made on a "**straight**" Compounding or Flat Compounding basis, i.e. no Interest Rate Stub Periods may be specified for such OTC Interest Derivative Transactions;

[...]

(20) Break Clauses

Break clauses (*Kündigungsrechte*) are not eligible for OTC Interest Rate Derivative Transactions. If Original OTC Transactions containing break clauses are submitted to Eurex Clearing AG for clearing, such break clauses will not be ~~recognized~~recognised in course of the novation.

2.1.5.2 Documentation of Original OTC Transactions

[...]

- (3) By entering into the relevant Clearing Agreement, the Clearing Member and the Registered Customer, the OTC IRS FCM Client or the Basic Clearing Member, respectively, declare(s) vis-à-vis Eurex Clearing AG that it has received a copy of the 2006 ISDA Definitions, as published by ~~the International Swaps and Derivatives Association, Inc. ("ISDA")~~, ISDA, and any supplements issued thereto as of the date of such Clearing Agreement.

[...]

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2.1.5.3 ~~Daily Novation Process~~

- ~~(1) The novation and clearing process will be carried out on each Business Day (“Daily Novation”) for each Original OTC Transaction which has been submitted to Eurex Clearing AG via an ATS and which fulfils the applicable novation criteria. The novation process will be performed pursuant to the following paragraphs.~~
- ~~(2) Original OTC Transactions that are to be included in the Clearing by way of Daily Novation may be submitted to Eurex Clearing AG at any point in time. On each Business Day between 8:00 am and 9:59pm (Frankfurt am Main time) Eurex Clearing AG processes and accepts or rejects Original OTC Transactions submitted to it for Clearing as quickly as technologically practicable, using automated systems. Original OTC Transactions which are submitted to Eurex Clearing AG at any other time will be processed and accepted or rejected at the beginning of the next Business Day. However, Original OTC Transactions submitted to Eurex Clearing AG at 10:00 pm (Frankfurt am Main time) may be processed and accepted or rejected that or the following Business Day.~~
- ~~(3) As a result of the novation process, all Original OTC Transactions which fulfil all novation criteria will be accepted for Clearing and all Original OTC Transactions which do not fulfil all novation criteria, including the requirement to provide sufficient Eligible Margin Assets in time according to Part 1 Number 1.2.3 Paragraph (1) Clause 9, will be rejected.~~
- ~~(4) If an Original OTC Transaction has been accepted for Clearing, an OTC Trade Novation Report will be made available to the relevant Clearing Member (in respect of an OTC IRS FCM Client Transaction, to the relevant OTC IRS FCM Clearing Member acting on behalf of the relevant OTC IRS FCM Client) or to the relevant Basic Clearing Member (or Clearing Agent acting on behalf of the Basic Clearing Member) electronically via Eurex Clearing AG's system. The last OTC Trade Novation Report will be made available at or around 23:00 CET. Such last OTC Trade Novation Report summarizes all Novations of the respective Business Day.~~
- ~~(5) Upon rejection of an Original OTC Transaction for Clearing, Eurex Clearing AG will inform the respective Clearing Member of such non-acceptance as quickly as technologically practicable.~~
- ~~(6) A Clearing Member, a Registered Customer, an OTC IRS FCM Client or a Basic Clearing Member (or Clearing Agent acting on behalf of the Basic Clearing Member) may subsequently cancel the submission with respect to any CCP Transaction intended to be transferred pursuant to Number 2.6 or to be terminated pursuant to 2.7, provided that (i) the cancellation request is entered by the Clearing Member (and, in respect of an OTC IRS FCM Client Transaction, by the relevant OTC IRS FCM Clearing Member acting on behalf of the relevant OTC IRS FCM Client), the Registered Customer, the OTC IRS FCM Client or the Basic Clearing Member (or Clearing Agent acting on behalf of the Basic Clearing Member) into the system of, and received by, Eurex Clearing AG, and (ii) each, the responsible Clearing Member, in case the request is entered by a Registered Customer, or the relevant~~

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~~OTC IRS FCM Clearing Member (acting on behalf of the relevant OTC IRS FCM Client), in case the request is entered on behalf of its OTC IRS FCM Client, and the other Clearing Member or Basic Clearing Member (or Clearing Agent acting on behalf of the Basic Clearing Member) that is a party to the relevant transaction have given their prior consent in the system of Eurex Clearing AG.~~

2.1.5.4 — Scheduled Intraday Margin Calls

~~(1) If Eurex Clearing AG determines that the aggregate value of the Eligible Margin Assets actually delivered to Eurex Clearing AG is insufficient to provide the cover required in order to fulfil the margin requirement (as set forth in Number 2.1.7) also taking into account all CCP Transactions pursuant to Numbers 2.6, 2.7 and Number 2.8 (any such shortfall the “**Shortfall Margin Requirement**”), Eurex Clearing AG will require from the Clearing Member (in the case of CCP OTC IRS FCM Client Transactions, from the relevant OTC IRS FCM Clearing Member acting for the account of the relevant OTC IRS FCM Client) or from the Basic Clearing Member intra-day to provide additional Eligible Margin Assets in an amount up to the Shortfall Margin Requirement in accordance with the following provisions.~~

~~(2) The Transactions resulting from CCP Transactions pursuant to Numbers 2.6, 2.7 and Number 2.8 to be covered by, as well as the amount of, the Shortfall Margin Requirement shall be notified by Eurex Clearing AG in a Preliminary OTC Margin Call Report and an OTC Margin Call Report.~~

~~— A “**Preliminary OTC Margin Call Report**” means a preliminary report produced by Eurex Clearing AG and made available at 12:00 noon, 2:00 pm and 6:00 pm (each Frankfurt am Main time) that specifies the respective CCP Transactions pursuant to Numbers 2.6, 2.7 and 2.8, to which the Shortfall Margin Requirement applies and the amount of the Shortfall Margin Requirement calculated by Eurex Clearing AG as per the time when the relevant Preliminary OTC Margin Call Report is made available (the “**Preliminary Shortfall Margin Amount**”).~~

~~— An “**OTC Margin Call Report**” means a report produced by Eurex Clearing AG and made available at 1:00 pm, 3:00 pm, 7:00 pm, and 10:30 pm (each Frankfurt am Main time) that specifies the respective CCP Transactions, to which the Shortfall Margin Requirement applies as well as the Final Shortfall Margin Amount.~~

~~— The “**Final Shortfall Margin Amount**” shall be the lower of the (i) Preliminary Shortfall Margin Amount and (ii) the amount of the Shortfall Margin Requirement calculated by Eurex Clearing AG as per the time when the relevant OTC Margin Call Report is made available.~~

~~(3) Eurex Clearing AG will debit the Final Shortfall Margin Amount set forth in an OTC Margin Call Report in the agreed Clearing Currency from the relevant Clearing Member Cash Account, relevant Basic Clearing Member Cash Account or relevant OTC IRS U.S. (4) — The payment made by direct debit of the Final Shortfall Margin Amount determined in the OTC Margin Call Report produced and made available by Eurex Clearing AG at 1:00 pm, 3:00 pm and 7:00 pm (each Frankfurt am Main time)~~

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~~shall constitute cover in respect of the Margin to which the margin requirement pursuant to Number 2.1.7 relates and accordingly will constitute (i) Proprietary Margin or Omnibus Margin delivered by the Clearing Member pursuant to the Elementary Clearing Model Provisions, (ii) Segregated Margin delivered by the Clearing Member pursuant to the Individual Clearing Model Provisions, (iii) OTC IRS FCM Client Margin delivered by the relevant OTC IRS FCM Clearing Member for the account of the relevant OTC IRS FCM Client pursuant to the U.S. Clearing Model Provisions or (iv) Basic Clearing Member Margin delivered by the Basic Clearing Member pursuant to the Basic Clearing Member Provisions. The payment made by direct debit of the Final Shortfall Margin Amount determined in the OTC Margin Call Report produced and made available by Eurex Clearing AG at 10:30 pm (Frankfurt am Main time) shall be treated accordingly and shall constitute cover either in respect of (i) the Proprietary Margin or Omnibus Margin delivered by the Clearing Member pursuant to the Elementary Clearing Model Provisions, (ii) the Segregated Margin delivered by the Clearing Member pursuant to the Individual Clearing Model Provisions, (iii) the OTC IRS FCM Client Margin delivered by the OTC IRS FCM Clearing Member for the account of the relevant OTC IRS FCM Client pursuant to the U.S. Clearing Model Provisions or (iv) the Basic Clearing Member Margin delivered by the Basic Clearing Member pursuant to the Basic Clearing Member Provisions.~~

- ~~(5) Such amount shall be settled in full by the time when the relevant OTC Margin Call Report is published on the relevant Business Day pursuant to Paragraph (3) above.~~
- ~~(6) The margin call pursuant to this Number 2.1.4.4 applies in addition to the Margin Calls pursuant to Chapter I Part 1 Number 3.3, Part 2 Subpart A Number 4.2, Part 3 Subpart A Number 5.3, Part 4 Number 5.3 and Part 5 Number 7.3.~~

2.1.5.35 Bulk Backloading of Original OTC Transactions

[...]

- (3) Bulk Backloaded Original OTC Transactions that are to be included in the Clearing by way of novation may be submitted to Eurex Clearing AG at any point in time. Bulk Backloaded Original OTC Transactions which are submitted prior to ~~3:00 pm p.m.~~ 3:00 p.m. (Frankfurt am Main time) on a Business Day and which fulfil all applicable novation criteria will be included in the novation process on such Business Day.
- (4) The novation process for OTC Bulk Backloaded Original Transactions which are submitted ~~beyond~~after ~~3:00 pm p.m.~~ 3:00 p.m. (Frankfurt am Main time) on a Business Day will be carried out on the ~~following~~ next Business Day.
- (5) At ~~3:00 pm p.m.~~ 3:00 p.m. and ~~5:00 pm p.m.~~ 5:00 p.m. (each Frankfurt am Main time) on each Business Day Eurex Clearing AG will make available to the Clearing Member (in the case of an OTC IRS FCM Client Transaction, to the OTC IRS FCM Clearing Member acting on behalf of the relevant OTC IRS FCM Client) and Registered Customer or the Basic Clearing Member (or Clearing Agent acting on behalf of the Basic Clearing Member) a preliminary report indicating the Bulk Backloading Original OTC

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Transactions which have been received for Clearing and which fulfil the novation criteria pursuant to Number 2.1.45.1, ~~and~~ the Margin Requirement as well as any shortage in actually delivered ~~eligible~~ Eligible Margin Assets.

- (6) Bulk Backloaded Original OTC Transactions which, on the day of submission, fulfil all novation criteria shall be novated on that Business Day. The novation will become effective when the respective OTC Trade Novation Report will be made available intraday at around 5:30 ~~pm~~ p.m. (Frankfurt am Main time) and at the end of a Business Day at or around 11:00 ~~pm~~ p.m. (Frankfurt am Main time).
- (7) For Bulk Backloaded Original OTC Transactions which, on the day of submission, fulfil all novation criteria except for the provision of the ~~Eligible Margin Asset~~ Assets necessary to cover the margin requirement Eurex Clearing AG will debit the shortfall amount set forth in the OTC Margin Call Report produced and made available at 10:30 ~~pm~~ p.m. (Frankfurt am Main time) in the agreed Clearing Currency from the relevant Clearing Member Cash Account, relevant OTC IRS U.S. Clearing Member Cash Account or Basic Clearing Member Cash Account, as relevant, in accordance with the daily cash clearing procedure pursuant to Chapter I Part 1 Number 1.4.1. Such payment made by direct debit shall constitute cover in respect of the Margin to which the margin requirement referred to in the foregoing sentence relates and accordingly will constitute (i) Proprietary Margin or Omnibus Margin delivered by the Clearing Member pursuant to the Elementary Clearing Model Provisions, (ii) Segregated Margin delivered by the Clearing Member pursuant to the Individual Clearing Model Provisions, (iii) OTC IRS FCM Client Margin delivered by the OTC IRS FCM Clearing Member for the account of the relevant OTC IRS FCM Client pursuant to the U.S. Clearing Model Provisions or (iv) Basic Clearing Member Margin delivered by the Basic Clearing Member pursuant to the Basic Clearing Member Provisions. Eurex Clearing AG will make available an OTC Trade Novation Report on the Business Day following the day of submission at or around 9:30 ~~am~~ a.m. (Frankfurt am Main time) to the Clearing Member (in the case of an OTC IRS FCM Client Transaction, to the OTC IRS FCM Clearing Member acting on behalf of the relevant OTC IRS FCM Client) and the Registered Customer or the Basic Clearing Member (or the Clearing Agent acting on behalf of the Basic Clearing Member).
- (8) A Clearing Member (in the case of an OTC IRS FCM Client Transaction, the OTC IRS FCM Clearing Member acting on behalf of the relevant OTC IRS FCM Client), Registered Customer or a Basic Clearing Member (or a Clearing Agent acting on behalf of the Basic Clearing Member) may subsequently cancel the submission with respect to any Bulk Backloading Original OTC Transaction submitted to Eurex Clearing AG via an ATS and intended to be novated by the latest by 5:00 ~~pm~~ p.m. (Frankfurt am Main time) on a Business Day, provided that

[...]

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2.1.6 Daily Evaluation Price

Eurex Clearing AG determines the daily evaluation price on the basis of (i) the fixings published on the Reuters ~~screen~~ Screen page as defined for the relevant floating rate in Number 2.2.5 Paragraph (1) below and (ii) the raw market quotes underlying the discount and forecast curve provided by a recognised third party provider, in each case as of the day of the determination of the daily evaluation price (each such day a "Reset Date" for the purposes of Number 2.2.5 Paragraph (1)). Where no information on the relevant rates is available on the relevant screen page, Eurex Clearing AG will determine the daily evaluation price based on quotes obtained from major banks in accordance with Number 2.2.5 Paragraph (95) below.

2.1.7 Margin Requirements

[...]

- (3) The Variation Margin Requirement, OTC IRS FCM Client Variation Margin Requirement or Basic Clearing Member Variation Margin Requirement (each as defined in Chapter I Part 2 Subpart A Number 5, Subpart B Number 6, Subpart C Number 7, Part 3 Subpart A Number 6, Part 4 Number 6 or Part 5 Number 8, as applicable), and/or any Redelivery Amount, as the case may be, for CCP Transactions that are OTC Interest Rate Derivative Transactions and CTM Transactions shall equal the profit or loss amount determined on any Business Day on the basis of the daily evaluation price (Number 2.1.5) as follows: For each outstanding CCP Transaction concluded prior to the relevant Business Day, the relevant profit ~~or~~ and loss amount shall be the difference between the daily evaluation prices of the CCP Transaction on the relevant Business Day and the previous Business Day. For CCP Transactions concluded on the relevant Business Day, the relevant profit ~~or~~ and loss amount shall be the difference between zero and the daily evaluation price for such Business Day. Additionally, the Variation Margin, the FCM Client Variation Margin or the Basic Clearing Member Variation Margin includes two correction terms for considering the time delay between its calculation and settlement. For this purpose, the trade related cash flows (including coupon payments and transaction fees) on the current Business Day are added and the trade related cash flows (including coupon payments and transaction fees) on the next Business Day (second next Business Day for DKK, NOK, SEK and JPY) of the respective currency are subtracted.
- (4) ~~In addition to Variation Margin, Eurex Clearing AG will~~ shall charge ~~the price alignment interest ("PAI") to the Clearing Member, the OTC IRS FCM Clearing Member (for the account of the OTC IRS FCM Client) or the Basic Clearing Member together with, as the case may be, interest (the so-called price alignment interest ("PAI")) on the cumulative Variation Margin, the cumulative OTC IRS FCM Client Variation Margin or the cumulative Basic Clearing Member Variation Margin, ~~as the case may be. It~~ respectively, at the applicable overnight interest rate. PAI corresponds to the overnight interest paid or received on the cumulative Variation Margin, the cumulative OTC IRS FCM Client Variation Margin or the cumulative Basic Clearing Member Variation Margin over the lifetime of the IRS portfolio. The~~

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cumulative Variation Margin, the cumulative OTC IRS FCM Client Variation Margin or the cumulative Basic Clearing Member Variation Margin, respectively, of the previous Business Day corresponds to the value of the IRS portfolio on the previous Business Day.

If the overnight interest rates are positive and, from ~~and~~ a Clearing Member's ~~Member's~~, an OTC IRS FCM Client's ~~Client's~~ or a Basic Clearing Member's ~~Member's~~ perspective, the value of the IRS portfolio is positive, Eurex Clearing AG will charge PAI to the Clearing Member, the OTC IRS FCM Client or the Basic Clearing Member. If the overnight interest rates are positive and from a Clearing Member's ~~Member's~~, an OTC IRS FCM Client's ~~Client's~~ or a Basic Clearing Member's ~~Member's~~ perspective, the value of the IRS portfolio is negative, Eurex Clearing AG will credit PAI to the Clearing Member, the OTC IRS FCM Client or Basic Clearing Member. In case of negative overnight interest rates, Eurex Clearing AG (i) will credit PAI to a Clearing Member, an OTC IRS FCM Client or Basic Clearing Member if, from a Clearing Member's, an OTC IRS FCM Client's or a Basic Clearing Member's perspective, the value of the IRS portfolio is positive and (ii) will charge PAI to the Clearing Member, the OTC IRS FCM Client or the Basic Clearing Member if, from the Clearing Member's ~~Member's~~, OTC IRS FCM Client's ~~Client's~~ or Basic Clearing Member's ~~Member's~~ perspective, the value of the IRS portfolio is negative.

[...]

2.1.9 Calculation Agent

~~Eurex Clearing AG shall act as calculation agent (the "The Calculation Agent") with respect to the calculation of~~ shall calculate the fixed and floating amounts (including the determination of the applicable floating rate/base rate) as well as any close-out amounts or cash settlement amounts that (a) are payable upon termination or novation of CCP Transactions and (b) are to be determined by the Calculation Agent pursuant to this Part 2. To the extent calculations, determinations or other ~~actions~~ actions have to be made or taken under the 2006 ISDA Definitions, Section 4.14 of the 2006 ISDA Definitions shall apply provided that any notices to be given by ~~the~~ Eurex Clearing AG in its capacity as Calculation Agent will be made available by Eurex Clearing AG in its system for purposes of both CCP Transactions and CM-RC Transactions. For the avoidance of doubt, in its ~~function~~ capacity as Calculation Agent, the liability of Eurex Clearing AG shall be restricted in accordance with the provisions set out in Chapter I Part 1 Number 14.1.2 of the Clearing Conditions.

2.2 General product-related terms for OTC Interest Rate Derivative Transactions

[...]

2.2.1 Payment Obligations

[...]

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- (2) Payments of Fixed Amounts or Floating Amounts due on the next scheduled payment date after the date on which novation of the relevant Original OTC Transaction has taken place shall be effected in accordance with the Clearing Conditions for the entire calculation period. This also applies if part of the calculation period has already elapsed at the day of novation.

[...]

- (4) If after adjustment in accordance with the applicable business day conventions, payments of Fixed Amounts or Floating Amounts become due on a ~~Payment Date~~ payment date which is not a ~~day on which TARGET2 (the Trans-European Automated Real-time Gross settlement Express Transfer system) is open (a "TARGET Settlement Day")~~,² such payments shall become payable on the next TARGET Settlement Day. For the period from (and including) the scheduled payment date until (and excluding) the next following TARGET Settlement Day, interest will be payable by the relevant fixed rate payer or floating rate payer on the relevant Fixed Amount or Floating Amount payable at a rate equal to EONIA (in case of Euro payments), SONIA (in case of GBP payments), FED FUNDS (in case of USD payments), ~~SARONTOIS~~ (in case of CHF payments), NOWA (in case of NOK payments), POLONIA (in case of PLN payments), the T/N -Rate (published by the Danish National Bank) (in case of DKK payments), STIBOR T/N (in case of SEK payments) or TONAR (in case of JPY payments).

[...]

2.2.2 References to Market Standard OTC Interest Rate Derivatives Documentation

- (1) Notwithstanding any selection of the 2000 ISDA Definitions or 2006 ISDA Definitions in the data to be transmitted via the ATS and subject to Number 2.2.6 (~~Day Count Fractions~~ Conventions) below, (a) the 2006 ISDA Definitions, as published by ISDA, shall apply to all CCP Transactions and CM-RC Transactions that are ISDA Interest Rate Derivative Transactions and (b) the 2000 ISDA Definitions or 2006 ISDA Definitions shall not apply to DRV Interest Rate Derivative Transactions except that (i) the definitions relating to compounding set forth in Section 6.3 of the 2006 ISDA Definitions, which are referenced in the last sub-paragraph of Number 2.2.4 Paragraph (1) below, and (ii) Section 8.3 of the 2006 ISDA Definitions relating to Linear Interpolation, which is referenced in Number 2.2.4 Paragraph (4) below shall also apply to DRV Interest Rate Derivative Transactions.

[...]

- (3) For the purposes of ~~these Clearing Conditions~~ this Part 2, references in the 2006 ISDA Definitions to a "Swap Transaction" shall be deemed to be references to a CCP Transaction and a CM-RC Transaction, as applicable, that are OTC Interest Rate Derivative Transactions. Any reference in the 2006 ISDA Definitions to a "Confirmation" shall be a reference to the Clearing Conditions in conjunction with the relevant OTC Trade Novation Report.

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[...]

2.2.3 Calculation of Fixed Amount

[...]

2.2.4 Calculation of Floating Amount

[...]

(3) [...]

If such sum is positive, then the Floating Rate Payer with respect to the Floating Amount so calculated (such party is referred to in the next sentence as the “scheduled payer”) will pay that Floating Amount to the other party (such party is referred to in the next sentence as the “scheduled payee”). If such sum is negative, the Floating Amount payable by the scheduled payer will be deemed to be zero, and the scheduled payee will, in turn, pay to the scheduled payer the absolute value of the negative Floating Amount as calculated.

[...]

2.2.5 Rates for calculating the Floating Amount

(1) [...]

- (a) **“EUR-EURIBOR-Reuters”** means that the rate for a Reset Date will be the rate for Euro deposits for a period of the Designated Maturity which appears on the Reuters Screen EURIBOR01 Page as of 11:00, a.m., Brussels time. If a corrected rate is delivered till 4:53:00 p.m. Brussels time, then this rate will be used.
- (b) **“GBP-LIBOR-BBA”** means that the rate for a Reset Date will be the rate for deposits in ~~Sterling~~ GBP for a period of the Designated Maturity which appears on the Reuters Screen LIBOR01 Page as of 11:00, a.m., London time.
- (c) **“USD-LIBOR-BBA”** means that the rate for a Reset Date will be the rate for deposits in ~~U.S. Dollars~~ USD for a period of the Designated Maturity which appears on the Reuters Screen LIBOR01 Page as of 11:00, a.m., London time.
- (d) **“CHF-LIBOR-BBA”** means that the rate for a Reset Date will be the rate for deposits in Swiss Francs for a period of the Designated Maturity which appears on the Reuters Screen LIBOR01 Page as of 11:00, a.m., London time.
- (e) **“JPY-LIBOR-BBA”** means that the rate for a Reset Date will be the rate for deposits in Japanese Yen for a period of the Designated Maturity which appears on the Reuters Screen 3750 Page as of 11:00, a.m., London time.

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- (f) “**DKK-CIBOR-DKNA13**” and “**DKK-CIBOR2-DKNA13**” means that the rate for a Reset Date will be the rate for deposits in Danish Krone for a period of the Designated Maturity which appears on the Reuters Screen DKNA13 Page as of 11:00, a.m., Copenhagen time.

[...]

- (h) “**PLN-WIBOR-WIBO**” means that the rate for a Reset Date will be the offered rate for deposits in Polish Zloty for a period of the Designated Maturity which appears on the Reuters Screen ~~WIBOWIBOR~~ Page as of 11:00, a.m., Warsaw time.

If such rate does not appear on the Reuters Screen ~~54-WIBOWIBOR~~ Page, the rate for that Reset Date will be determined as if the parties had specified “PLNWIBOR-Reference Banks” as the applicable Floating Rate Option.

- (i) “**SEK-STIBOR-SIDE**” means that the rate for a Reset Date will be the rate for deposits in Swedish Krona for a period of the Designated Maturity which appears on the Reuters Screen SIDE Page under the caption “FIXINGS” as of 11:00, a.m., Stockholm time.

[...]

- (4) [...]

If a floating rate is to be determined with respect to ~~aan~~ an Interest Rate Stub Period and “**Linear Interpolation**” is not specified as applicable with respect to such determination, the floating rate for such Interest Rate Stub Period shall be determined pursuant to Number 2.1.45.1 Paragraph (7) (c) (aa), (bb) or (dd), as applicable.

- ~~(5) “**London Banking Day**”, “**Zurich Banking Day**”, “**New York Banking Day**”, “**Frankfurt Banking Day**”, “**Paris Banking Day**”, “**Madrid Banking Day**”, “**Brussels Banking Day**”, “**Milan Banking Day**”, “**Tokyo Banking Day**”, “**Copenhagen Banking Day**”, “**Stockholm Banking Day**”, “**Oslo Banking Day**” and “**Warsaw Banking Day**” means, in respect of any city, any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in that city “**Target Banking Day**” means any day on which TARGET 2 is open.~~

- ~~(6) “**IMM Days**” means the third Wednesday of March, June, September and December (i.e., between the 15th and 21st, whichever such day is a Wednesday), and IMM stands for the International Money Market~~

- ~~(7) “**Reuters Screen**” means, when used in connection with any designated page and any Floating Rate, the display page so designated on the Reuters service, or any successor display page that has been officially designated by the sponsor of the original page or, if the sponsor has not officially designated a successor display~~

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~~page, the successor display page designated by the relevant information vendor or provider (if different from the sponsor).~~

~~(8) “**Bloomberg Screen**” means, when used in connection with any designated page and any Floating Rate Option, the display page so designated on the Bloomberg service, or any successor display page that has been officially designated by the sponsor of the original page or, if the sponsor has not officially designated a successor display page, the successor display page designated by the relevant information vendor or provider (if different from the sponsor).~~

~~(9) Where the relevant rate is not available on the relevant screen page pursuant to Paragraph (1) (a) to (e) above~~

~~(5) Where the Relevant Rate (in case of ISDA Interest Rate Derivative Transactions) or Base Rate (in case of DRV Interest Rate Derivative Transactions) is not available on the relevant screen page, Eurex Clearing AG determines the applicable rate in its reasonable discretion on the basis of the arithmetic mean of the rates at which deposits (in the relevant contractual currency, with an equivalent maturity and in the same, or approximately the same, notional amount) are offered by at least four major banks to prime banks in the relevant interbank market at approximately the time at which the relevant rate should have been available on the applicable screen.~~

2.2.6 Day Count Conventions

[...]

(8) 1/1, which is the standard ~~daycount~~day count convention for ZCIS and which shall have the meaning given to “1/1” in the 2006 ISDA Definitions.

2.2.7 OIS Rate Calculation

[...]

~~“**CHF SARON OIS COMPOUND**” means that the rate for a Reset Date, calculated in accordance with the formula set forth below in this subparagraph, will be the rate of return of a daily compound interest investment (it being understood that the reference rate for the calculation of interest is the Swiss Franc Repo daily overnight reference rate).~~

~~“**CHF SARON OIS COMPOUND**” will be calculated as follows, and the resulting percentage will be rounded, if necessary, in accordance with the method set forth in Section 8.1(a) of the Supplement number 51 to the 2006 ISDA Definitions or, in the case of DRV Interest Rate Derivative Transactions, Number 2.4 Paragraph (3) below, but to the nearest on ten thousandth of a percentage point (0.0001 per cent):~~

where:

~~“**d₀**”, for any Calculation Period, is the number of Zurich Banking Days in the relevant Calculation Period;~~

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~~“i” is a series of whole numbers from one to d₀, each representing the relevant Zurich Banking Days in chronological order from, and including, the first Zurich Banking Day in the relevant Calculation Period;~~

~~“SARON_i”; for any day “i” in the relevant Calculation Period, is a reference rate equal to the rate for overnight repo transactions in Swiss Francs which appears on the Thomson Reuters Screen SARON.S under the heading ‘CLSFIX’ at or after 6:00 p.m., Zurich time, in respect of that day or, if such rate does not appear on the Thomson Reuters Screen SARON.S by 8 p.m. on such day, the rate for that day will be determined by Eurex Clearing AG.~~

~~“n_i”, is the number of calendar days in the relevant Calculation Period on which the rate is SARON_i; and~~

~~“d” is the number of calendar days in the relevant Calculation Period.~~

[...]

~~“TOIS_i”; for any day “i” in the relevant Calculation Period, is a reference rate equal to the rate for tomorrow next deposits in Swiss Francs which appears on the Reuters Screen CHFTOIS= as of 11:00 a.m. Zurich time, on the day that is one Zurich Banking Day preceding that day;~~

~~“n_i”, is the number of calendar days in the relevant Calculation Period on which the rate is TOIS_i; and~~

~~“d” is the number of calendar days in the relevant Calculation Period.~~

“CHF-SARON-OIS-COMPOUND” means that the rate for a Reset Date, calculated in accordance with the formula set forth below in this subparagraph, will be the rate of return of a daily compound interest investment (it being understood that the reference rate for the calculation of interest is the Swiss Franc Repo daily overnight reference rate).

“CHF-SARON-OIS-COMPOUND” will be calculated as follows, and the resulting percentage will be rounded, if necessary, in accordance with the method set forth in Section 8.1(a) of the Supplement number 51 to the 2006 ISDA Definitions or, in the case of DRV Interest Rate Derivative Transactions, Number 2.4 Paragraph (3) below, but to the nearest on ten-thousandth of a percentage point (0.0001 per cent):

where:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{SARON_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

“d₀”, for any Calculation Period, is the number of Zurich Banking Days in the relevant Calculation Period;

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“i” is a series of whole numbers from one to d_0 , each representing the relevant Zurich Banking Days in chronological order from, and including, the first Zurich Banking Day in the relevant Calculation Period;

“TOIS_i”; for any day “i” in the relevant Calculation Period, is a reference rate equal to the rate for overnight repo transactions in Swiss Francs which appears on the Thomson Reuters Screen SARON.S under the heading ‘CLSFIX’ at or after 6:00 p.m., Zurich time, in respect of that day or, if such rate does not appear on the Thomson Reuters Screen SARON.S by 8 p.m. on such day, the rate for that day will be determined by Eurex Clearing AG.

“n_i”, is the number of calendar days in the relevant Calculation Period on which the rate is SARON_i; and

“d” is the number of calendar days in the relevant Calculation Period.

[...]

2.5 **Interest Rate Derivatives Multilateral Compression**

- (1) Eurex Clearing AG may from time to time agree with one or more Clearing Members on the termination of CCP Transactions that are OTC Interest Rate Derivative Transactions and their subsequent replacement with other CCP Transactions whose combined notional value is less than that of the terminated CCP Transactions (a **“Interest Rate Derivatives Multilateral Compression”**). Interest Rate Derivatives Multilateral Compression may only include CCP Transactions that are Own Transactions, regardless of whether a Clearing Member has made an STM Election.
- (2) Interest Rate Derivatives Multilateral Compression takes place by way of novation on the terms of a proposal of TriOptima AB (Accepted Unwind Proposal) and as of the time when TriOptima AB receives the respective clearing confirmation from Eurex Clearing AG (Eurex Clearing Confirmation) (the **“Interest Rate Derivatives Compression Time”**).

2.5.1 **Interest Rate Derivatives Compression Run**

- (1) The process leading to ~~aan~~ an Interest Rate Derivatives Multilateral Compression (a **“an Interest Rate Derivatives Compression Run”**) is operated by a third party compression services provider appointed by Eurex Clearing AG (a **“Interest Rate Derivatives CSP”**) and carried out on the basis of documentation as agreed between Eurex Clearing AG, the relevant Interest Rate Derivatives CSP and the Clearing Members participating in the Interest Rate Derivatives Compression Run (the **“Interest Rate Derivatives Compression Documentation”**).
- (2) Participation in ~~aan~~ an Interest Rate Derivatives Compression Run presupposes that the Clearing Member:
 - (a) is a party to the Interest Rate Derivatives Compression Documentation up to and including the Interest Rate Derivatives Compression Time;

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- (b) eligible to participate in the Interest Rate Derivatives Compression Run according to the requirements determined by Eurex Clearing AG and those set out in the Interest Rate Derivatives Compression Documentation; and
 - (c) has nominated those CCP Transactions which it wishes to make available for Interest Rate Derivatives Multilateral Compression in accordance with the Interest Rate Derivatives Compression Documentation.
- (3) In relation to each Interest Rate Derivatives Compression Run, Eurex Clearing will instruct the Interest Rate Derivatives CSP according to the Interest Rate Derivatives Compression Documentation to:
- (a) notify Clearing Members meeting the criteria under Paragraph (2) of the timing and procedure for the Interest Rate Derivatives Compression Run;
 - (b) produce a statement as to the proposed set of terminating CCP Transactions and the proposed set of resulting CCP Transactions to which each participating Clearing Member is or will become party to (the "**Interest Rate Derivatives Compression Proposal**"); and to
 - (c) communicate such Interest Rate Derivatives Compression Proposal to each participating Clearing Member for acceptance in the manner contemplated in the Interest Rate Derivatives Compression Documentation.
- (4) Eurex Clearing reserves the right to determine in its sole discretion whether CCP Transactions proposed for inclusion in an Interest Rate Derivatives Compression Run may be so included.
- (5) Eurex Clearing AG may disclose details of any CCP Transaction to be included in an Interest Rate Derivatives Compression Run and related information in respect of participating Clearing Members to the Interest Rate Derivatives CSP in order to facilitate the Interest Rate Derivatives Compression Run.
- (6) In order to facilitate the Interest Rate Derivatives Compression Run, Eurex Clearing AG may lock CCP Transactions which are included in an Interest Rate Derivatives Compression Run for such processing as described in Numbers 2.6 - 2.8 (Trade Netting and Accumulation, Transfer of CCP Transactions and Account Transfer and Termination).
- (7) The Interest Rate Derivatives CSP will provide information on termination fees related to an Interest Rate Derivatives Compression Run to Eurex Clearing AG on an aggregated basis per Clearing Member. Eurex Clearing AG has the right to apply a proportional breakdown of such fees to trade level, taking into account the mark to market value per terminated trade and the aggregated mark to market value of terminated trades per Clearing Member, both as calculated by Eurex Clearing AG. Number 2.1.45.1 Paragraph (3) applies *mutatis mutandis* to such termination fees.

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2.5.2 Acceptance of Interest Rate Derivatives Compression Proposal

- (1) Interest Rate Derivatives Multilateral Compression shall take place in accordance with the terms of a Interest Rate Derivatives Compression Proposal which has been accepted by all participating Clearing Members in the manner and by the time specified in the Interest Rate Derivatives Compression Documentation. ~~The~~The Interest Rate Derivatives CSP's confirmation to Eurex Clearing AG that a Clearing Member has accepted the Interest Rate Derivatives Compression Proposal shall constitute a binding offer by such Clearing Member to Eurex Clearing AG for the novation of CCP Transactions as set out in the Interest Rate Derivatives Compression Proposal.
- (2) Subsequent to a Clearing Member's acceptance of ~~an~~ Interest Rate Derivatives Compression Proposal but prior to the Interest Rate Derivatives Compression Time, Eurex Clearing AG may require the Clearing Member to provide additional Margin in relation to the CCP Transactions that will result from the Interest Rate Derivatives Multilateral Compression. For such purpose, Part 1 Number 1.2.4.4.43 Paragraph (10) applies *mutatis mutandis*, provided that instead of Original OTC Transactions and CCP Transactions the proposed set of terminating CCP Transactions and the proposed set of resulting CCP Transactions pursuant to Number 2.5 shall be relevant, and instead of the times indicated in Part 1 Number 1.2.4.4.43 Paragraph (10) the times specified by Eurex Clearing AG shall be relevant. Eurex Clearing AG will require such Margin in addition to Margin required pursuant to Chapter I Part 1 Number 3.3, Part 2 Subpart A Number 4.2, Part 3 Subpart A Number 5.3 and this Chapter VIII Part 21 Number 2.1.4.4.1.2.3 Paragraph (10).
- (3) The acceptance of ~~an~~ Interest Rate Derivatives Compression Proposal by the participating Clearing Members shall not bind or require Eurex Clearing AG to carry out the Interest Rate Derivatives Multilateral Compression. At any time prior to the Interest Rate Derivatives Compression Time, Eurex Clearing AG may in its sole discretion decide to reject the Interest Rate Derivatives Compression Proposal and/or to end the Interest Rate Derivatives Compression Run. In particular, Eurex Clearing AG may reject a Interest Rate Derivatives Compression Proposal if:
 - (a) a Clearing Member which has accepted a Interest Rate Derivatives Compression Proposal is not eligible to participate in the Interest Rate Derivatives Compression Run;
 - (b) any CCP Transaction included in the Interest Rate Derivatives Compression Proposal as a terminating or resulting Transaction is not eligible for Interest Rate Derivatives Multilateral Compression or for inclusion in Clearing;
 - (c) any Clearing Member due to participate in the Interest Rate Derivatives Compression Run rejects the Interest Rate Derivatives Compression Proposal or does not provide the required Margin; or

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- (d) the cashflow flat check performed by Eurex Clearing AG yields that the ingoing and outgoing payments in respect of the CCP Transactions resulting from the Interest Rate Derivatives Compression Run would not offset within the applicable tolerance parameters.

2.6 Trade Netting and Accumulation

(1) [...]

If (i) Eurex Clearing AG and a Clearing Member have agreed upon the netting and accumulation of CCP Transactions pursuant to this Number 2.6 and (ii) the relevant Clearing Member holds an OTC Currency Products Clearing Licence and fulfils the additional requirements set out in Part 4 Number 4.1.3, the netting and accumulation shall also be carried out with respect to OTC XCCY Transactions pursuant to Part 4 Number 4.8.

[...]

2.6.1 Inclusion of CCP Transactions in the Netting and Accumulation Process

(1) All CCP Transactions that are OTC Interest Rate Derivative Transactions are eligible for netting provided that:

(a) the relevant Interest Rate Trade Criteria are identical; and

[...]

“Interest Rate Trade Criteria” means the commercial terms of the relevant CCP Transactions, in particular:

1. With respect to IRS, ZCIS and OIS:

[...]

(ii) the following additional criteria, as applicable:

(A) with respect to Interest Rate Stub Periods that have not expired:

stub period start date, stub period length, type of Interest Rate Stub Period, stub index tenors, manually provided first fixed floating rate;

[...]

(3) CCP Transaction will be netted and/or accumulated if the CCP Transactions have been designated for netting and/or accumulation, as the case may be, by the respective Clearing Member (including an OTC IRS FCM Clearing Member, acting on behalf of the relevant OTC IRS FCM Client) or by the respective Basic Clearing Member (or Clearing Agent acting on behalf of the relevant Basic Clearing Member) in the system of Eurex Clearing AG (**“Interest Rate Optional Netting”**). Such

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designation shall be submitted no later than by 10:00 ~~pm~~ p.m. (Frankfurt am Main time) on the relevant Business Day.

- (4) Instead of Interest Rate Optional Netting, (i) a Clearing Member or Basic Clearing Member (or Clearing Agent acting on behalf of the Basic Clearing Member) may select that all Own Transactions and, in case of a Clearing Member, separate from the Own Transactions, all RC-Related Transactions booked on the NCM/RC Own Account maintained with respect to a Registered Customer are netted or accumulated, as the case may be, at the end of each Business Day and (ii) an OTC IRS FCM Clearing Member (acting on behalf of the relevant OTC IRS FCM Client) may select that all OTC IRS FCM Client Transactions under the relevant OTC IRS FCM Client Standard Agreement are netted or accumulated, as the case may be, at the end of each Business Day.

[...]

2.7 **Transfer of CCP Transactions and Account Transfer and Trade Amendment**

- (1) A CCP Transaction (other than a CCP-OTC IRS FCM Client Transaction) or a CM-RC Transaction, if applicable, may be transferred in accordance with Paragraphs (3) to (9) and ~~Number~~ Numbers 2.7.1 and 2.7.2 below, as applicable.

[...]

- (3) The transfer of a CCP Transaction will be performed against payment of a cash settlement amount calculated by Eurex Clearing AG on the basis of the daily evaluation price (as set out in Number 2.1.5). Furthermore, the relevant Clearing Members or Basic Clearing Members (or Clearing Agent acting on behalf of the Basic Clearing Member) may specify in the system of Eurex Clearing AG an additional amount payable by a Clearing Member or Basic Clearing Member in connection with the transfer. All amounts payable under this Paragraph (3) will be settled via Eurex Clearing AG.

[...]

2.8 **Early Termination**

[...]

- (5) Any early termination of a CM-RC Transaction shall be in accordance with any agreement between the Clearing Member and the Registered Customer.
- (6) To the extent the CCP Transactions that are subject to ~~aan~~ an early termination pursuant to this Number 2.8 are UDC-Related Transactions or SC-Related Transactions, it is the responsibility of the relevant parties to agree on a bilateral basis that, as a result of such early termination, any corresponding CM-Customer Transaction shall be early terminated.

[...]

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2.8.2 Termination of Own Transactions, UDC-Related Transactions, SC-Related Transactions and RC-Related Transactions

A CCP Transaction constituting an Own Transaction, a UDC-Related Transaction, SC-Related Transaction or RC-Related Transaction of the Clearing Member may only be terminated (i) together with a CCP Transaction between Eurex Clearing AG and another Clearing Member that was concluded as an Own Transaction, UDC-Related Transaction, SC-Related Transaction or RC-Related Transaction of such Clearing Member and which has identical terms, (ii) against the payment of a cash settlement amount calculated by Eurex Clearing AG on the basis of the daily evaluation price (as set out in Number 2.1.5) and (iii) provided that:

[...]

All amounts payable under this Number 2.8.2 will be settled via Eurex Clearing AG.

2.10 Novation, netting, accumulation and termination of Client Clearing CM-RC Transactions

[...]

- (3) Without prejudice to its obligations in respect of the relevant CCP Transaction, Eurex Clearing AG does not assume any liability vis-à-vis the Clearing Member or the Registered Customer if the ~~corresponding~~ corresponding CM-RC Transaction between the Clearing Member and the Registered Customer novated, netted, accumulated or transferred or its termination, in each case pursuant to Paragraph (1), is not correct or has not been initiated by the Registered Customer.

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Part 3 Clearing of OTC FX Transactions

3.1 General Provisions

3.1.1 Applicable General Provisions

The general provisions of Part 1 apply to all foreign exchange spot transactions traded over-the-counter (“**OTC FX Spot Transactions**”), all foreign exchange swap transactions traded over-the-counter (“**OTC FX Swaps**”) and all foreign exchange forward transactions traded over-the-counter (“**OTC FX Forwards**” together with the OTC FX Spot Transactions and the OTC FX Swaps, “**OTC FX Transactions**”), each to be cleared by Eurex Clearing AG, except where deviating or supplementary provisions for OTC FX Transactions are set out in this Part 3.

3.1.2 Determination of Transactions to be included in the Clearing

- (1) On the basis of the relevant Transaction Type specific novation criteria set out in Number 3.1.4.1 below, Eurex Clearing AG determines the OTC FX Transactions to be included in the Clearing of Eurex Clearing AG.
- (2) Where a trade record transmitted via an ATS containing an OTC FX Transaction recognised by Eurex Clearing AG pursuant to Paragraph (1) provides for any additional terms which are not contemplated in Number 3.2 below, such as e.g. optional or mandatory early termination provisions, such additional terms will not be included in the OTC Trade Novation Report and will not become part of the terms applicable to a CCP Transaction. Eurex Clearing AG will not store or record any data relating to such additional provisions.

3.1.3 OTC Currency Products Clearing License

The OTC Clearing License granted for the Clearing of OTC FX Transactions and OTC XCCY Transactions (as defined in Part 4 Number 4.1.1) (the “**OTC Currency Products Clearing License**”) entitles the relevant Direct Clearing Member to clear under the Elementary Clearing Model Provisions (i) OTC FX Transactions that are Own Transactions and (ii) subject to Part 4 Number 4.1.3, OTC XCCY Transactions that are Own Transactions. The general requirements for obtaining a Clearing License set out in Chapter I Part 1 shall apply subject to the provisions set out in this Chapter VIII. In addition, the applicant applying for an OTC Currency Products Clearing License shall meet the following requirements:

- (1) The applicant is (i) an institution within the meaning of Article 2 lit. (b) of the Settlement Finality Directive and has provided evidence thereof in a form satisfactory to Eurex Clearing AG and (ii) a participant in an ATS designated by Eurex Clearing AG on its website (www.eurexclearing.com) in respect of OTC FX Transactions.

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(2) The applicant can make payments to and receive payments from Eurex Clearing AG in the currencies of the Currency Pairs (as defined in Number 3.1.4.1 Paragraph (2)) through the CLS CCP Service.

“**CLS CCP Service**” means the settlement system operated by US-based CLS Bank International (“**CLS Bank**”) for central counterparties to facilitate the settlement of and to mitigate the settlement risk associated with cleared foreign exchange and cross currency products which the central counterparties clear for their clearing members.

(3) The applicant provides a confirmation that a license agreement is concluded between the applicant and Swaps Monitor Publications, Inc., New York for the usage of data to determine the relevant Business Day.

(4) In addition to the cash accounts required pursuant to Chapter I Part 1 Number 2.1.2 Paragraph (4) (b) the applicant maintains at all times at least one account with a CLS nostro bank for each of the currencies of the Currency Pairs (each such bank a “**CLS Nostro Bank**”) regardless of whether or not the applicant actually enters into OTC Currency Transactions in the relevant Currency Pair (the “**Currency Products Cash Accounts**” and each a “**Currency Products Cash Account**”). Chapter I Part 1 Number 2.1.2 Paragraph (4) (b) (ff)(i) shall apply *mutatis mutandis* to the CLS Nostro Bank. The applicant is allowed to nominate one (but not more than one) CLS Nostro Bank for each of the currencies of the Currency Pairs at any given point in time with respect to the Clearing of OTC Currency Transactions pursuant to this Part 3 and Part 4.

(5) The applicant provides evidence that each Currency Products Cash Account is established with a CLS Nostro Bank which has been recognised and approved by Eurex Clearing AG (such recognition and approval is subject to, *inter alia*, the successful participation in the Testing and Trialling by all the applicant's CLS Nostro Banks). At the time the applicant enters into a Clearing Agreement, it represents and warrants by way of an independent guarantee and irrespective of fault (*selbständiges, verschuldensunabhängiges Garantieversprechen*) to Eurex Clearing AG that it has entered into the necessary contractual arrangements in order to ensure that its CLS Nostro Banks will provide any Relevant Bank Information to Eurex Clearing AG upon reasonable request and in a timely manner.

“**Relevant Bank Information**” means any relevant information in relation to the CLS Nostro Bank which Eurex Clearing may reasonably request from such CLS Nostro Bank in order to carry out its ongoing assessment of such CLS Nostro Bank in connection with the Clearing of OTC Currency Transactions, in particular, information in relation to the creditworthiness of the CLS Nostro Bank, the ability of the CLS Nostro Bank to participate in the SWIFT network and to operate SWIFT messages to pay and receive funds in the CLS CCP Service, the CLS Nostro Bank's participation in the regular CLS Bank settlement cycles and its reliability to fulfil payments through the CLS CCP Service by 7:30 a.m. (Frankfurt am Main time) as well as the operational reliability and holiday coverage.

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(6) The applicant has entered into an agreement with Eurex Clearing AG in the form appended to the Clearing Conditions as Appendix 14 (the “**FX Swap Line Agreement**”).

3.1.4 Novation Criteria and Process Regarding OTC FX Transactions

With regard to the novation of OTC FX Transactions, the specific novation criteria set out in the following provisions shall apply in addition to the novation criteria pursuant to Part 1 Number 1.2.3.

3.1.4.1 Transaction Type Specific Novation Criteria

The following Transaction Type specific novation criteria must be fulfilled for OTC FX Transactions (based on the trade record transmitted to Eurex Clearing AG via the relevant ATS):

(1) Categories of OTC FX Transactions

The OTC FX Transactions must be either (i) an OTC FX Spot Transaction, (ii) an OTC FX Forward or (iii) an OTC FX Swap.

(2) Currency pairs

The currency pair (“**Currency Pair**”) must be either (i) EUR/USD or (ii) GBP/USD.

(3) Payment types

The payments to be made by the parties with respect to the relevant OTC FX Transaction are defined at the conclusion of the contract as are the fees and other payments, if applicable. In case of a termination, fees are settled one day after the termination date. In case of maturity, fees are settled on the maturity date.

(4) Maximum remaining term

The remaining term of an OTC FX Transaction from the date of novation to the termination date must be (i) in case of an OTC FX Spot Transaction, no more than 2 Business Days, (ii) in case of an OTC FX Forward no more than 2 years and (iii) in case of an OTC FX Swap, no more than 2 years for the far leg; as regards the remaining term of the near leg there must be a period of at least 1 Business Day between the near leg and the far leg of the relevant OTC FX Swap. The termination date and a Business Day for the Currency Pair EUR/USD, must be a TARGET Settlement Day, a CLS Settlement Day and a New York Banking Day and, for the Currency Pair GBP/USD, a TARGET Settlement Day, a CLS Settlement Day, a London Banking Day and a New York Banking Day.

“**CLS Settlement Day**” means a day on which the CLS CCP Service is open.

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(5) Minimum remaining term

The minimum period of an OTC FX Transaction between the date of novation and the termination date must be at least one Business Day which for the Currency Pair EUR/USD, must be a TARGET Settlement Day, a CLS Settlement Day and a New York Banking Day and, for the Currency Pair GBP/USD, a TARGET Settlement Day, a CLS Settlement Day, a London Banking Day and a New York Banking Day.

(6) Notional amount

Any notional amount under an OTC FX Transaction (in the case of OTC FX Swaps, in respect of each leg) denominated in EUR, USD or GBP must be at least 0.01.

(7) Business Days

For purposes of defining the applicable Business Day, details of the relevant financial/business centre(s) or terms, which must be TARGET (EUTA), New York (USNY) and London (GBLO), must be provided.

(8) Start date

OTC FX Transactions may not start in the past (backloading).

(9) Break Clauses

Break clauses (*Kündigungsrechte*) are not eligible for OTC FX Transactions. If Original OTC Transactions containing break clauses are submitted to Eurex Clearing AG for clearing, such break clauses will not be recognised in course of the novation.

3.1.4.2 Documentation of Original OTC Transactions

Irrespective of the documentation of the Original OTC Transaction, the terms set out in Number 3.2 below shall apply to all CCP Transactions that are OTC FX Transactions which are based on Original OTC Transactions submitted via the relevant ATS.

3.1.5 Daily Evaluation Price

Eurex Clearing AG determines the daily evaluation price on the basis of the raw market quotes underlying the discount and forecast curve provided by a recognised third party provider as of the day of the determination of the daily evaluation price.

3.1.6 Margin Requirements

The basic provisions for the margin requirements are set forth in Chapter I Part 1 Number 3 together with Chapter I Part 2 Numbers 6 and 7. In addition thereto, the following provisions shall apply:

- (1) The applicable Margin Type shall be the Additional Margin, Variation Margin and Settlement Compensation Margin (as defined in Paragraph (5) below) provided that Variation Margin shall be provided in USD cash amounts only.

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(2) The Variation Margin Requirement and/or any Redelivery Amount (each as defined in Chapter I Part 2 Sub-part A Number 5), as the case may be, for CCP Transactions that are OTC FX Transactions shall equal the profit or loss amount determined on any Business Day on the basis of the daily evaluation price (as set out in Number 3.1.5) as follows: For each outstanding CCP Transaction concluded prior to the relevant Business Day, the relevant profit or loss amount shall be the difference between the daily evaluation prices of the CCP Transaction on the relevant Business Day and the previous Business Day. For CCP Transactions concluded on the relevant Business Day, the relevant profit or loss amount shall be the difference between zero and the daily evaluation price for such Business Day. Additionally, the Variation Margin includes two correction terms for considering the time delay between its calculation and settlement. For this purpose, the trade related cash flows (including principal exchange payments and trade related fees (if any)) on the current Business Day are added and the trade related cash flows (including principal exchange payments and trade related fees) on the next Business Day are subtracted.

The Variation Margin Requirement and/or any Redelivery Amount shall be calculated in USD with respect to each Transaction in accordance with the following formula:

$$VM_{\$}(t) = NPV_{\$}(t) - NPV_{\$}(t-1) + CF_{\$}(t) - CF_{\$}(t+1) + CF_{\text{€},\text{£}}(t) \cdot FX(t-1) - CF_{\text{€},\text{£}}(t+1) \cdot FX(t)$$

where:

$FX(t)$ denotes the FX spot rate at time t for EUR/USD or GBP/USD;

$CF(t)$ denotes trade related cash flows in the respective currency at time t; and

$NPV(t)$ denotes the net present value of the trade at time t.

(3) In addition to Variation Margin, Eurex Clearing AG will charge the Clearing Member interest (the so-called price alignment interest ("**FX PAI**") on the cumulative Variation Margin at the applicable overnight interest rate. FX PAI corresponds to the overnight interest paid or received on the cumulative Variation Margin over the lifetime of the FX portfolio. The cumulative Variation Margin of the previous Business Day corresponds to the value of the FX portfolio on the previous Business Day.

If the overnight interest rates are positive and, from a Clearing Member's perspective, the value of the FX portfolio is positive, Eurex Clearing AG will charge FX PAI to the Clearing Member. If the overnight interest rates are positive and from a Clearing Member's perspective, the value of the FX portfolio is negative, Eurex Clearing AG will credit FX PAI to the Clearing Member. In case of negative overnight interest rates, Eurex Clearing AG (i) will credit FX PAI to the Clearing Member if, from a Clearing Member's perspective, the value of the FX portfolio is positive and (ii) will charge FX PAI to the Clearing Member if, from a Clearing Member's perspective, the value of the FX portfolio is negative.

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FX PAI shall be calculated and payable on each Business Day with respect to each Transaction in accordance with the following formula:

$$PAI(T) = - MtM_{exCF}(T - 1) * ONR(T - 1, T) * YF(T, T + 1)$$

where:

“MtM_{exCF}(T - 1) = MtM(T - 1) - CF(T)” is the present value of the previous Business Day excluding today’s trade related cash flows;

“ONR(T - 1, T)” is the overnight rate valid from the previous Business Day to today; and

“YF(T, T + 1)” the year fraction from today to the next Business Day.

- (4) The rules on set-off of cash claims pursuant to Chapter I Part 1 Number 1.3.1 Paragraph (1) (a) Sentence 1 and Chapter I Part 1 Number 1.3.1 Paragraph (2) (a) (aa) apply.
- (5) Eurex Clearing AG shall be entitled to demand at any time during a Business Day from a Clearing Member margin in the form of Eligible Margin Assets in an amount determined by Eurex Clearing AG to be adequate to compensate Eurex Clearing AG for any costs and/or expenses which it may incur in connection with the entering into and performance of its obligations under the Step-in Process or the Roll-Over as set out in Number 3.3 below (the “**Settlement Compensation Margin**”). Eurex Clearing AG may demand the provision of the Settlement Compensation Margin up to (i.e. not earlier than) 15 Business Days prior to the day on which the payment of the Clearing Member under the relevant Transaction with respect to the Relevant FX Payment is due. Any Settlement Compensation Margin requested by Eurex Clearing AG with respect to a Standard Agreement will increase the margin requirement for that Standard Agreement. Settlement Compensation Margin shall be provided by the Clearing Member in accordance with the rules in the Elementary Clearing Model Provisions applicable with respect to the provision of Margin for the relevant Standard Agreement for which Eurex Clearing has requested the Settlement Compensation Margin.
- (6) Any payments in respect of Variation Margin, FX PAI and trade related fees to be made by the Clearing Member to Eurex Clearing AG shall be made on a net basis and directly to the relevant CLS Central Bank Account through the CLS CCP Service. Where in this Part 3 a payment is specified to be made on a net basis, this shall relate to any payment made through the CLS CPP Service pursuant to this Part 3 and Part 4 which is also specified to be made on a net basis.

Any payments in respect of Variation Margin and FX PAI to be made by Eurex Clearing AG to the Clearing Member shall be made on a net basis and directly to the relevant Currency Products Cash Account of the Clearing Member through the CLS CCP Service.

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“**CLS Central Bank Accounts**” means the accounts (i) which CLS Bank maintains with each of the central banks controlling one of the currencies of the relevant Currency Pair and which (ii) Eurex Clearing AG designates for payments directly and indirectly related to the settlement of OTC Currency Transactions and each such account a “**CLS Central Bank Account**”.

3.1.7 Default Fund

Contributions to the Default Fund are made in accordance with Chapter I Part 1 Number 6.

3.2 Product-related terms for OTC FX Transactions

The following product-related terms shall apply to OTC FX Transactions.

3.2.1 Payment obligations

(1) The relevant Clearing Member and Eurex Clearing AG shall pay the amounts payable under and in accordance with the terms of the relevant CCP Transaction as specified in the relevant OTC Trade Novation Report on the basis of the trade record submitted via the relevant ATS and which are as follows:

(a) subject to Number 3.3.3.2, with respect to OTC FX Spot Transactions, one party shall pay to the other party on the relevant Settlement Date the Currency A Amount against the payment of a corresponding amount in the other currency of the Currency Pair at the applicable FX rate as specified in the relevant OTC Trade Novation Report;

“**Currency A Amount**” means an amount in one currency of the relevant Currency Pair.

“**Settlement Date**” means any date agreed between the relevant Clearing Member and Eurex Clearing AG with respect to the relevant OTC Currency Transaction subject in each case to the provisions of Number 3.1.4.1 Paragraphs (4) and (5) and Number 4.1.4.1 Paragraphs (4) and (5), as the case may be.

(b) subject to Number 3.3.3.2, with respect to OTC FX Forwards, one party shall pay to the other party on the relevant Settlement Date the Currency A Amount against the payment of a corresponding amount in the other currency of the Currency Pair at the applicable FX rate as specified in the relevant OTC Trade Novation Report;

(c) subject to Number 3.3.3.2, with respect to OTC FX Swaps, (i) under the near leg of the relevant OTC FX Swap one party (“**OTC FX Party A**”) shall pay to the other party (“**OTC FX Party B**”) on the relevant Settlement Date for the near leg the Currency A Amount against the payment by OTC FX Party B of a corresponding amount in Currency B at the applicable FX rate for the near leg as specified in the relevant OTC Trade Novation Report and (ii) under

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the far leg of the relevant OTC FX Swap OTC FX Party B shall pay OTC FX Party A on the relevant Settlement Date for the far leg the Currency A Amount against the payment by OTC FX Party A of a corresponding amount in Currency B at the applicable FX rate for the far leg as specified in the relevant OTC Trade Novation Report; both the near leg and the far leg of the OTC FX Swap are entered into simultaneously;

“Currency B” means the respective other currency of the relevant Currency Pair (as opposed to the currency of the Currency A Amount); and

(d) if

(x) the Clearing Member USD OTC Currency Transactions Payment Obligation is in excess of the applicable USD Maximum Amount with respect to the Clearing Member and a Settlement Date (such excess amount, which is denominated in USD, the “USD Prefunding Amount”), or

(y) the Clearing Member GBP OTC Currency Transactions Payment Obligation is in excess of the applicable GBP Maximum Amount with respect to the Clearing Member and a Settlement Date (such excess amount, which is denominated in GBP, the “GBP Prefunding Amount” and each the GBP Prefunding Amount and the USD Prefunding Amount, a “Prefunding Amount”).

then the Clearing Member shall pay (i) the portion of the relevant Prefunding Amount that relates to the OTC Currency Transactions settling within two Business Days (if any), two Business Days prior to the relevant Settlement Date and (ii) the portion of the relevant Prefunding Amount that relates to OTC Currency Transactions settling within one Business Day (if any), one Business Day prior to the relevant Settlement Date (such Clearing Member, the “Prefunding Amount Payer”).

“Clearing Member GBP OTC Currency Transactions Payment Obligation” means the payment obligations (calculated on a net basis) of a Clearing Member in respect of all OTC Currency Transactions in GBP (including trade related fees and Forecasted Variation Margin but excluding with respect to Margin, Settlement Compensation Margin, Variation Margin, FX PAI and XCCY PAI) which settle on the same Settlement Date.

“Clearing Member USD OTC Currency Transactions Payment Obligation” means the payment obligations (calculated on a net basis) of a Clearing Member in respect of all OTC Currency Transactions in USD (including with respect to trade related fees and Forecasted Variation Margin but excluding with respect to Margin, Settlement Compensation Margin, Variation Margin, FX PAI and XCCY PAI) which settle on the same Settlement Date.

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“Forecasted Variation Margin” means an amount calculated in USD with respect to each OTC Currency Transaction in accordance with the following formula:

$$VM_{\$}(t) = CF_{\$}(t) - CF_{\$}(t + 1) + CF_{\text{€},\text{£}}(t) \cdot FX(t - 1) - CF_{\text{€},\text{£}}(t + 1) \cdot FX(t)$$

where:

$FX(t)$ denotes the forecasted FX rate for time t for EUR/USD or GBP/USD as calculated on the basis of the standard curves used for pricing;

$CF(t)$ denotes trade related cash flows in the respective currency at time t.

“GBP Maximum Amount” means an amount denominated in GBP as determined by Eurex Clearing AG in its discretion with respect to each individual Clearing Member and as notified by Eurex Clearing AG to each of the Clearing Members. Each GBP Maximum Amount can be amended by Eurex Clearing AG in its discretion at any time by either increasing or reducing it. If the amendment results in a reduction of the relevant GBP Maximum Amount, then Eurex Clearing AG is required to give at least 3 (three) months' prior notice to the relevant Clearing Member unless there are exceptional circumstances which require a shorter notice period in order to effectively manage the risks of Eurex Clearing AG in its capacity as central counterparty, in particular taking into account the notional exposures of the Clearing Member's relevant OTC Currency Transactions and the resulting amount of Variation Margin to be settled through the CLS CCP Service, in which case the notice period can be less than three months. When determining and amending the GBP Maximum Amount, Eurex Clearing AG also takes into account its exposures vis-à-vis the CLS Nostro Banks in order to effectively manage the risks of Eurex Clearing AG in its capacity as central counterparty.

“USD Maximum Amount” means an amount denominated in USD as determined by Eurex Clearing AG in its discretion with respect to each individual Clearing Member and as notified by Eurex Clearing AG to each of the Clearing Members. Each USD Maximum Amount can be amended by Eurex Clearing AG in its discretion at any time by either increasing or reducing it. If an amendment results in a reduction of the relevant USD Maximum Amount, then Eurex Clearing AG is required to give at least 3 (three) months' prior notice to the relevant Clearing Member unless there are exceptional circumstances which require a shorter notice period in order to effectively manage the risks of Eurex Clearing AG in its capacity as central counterparty, in particular taking into account the notional exposures of the Clearing Member's relevant OTC Currency Transactions and the resulting amount of Variation Margin to be settled through the CLS CCP Service, in which case the notice period can be less than three months. When determining and amending the GBP Maximum Amount, Eurex Clearing AG also takes into account its exposures vis-à-vis the CLS Nostro Banks in

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order to effectively manage the risks of Eurex Clearing AG in its capacity as central counterparty.

Subject to Number 3.2.2.3 and this Number 3.2.1 Paragraph (1)(d), any payments to be made by the Clearing Member to Eurex Clearing AG under this Number 3.2.1 (other than payments with respect to any relevant Prefunding Amount) shall be made – with respect to each currency of the Currency Pairs – on a net basis and directly to the relevant CLS Central Bank Account through the CLS CCP Service no later than 7:30 a.m. (Frankfurt am Main time) (the “CLS Cut-Off Time”) (as timing is of the essence). The provisions of Section 376 German Commercial Code (*Handelsgesetzbuch*) shall, however, not apply.

A payment to be made by the Clearing Member to Eurex Clearing AG in respect of (an) OTC FX Transaction(s) (including with respect to Variation Margin, FX PAI and trade related fees but excluding payments with respect to any relevant Prefunding Amount, Prefunding Amount Investment Loss Shortage Amount, Margin or Settlement Compensation Margin) on a relevant payment date shall be referred to as the “Relevant FX Payment” (and together with the Relevant XCCY Payment (as defined in Part 4 Number 4.2.1 Paragraph (1)), the “Relevant FX/XCCY Payments”)

Any payments to be made by Eurex Clearing AG to the Clearing Member under this Number 3.2.1 shall be made – with respect to each currency of the Currency Pairs – on a net basis and directly to the relevant Currency Products Cash Account of the Clearing Member through the CLS CCP Service.

(2) The following applies with respect to Prefunding Amounts:

(a) Eurex Clearing AG will debit any (portion of the) relevant Prefunding Amount from the relevant Clearing Member Cash Account of the Prefunding Amount Payer in accordance with the daily cash clearing procedure pursuant to Chapter I Part 1 Number 1.4.1; upon the actual credit of the (portion of the) relevant Prefunding Amount to the relevant Eurex Clearing AG cash account, the Clearing Member USD OTC Currency Transactions Payment Obligation or GBP OTC Currency Transactions Payment Obligation will be reduced accordingly. On the relevant Settlement Date, Eurex Clearing AG will transfer any relevant Prefunding Amount received as set out above to the relevant CLS Central Bank Account through the CLS CCP Service.

(b) Chapter I Part 1 Numbers 3.4.4 and 3.4.5 shall apply *mutatis mutandis* to any Prefunding Amount actually credited to the relevant Eurex Clearing AG cash account as if it were Eligible Margin Assets in the form of cash delivered in respect of Margin.

(3) Payments under the relevant OTC FX Transaction will not be owed under the relevant CCP Transaction and are not subject to these Clearing Conditions in case these payments were due on or before the day of novation.

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3.2.2 Discharge of payment obligations through CLS CCP Service; Finality

3.2.2.1 Discharge of payment obligations of a Clearing Member

Any payment obligation of a Clearing Member (the “Payer Clearing Member”) arising under this Part 3, Part 4 or the relevant FX Swap Line Agreement towards Eurex Clearing AG on a Settlement Date to be discharged by payment through the CLS CCP Service shall only be validly discharged upon and at the time Eurex Clearing AG has received all Debit Notifications in respect of all amounts owed by Eurex Clearing AG to the Recipient Clearing Members on that Settlement Date. Payments have to be made in full, partial payment will not lead to a partial discharge of the payment obligation of a Clearing Member.

“CLS Processing Time” means the processing time as indicated by CLS Bank which is currently 10:30 a.m. (Frankfurt am Main time) or, in exceptional circumstances, shortly thereafter.

“Debit Notification” means a notification sent by CLS Bank to Eurex Clearing AG that an amount has been instructed to be debited from the CLS Central Bank Account to be credited to the relevant Currency Products Cash Account of a Recipient Clearing Member. Generally, such notifications are sent shortly after the CLS Processing Time on the relevant Settlement Date.

“Recipient Clearing Members” means such Clearing Members to which Eurex Clearing AG owes a payment obligation under this Part 3, Part 4 or the FX Swap Line Agreement and each a “Recipient Clearing Member”.

3.2.2.2 Discharge of payment obligations of Eurex Clearing AG

The payment obligations of Eurex Clearing AG under this Part 3, Part 4 and the FX Swap Line Agreement(s) towards the Clearing Members in a particular currency on a Settlement Date to be discharged by payment through the CLS CCP Service (the “Relevant Payment Obligations”) shall be validly discharged on a pro rata basis upon and each time when the relevant CLS Central Bank Account has been credited with an amount in the relevant currency on such Settlement Date. Eurex Clearing AG will instruct CLS Bank to transfer, following the credit of all amounts in all currencies owed to Eurex Clearing AG to the relevant CLS Central Bank Account(s) in the normal course of business, the relevant amounts to the relevant Currency Products Cash Accounts of the relevant Clearing Members in accordance with such instructions. If any amount is re-transferred to the relevant Payer Clearing Member in accordance with Number 3.3.3.3, the Relevant Payment Obligations which have been discharged on a pro rata basis by the crediting of such amount shall be re-established subject to Number 3.3.3.3.

Eurex Clearing AG may discharge its payment obligations under the relevant CCP Transaction by way of set-off in accordance with Chapter I Part 1 Number 1.3.1 Paragraph (1) (a) and (f) and Chapter I Part 1 Number 1.3.1 Paragraph (2) (a) (aa), (b) and (c).

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3.2.2.3 Discharge of payment obligations in case of unavailability of CLS CCP Service

(1) If the CLS CCP Service is not available for settlement for any reason (including, but not limited to, insolvency of CLS Bank), (i) Eurex Clearing AG will instruct the settlement of the affected OTC Currency Transaction(s) and/or the affected FX Hedging Transaction(s) outside the CLS CCP Service (on a net basis) on the relevant Settlement Date and the Payer Clearing Member will then be required to discharge its payment obligation by making the relevant payment outside the CLS CCP Service to an account notified to the Payer Clearing Member by Eurex Clearing AG for such purpose and (ii) as regards cash amounts paid by the Payer Clearing Member (if any, each such Payer Clearing Member, an “**Affected Payer Clearing Member**” and all such Payer Clearing Members, the “**Affected Payer Clearing Members**”) to fulfil any of its payment obligations arising under this Part 3 or Part 4 towards Eurex Clearing AG which have been credited to the relevant CLS Central Bank Account but not actually been credited to the relevant Currency Products Cash Account(s) of the Recipient Clearing Member(s) (such cash amounts, the “**Affected Payer Clearing Member Amounts**”), Eurex Clearing AG will instruct CLS Bank to re-transfer any such Affected Payer Clearing Member Amounts from the relevant CLS Central Bank Account to the relevant Currency Products Cash Account(s) of the Payer Clearing Member as soon as CLS Bank or, as the case may be, its insolvency administrator, resumes the operations of the CLS CCP Service.

Payments to be made pursuant to this Paragraph (1) have to be made in full, partial payment will not lead to a partial discharge of the payment obligation of a Payer Clearing Member.

(2) If the CLS CCP Service is not available for settlement for any reason and Eurex Clearing AG has instructed the settlement of the affected OTC Currency Transaction(s) outside the CLS CCP Service, then any payment obligation of Eurex Clearing AG towards a Clearing Member arising under this Part 3, Part 4 and the relevant FX Swap Line Agreement shall be discharged in accordance with Chapter I Part 1 Number 2.1.2 Paragraph (4) (b) (ff) (iii).

(3) If (i) an Affected Payer Clearing Member has paid any amount to Eurex Clearing AG outside the CLS CCP Service in accordance with Paragraph (1) in full discharge of the relevant payment obligation to Eurex Clearing AG (the “**Further Payment Amount**”), (ii) the Affected Payer Clearing Member has not otherwise recovered the Affected Payer Clearing Member Amounts and (iii) subsequently, Eurex Clearing AG has irrevocably and finally recovered any Affected Payer Clearing Member Amount in whole or in part (the “**Late Recovery Amount**”), Eurex Clearing AG shall pay to the Affected Payer Clearing Member an amount from the Late Recovery Amount not exceeding the Further Payment Amount, provided that, if in respect of more than one Affected Payer Clearing Member the requirements set out in items (i) and (ii) are met and Eurex Clearing AG has received a Late Recovery Amount, Eurex Clearing AG shall pay to each such Affected Payer Clearing Member a pro rata share of the Late Recovery Amount

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reflecting such Affected Payer Clearing Member's share in the sum of all Further Payment Amounts paid by all Affected Payer Clearing Members.

Eurex Clearing AG shall in its reasonable discretion claim any Affected Payer Clearing Member Amount from CLS Bank. The Affected Payer Clearing Member shall reimburse Eurex Clearing AG for any costs and expenses incurred in connection with such claim (regardless of whether the Affected Payer Clearing Member Amount can be successfully recovered in whole or in part from CLS Bank). Eurex Clearing AG may request an advance payment from the Affected Payer Clearing Member in respect of reasonably expected costs and expenses to be incurred when claiming the Affected Payer Clearing Member Amount from CLS Bank.

3.2.2.4 Finality of payments processed through CLS CCP Service

In deviation from Chapter I Part 1 Number 1.2.9 Paragraphs (2), (3) and (4), in respect of all Payment Transfer Orders which are to be processed through the CLS CCP Service:

- (a) CLS Bank shall act as a settlement agent for Eurex Clearing AG within the meaning of Article 2 lit. (d) of the Settlement Finality Directive; and
- (b) any such Payment Transfer Orders are entered into the system of Eurex Clearing AG within the meaning of Article 3 paragraphs 1 and 3 of the Settlement Finality Directive and are irrevocable pursuant to the statutory provisions implementing the Settlement Finality Directive:
 - (aa) in case of any payment due from a Payer Clearing Member to Eurex Clearing AG, upon receipt of the related Payment Transfer Order (submitted by or on behalf of such Payer Clearing Member) by the relevant CLS Nostro Bank (CLS Bank has granted all CLS Nostro Banks from time to time a power of attorney to also receive such Payment Transfer Orders as attorney-in-fact for CLS Bank without creating any obligation of CLS Bank to process the relevant Payment Transfer Order unless the corresponding amount has been credited to the relevant CLS Central Bank Account); and
 - (bb) in case of any payment due from Eurex Clearing AG to a Recipient Clearing Member, upon receipt of the related Payment Transfer Order by CLS Bank from Eurex Clearing AG.

"Payment Transfer Order" means:

- (i) an instruction in the form of a SWIFT message or other means given by or on behalf of a Payer Clearing Member to its relevant CLS Nostro Bank to transfer to Eurex Clearing AG (through crediting a nominated cash account provided by CLS Bank to Eurex Clearing AG) an amount of money from the relevant Currency Products Cash Account maintained with that CLS Nostro Bank (a Payment Transfer Order pursuant to this item (i), a "**Payer Clearing Member Payment Transfer Order**"); or

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- (ii) an instruction in the form of a SWIFT message or other means given by Eurex Clearing AG to CLS Bank to transfer to a Recipient Clearing Member (through crediting the relevant Currency Products Cash Account nominated by that Recipient Clearing Member) an amount of money from the nominated account provided by CLS Bank to Eurex Clearing AG (a Payment Transfer Order pursuant to this item (ii), a “Eurex Clearing Payment Transfer Order”).

3.3 Failure to Pay with respect to an OTC Currency Transaction

3.3.1 Failure to Pay Relevant Prefunding Amount

- (1) If a Clearing Member fails to pay the relevant Prefunding Amount to Eurex Clearing AG in full in accordance with Number 3.2.1 by the Prefunding Cut-Off Time, the provisions of Chapter I Part 1 Number 7 shall apply.

“Prefunding Cut-Off Time” means 1:00 p.m. (Frankfurt am Main time).

- (2) In addition thereto, the Clearing Member is obliged to pay the Prefunding Amount Contractual Penalty. The amount of the Prefunding Amount Contractual Penalty – as determined by Eurex Clearing AG – is the equivalent in the relevant Clearing Currency of 40 basis points of the relevant Prefunding Amount, with a minimum of EUR 2,500.00, CHF 3,000.00 or GBP 2,000.00, as applicable, and a maximum of EUR 10,000,000.00, CHF 12,000,000.00 or GBP 8,000,000.00, as applicable. The Prefunding Amount Contractual Penalty applies regardless of any actual damages incurred by Eurex Clearing AG and is immediately due and payable by the Prefunding Cut-Off Time on the relevant Payment Date. The Prefunding Amount Contractual Penalty shall be a “Secured Claim” for the purpose of Chapter I Part 2 Number 6.5. The right of Eurex Clearing AG to claim further damages shall remain unaffected.

3.3.2 Failure to Pay Relevant FX/XCCY Payment or Investment Loss Shortage Amount

- (1) If on a relevant Settlement Date a Clearing Member (a “Late CM”) fails (each an “FX/XCCY Failure to Pay”):
- (a) to make a Relevant FX/XCCY Payment in full by the CLS Cut-Off Time (this cut-off time also applies if the CLS CCP Service is not available for settlement and settlement is instructed outside the CLS CCP Service pursuant to Number 3.2.2.3); or
 - (b) to pay the relevant Investment Loss Shortage Amount in full by the Investment Loss Shortage Cut-Off Time,

Eurex Clearing AG shall – in addition to the rights granted pursuant to the provisions of Chapter I Part 1 Number 7 and notwithstanding the provisions of Chapter I Part 1 Number 1.4.5 with respect to an FX Disruption Event – have the right to (i) carry out the process as set out in Numbers 3.3.3.1 and 3.3.3.2 below (the “Step-in Process”)

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to the extent of the unpaid amount (the “FX/XCCY Failure to Pay Amount”) or (ii) carry out the process as set out in Number 3.3.3.3 below (the “Roll-Over”).

- (2) Prior to the exercise of the rights to carry out the Step-In Process or Roll-Over, Eurex Clearing AG will on a best efforts basis aim to compensate the FX/XCCY Failure to Pay Amount through the use of its own available funds in the currency of the Relevant FX/XCCY Payment.
- (3) In addition thereto and regardless of whether the Step-in Process or the Roll-Over is carried out or not, a Clearing Member who fails to make a Relevant FX/XCCY Payment in full by the CLS Cut-Off Time is obliged to pay a contractual penalty to Eurex Clearing AG (the “Late CM Contractual Penalty”). The amount of the Late CM Contractual Penalty – as determined by Eurex Clearing AG – is the equivalent in the relevant Clearing Currency of 40 basis points of the Relevant FX/XCCY Payment, with a minimum of EUR 2,500.00, CHF 3,000.00 or GBP 2,000.00, as applicable, and a maximum of EUR 10,000,000.00, CHF 12,000,000.00 or GBP 8,000,000.00, as applicable. The Late CM Contractual Penalty applies regardless of any actual damages incurred by Eurex Clearing AG and is immediately due and payable by the CLS Cut-Off Time on the relevant payment date. The right of Eurex Clearing AG to claim further damages shall remain unaffected.

3.3.3 Consequences of an FX/XCCY Failure to Pay

- (1) If an FX/XCCY Failure to Pay has occurred, Eurex Clearing AG shall have the right to either (i) exercise its option under one or more of the FX Swap Line Agreements as set out in Number 3.3.3.1 below, (ii) pay an Alternative Currency Amount as set out in Number 3.3.3.2 below or (iii) postpone certain payment obligations as set out in Number 3.3.3.3 below.
- (2) An FX/XCCY Failure to Pay shall not constitute an FX Disruption Event (as defined in Chapter I Part 1 Number 1.4.5).

3.3.3.1 Step-in Process – Exercise of FX Swap Lines

- (1) Eurex Clearing AG shall have the right to exercise – in its sole discretion – its options to enter into one or more FX Hedging Transactions with one or more FX Swap Line Counterparties up to the relevant FX Swap Line Maximum Amount outstanding with respect to the relevant FX Swap Line Counterparty/-ies, in each case in accordance with the terms of the relevant FX Swap Line Agreement (as defined in Number 3.1.3 Paragraph (6) above). By exercising its options as set out in the previous sentence, Eurex Clearing AG enters into one or more FX Hedging Transaction(s) with each of the relevant FX Swap Line Counterparties (each such FX Swap Line Counterparty an “FX Hedge Counterparty”).

The FX Swap Line Maximum Amount for FX Hedging Transaction(s) with respect to USD is USD 250,000,000.00 and the FX Swap Line Maximum Amount for FX Hedging Transaction(s) with respect to GBP is GBP 100,000,000.00. Each FX Swap

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Line Maximum Amount can be amended in accordance with the procedure set out in Chapter I Part 1 Numbers 17.2 and 17.3.

“FX Hedging Transaction” means a foreign exchange swap transaction traded over-the-counter.

“FX Swap Line Counterparty” means each Clearing Member participating in the Clearing of OTC Currency Transactions.

“FX Swap Line Maximum Amount” means an aggregate maximum amount designated in one of the currencies of the Currency Pairs.

- (2) Eurex Clearing AG is entitled to exercise its option(s) multiple times for as long as the relevant FX Swap Line Counterparty holds its OTC Currency Products Clearing License, but only to the extent that the then relevant outstanding FX Swap Line Maximum Amount is not exceeded by such further exercise(s) of the option(s). The relevant outstanding FX Swap Line Maximum Amount will be reduced by the amount of each FX Hedging Transaction resulting from the exercise of such option and re-increased by such amount if and when the relevant FX Hedging Transaction is fully settled.
- (3) Subject to the relevant FX Swap Line Maximum Amount applicable to the relevant FX Hedge Counterparty, under each near leg of an FX Hedging Transaction Eurex Clearing AG receives from the relevant FX Hedge Counterparty an amount corresponding to and in the currency denomination of the FX/XCCY Failure to Pay Amount (the “Currency A Swap Amount”). In return for the receipt of the Currency A Swap Amount, Eurex Clearing AG pays the relevant FX Hedge Counterparty a corresponding amount in the other currency of a relevant Currency Pair which relates to the currency of the Currency A Swap Amount at the applicable FX Swap Line FX Rate (the “Currency B Swap Amount”). Under the far leg of the FX Hedging Transaction, Eurex Clearing AG pays to the relevant FX Hedge Counterparty the Currency A Swap Amount in return for the payment by that FX Hedge Counterparty of the Currency B Swap Amount.
- (4) If the Currency A Swap Amount under an FX Hedging Transaction is denominated in GBP (such FX Hedging Transaction is referred to as a “Currency A Swap Amount GBP/USD FX Hedging Transaction” provided that a Corresponding EUR/USD FX Hedging Transaction (as defined below) is also entered into), Eurex Clearing AG shall also have the right to enter into a corresponding FX Hedging Transaction for EUR/USD (the “Corresponding EUR/USD FX Hedging Transaction”) at the same time and with the same FX Hedge Counterparty as with respect to the Currency A Swap Amount GBP/USD FX Hedging Transaction. Under the near leg of the Corresponding EUR/USD FX Hedging Transaction, Eurex Clearing AG shall receive an amount equivalent to the Currency B Swap Amount (which Eurex Clearing AG is required to pay under the Currency A Swap Amount GBP/USD FX Hedging Transaction) in return for the payment by Eurex Clearing AG to that FX Hedge Counterparty of a corresponding amount in EUR at the applicable FX Swap Line FX Rate (the “EUR Amount”). Under the far leg of that Corresponding EUR/USD FX

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Hedging Transaction, Eurex Clearing AG shall pay to that FX Hedge Counterparty an amount equivalent to the Currency B Swap Amount (under the Currency A Swap Amount GBP/USD FX Hedging Transaction) in return for the payment by that FX Hedge Counterparty of the EUR Amount. A Corresponding EUR/USD FX Hedging Transaction shall not count towards the Swap Line Maximum Amount with respect to USD.

(5) The payments under the near leg of the FX Hedging Transaction – as further set out in the terms of the FX Swap Line Agreement – are due and payable within two hours of Eurex Clearing AG exercising its option under the FX Swap Line Agreement (with respect to each FX Hedging Transaction an “**FX Swap Line Exercise Day**”) or by such other time as notified by Eurex Clearing AG (which may be shorter than two hours after exercise of the option). The payments under the far leg of the FX Hedging Transaction – as further set out in the terms of the FX Swap Line Agreement – are due and payable on the Business Day immediately following the FX Swap Line Exercise Day by such time as notified by Eurex Clearing AG.

(6) Any payments to be made by an FX Hedge Counterparty to Eurex Clearing AG under an FX Hedging Transaction shall be made directly to the relevant CLS Central Bank Account through the CLS CCP Service.

Any payments to be made by Eurex Clearing AG to an FX Hedge Counterparty under an FX Hedging Transaction shall be made directly to the relevant Currency Products Cash Account of the Clearing Member through the CLS CCP Service.

The payments under the far leg of an FX Hedging Transaction shall be made – with respect to each currency of the Currency Pairs – on a net basis.

(7) In addition, Eurex Clearing AG is obliged to pay to the FX Hedge Counterparty the relevant FX Hedging Transaction Spread Amount with respect to an FX Hedging Transaction. If Eurex Clearing AG enters into a Currency A Swap Amount GBP/USD FX Hedging Transaction, it shall, however, only be obliged to pay an FX Hedging Transaction Spread Amount with respect to the Currency A Swap Amount GBP/USD FX Hedging Transaction but not with respect to the Corresponding EUR/USD FX Hedging Transaction. The FX Hedging Transaction Spread Amount is not payable through the CLS CCP Service.

“FX Hedging Transaction Spread” means

(i) with respect to FX Hedging Transactions for EUR/USD, the relevant spread appearing on the Reuters Screen EURON= or where no information is available on such page, the relevant spread appearing on the Bloomberg Screen EURON CURRENCY;

(ii) subject to (iii) below, with respect to FX Hedging Transactions for GBP/USD, the relevant spread appearing on the Reuters Screen GBPON= or where no information is available on such page, the relevant spread appearing on the Bloomberg Screen GBPON CURRENCY; and

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(iii) with respect to a Currency A Swap Amount GBP/USD FX Hedging Transaction, the relevant spread appearing on the Reuters Screen EURGBPON= or where no information is available on such page, the relevant spread appearing on the Bloomberg Screen EURGBPON CURRENCY,

in each case of (i) to (iii) above, at 7:00 a.m. (Frankfurt am Main time) on the relevant FX Swap Line Exercise Day.

“FX Hedging Transaction Spread Amount” means

(i) with respect to an FX Hedging Transaction for EUR/USD, an amount denominated in USD, which equals (a) the figure of the EUR-denominated amount under such FX Hedging Transaction (without regard to its currency denomination) (b) multiplied by the relevant FX Hedging Transaction Spread;

(ii) with respect to an FX Hedging Transaction for GBP/USD, an amount denominated in USD, which equals (a) the figure of the GBP-denominated amount under such FX Hedging Transaction (without regard to its currency denomination) (b) multiplied by the relevant FX Hedging Transaction Spread; and

(iii) with respect to a Currency A Swap Amount GBP/USD FX Hedging Transaction, an amount denominated in GBP, which equals (a) the figure of the EUR Amount under the Corresponding EUR/USD FX Hedging Transaction (without regard to its currency denomination) (b) multiplied by the relevant FX Hedging Transaction Spread.

If the FX Hedging Transaction Spread is a negative number, the FX Hedging Transaction Spread Amount shall be zero.

“FX Swap Line FX Rate” means, (i) with respect to FX Hedging Transactions for EUR/USD, the FX rate appearing on the Reuters Screen EURUSDFIXP=WM (a WM/Reuters Intra-Day Spot Rate) and (ii) with respect to FX Hedging Transactions for GBP/USD, the FX rate appearing on the Reuters Screen GBPUSDFIXP=WM (a WM/Reuters Intra-Day Spot Rate), in each case of (i) and (ii) above, at 7:00 a.m. (Frankfurt am Main time) on the relevant FX Swap Line Exercise Day and as set out in the trade confirmation relating to the relevant FX Hedging Transaction transmitted by Eurex Clearing AG to the FX Hedge Counterparty in the course of exercising the option under the FX Swap Line Agreement. Where no information on the relevant FX rate is available on the relevant Reuters Screen page, the FX Swap Line FX Rate will be the relevant FX rate appearing on the Bloomberg Screen BFix at 7:00 a.m. (Frankfurt am Main time) on the relevant FX Swap Line Exercise Day.

3.3.3.2 Step-in Process – Payment of Alternative Currency Amount

(1) If and to the extent Eurex Clearing AG is unable to source through the exercise of its option(s) pursuant to Number 3.3.3.1, above an amount in the currency (the **“Unavailable FX/XCCY Currency”**) which it would have received from the Late CM

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if the latter had performed its payment obligation(s) under the relevant CCP Transaction (including with respect to an Investment Loss Shortage Amount) (an “**Unavailable FX/XCCY Currency Amount**”), then Eurex Clearing AG shall be entitled to discharge:

(i) in case of one affected Non-Late CM, its payment obligation corresponding to the Unavailable FX/XCCY Currency Amount by paying a corresponding amount to such Non-Late CM; or

(ii) in case of more than one affected Non-Late CM, its payment obligations which in aggregate correspond to the Unavailable FX/XCCY Currency Amount by paying a corresponding amount on a pro rata basis to each such Non-Late CM,

in case of (i) and (ii) above, in an Available Currency based on the relevant WM/Reuters Intra-Day Spot Rate at 7:00 a.m. (Frankfurt am Main time) on the relevant payment date (each an “**Alternative Currency Amount**”). Any payment of an Alternative Currency Amount shall be made directly to the relevant Currency Products Cash Account of the Non-Late CM through the CLS CCP Service.

“**Non-Late CM**” means any Clearing Member with payment obligations under OTC Currency Transactions due for settlement on the relevant Settlement Date which is not a Late CM.

(2) Eurex Clearing AG shall pay to each recipient of an Alternative Currency Amount the respective Alternative Currency Difference Amount. For the avoidance of doubt, no Alternative Currency Difference Amount shall be paid through the CLS CCP Service.

“**Available Currency**” means (i) any currency of a Currency Pair in respect of which the Non-Late CM uses the Clearing services pursuant to this Chapter VIII Part 3 or Part 4 or (ii) Euro.

“**Alternative Currency Difference Amount**” means, with respect to each recipient of an Alternative Currency Amount, an amount denominated in the Unavailable FX/XCCY Currency which equals the difference between (i) the amount of the relevant Unavailable Currency Amount Payment Obligation and (ii) an amount corresponding to the relevant Alternative Currency Amount denominated in the Unavailable FX/XCCY Currency based on the relevant WM/Reuters Intra-Day Spot Rate at the next full hour after Eurex Clearing AG has received all Debit Notifications on the relevant payment date. If the relevant Alternative Currency Difference Amount is negative it shall be deemed to be zero so that no Alternative Currency Difference Amount is due.

“**Unavailable Currency Amount Payment Obligation**” means any payment obligation referred to in Number 0 Paragraph (1) Sub-Paragraphs (i) and (ii).

3.3.3.3 Roll-over

In the case of Extraordinary Circumstances, Eurex Clearing AG shall have the right to postpone its and all other Clearing Members’ respective payment obligations under the

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relevant OTC Currency Transactions due for settlement on such Settlement Date once until the next day which is a Business Day for all relevant Currency Pairs (as set out in Number 3.1.4.1 Paragraph (4)) (the “Roll-over Business Day”) provided that with respect to any cash amounts paid by any Payer Clearing Member (if any) to fulfil any of its payment obligations arising under this Part 3 or Part 4 towards Eurex Clearing AG which have been credited to the relevant CLS Central Bank Account but not actually been credited to the relevant Currency Products Cash Account(s) of the Recipient Clearing Member(s), Eurex Clearing AG will instruct CLS Bank as soon as reasonably practicable but no later than the CLS Processing Time to re-transfer any such amounts from the relevant CLS Central Bank Account to the relevant Currency Products Cash Account(s) of the relevant Payer Clearing Member(s). If such postponement has occurred, Eurex Clearing AG shall be entitled to carry out the Step-in Process on the Roll-over Business Day (if an FX/XCCY Failure to Pay occurs on such Roll-over Business Day).

“Extraordinary Circumstances” means one or more of the following circumstances:

- (i) a CLS Nostro Bank which supports at least two Clearing Members has failed to process payment instructions received by such Clearing Member(s);
- (ii) the FX/XCCY Failure to Pay Amount exceeds the sum of all relevant outstanding FX Swap Line Maximum Amounts (in the relevant currency) which Eurex Clearing AG would be entitled to vis-à-vis all relevant FX Swap Line Counterparties; or
- (iii) any other material circumstance exists which in the reasonable discretion (*nach billigem Ermessen*) of Eurex Clearing AG makes a full compensation of the FX/XCCY Failure to Pay Amount through the Step-in Process highly unlikely and, thus, after due consideration of the interests of all affected Clearing Members and the market, justifies the postponement of the payment obligations under the relevant OTC Currency Transactions as further set out in this Paragraph 3.3.3.3.

3.3.3.4 FX/XCCY Failure to Pay Costs and other costs

- (1) The Late CM shall (i) pay an amount corresponding to the Alternative Currency Difference Amount, if any, to Eurex Clearing AG and (ii) reimburse Eurex Clearing AG (irrespective of fault) for any losses, costs or expenses Eurex Clearing AG may incur in connection with or as a result of the Step-in Process or Roll-Over, including any losses, costs or expenses relating and corresponding to an FX Hedging Transaction Spread Amount payable by Eurex Clearing AG ((i) and (ii) being referred to as “FX/XCCY Failure to Pay Costs”). Any such payment or reimbursement claim shall be a “Secured Claim” for the purpose of Chapter I Part 2 Number 6.5.
- (2) The Late CM shall also reimburse any relevant Non-Late CM for any losses, costs or expenses the relevant Non-Late CM may incur as a result of (i) the process set out in Number 3.3.3.2 above or (ii) the Roll-Over. The obligations of a Clearing Member to make a Relevant FX/XCCY Payment in full by the CLS Cut-Off Time and, if

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applicable, to pay the relevant Investment Loss Shortage Amount in full by the Investment Loss Shortage Cut-Off Time (as further set out in Number 3.4.1) shall have protective effects for the benefit of Non-Late CMs and this provision shall constitute a contract with protective effects for the benefit of third parties (*Vertrag mit Schutzwirkung zugunsten Dritter*).

- (3) If Eurex Clearing AG incurs any FX/XCCY Failure to Pay Costs and the Late CM becomes an Affected Clearing Member, such costs shall be taken into account when determining the Difference Claim with respect to the Late CM unless such costs and/or expenses have already been paid by the Late CM to Eurex Clearing AG or the obligation to pay such costs and/or expenses has already been discharged by virtue of Eurex Clearing AG realising all or part of the Eligible Margin Assets provided as Settlement Compensation Margin and/or Margin.
- (4) For the avoidance of doubt, a Non-Late CM or FX Hedge Counterparty shall not be entitled to claim compensation from Eurex Clearing AG for any losses, costs and/or expenses which a Non-Late CM or FX Hedge Counterparty may incur in connection with Eurex Clearing AG exercising its rights pursuant to Numbers 3.3.3.1 to 3.3.3.3 above except where expressly set out in Numbers 3.3.3.1 and 3.3.3.2 above.

3.3.4 Late Payment

- (1) Without limiting any rights of Eurex Clearing AG set out in Number 3.3.3 above and without prejudice to the fact that timing is of the essence as regards the Relevant FX/XCCY Payment, if the Late CM makes the Relevant FX/XCCY Payment after the CLS Cut-Off Time on the relevant Settlement Date (the "**Late Payment**" and the amount of such Late Payment, the "**Late Payment Amount**"), then any payments with respect to OTC Currency Transactions (i) which are owed by Eurex Clearing AG to the Late CM on such date (including but not limited to the payments relating to the Relevant FX/XCCY Payment) and (ii) which are to be made through the CLS CCP Service will be made by Eurex Clearing AG only on the Business Day immediately following the relevant Settlement Date (the "**Deferred Payment**" and the amount of such Deferred Payment, the "**Deferred Payment Amount**"). Eurex Clearing AG shall be entitled to discharge its obligation to make the Deferred Payment by paying in whole or in part a corresponding amount in (a) any currency of a Currency Pair in respect of which the Late CM uses the Clearing services pursuant to this Part 3 or Part 4 or (b) Euro based on the relevant WM/Reuters Intra-Day Spot Rate at 7:00 a.m. (Frankfurt am Main time) on the Business Day following the relevant payment date. For the avoidance of doubt, Number 3.2.2.2 above shall also apply in the case of Deferred Payments.
- (2) Any Late Payment made on the relevant payment date shall be made outside the CLS CCP Service to an account notified to the Late CM by Eurex Clearing AG for such purpose. On the Business Day following the relevant payment date, Eurex Clearing AG will transfer any Late Payment Amount received as set out above to the relevant CLS Central Bank Account through the CLS CCP Service.

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3.4 Investment Loss with respect to OTC Currency Transactions

An Investment Loss (as further set out in Chapter I Part 1 Number 3.4.6) may occur with respect to (i) a Prefunding Amount, (ii) a Late Payment Amount and/or (iii) a Corresponding Pay-In Amount, in each case denominated in a Commercial Bank Currency and in relation to an OTC Currency Transaction.

3.4.1 Investment Loss with respect to Prefunding Amounts and Late Payment Amounts

The following provisions apply to a Prefunding Amount Investment Loss and a Late Payment Amount Investment Loss:

- (1) If (A) (i) a Prefunding Amount Investment Loss or (ii) a Late Payment Amount Investment Loss occurs and (B) as a consequence of such occurrence, Eurex Clearing AG will be or is unable to transfer the relevant Prefunding Amount or Late Payment Amount, respectively, in whole or in part to the relevant CLS Central Bank Account through the CLS CCP Service on the relevant Settlement Date, then:
- (a) In case of a Prefunding Amount Investment Loss, an Affected Prefunding Amount Payer shall pay the Prefunding Amount Investment Loss Shortage Amount to Eurex Clearing AG, and
- (b) in case of a Late Payment Amount Investment Loss, an Affected Late Payment Amount Payer shall pay the Late Payment Amount Investment Loss Shortage Amount to Eurex Clearing AG.

For the purposes of this Chapter VIII, a Prefunding Amount Investment Loss or a Late Payment Amount Investment Loss shall also be deemed to occur in the case of a temporary unavailability of the relevant amounts due to technical reasons.

- (2) Eurex Clearing AG shall determine the relevant Investment Loss Shortage Amount in its reasonable discretion taking into account, in particular, the amount of the Investment Loss which has occurred with respect to a Prefunding Amount, Late Payment Amount or Corresponding Pay-In Amount and the relevant Investment Counterparty, the aggregate amounts of Prefunding Amounts, Late Payment Amounts and Deferred Payment Amounts to be transferred to the relevant CLS Central Bank Account through the CLS CCP Service on the relevant Settlement Date and the extent to which other Affected Payers or Affected Payment Receivers, if any, were affected by the Prefunding Amount Investment Loss, Late Payment Amount Investment Loss or Corresponding Pay-In Amount Investment Loss, respectively.
- (3) Eurex Clearing AG shall notify the Investment Loss Shortage Amount(s) to the relevant Affected Payer(s) without undue delay and set a reasonable point in time until which the Investment Loss Shortage Amount(s) must be received on the relevant account as notified by Eurex Clearing AG (the "**Investment Loss Shortage Cut-Off Time**").
- (4) In case of a Prefunding Amount Investment Loss Shortage Amount Eurex Clearing AG may either debit the relevant Prefunding Amount Investment Loss

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Shortage Amount from the relevant Currency Products Cash Account of the Affected Prefunding Amount Payer in accordance with the daily cash clearing procedure pursuant to Chapter I Part 1 Number 1.4.1 or request payment of the relevant Investment Loss Shortage Amount to the relevant CLS Central Bank Account through the CLS CCP Service on the relevant Settlement Date.

- (5) In case of a Late Payment Amount Investment Loss Shortage Amount, the Affected Late Payment Amount Payer shall pay the relevant Late Payment Amount Investment Loss Shortage Amount to the relevant CLS Central Bank Account through the CLS CCP Service on the relevant Settlement Date.
- (6) If the relevant Investment Loss Shortage Amount paid by the Affected Payer exceeds the amount of the relevant CM-Related Investment Loss, Eurex Clearing AG shall pay such excess to the Affected Payer without undue delay after the relevant CM-Related Investment Loss has been determined. The obligation of the Affected Payer to pay the relevant CM-Related Investment Loss pursuant to Chapter I Part 1 Number 3.4.6 Paragraph (v) shall be discharged by the payment of relevant Investment Loss Shortage Amount.

3.4.2 Investment Loss with respect to Corresponding Pay-in Amounts

The following provisions apply to a Corresponding Pay-In Amount Investment Loss:

- (1) If a Corresponding Pay-In Amount Investment Loss occurs and, as a consequence Eurex Clearing AG will be or is unable to transfer the relevant Deferred Payment Amount to the relevant CLS Central Bank Account through the CLS CCP Service on the Business Day following the original Settlement Date in whole or in part, the obligations of Eurex Clearing AG under the Deferred Payment shall be reduced by an amount equal to the Corresponding Pay-In Amount Investment Loss Shortage Amount.

For the purposes of this Chapter VIII, a Corresponding Pay-In Amount Investment Loss shall also be deemed to occur in the case of a temporary unavailability of the relevant amounts due to technical reasons.

- (2) Eurex Clearing AG shall determine the relevant Corresponding Pay-In Amount Investment Loss Shortage Amount. Number 0 Paragraph 0 shall apply *mutatis mutandis*.
- (3) If the relevant Corresponding Pay-In Amount Investment Loss Shortage Amount exceeds the amount of the relevant Corresponding Pay-In Amount Clearing Member-Related Investment Loss, Eurex Clearing AG shall pay such excess to the Affected Payment Receiver without undue delay after the relevant Corresponding Pay-In Amount Clearing Member-Related Investment Loss has been determined. The obligation of the Affected Payment Receiver to pay the Corresponding Pay-In Amount Clearing Member-Related Investment Loss pursuant to Chapter I Part 1 Number 3.4.6 Paragraph (v) shall be discharged by the reduction of the obligations of Eurex Clearing AG under the Deferred Payment pursuant to Paragraph (1) above.

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3.4.3 Definitions

“Affected Late Payment Amount Payer” means each Late CM which has paid a Late Payment Amount to Eurex Clearing AG and is affected by a Late Payment Amount Investment Loss.

“Affected Payer” means each an Affected Prefunding Amount Payer and an Affected Late Payment Amount Payer.

“Affected Payment Receiver” means a Late CM which has paid to Eurex Clearing AG a Late Payment Amount as receiver of the Deferred Payment Amount and which is affected by an Investment Loss which occurs with respect to a Corresponding Pay-In Amount.

“Affected Prefunding Amount Payer” means each Clearing Member which has paid a Prefunding Amount to Eurex Clearing AG and is affected by a Prefunding Amount Investment Loss.

“CM-Related Investment Loss” means each a Prefunding Amount Clearing Member-Related Investment Loss and a Late Payment Amount Clearing Member-Related Investment Loss.

“Corresponding Pay-In Amount” means the amounts paid by the Non-Late CMs which correspond to the Deferred Payment Amount.

“Corresponding Pay-In Amount Investment Loss” means an Investment Loss which occurs with respect to a Corresponding Pay-In Amount.

“Corresponding Pay-In Amount Investment Loss Shortage Amount” means an amount up to the amount of the relevant Corresponding Pay-In Amount.

“Investment Loss Shortage Amount” means each a Late Payment Amount Investment Loss Shortage Amount and a Prefunding Amount Investment Loss Shortage Amount.

“Late Payment Amount Investment Loss” means an Investment Loss which occurs with respect to a Late Payment Amount.

“Late Payment Amount Investment Loss Shortage Amount” means an amount up to the amount of the relevant Late Payment Amount which has actually been paid to Eurex Clearing AG pursuant to Number 3.3.4 Paragraph (2) above.

“Prefunding Amount Investment Loss” means an Investment Loss which occurs with respect to a Prefunding Amount.

“Prefunding Amount Investment Loss Shortage Amount” means an amount up to the amount of the relevant Prefunding Amount which has actually been paid to Eurex Clearing AG pursuant to Number 3.2.1 Paragraph (2) (a) above.

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3.5 Step-In Process and Roll-Over in the case of a Termination

In case a Termination Date has occurred with respect to a Clearing Member, Eurex Clearing AG shall have the right to carry out (i) the Step-in Process or (ii) the Roll-Over with respect to OTC Currency Transactions during and as part of the default management process pursuant to Chapter I Part 1 Number 7.5 subject to the following modifications:

- (i) Numbers 3.3.2 and 3.3.3 shall apply *mutatis mutandis* to the Terminated Transactions (as defined in Chapter I Part 1 Number 7.5) which were OTC Currency Transactions as if the relevant payments that would have had to be made by the Affected Clearing Member under such Terminated Transactions in the absence of the Termination were Relevant FX/XCCY Payments with respect to which an FX/XCCY Failure to Pay had occurred;
- (ii) the Late CM Contractual Penalty does not apply;
- (iii) any references to a Late CM shall be a reference to an Affected Clearing Member; and
- (iv) any relevant FX/XCCY Failure to Pay Costs shall be taken into account as part of the Liquidation Price determined with respect to a Transaction which was an OTC Currency Transaction.

3.6 Failure to Pay with respect to FX Swap Line

Eurex Clearing AG may charge a contractual penalty if, *inter alia*, an FX Hedge Counterparty fails to perform its payment obligations under the relevant FX Hedging Transaction under the relevant FX Swap Line Agreement (the "**FX Swap Line Contractual Penalty**") and such FX Swap Line Agreement has not been terminated or otherwise ceased to be legally valid against and binding on the FX Hedge Counterparty. The FX Swap Line Contractual Penalty applies regardless of any actual damages incurred by Eurex Clearing AG. The right of Eurex Clearing AG to claim further damages shall remain unaffected. The amount of the FX Swap Line Contractual Penalty – as determined by Eurex Clearing AG – is the equivalent in the relevant Clearing Currency of 40 basis points of the payment due under the relevant leg of the relevant FX Hedging Transaction, with a minimum of EUR 2,500.00, CHF 3,000.00 or GBP 2,000.00, as applicable, and a maximum of EUR 10,000,000.00, CHF 12,000,000.00 or GBP 8,000,000.00, as applicable. The amount of the FX Swap Line Contractual Penalty can be amended in accordance with the procedure set out in Chapter I Part 1 Number 17.2.

3.7 Acknowledgements by Clearing Members

The Clearing Member acknowledges that:

- (i) if the CLS CCP Service becomes unavailable for settlement for any reason (including, but not limited to, insolvency of CLS Bank), (x) the Clearing Member will – in the circumstances set out in Number 3.2.2.3 – be required to discharge its

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payment obligation by making the relevant payment outside the CLS CCP Service to an account notified to it by Eurex Clearing AG for such purpose despite the fact that the Clearing Member may have already made a payment through the CLS CCP Service to the relevant CLS Central Bank Account and/or (y) the Clearing Member will – in the circumstances set out in Number 3.8 Paragraphs (2) and (3) – be required to indemnify Eurex Clearing AG by paying an amount equivalent to the relevant Prefunding Amount or Late Payment Amount, respectively, to an account notified to it by Eurex Clearing AG for such purpose despite the fact that the Clearing Member has already paid the Prefunding Amount or Late Payment Amount, respectively, to Eurex Clearing AG;

- (ii) it is under no obligation to submit Original OTC Transactions for Clearing which result in exceeding the USD Maximum Amount (and/or GBP Maximum Amount) (as applicable to it from time to time) on any Settlement Date and that it may reduce its portfolio size in order to avoid exceeding the USD Maximum Amount (and/or GBP Maximum Amount) (as applicable to it from time to time);
- (iii) to the extent Eurex Clearing AG is unable to source the Unavailable FX/XCCY Currency Amount through the exercise of its option(s) as set out in Number 3.3.3.1, Eurex Clearing AG shall be entitled to discharge its payment obligation with respect to the Unavailable FX/XCCY Currency Amount by paying a corresponding amount in the Available Currency as further set out in Number 3.3.3.2;
- (iv) in the case of Extraordinary Circumstances, Eurex Clearing AG shall be entitled to postpone its and all other Clearing Members' respective payment obligations under the relevant OTC Currency Transactions due for settlement on the relevant Settlement Date until the Business Day immediately following such Settlement Date as further set out in Number 3.3.3.3;
- (v) it shall pay the Prefunding Amount Investment Loss Shortage Amount or Late Payment Amount Investment Loss Shortage Amount (which can be an amount up to the relevant Prefunding Amount or Late Payment Amount, respectively) in the circumstances set out in Number 3.4.1;
- (vi) it shall pay the FX/XCCY Failure to Pay Costs if it fails to pay the relevant Investment Loss Shortage Amount in full by the relevant Investment Loss Shortage Cut-Off Time;
- (vii) the payment obligations of Eurex Clearing AG under the Deferred Payment shall be reduced by an amount equal to the Corresponding Pay-In Amount Investment Loss Shortage Amount pursuant to Number 3.4.2 Paragraph (1); and
- (viii) Eurex Clearing AG is entitled to claim compensation from the Clearing Member for any Prefunding Amount Clearing Member-Related Investment Loss, Late Payment Amount Clearing Member-Related Investment Loss and Corresponding Pay-In Amount Clearing Member-Related Investment Loss, in each case as further set out in Chapter I Part 1 Number 3.4.6 (which may also be the case if an Investment Loss occurs with respect to an Investment Party which is unrelated to the actual holding of

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Prefunding Amounts, Late Payment Amounts or Corresponding Pay-In Amounts, respectively).

3.8 Indemnity by Clearing Members

- (1) Each Clearing Member shall indemnify Eurex Clearing AG against any damages (Schäden) and losses (including, without limitation, any indemnity obligation towards CLS Bank and any properly incurred legal fees (as well as any applicable VAT)), which Eurex Clearing AG incurs as a result of the Clearing Member making or receiving any payments in connection with this Part 3 through any CLS Nostro Bank (including, but not limited, in case a CLS Nostro Bank fails to provide the Relevant Bank Information), provided that such indemnity obligation shall not apply to the extent such damages or losses result from Eurex Clearing AG's negligence (Fahrlässigkeit) or wilful misconduct (Vorsatz).
- (2) If on a Settlement Date the CLS CCP Service is not available for settlement for any reason (including, but not limited to, insolvency of CLS Bank) and Eurex Clearing AG has already transferred the relevant Prefunding Amount to the relevant CLS Central Bank Account, the Prefunding Amount Payer shall indemnify Eurex Clearing AG by paying on the Settlement Date an amount equivalent to the relevant Prefunding Amount to an account notified to the Prefunding Amount Payer by Eurex Clearing AG for such purpose. Provided that such amount has been paid to Eurex Clearing AG pursuant to the previous sentence, Number 3.2.2.3 Paragraph (1) item (ii) and Paragraph (3) shall apply *mutatis mutandis* as if the Prefunding Amount Payer were an Affected Payer Clearing Member.
- (3) If on a Settlement Date the CLS CCP Service is not available for settlement for any reason (including, but not limited to, insolvency of CLS Bank) and Eurex Clearing AG has already transferred the relevant Late Payment Amount to the relevant CLS Central Bank Account, the Late CM which has paid the Late Payment Amount ("**Late Payment Amount Payer**") shall indemnify Eurex Clearing AG by paying on the Settlement Date an amount equivalent to the relevant Late Payment Amount to an account notified to the Late Payment Amount Payer by Eurex Clearing AG for such purpose. Provided that such amount has been paid to Eurex Clearing AG pursuant to the previous sentence, Number 3.2.2.3 Paragraph (1) item (ii) and Paragraph (3) shall apply *mutatis mutandis* as if the Late Payment Amount Payer were an Affected Payer Clearing Member.

3.9 Use and Disclosure of Data

3.9.1 Use of data provided by Eurex Clearing AG

A Clearing Member may not use any data provided to it by Eurex Clearing AG in connection with the determination of the daily evaluation price or the determination of the relevant Business Day without the prior consent of Eurex Clearing AG, save for the purposes of complying with an obligation vis-à-vis a competent regulatory authority.

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3.9.2 Consent to disclose data to CLS Bank

The Clearing Member consents to the disclosure, to the extent permitted by applicable law, by Eurex Clearing AG to CLS Bank of all data in respect of the Clearing Member that are required for the making and settlement of payments to and from such Clearing Member through the CLS CCP Service in connection with this Part 3.

3.10 Limitation of liability

Eurex Clearing AG shall only be liable for wilful misconduct (*Vorsatz*) or gross negligence (*grobe Fahrlässigkeit*) of CLS Bank, unless CLS Bank violates any of its essential obligations (*wesentliche Vertragspflichten*) in connection with providing the CLS CCP Service with respect to OTC FX Transactions. An essential obligation is an obligation, the performance of which is necessary for the execution of the contract and in which the Clearing Member trusts and may trust. In case of simple negligence (*einfache Fahrlässigkeit*), the liability of Eurex Clearing AG is restricted to damages typically foreseeable at the time of granting the Clearing License. This Number 3.10 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.

3.11 Testing and trialling

Each Clearing Member shall (i) upon request by Eurex Clearing AG participate in the testing and trialling carried out by CLS Bank in connection with the CLS CCP Service and (ii) on a quarterly basis and/or upon request by Eurex Clearing AG participate in the testing and trialling with respect to OTC Currency Transactions and the FX Hedging Transactions (in each case of (i) and (ii) above, the “**Testing and Trialling**”). The Clearing Member shall induce its CLS Nostro Bank(s) to also participate in the Testing and Trialling.

3.12 Suspension of Clearing

If one or more of a Clearing Member's CLS Nostro Banks (i) fail to (A) participate in the Testing and Trialling as set out in Number 3.11, (B) apply the standard customary for nostro banks in carrying out payment instructions received by the Clearing Member or (C) provide the Relevant Bank Information or (ii) become subject to any of the events set out in Chapter I Part 1 Number 7.2.1 Paragraphs (5), (7) or (8), then Eurex Clearing AG may one or more times suspend or limit the Clearing of new OTC FX Transactions of such Clearing Member in accordance with Chapter I Part 2 Subpart A Number 6.2 which shall apply *mutatis mutandis*.

3.13 CLS Nostro Bank

- (1) Each Clearing Member undertakes to ensure that its CLS Nostro Banks will provide any Relevant Bank Information.
- (2) A Clearing Member is allowed to substitute one or more of its CLS Nostro Banks, if (i) Eurex Clearing AG has received at least 90 calendar days' prior written notice of such substitution and (ii) the substitute CLS Nostro Bank has been recognised and

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approved by Eurex Clearing AG (such recognition and approval is, *inter alia*, subject to the CLS Nostro Bank's successful participation in the Testing and Trialling). For the avoidance of doubt, if the recognition and approval process of the substitute CLS Nostro Bank takes longer than 90 calendar days, the substitution shall only become effective after such recognition and approval. Subject to the previous sentences, if the substitution of the CLS Nostro Bank(s) does not result in the reduction of the respective GBP Maximum Amount and USD Maximum Amount of any of the other Clearing Members applicable at the time of the proposed substitution, Eurex Clearing may agree to a shorter notice period.

- (3) If a Clearing Member's CLS Nostro Bank becomes subject to (i) any of the events set out in Chapter I Part 1 Number 7.2.1 Paragraphs (5), (7) or (8) or (ii) any recovery and resolution measures pursuant to the Act on the Recovery and Resolution of Institutions and Financial Groups (*Gesetz zur Sanierung und Abwicklung von Instituten und Finanzgruppen*), or any similar measure under foreign law, or Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund, or any similar measure under foreign law, then Eurex Clearing AG has the right to request the substitution of the Clearing Member's CLS Nostro Bank with a substitute CLS Nostro Bank recognised and approved by Eurex Clearing AG without undue delay.

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Part 4 Clearing of OTC XCCY Transactions

4.1 General Provisions

4.1.1 Applicable General Provisions

The general provisions of Part 1 and Part 3 (to the extent that the provisions of Part 3 expressly refer to OTC XCCY Transactions and/or OTC Currency Transactions) apply to all cross currency swap transactions traded over-the-counter to be cleared by Eurex Clearing AG ("**OTC XCCY Transactions**"), except where deviating or supplementary provisions for OTC XCCY Transactions are set out in this Part 4.

4.1.2 Determination of Transactions to be included in the Clearing

- (1) On the basis of the relevant Transaction Type specific novation criteria set out in Number 4.1.4.1 below, Eurex Clearing AG determines the OTC XCCY Transactions to be included in the Clearing of Eurex Clearing AG.
- (2) Where a trade record transmitted via an ATS containing an OTC XCCY Transaction recognised by Eurex Clearing AG pursuant to Paragraph (1) provides for any additional terms which are not contemplated in Numbers 4.2 and 4.3 below, such as e.g. optional or mandatory early termination provisions, such additional terms will not be included in the OTC Trade Novation Report and will not become part of the terms applicable to a CCP Transaction. Eurex Clearing AG will not store or record any data relating to such additional provisions.

4.1.3 Additional Requirements for an OTC Currency Product Clearing License to clear OTC XCCY Transactions

The OTC Currency Products Clearing License granted pursuant to Part 3 Number 3.1.3 entitles the Clearing Member to clear also OTC XCCY Transactions as further set out in Part 3 Number 3.1.3 if the applicant is a participant in an ATS designated by Eurex Clearing AG on its website (www.eurexclearing.com) in respect of OTC XCCY Transactions and the applicant has opted to clear OTC XCCY Transactions.

4.1.4 Novation Criteria and Process Regarding OTC XCCY Transactions

With regard to the novation of OTC XCCY Transactions, the specific novation criteria set out in the following provisions shall apply in addition to the novation criteria pursuant to Part 1 Number 1.2.3.

4.1.4.1 Transaction Type Specific Novation Criteria

The following Transaction Type specific novation criteria must be fulfilled for OTC XCCY Transactions (based on the trade record transmitted to Eurex Clearing AG via the ATS):

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(1) Categories of OTC XCCY Transactions

The OTC XCCY Transaction must be a mark-to-market cross currency swap.

(2) Currency pairs

The Currency Pair (as defined in Part 3 Number 3.1.4.1 Paragraph (2)) must be either (i) EUR/USD or (ii) GBP/USD.

The initial exchange payments and final exchange payments of both parties must not be made in the same currency and the floating amounts payable by each party must be denominated in the same currency as the initial exchange payments made by the respective other party.

(3) Payment types

The initial exchange payments and the trade related fee payments to be made by the parties with respect to the relevant OTC XCCY Transaction are defined at the conclusion of the contract. Payments in respect of the MTM Amount (as defined in Section 10.5 of the 2006 ISDA Definitions) are determined in accordance with the terms of the relevant OTC XCCY Transaction and Number 4.2.6. The interest rate payments by the parties must be floating rate versus floating rate.

Payments of any interest amounts due under the OTC XCCY Transaction (other than fees) must be in arrears (and not prior to or at the beginning of a calculation period).

Fees relating to the termination are settled one Business Day after the termination date. In case of maturity, fees are settled on the maturity date.

(4) Maximum remaining term

The remaining term of the OTC XCCY Transaction between the date of novation and the termination date must be no more than the sum of the Preliminary Remaining Term and the IMM Extension.

“IMM Dates” means the third Wednesday of March, June, September and December (i.e., between the 15th and 21st, whichever such day is a Wednesday), and IMM stands for the International Money Market.

“IMM Extension” means the period beginning immediately at the end of the Preliminary Remaining Term and ending on the date that is two IMM Dates following the end of the Preliminary Remaining Term.

“Preliminary Remaining Term” means the period between the date of novation and a date which is no more than 50 years following the date of novation.

(5) Minimum remaining term

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The minimum period of an OTC XCCY Transaction between the date of novation and the termination date must be at least 3 months.

(6) Shortened or extended calculation period (stub period)

Any non-standard shortened or extended calculation period (“XCCY Stub Period”), if any, must meet the following criteria:

(a) a short or long first calculation period (“XCCY Front Stub Period”) and a short or long last calculation period (“XCCY Back Stub Period”) may be specified for OTC XCCY Transactions, provided that the OTC XCCY Transaction can either have a XCCY Front Stub Period or a XCCY Back Stub Period. If both floating rate payment legs have a XCCY Stub Period, these have to be of the same type, i.e. both XCCY Front Stub Periods or both XCCY Back Stub Periods.

(b) The minimum period length of short XCCY Stub Periods is one Business Day. The maximum period length for long XCCY Stub Periods is one year and one month for floating rate payments in EUR and GBP and seven months for floating rate payments in USD.

(c) The floating rates for XCCY Stub Periods must be specified in the trade record submitted via the ATS as follows:

(aa) in case of a XCCY Front Stub Period, the applicable first fixed floating rate for the XCCY Stub Period is specified as such;

(bb) a floating rate index tenor is specified, which is used for the fixing in respect of the XCCY Stub Period. The following tenors (W = week(s), M = month(s), Y = year) are eligible: in case the currency is EUR: 1W, 2W, 1M, 2M, 3M, 6M, 9M, 1Y, in case the currency is GBP: 1W, 1M, 2M, 3M, 6M, 1Y and in case the currency is USD: 1W, 1M, 2M, 3M, 6M. Only neighbouring tenors of the XCCY Stub Period length are allowed (e.g. 2M or 3M for XCCY Stub Period length 2M+1W);

(cc) linear interpolation is specified, i.e. the floating rate for the relevant XCCY Stub Period is to be interpolated linearly between two specified rate index tenors. The interpolation tenors must be the two neighbours of the XCCY Stub Period length (e.g. 2M and 3M for XCCY Stub Period length 2M+1W). The eligible tenors are the same as for the method set out under lit. (bb) above; or

(dd) a floating rate index tenor is specified, which is used for the fixing in respect of the XCCY Stub Period. The following tenors (W = week(s), M = month(s), Y = year) are eligible: in case the currency is EUR 3W, 4M, 5M, 7M, 8M, 10M, 11M, in case the currency is GBP: 2W, 4M, 5M, 7M, 8M, 9M, 10M, 11M and in case the currency is USD: 2W, 4M, 5M, 7M. In this case, a linear interpolation as laid out in lit. (cc) above will be applicable.

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(7) Floating rate indices

The floating rate index (Floating Rate Option) must be one of the following:

(a) EUR-EURIBOR-Reuters

(b) GBP-LIBOR-BBA

(c) USD-LIBOR-BBA

where the payment is between the period end date and the second Business Day following the period end date. The fixing is between ten Business Days prior to the period start date and the period start date.

(8) Floating rate spread

Spreads may apply to the floating rates under the OTC XCCY Transactions. Spreads can be positive, zero or negative. Spreads applicable to an OTC XCCY Transaction must be constant; floating rate spread schedules are not supported.

(9) Calculation periods

The calculation periods for payments of floating amounts under the relevant OTC XCCY Transaction must be three months (except for XCCY Stub Periods).

If a payment date for a floating rate payment is adjusted in accordance with any applicable business day convention, the number of days in the relevant calculation period may either be adjusted to the new payment date or remain unadjusted, which is to be specified in the trade record submitted via the ATS.

The start and end dates of a calculation period have to be identical for each swap leg.

(10) Notional amount

The minimum notional amount must be 0.01; the notional amount is denominated in USD.

(11) Day count conventions

The day count conventions applicable to the OTC XCCY Transactions must be as follows: for payments in EUR and USD: Act/360 and in GBP: Act/365.

(12) Business Days

For purposes of defining the applicable Business Day, details of the relevant financial/business centre(s) or terms, which must be TARGET (EUTA), New York (USNY) or London (GBLO) must be provided.

(13) Business Day Convention

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The business day convention must be one of the following: (i) Following, (ii) Modified Following or (iii) Preceding.

(14) Caps, floors, collars

OTC XCCY Transactions where one or both floating rates are subject to a cap, floor or a collar are not eligible.

(15) Start date

OTC XCCY Transactions may be spot starting, forward starting or starting in the past (backloading).

(16) Break Clauses

Break clauses (*Kündigungsrechte*) are not eligible for OTC XCCY Transactions. If Original OTC Transactions containing break clauses are submitted to Eurex Clearing AG for clearing, such break clauses will not be recognised in course of the novation.

4.1.4.2 Documentation of Original OTC Transactions

- (1) In the trade record submitted via the ATS in respect of OTC XCCY Transactions, one of the following master agreements may be specified as the contractual basis of an Original OTC Transaction: (i) the 1992 ISDA Master Agreement or the 2002 ISDA Master Agreement, (ii) the German Master Agreement for Financial Derivatives Transactions (*Rahmenvertrag für Finanztermingeschäfte*) or (iii) the AFB/FBF Master Agreement.
- (2) Irrespective of the documentation of the Original OTC Transaction, the specific product-related terms for OTC XCCY Transactions set out in Number 4.3 below shall apply to all OTC XCCY Transactions.
- (3) By entering into the relevant Clearing Agreement, the Clearing Member declares vis-à-vis Eurex Clearing AG that it has received a copy of the 2006 ISDA Definitions, as published by ISDA, and any supplements issued thereto as of the date of such Clearing Agreement.

The Clearing Member further agrees to the passing on to ISDA of their company name and their company address in the context of the delivery to it of the documents referred to in the foregoing paragraph.

4.1.4.3 Bulk Backloading of Original OTC XCCY Transactions

- (1) An Original OTC Transaction that has a Trade Date which falls more than ten Business Days prior to the date of submission to Eurex Clearing AG and in respect of which the initial exchange of payments has already been settled bilaterally will be considered as a backloaded trade ("**Bulk Backloaded Original OTC XCCY Transaction**").

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- (2) The novation and clearing process for Bulk Backloaded Original OTC XCCY Transactions which have been submitted to Eurex Clearing AG via an ATS will be carried out on each Business Day. The novation process will be performed pursuant to the following paragraphs.
- (3) Bulk Backloaded Original OTC XCCY Transactions that are to be included in the Clearing by way of novation may be submitted to Eurex Clearing AG at any point in time. Bulk Backloaded Original OTC XCCY Transactions which are submitted prior to 3:00 p.m. (Frankfurt am Main time) on a Business Day and which fulfil all applicable novation criteria will be included in the novation process on such Business Day.
- (4) The novation process for OTC Bulk Backloaded Original Transactions which are submitted after 3:00 p.m. (Frankfurt am Main time) on a Business Day will be carried out on the next Business Day.
- (5) At 3:00 p.m. (Frankfurt am Main time) and 5:00 p.m. (Frankfurt am Main time) on each Business Day Eurex Clearing AG will make available to the Clearing Member a preliminary report indicating the Bulk Backloading Original OTC XCCY Transactions which have been received for Clearing and which fulfil the novation criteria pursuant to Number 4.1.4.1 and the Margin Requirement as well as any shortage in actually delivered Eligible Margin Assets.
- (6) Bulk Backloaded Original OTC XCCY Transactions which, on the day of submission, fulfil all novation criteria shall be novated on that Business Day. The novation will become effective when the respective OTC Trade Novation Report will be made available intraday at around 5:30 p.m. (Frankfurt am Main time) and at the end of a Business Day at or around 11:00 p.m. (Frankfurt am Main time).
- (7) For Bulk Backloaded Original OTC XCCY Transactions which, on the day of submission, fulfil all novation criteria except for the provision of the Eligible Margin Assets necessary to cover the margin requirement Eurex Clearing AG will debit the shortfall amount set forth in the OTC Margin Call Report produced and made available at 10:30 p.m. (Frankfurt am Main time) in the agreed Clearing Currency from the relevant Clearing Member Cash Account of the Clearing Member in accordance with the daily cash clearing procedure pursuant to Chapter I Part 1 Number 1.4.1. Such payment made by direct debit shall constitute cover in respect of the Margin to which the margin requirement referred to in the foregoing sentence relates and accordingly will constitute Elementary Proprietary Margin delivered by the Clearing Member pursuant to the Elementary Clearing Model Provisions. Eurex Clearing AG will make available an OTC Trade Novation Report on the Business Day following the day of submission at or around 9:30 a.m. (Frankfurt am Main time) to the Clearing Member.
- (8) A Clearing Member may subsequently cancel the submission with respect to any Bulk Backloading Original OTC Transaction submitted to Eurex Clearing AG via an ATS and intended to be novated by the latest by 5:00 p.m. (Frankfurt am Main time) on a Business Day, provided that

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- (i) the cancellation request is entered by the Clearing Member into the system of, and received by, Eurex Clearing AG, and
- (ii) the other Clearing Member that is a party to the relevant Transaction has given its prior consent in the system of Eurex Clearing AG.

4.1.5 Daily Evaluation Price

Eurex Clearing AG determines the daily evaluation price on the basis of (i) the fixings published on the Reuters Screen page as defined for the relevant floating rate determined in accordance with Number 4.2.7 Paragraph (1) below and (ii) the raw market quotes underlying the discount and forecast curve provided by a recognised third party provider, in each case as of the day of the determination of the daily evaluation price (each such day a "Reset Date" for the purposes of Number 4.2.7 Paragraph (1)). Where no information on the relevant rates is available on the relevant screen page, Eurex Clearing AG will determine the daily evaluation price based on quotes obtained from major banks in accordance with Number 4.2.7 Paragraph (5) below.

4.1.6 Margin Requirements

The basic provisions for the margin requirements are set forth in Chapter I Part 1 Number 3 together with Chapter I Part 2 Numbers 6 and 7. In addition thereto, the following provisions shall apply:

- (1) The applicable Margin Type shall be the Additional Margin, Variation Margin and Settlement Compensation Margin (as defined in Part 3 Number 3.1.6 Paragraph (5)); Variation Margin shall be provided in USD cash amounts only.
- (2) The Variation Margin Requirement and/or any Redelivery Amount (each as defined in Chapter I Part 2 Number 7), as the case may be, for CCP Transactions that are OTC XCCY Transactions shall equal the profit or loss amount determined on any Business Day on the basis of the daily evaluation price (as set out in Number 4.1.5) as follows: For each outstanding CCP Transaction concluded prior to the relevant Business Day, the relevant profit or loss amount shall be the difference between the daily evaluation prices of the CCP Transaction on the relevant Business Day and the previous Business Day. For CCP Transactions concluded on the relevant Business Day, the relevant profit or loss amount shall be the difference between zero and the daily evaluation price for such Business Day. Additionally, the Variation Margin includes two correction terms for considering the time delay between its calculation and settlement. For this purpose, the trade related cash flows (including coupon payments, principal exchange payments, periodical resets and trade related fees) on the current Business Day are added and the trade related cash flows (including coupon payments, principal exchange payments, periodical resets and trade related fees (if any)) on the next Business Day of the respective currency are subtracted.

The Variation Margin Requirement and/or any Redelivery Amount shall be calculated in USD with respect to each Transaction in accordance with the following formula:

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$$VM_{\S}(t) = NPV_{\S}(t) - NPV_{\S}(t - 1) + CF_{\S}(t) - CF_{\S}(t + 1) + CF_{\text{€;£}}(t) \cdot FX(t - 1) - CF_{\text{€;£}}(t + 1) \cdot FX(t)$$

where:

$FX(t)$ denotes the FX spot rate at time t for EUR/USD or GBP/USD;

$CF(t)$ denotes trade related cash flows in the respective currency at time t; and

$NPV(t)$ denotes the net present value of the trade at time t.

- (3) Eurex Clearing AG will charge the price alignment interest (“XCCY PAI”) to the Clearing Member together with the Variation Margin. It corresponds to the overnight interest paid or received on the cumulative Variation Margin over the lifetime of the portfolio. The cumulative Variation Margin of the previous Business Day corresponds to the value of the XCCY portfolio on the previous Business Day.

If the overnight interest rates are positive and, from a Clearing Member’s perspective, the value of the XCCY portfolio is positive, Eurex Clearing AG will charge XCCY PAI to the Clearing Member. If the overnight interest rates are positive and from a Clearing Member’s perspective, the value of the XCCY portfolio is negative, Eurex Clearing AG will credit XCCY PAI to the Clearing Member. In case of negative overnight interest rates, Eurex Clearing AG will credit XCCY PAI to the Clearing Member if, from a Clearing Member’s perspective, the value of the XCCY portfolio is positive and will charge XCCY PAI to the Clearing Member if from a Clearing Member’s perspective, the value of the XCCY portfolio is negative.

XCCY PAI shall be calculated and payable on each Business Day with respect to each Transaction in accordance with the formula set out in Part 3 Number 3.1.6 Paragraph (3).

- (4) The rules on set-off of cash claims pursuant to Chapter I Part 1 Number 1.3.1 Paragraph (1) (a) Sentence 1 and Chapter I Part 1 Number 1.3.1 Paragraph (2) (a) (aa) apply.
- (5) In addition to Eurex Clearing AG’s right to demand Settlement Compensation Margin from a Clearing Member in accordance with Part 3 Number 3.1.6 Paragraph (5), Eurex Clearing AG shall also be entitled to demand, at any time during a Business Day, from a Clearing Member margin – as part of the Settlement Compensation Margin – in an amount determined by Eurex Clearing AG to be adequate to compensate Eurex Clearing AG for any costs and/or expenses which it has occurred or may incur in connection with entering into and performing its obligations under Number 4.4. Such margin shall also constitute Settlement Compensation Margin and the provisions of the second, third, fourth, fifth and sixth sub-paragraph of Part 3 Number 3.1.6 Paragraph (5) apply.
- (6) Any payments in respect of Variation Margin, XCCY PAI and trade related fees to be made by the Clearing Member to Eurex Clearing AG shall be made on a net basis and directly to the relevant CLS Central Bank Account (as defined in Part 3

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Number 3.1.6 Paragraph (6)) through the CLS CCP Service. Where in this Part 4 a payment is specified to be made on a net basis, this shall relate to any payment made through the CLS CPP Service pursuant to Part 3 and this Part 4 which is also specified to be made on a net basis.

Any payments in respect of Variation Margin and XCCY PAI to be made by Eurex Clearing AG to the Clearing Member shall be made on a net basis and directly to relevant Currency Products Cash Account of the Clearing Member through the CLS CCP Service.

4.1.7 Default Fund

Contributions to the Default Fund are made in accordance with Chapter I Part 1 Number 6.

4.1.8 Calculation Agent

The Calculation Agent shall calculate the floating amounts (including the determination of the applicable floating rate) as well as any close-out amounts or cash settlement amounts that (a) are payable upon termination or novation of CCP Transactions and (b) are to be determined by the Calculation Agent pursuant to this Part 4. To the extent calculations, determinations or other action have to be made or taken under the 2006 ISDA Definitions, Section 4.14 of the 2006 ISDA Definitions shall apply provided that any notices to be given by Eurex Clearing AG in its capacity as Calculation Agent will be made available by Eurex Clearing AG in its system for purposes of CCP Transactions. For the avoidance of doubt, in its capacity as Calculation Agent, the liability of Eurex Clearing AG shall be restricted in accordance with the provisions set out in Chapter I Part 1 Number 14.1.2 of the Clearing Conditions.

4.2 General product-related terms for OTC XCCY Transactions

The following general product-related terms shall apply to the OTC XCCY Transactions provided for in Numbers 4.3 and 4.4.

4.2.1 Payment Obligations

(1) The relevant Clearing Member and Eurex Clearing AG shall pay the amounts payable under and in accordance with the terms of the relevant CCP Transaction as specified in the relevant OTC Trade Novation Report on the basis of the trade record submitted via the ATS in respect of OTC XCCY Transactions and which are as follows:

(a) subject to Number 4.4 in connection with Part 3 Number 3.3.3.2, the relevant Clearing Member and Eurex Clearing AG each agree to pay to the respective other party the floating amounts as determined in accordance with Number 4.2.4 and as applicable to each of the parties on the relevant Floating Rate Payer Payment Dates;

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- (b) subject to Number 4.4 in connection with Part 3 Number 3.3.3.2, (i) as regards the initial exchange of payments under the OTC XCCY Transaction, one party (“XCCY Party A”) agrees to pay to the other party (“XCCY Party B”) on the relevant Initial Exchange Date the Initial Exchange Amount 1 against the payment by XCCY Party B of the Initial Exchange Amount 2 and (ii) as regards the final exchange of payments under that OTC XCCY Transaction XCCY Party A agrees to pay XCCY Party B on the relevant Final Exchange Date the Final Exchange Amount 1 against the payment by XCCY Party B of the Final Exchange Amount 2; the obligation of both parties to make the initial exchange of payments and the obligation of both parties to make the final exchange of payments under the OTC XCCY Transactions are entered into simultaneously;
- (c) subject to Number 4.4 in connection with Part 3 Number 3.3.3.2, the relevant Clearing Member and Eurex Clearing AG each agree to pay – if, according to the terms of the relevant OTC XCCY Transaction and Number 4.2.6, they are the party required to do so – to the respective other party the MTM Amount (if any) with USD being the Variable Currency (as defined in Section 10.2 of the 2006 ISDA Definitions) on the relevant Floating Rate Payer Payment Dates; and
- (d) the Clearing Member shall pay the relevant Prefunding Amount, if any, to Eurex Clearing AG in accordance with Part 3 Number 3.2.1 Paragraphs (1)(d) and (2).

Subject to Number 4.2.2.3 and this Number 4.2.1 Paragraph (1)(d), any payments to be made by the Clearing Member to Eurex Clearing AG under this Number 4.2.1 (other than payments with respect to any Prefunding Amount) shall be made – with respect to each currency of the Currency Pairs – on a net basis and directly to the relevant CLS Central Bank Account through the CLS CCP Service no later than the CLS Cut-Off Time (as timing is of the essence). The provisions of Section 376 German Commercial Code (*Handelsgesetzbuch*) shall, however, not apply.

A payment to be made by the Clearing Member to Eurex Clearing AG in respect of (an) OTC XCCY Transaction(s) (including with respect to Variation Margin, XCCY PAI and trade related fees but excluding payments with respect to any relevant Prefunding Amount, Prefunding Amount Investment Loss Shortage Amount, Margin or Settlement Compensation Margin) on a relevant payment date shall be referred to as the “**Relevant XCCY Payment**”.

Any payments to be made by Eurex Clearing AG to the Clearing Member under this Number 4.2.1 shall be made – with respect to each currency of the Currency Pairs – on a net basis and directly to the relevant Currency Products Cash Account of the Clearing Member through the CLS CCP Service.

- (2) The provisions with respect to Prefunding Amounts as set out in Part 3 Number 3.2.1 Paragraph (2) apply.

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- (3) Payments of floating amounts due on the relevant next Floating Rate Payer Payment Date after the date on which novation of the relevant Original OTC Transaction has taken place shall be effected in accordance with the Clearing Conditions for the entire calculation period. This also applies if part of the calculation period has already elapsed at the day of novation.
- (4) Payments under the relevant OTC XCCY Transaction will not be owed under the relevant CCP Transaction and are not subject to these Clearing Conditions in case these payments were due on or before the day of novation.
- (5) If after adjustment in accordance with the applicable Business Day Conventions:
- (a) in case of the Currency Pair EUR/USD, payments of any amount payable under the relevant CCP Transaction become due on a payment date which is not (i) a TARGET Settlement Day, (ii) a CLS Settlement Day and (iii) a New York Banking Day, such payments shall become payable on the Adjusted EUR/USD Payment Date; and
- (b) in case of the Currency Pair GBP/USD, payments of any amount payable under the relevant CCP Transaction become due on a payment date which is not (i) a TARGET Settlement Day, (ii) a CLS Settlement Day, (iii) a London Banking Day and (iv) a New York Banking Day, such payments shall become payable on the Adjusted GBP/USD Payment Date.

In case of (a) above, for the period from (and including) the scheduled payment date until (and excluding) the next Adjusted EUR/USD Payment Date, interest will be payable by the payer of the relevant amount payable at a rate equal to EONIA (in case of Euro payments) or FEDFUND (in case of USD payments).

In case of (b) above, for the period from (and including) the scheduled payment date until (and excluding) the next Adjusted GBP/USD Payment Date, interest will be payable by the payer of the relevant amount payable at a rate equal to SONIA (in case of GBP payments) or FEDFUND (in case of USD payments).

“Adjusted EUR/USD Payment Date” means with respect to a day which is not (i) a TARGET Settlement Day, (ii) a CLS Settlement Day and (iii) a New York Banking Day, the next day which is a TARGET Settlement Day, a CLS Settlement Day and a New York Banking Day.

“Adjusted GBP/USD Payment Date” means with respect to a day which is not (i) a TARGET Settlement Day, (ii) a CLS Settlement Day, (iii) a London Banking Day and (iv) a New York Banking Day, the next day which is a TARGET Settlement Day, a CLS Settlement Day, a London Banking Day and a New York Banking Day.

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4.2.2 Discharge of payment obligations through CLS CCP Service

4.2.2.1 Discharge of payment obligations of a Clearing Member

As regards the discharge of any payment obligation of a Clearing Member arising under this Part 4 towards Eurex Clearing AG, the provisions of Part 3 Number 3.2.2.1 apply.

4.2.2.2 Discharge of payment obligations of Eurex Clearing AG

Subject to Number 4.2.2.3, as regards the discharge of any payment obligation of Eurex Clearing AG arising under this Part 4 towards a Clearing Member, the provisions of Part 3 Number 3.2.2.2 apply.

4.2.2.3 Discharge of payment obligations in case of unavailability of CLS CCP Service

If the CLS CCP Service is not available for settlement for any reason (including, but not limited to, insolvency of CLS Bank), the provisions of Part 3 Number 3.2.2.3 apply.

4.2.2.4 Finality of payments processed through CLS CCP Service

As regards the finality of Payment Transfer Orders given by or on behalf of a Clearing Member to one or more of its CLS Nostro Bank(s) or by Eurex Clearing AG to CLS Bank in respect of payment obligations arising under this Part 4, the provisions of Part 3 Number 3.2.2.4 apply.

4.2.3 References to Market Standard OTC XCCY Documentation

- (1) Notwithstanding any selection of the 2000 ISDA Definitions and/or the 2006 ISDA Definitions in the trade record to be transmitted via the ATS in respect of OTC XCCY Transactions and subject to Number 4.2.7 below, the 2006 ISDA Definitions as published by ISDA shall apply to all OTC XCCY Transactions.
- (2) All terms defined in the 2006 ISDA Definitions which are used in this Chapter VIII shall have the meaning given to them in the 2006 ISDA Definitions unless otherwise defined herein. In the event of any inconsistency between the 2006 ISDA Definitions on the one hand and the Clearing Conditions on the other hand, the Clearing Conditions shall prevail.
- (3) For the purposes of this Part 4, references in the 2006 ISDA Definitions to a "Swap Transaction" and/or "Mark-to-Market Currency Swap" shall be considered to be references to a CCP Transaction that is an OTC XCCY Transactions. Any reference in the 2006 ISDA Definitions to a "Confirmation" shall be a reference to the Clearing Conditions in conjunction with the relevant OTC Trade Novation Report.
- (4) Notwithstanding the fact that the Clearing Conditions (including this Chapter VIII and the market standard documentation incorporated therein by reference) are governed by the laws of Germany, the terms and provisions of the 2006 ISDA Definitions shall be interpreted in accordance with international market practice for OTC XCCY Transactions and shall be given the same meaning as they would have in

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English law-governed OTC XCCY transactions entered into on the basis of documentation published by ISDA.

4.2.4 Calculation of Floating Amounts

- (1) Eurex Clearing AG will calculate the respective floating amounts on the basis of the following formulae:

Floating Amount 1 = Floating Rate Payer 1 Currency Amount x (Floating Rate 1 +/- Spread 1) x Floating Rate Day Count Fraction 1; and

Floating Amount 2 = Floating Rate Payer 2 Currency Amount x (Floating Rate 2 +/- Spread 2) x Floating Rate Day Count Fraction 2.

If Floating Rate Payer 1 is the Variable Currency Payer, the Floating Rate Payer 1 Currency Amount for a relevant Calculation Period will be the Variable Currency Amount as determined in accordance with the provision set out below for that Calculation Period.

If Floating Rate Payer 2 is the Variable Currency Payer, the Floating Rate Payer 2 Currency Amount for a relevant Calculation Period will be the Variable Currency Amount as determined in accordance with the provision set out below for that Calculation Period.

“Variable Currency Amount” means, in respect of any Calculation Period, the Currency Amount in respect of the Variable Currency Payer, which will be:

- (i) for the first Calculation Period, the Currency Amount specified in respect of the Variable Currency Payer in the relevant OTC Trade Novation Report or, if such a Currency Amount is not specified, an amount equal to the Constant Currency Amount expressed in the Variable Currency by reference to the Currency Exchange Rate for such Calculation Period; and
- (ii) for each subsequent Calculation Period, an amount equal to the Constant Currency Amount expressed in the Variable Currency by reference to the Currency Exchange Rate for such Calculation Period.

- (2) If the floating amount payable by a party on a Floating Rate Payer Payment Date is a negative number (either due to a quoted negative Floating Rate or by operation of a negative Spread that is added to the Floating Rate), then the floating amount payable by that party on that Floating Rate Payer Payment Date will be deemed to be zero and the other party will pay to that party the absolute value of the negative floating amount as calculated, in addition to any amounts otherwise payable by the other party for the related Calculation Period.

4.2.5 Rates for calculating the Floating Amounts

- (1) The applicable Relevant Rate applied by Eurex Clearing AG in calculating floating amounts will be set out in the OTC Trade Novation Report on the basis of the

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floating rate index specified in the trade record transmitted to Eurex Clearing AG via the ATS whereby:

- (a) “**EUR-EURIBOR-Reuters**” means the rate for a Reset Date which will be the rate for Euro deposits for a period until the Designated Maturity which appears on the Reuters Screen EURIBOR01 Page as of 11:00 a.m., Brussels time. If a corrected rate is delivered till 15:00 Brussels time, then this rate will be used.
- (b) “**GBP-LIBOR-BBA**” means the rate for a Reset Date which will be the rate for deposits in GBP for a period until the Designated Maturity which appears on the Reuters Screen LIBOR01 Page as of 11:00 a.m., London time.
- (c) “**USD-LIBOR-BBA**” means the rate for a Reset Date which will be the rate for deposits in USD for a period until the Designated Maturity which appears on the Reuters Screen LIBOR01Page as of 11:00 a.m., London time.
- (d) Fallback index level: In case one of the rates under items (a) to (c) above is not published by the relevant body at the respective usual time, Eurex Clearing AG sets the relevant rate used for the calculation of floating amounts in its reasonable discretion.
- (e) Successor index: In case a floating rate index is discontinued to be published by the relevant body, Eurex Clearing AG sets a successor index in its reasonable discretion taking into account relevant guidance notes of ISDA.
- (2) “**Reset Date**” means, for an OTC XCCY Transaction or a party, each day specified as such in the OTC Trade Novation Report for the OTC XCCY Transaction or that party, subject to adjustment in accordance with the applicable business day convention specified in the OTC Trade Novation Report, in each case on the basis of the data relating to reset dates as transmitted to Eurex Clearing AG via the ATS. If an adjustment in accordance with that business day convention would cause a Reset Date to fall on the Payment Date in respect of the Calculation Period to which that Reset Date relates, the Reset Date shall be the first Business Day preceding the date on which the Reset Date would have fallen without any adjustment.
- (3) “**Designated Maturity**” means, in respect of an OTC XCCY Transaction or a party, the period of time specified as index tenor in the OTC Trade Novation Report on the basis of the index tenor data transmitted to Eurex Clearing AG via the ATS.
- (4) If “**Linear Interpolation**” is specified in the trade record transmitted to Eurex Clearing AG via the ATS as applicable with respect to a Calculation Period, the Relevant Rate for a Reset Date shall be determined in accordance with Section 8.3 of the 2006 ISDA Definitions, whereby the Calculation Agent will make such determination in accordance with market practice based on the Best Practice Statement Linear Interpolation published by ISDA on 18 December 2009.

If a Floating Rate is to be determined with respect to a XCCY Stub Period and “Linear Interpolation” is not specified as applicable with respect to such

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determination, the floating rate for such XCCY Stub Period shall be determined pursuant to Number 4.1.4.1 Paragraph (6) (c) (aa), (bb) or (dd), as applicable.

- (5) Where the Relevant Rate is not available on the relevant screen page, Eurex Clearing AG determines the applicable rate in its reasonable discretion on the basis of the arithmetic mean of the rates at which deposits (in the relevant contractual currency, with an equivalent maturity and in the same, or approximately the same, notional amount) are offered by at least four major banks to prime banks in the relevant interbank market at approximately the time at which the relevant rate should have been available on the applicable screen.

4.2.6 Calculation of MTM Amount

- (1) The MTM Amount will be determined by Eurex Clearing AG for each Calculation Period as an amount, if any, equal to (i) the Variable Currency Amount for the relevant Calculation Period minus (ii) the Variable Currency Amount for the immediately preceding Calculation Period.
- (2) If the MTM Amount is positive, the Constant Currency Payer will pay such amount to the Variable Currency Payer. If the MTM Amount is negative, the Variable Currency Payer will pay the absolute value of that amount to the Constant Currency Payer.

4.2.7 Day Count Conventions

The following Floating Rate Day Count Fractions conventions may be specified in the OTC Trade Novation Report based on the trade record transmitted via the ATS for determining the applicable day count fraction with respect to an OTC XCCY Transaction:

- (1) for EUR and USD: Act/360, which shall have the meaning given to "Act/360" in the 2006 ISDA Definitions; and
- (2) for GBP: Act/365, which shall have the meaning given to "Act/365 (Fixed)" in the 2006 ISDA Definitions.

4.3 Specific product-related terms for OTC XCCY Transactions

The product-related terms set out below and the expressions defined in the 2006 ISDA Definitions are specified in the relevant OTC Trade Novation Report on the basis of the trade record transmitted via the ATS in respect of OTC XCCY Transactions.

In the case of OTC XCCY Transactions, the 2006 ISDA Definitions and, on their basis, the following terms shall apply:

(a) General Terms

(i) Trade Date

(ii) Effective Date

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(iii) Termination Date (subject to adjustment in accordance with any applicable Business Day Convention)

(iv) Constant Currency Payer

(v) Variable Currency Payer

(vi) Constant Currency Amount in Constant Currency

(vii) Currency Exchange Rate, as specified in the OTC Trade Novation Report for the initial Calculation Period and as determined in accordance with Section 10.2(g)(ii) of the 2006 ISDA Definitions for each subsequent Calculation Period.

(b) Floating Rate Payer 1

(i) Floating Rate Payer 1

(ii) Floating Rate Payer 1 Currency Amount, if Floating Rate Payer 1 is the Variable Currency Payer, the Floating Rate Payer 1 Currency Amount will, for each Calculation Period, be the Variable Currency Amount as determined in accordance with Number 4.2.4 Paragraph (1) for that Calculation Period

(iii) Floating Rate Payer 1 Payment Dates (subject to adjustment in accordance with any applicable Business Day Convention)

(iv) Floating Rate 1 for initial Calculation Period, if applicable

(v) Floating Rate 1

(vi) Designated Maturity 1

(vii) Spread 1

(viii) Floating Rate Day Count Fraction 1

(ix) Reset Dates 1 (subject to adjustment in accordance with any applicable Business Day Convention)

(c) Floating Rate Payer 2

(i) Floating Rate Payer 2

(ii) Floating Rate Payer 2 Currency Amount, if Floating Rate Payer 2 is the Variable Currency Payer, the Floating Rate Payer 2 Currency Amount will, for each Calculation Period, be the Variable Currency Amount as determined in accordance with Number 4.2.4 Paragraph (1) for that Calculation Period

(ii) Floating Rate Payer 2 Payment Dates (subject to adjustment in accordance with any applicable Business Day Convention)

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- (ii) Floating Rate 2 for initial Calculation Period, if applicable
- (iii) Floating Rate 2
- (iv) Designated Maturity 2
- (v) Spread 2
- (vi) Floating Rate Day Count Fraction 2
- (vii) Reset Dates 2 (subject to adjustment in accordance with any applicable Business Day Convention)

(d) Initial and Final Exchange

- (i) Initial Exchange Date (subject to adjustment in accordance with any applicable Business Day Convention)
- (ii) Initial Exchange Amount 1 and Initial Exchange Amount 2
- (iii) Final Exchange Date (subject to adjustment in accordance with any applicable Business Day Convention)
- (iv) Final Exchange Amount 1, if XCCY Party A is the Variable Currency Payer, the Final Exchange Amount 1 will be the Variable Currency Amount as determined in accordance with Number 4.2.4 Paragraph (1) for the final Calculation Period
- (v) Final Exchange Amount 2, if XCCY Party B is the Variable Currency Payer, the Final Exchange Amount 2 will be the Variable Currency Amount as determined in accordance with Number 4.2.4 Paragraph (1) for the final Calculation Period

(e) Further Terms

- (i) Business Days for first currency of the Currency Pair and Business Days for second currency of the Currency Pair
- (ii) Business Day Convention

4.4 Failure to Pay with respect to an OTC XCCY Transaction

If on a relevant Settlement Date the Late CM fails to make a Relevant XCCY Payment in full by the CLS Cut-Off Time (this cut-off time also applies if the CLS CCP Service is not available for settlement and settlement is instructed outside CLS pursuant to Number 4.2.2.2), the provisions of Part 3 Number 3.3 shall apply.

4.5 Investment Loss with respect to OTC XCCY Transactions

An Investment Loss (as further set out in Chapter I Part 1 Number 3.4.6) may occur with respect to (i) a Prefunding Amount, (ii) a Late Payment Amount and/or (iii) a Corresponding Pay-In Amount, in each case denominated in a Commercial Bank

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Currency and in relation to an OTC XCCY Transaction. In such case, the provisions of Part 3 Number 3.4 shall apply.

4.6 Step-In Process and Roll-Over in the case of a Termination

In case a Termination Date has occurred with respect to a Clearing Member, the provisions of Part 3 Number 3.5 shall apply.

4.7 Failure to Pay with respect to FX Swap Line

If an FX Hedge Counterparty fails to perform its payment obligations under the relevant FX Hedging Transaction under the relevant FX Swap Line Agreement, the provisions of Part 3 Number 3.6 shall apply.

4.8 Trade Netting and Accumulation

Eurex Clearing AG may agree with a Clearing Member upon the mutual cancellation (“netting”) and the accumulation of CCP Transactions that are OTC XCCY Transactions provided that such CCP Transactions are part of the same Standard Agreement. In this case, the netting and accumulation shall be carried out on the basis of the following provisions agreed upon by Eurex Clearing AG and the Clearing Member. Such agreement may be terminated by the Clearing Member with the effect on the Business Day following the receipt of the termination notice by Eurex Clearing AG.

If (i) Eurex Clearing AG and a Clearing Member have agreed upon the netting and accumulation of CCP Transactions pursuant to this Number 4.8 and (ii) the relevant Clearing Member holds an Interest Rate Derivatives Clearing Licence, the netting and accumulation shall also be carried out with respect to OTC Interest Rate Derivative Transactions pursuant to Part 2 Number 2.6.

4.8.1 Inclusion of CCP Transactions in the Netting and Accumulation Process

(1) All CCP Transactions that are OTC XCCY Transactions are eligible for netting provided that the relevant XCCY Trade Criteria are identical.

“XCCY Trade Criteria” means the commercial terms of the relevant CCP Transactions, in particular:

(i) the following basic criteria:

Currency Pairs, floating rate and rate index tenor, termination date, all future payment dates, current applicable floating rate that has been fixed, day count convention (for each of the relevant floating rate payment obligations of each party), reset date, business day convention; and

(ii) the following additional criteria, as applicable:

with respect to XCCY Stub Periods that have not expired:

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stub period start date, stub period length, type of XCCY Stub Period, stub index tenors, manually provided first fixed floating rate.

- (2) With respect to the eligibility of CCP Transactions that are OTC XCCY Transactions for accumulation, Paragraph (1) applies *mutatis mutandis*.
- (3) CCP Transactions will be netted and/or accumulated if the CCP Transactions have been designated for netting and/or accumulation, as the case may be, by the respective Clearing Member in the system of Eurex Clearing AG ("**XCCY Optional Netting**"). Such designation shall be submitted no later than by 10:00 p.m. (Frankfurt am Main time) on the relevant Business Day.
- (4) Instead of XCCY Optional Netting, a Clearing Member may select that all Own Transactions are netted or accumulated, as the case may be, at the end of each Business Day.

4.8.2 Netting and Accumulation Procedure

- (1) The CCP Transactions selected for netting shall be netted with each other to the maximum extent possible on each netting level. Upon closing of the netting, all CCP Transactions that were netted are cancelled.

The remaining CCP Transactions for which there is no counterposition with which they can be netted may be accumulated and novated to one or more CCP Transaction(s) with the aggregate notional amount of the accumulated CCP Transactions. The CCP Transactions that were accumulated shall be cancelled.

- (2) The CCP Transactions to be accumulated shall be novated to one or more CCP Transaction(s) with the aggregate notional amount of the accumulated CCP Transactions. The CCP Transactions that were accumulated shall be cancelled.
- (3) The netting or, if applicable, the accumulation of the CCP Transactions will become effective when the OTC Trade Daily Summary Report, in which such event is included, is made available to the Clearing Members.

4.9 Early Termination

- (1) A CCP Transaction that is an OTC XCCY Transaction may be early terminated in accordance with Paragraphs (2) to (5) below.
- (2) Any early termination pursuant to this Number 4.9 shall take effect when a respective OTC Trade Daily Summary Report is made available to the relevant Clearing Members via Eurex Clearing AG's system.
- (3) Without prejudice to the early termination provisions set out in this Number 4.9 and any termination rights a Clearing Member may have pursuant to Chapter I, Clearing Members have no right to exercise any early termination option under any CCP Transaction and no mandatory early termination shall apply to a CCP Transaction. This paragraph shall not restrict the parties to a CCP Transaction to agree on a

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bilateral basis that one party shall have a right to demand from the other party its consent to a termination of the CCP Transaction.

- (4) A CCP Transaction may only be early terminated (i) together with a CCP Transaction between Eurex Clearing AG and another Clearing Member and which has identical terms, (ii) against the payment of a cash settlement amount calculated by the Calculation Agent on the basis of the daily evaluation price (as set out in Number 4.1.5) and (iii) provided that:
- (a) Eurex Clearing AG and both Clearing Members have given their consent to such termination;
 - (b) both Clearing Members were a party to the Original OTC Transaction; and
 - (c) none of the two CCP Transactions created upon novation of the Original OTC Transaction was subject to any netting or accumulation pursuant to Number 4.8.

If both Clearing Members have given their consent to the early termination request in accordance with Number 4.9 Paragraph (4) lit. (a), they may cancel such a request as long as the risk check performed by Eurex Clearing AG has not yet been successfully completed.

An early termination pursuant to this Number 4.9 may also be effected with respect to part of a CCP Transaction.

- (5) Any amounts payable under this Number 4.9 shall be paid directly through the CLS CCP Service.

4.10 Acknowledgements by Clearing Members

The Clearing Members acknowledges that:

- (i) if the CLS CCP Service becomes unavailable for settlement for any reason (including, but not limited to, insolvency of CLS Bank), (x) the Clearing Member will – in the circumstances set out in Number 4.2.2.3 in connection with Part 3 Number 3.2.2.3 – be required to discharge its payment obligation by making the relevant payment outside the CLS CCP Service to an account notified to it by Eurex Clearing AG for such purpose despite the fact that the Clearing Member may have already made a payment through the CLS CCP Service to the relevant CLS Central Bank Account and/or (y) the Clearing Member will – in the circumstances set out in Number 4.11 Paragraphs (2) and (3) – be required to indemnify Eurex Clearing AG by paying an amount equivalent to the relevant Prefunding Amount to an account notified to it by Eurex Clearing AG for such purpose despite the fact that the Clearing Member has already paid the Prefunding Amount to Eurex Clearing AG;
- (ii) it is under no obligation to submit Original OTC Transactions for Clearing which result in exceeding the USD Maximum Amount (and/or GBP Maximum Amount) (as applicable to it from time to time) on any Settlement Date and that it may reduce its

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portfolio size in order to avoid exceeding the USD Maximum Amount (and/or GBP Maximum Amount) (as applicable to it from time to time);

- (iii) to the extent Eurex Clearing AG is unable to source the Unavailable FX/XCCY Currency Amount through the exercise of its option(s) as set out in Number 4.4 in connection with Part 3 Number 3.3.3.1, Eurex Clearing AG shall be entitled to discharge its payment obligation with respect to the Unavailable FX/XCCY Currency Amount by paying a corresponding amount in the Available Currency as further set out in Number 4.4 in connection with Part 3 Number 3.3.3.2;
- (iv) in the case of Extraordinary Circumstances, Eurex Clearing AG shall be entitled to postpone its and all other Clearing Members' respective payment obligations under the relevant OTC Currency Transactions due for settlement on the relevant Settlement Date until the next Business Day as further set out in Number 4.4 in connection with Part 3 Number 3.3.3.3;
- (v) it shall pay the Prefunding Amount Investment Loss Shortage Amount or Late Payment Amount Investment Loss Shortage Amount (which can be an amount up to the relevant Prefunding Amount or Late Payment Amount, respectively) in the circumstances set out in Number 4.5 in connection with Part 3 Number 3.4.1;
- (vi) it shall pay the FX/XCCY Failure to Pay Costs if it fails to pay the relevant Investment Loss Shortage Amount in full by the relevant Investment Loss Shortage Cut-Off Time;
- (vii) the obligations of Eurex Clearing AG under the Deferred Payment shall be reduced by an amount equal to the Corresponding Pay-In Amount Investment Loss Shortage Amount pursuant to Number 4.5 in connection with Part 3 Number 3.4.2 Paragraph (1); and
- (viii) Eurex Clearing AG is entitled to claim compensation from the Clearing Member for any Prefunding Amount Clearing Member-Related Investment Loss, Late Payment Amount Clearing Member-Related Investment Loss and Corresponding Pay-In Amount Clearing Member-Related Investment Loss, in each case as further set out in Chapter I Part 1 Number 3.4.6 (which may also be the case if an Investment Loss occurs with respect to an Investment Party which is unrelated to the actual holding of Prefunding Amounts, Late Payment Amounts or Corresponding Pay-In Amounts, respectively).

4.11 Indemnity by Clearing Members

- (1) Each Clearing Member shall indemnify Eurex Clearing AG against any damages (Schäden) and losses (including, without limitation, any indemnity obligation towards CLS Bank and any properly incurred legal fees (as well as any applicable VAT)), which Eurex Clearing AG incurs as a result of the Clearing Member making or receiving any payments in connection with this Part 4 through any CLS Nostro Bank (including, but not limited, in case a CLS Nostro Bank fails to provide the Relevant Bank Information), provided that such indemnity obligation shall not apply to the

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extent such damages or losses result from Eurex Clearing AG's negligence (*Fahrlässigkeit*) or wilful misconduct (*Vorsatz*).

- (2) If on a Settlement Date the CLS CCP Service is not available for settlement for any reason (including, but not limited to, insolvency of CLS Bank) and Eurex Clearing AG has already transferred the relevant Prefunding Amount to the relevant CLS Central Bank Account, the Prefunding Amount Payer shall indemnify Eurex Clearing AG by paying on the Settlement Date an amount equivalent to the relevant Prefunding Amount to an account notified to the Prefunding Amount Payer by Eurex Clearing AG for such purpose. Provided that such amount has been paid to Eurex Clearing AG pursuant to the previous sentence, Part 3 Number 3.2.2.3 Paragraph (1) item (ii) and Paragraph (3) shall apply *mutatis mutandis* as if the Prefunding Amount Payer were an Affected Payer Clearing Member.
- (3) If on a Settlement Date the CLS CCP Service is not available for settlement for any reason (including, but not limited to, insolvency of CLS Bank) and Eurex Clearing AG has already transferred the relevant Late Payment Amount to the relevant CLS Central Bank Account, the Late Payment Amount Payer shall indemnify Eurex Clearing AG by paying on the Settlement Date an amount equivalent to the relevant Late Payment Amount to an account notified to the Late Payment Amount Payer by Eurex Clearing AG for such purpose. Provided that such amount has been paid to Eurex Clearing AG pursuant to the previous sentence, Part 3 Number 3.2.2.3 Paragraph (1) item (ii) and Paragraph (3) shall apply *mutatis mutandis* as if the Late Payment Amount Payer were an Affected Payer Clearing Member.

4.12 Use and Disclosure of Data

4.12.1 Use of data provided by Eurex Clearing AG

A Clearing Member may not use any data provided to it by Eurex Clearing AG in connection with the determination of the daily evaluation price or the determination of the relevant Business Day without the prior consent of Eurex Clearing AG, save for the purposes of complying with an obligation vis-à-vis a competent regulatory authority.

4.12.2 Consent to disclose data to CLS Bank

The Clearing Member consents to the disclosure, to the extent permitted by applicable law, by Eurex Clearing AG to CLS Bank of all data in respect of the Clearing Member that are required for the making and settlement of payments to and from such Clearing Member through the CLS CCP Service in connection with this Part 4.

4.13 Limitation of liability

Eurex Clearing AG shall only be liable for wilful misconduct (*Vorsatz*) or gross negligence (*grobe Fahrlässigkeit*) of CLS Bank, unless CLS Bank violates any of its essential obligations (*wesentliche Vertragspflichten*) in connection with providing the CLS CCP Service with respect to OTC XCCY Transactions. An essential obligation is an obligation, the performance of which is necessary for the execution of the contract and in

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which the Clearing Member trusts and may trust. In case of simple negligence (*einfache Fahrlässigkeit*), the liability of Eurex Clearing AG is restricted to damages typically foreseeable at the time of granting the Clearing License. This Number 4.13 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.

4.14 Testing and trialling

Each Clearing Member shall participate in the Testing and Trialling as set out in Part 3 Number 3.11. The Clearing Member shall induce its relevant CLS Nostro Bank(s) to also participate in the Testing and Trialling.

4.15 Suspension of Clearing

If one or more of a Clearing Member's CLS Nostro Banks (i) fail to (A) participate in the Testing and Trialling as set out in Number 4.14 in connection with Part 3 Number 3.11, (B) apply the standard customary for nostro banks in carrying out payment instructions received by the Clearing Member or (C) provide the Relevant Bank Information or (ii) become subject to any of the events set out in Chapter I Part 1 Number 7.2.1 Paragraphs (5), (7) or (8), then Eurex Clearing AG may one or more times suspend or limit the Clearing of new OTC XCCY Transactions of such Clearing Member in accordance with Chapter I Part 2 Number 8.2 which shall apply *mutatis mutandis*.

4.16 CLS Nostro Bank

- (1) Each Clearing Member undertakes to ensure that its CLS Nostro Banks will provide any Relevant Bank Information.
- (2) A Clearing Member is allowed to substitute one or more of its CLS Nostro Banks, if (i) Eurex Clearing AG has received at least 90 calendar days' prior written notice of such substitution and (ii) the substitute CLS Nostro Bank has been recognised and approved by Eurex Clearing AG (such recognition and approval is subject to the CLS Nostro Bank's successful participation in the Testing and Trialling). For the avoidance of doubt, if the recognition and approval process of the substitute CLS Nostro Bank takes longer than 90 calendar days, the substitution shall only become effective after such recognition and approval. Subject to the previous sentences, if the substitution of the CLS Nostro Bank(s) does not result in the reduction of the respective GBP Maximum Amount and USD Maximum Amount of any of the other Clearing Members applicable at the time of the proposed substitution, Eurex Clearing may agree to a shorter notice period.
- (3) If a Clearing Member's CLS Nostro Bank becomes subject to (i) any of the events set out in Chapter I Part 1 Number 7.2.1 Paragraphs (5), (7) or (8) or (ii) any recovery and resolution measures pursuant to the Act on the Recovery and Resolution of Institutions and Financial Groups (*Gesetz zur Sanierung und Abwicklung von Instituten und Finanzgruppen*), or any similar measure under foreign law, or Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution

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of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund, or any similar measure under foreign law, then Eurex Clearing AG has the right to request the substitution of the Clearing Member's CLS Nostro Bank with a substitute CLS Nostro Bank recognised and approved by Eurex Clearing AG without undue delay.

Appendix 1 to the Clearing Conditions of Eurex Clearing AG:

Clearing Agreement

between Eurex Clearing AG and a Clearing Member

As of ~~04.12.2017~~26.03.2018

1. The Parties enter into this Agreement for the Clearing of Own Transactions, UDC-Related Transactions and SC-Related Transactions pursuant to the Elementary Clearing Model Provisions (including Subpart D of the Elementary Clearing Model Provisions if this Agreement also qualifies as a Clearing Agreement for the Clearing of CASS Transactions). The Clearing relationship shall be subject to the selections made in the Annex to this Agreement. Instructions of the Clearing Member that can be made according to the Clearing Conditions shall be made in the form requested by Eurex Clearing AG.
2. The legal relationship between the Parties shall be construed (i) with respect to Own Transactions in accordance with Subpart B Number 4 of the Elementary Clearing Model Provisions and (ii) with respect to Omnibus Transactions in accordance with Subpart C Number 5 of the Elementary Clearing Model Provisions.
3. This Agreement incorporates by reference the Clearing Conditions (including all rules and conditions which are incorporated by reference therein (the “**Referenced Conditions**”)), the Price List for Eurex Clearing AG and the General Terms and Conditions to the Agreement on Technical Connection to the Clearing EDP of Eurex Clearing AG (the “**General Terms and Conditions to the Connection Agreement**”), in each case in their German version as amended from time to time. The Clearing Conditions, the Price List for Eurex Clearing AG and the General Terms and Conditions to the Connection Agreement may be viewed and printed out via internet on the website www.eurexclearing.com. The Referenced Conditions may be obtained from Eurex Clearing AG upon request.
4. Eurex Clearing AG charges fees to the Clearing Member for its Clearing services in accordance with the Clearing Conditions and the Price List for Eurex Clearing AG, in each case as amended.
5. With respect to cash payments the Clearing Member shall comply with its obligations pursuant to Chapter I Part 1 Number 1.4.1 of the Clearing Conditions.
6. The Clearing Member makes to Eurex Clearing AG amongst others the representations and warranties, and provides the undertakings, set out in the following provisions of the Clearing Conditions:
 - (1) Chapter I Part 1 Number 1.7 (*Representations and Undertakings with respect to Clearing Agreements*); ~~and~~
 - (2) Chapter I Part 1 Number 1.8 and 1.9 (*No Clearing of OTC Interest Rate Derivatives for US Persons and No Clearing of FX Options Contracts and OTC XCCY Transactions for US Persons*); ~~and~~
 - (3) Chapter VIII Part 3 Number 3.1.3 Paragraph (5) (OTC Currency Products Clearing License).

Eurex Clearing AG makes the representations and warranties set out in Chapter I Part 1 Number 1.7.6 of the Clearing Conditions.

7. Unless otherwise agreed between the Clearing Member and Eurex Clearing AG, the Clearing Member undertakes to enter into a pledge agreement with Eurex Clearing AG in the form appended to the Clearing Conditions as Appendix 7 (the “**Pledge Agreement**”) or in such form as may be required by Eurex Clearing AG in order to grant all pledges required pursuant to the following provisions of the Clearing Conditions:

- (1) Chapter I Part 1 Number 3 and Part 2 Subpart A Number 4.3.2 in order to provide Margin pursuant to the Elementary Clearing Model Provisions; and
- (2) Chapter I Part 1 Number 6.1.2 Paragraph (2) in order to make Contributions to the Default Fund, if applicable.

The Clearing Member may not participate in the Clearing of Transactions if the relevant pledge(s) have not been granted.

8. The Clearing Member hereby grants all powers of attorney and authorisations stated to be granted by it in, or required pursuant to the Clearing Conditions and acknowledges to be bound by the provisions of the Clearing Conditions on the conclusion, amendment, termination, transfer, accumulation or netting of Transactions, in particular pursuant to (as relevant):

- (1) Chapter I Part 1 Number 1.2.2 (*Conclusion of Transactions and ~~transfer~~ Transfer of Transactions*);
- (2) Chapter I Part 1 Number 1.4.2 (*Granting of a power of attorney to Eurex Clearing AG to give delivery instructions*); *Settlement of Transactions in Securities*); and
- (3) Chapter VIII Part 1 Number 1.2.4 (*Special Provisions with respect to the Conclusion of CCP Transactions with respect to the Clearing of OTC Interest Rate Derivatives Transactions*).

The Clearing Member (in its capacity as a Lender Clearing Member or a Borrower Clearing Member) hereby expressly agrees to be bound by the implementation of any Outturn or Preliminary Outturn (and/or the reversal of any Preliminary Outturn) in accordance with Chapter IX Part 2 Number 2.4.2 Paragraph (2) and Number 2.7.4 of the Clearing Conditions, a Dispute Resolution Procedure or an Ad hoc Verification Procedure.

The Clearing Member acknowledges that no further specific agreement or legal action is required under German law as the governing law of this Agreement in order for it to be legally bound by any Transaction resulting from the operation of such provisions.

9. This Agreement shall be entered into for an indefinite period of time and shall remain in effect until it is terminated by one of the Parties pursuant to the Clearing Conditions.

This Agreement supersedes any previous written or oral agreement between the Parties in relation to the matters dealt with herein.

10. This Agreement shall be amended pursuant to Number 17.2 of the General Clearing Provisions in the case of amendments to the form of this Agreement set out in Appendix 1 of the Clearing Conditions. In addition, the Agreement may be amended at any time by written agreement between the Parties by executing an amended and restated version of this Agreement. The Annex to this Agreement may be amended by the submission of an amended Annex signed by the Clearing Member to Eurex Clearing AG and acceptance thereof by Eurex Clearing AG through respective entries in its production system.
11. Unless otherwise provided for in the Clearing Conditions, the Clearing Member shall not assign any of its rights or claims under this Agreement except with the prior written consent of Eurex Clearing AG.
12. This Agreement does not and is not intended to confer any rights to third parties.
13. This Agreement is governed by the substantive laws (Sachrecht), excluding German private international law, of Germany.

Any non-contractual rights and obligations arising out of or in connection with this Agreement shall also be governed by the substantive laws (Sachrecht), excluding German private international law, of Germany.
14. The courts in Frankfurt am Main, Germany shall have exclusive jurisdiction (*ausschließlicher Gerichtsstand*) over any action or other legal proceedings arising out of or in connection with this Agreement.
15. The place of performance shall be Frankfurt am Main, Germany.
16. If any provision contained in this Agreement is or becomes invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not be affected. Such invalid, illegal or unenforceable provision shall be replaced by means of supplementary interpretation (*ergänzende Vertragsauslegung*) by a valid, legal and enforceable provision, which most closely approximates the Parties' commercial intention. This shall also apply *mutatis mutandis* to any gaps (*Vertragslücken*) in this Agreement.

AUTHORISED SIGNATURES
to the Clearing Agreement

(as Clearing Member)

(Place / Date)

Name:

Name:

Function:

Function:

Eurex Clearing Aktiengesellschaft

(Eurex Clearing AG)

(Place / Date)

Name:

Name:

Function:

Function:

Annex Clearing Licence and further selections

1 Clearing License

The Clearing Member shall be granted:

- General Clearing License for the Clearing of the following Transactions:
 - Chapter II Transactions Concluded at Eurex Deutschland and Eurex Zürich (Eurex Exchanges)
 - Chapter III Transactions at Eurex Bonds GmbH (Eurex Bonds)
 - Chapter IV Clearing of Transactions at Eurex Repo GmbH (Eurex Repo)
 - Chapter V Part 2 Transactions Concluded at the Frankfurter Wertpapierbörse
 - Chapter VI Transactions Concluded at the Irish Stock Exchange (ISE Dublin)
 - Chapter IX Clearing of Securities Lending Transactions
 - Chapter VIII Part 2 OTC Interest Rate Derivative Transactions.

- Direct Clearing License for the Clearing of the following Transactions:
 - Chapter II Transactions Concluded at Eurex Deutschland and Eurex Zürich (Eurex Exchanges)
 - Chapter III Transactions at Eurex Bonds GmbH (Eurex Bonds)
 - Chapter IV Clearing of Transactions at Eurex Repo GmbH (Eurex Repo)
 - Chapter V Part 2 Transactions Concluded at the Frankfurter Wertpapierbörse
 - Chapter VI Transactions Concluded at the Irish Stock Exchange (ISE Dublin)
 - Chapter IX Clearing of Securities Lending Transactions
 - Chapter VIII Part 2 OTC Interest Rate Derivative Transactions
 - Chapter VIII Part 3 and Part 4 OTC FX Transactions and OTC XCCY Transactions, respectively.

2 ECM Standard Agreements

For the purposes of the Elementary Clearing Model Provisions, the Applicable Allocation Method shall be the Value Based Allocation, unless the Clearing Member elects the Asset Based Allocation:

- The Asset Based Allocation shall apply.

3 Clearing of CASS Transactions

This Agreement also qualifies as a Clearing Agreement for CASS Transactions:

- [yes]*
- no

* Not available with respect to the Clearing of OTC FX Transactions and OTC XCCY Transactions pursuant to Chapter VIII Part 3 and Part 4, respectively

AUTHORISED SIGNATURES
to the Annex to the Clearing Agreement

(as Clearing Member)

(Place / Date)

Name:

Name:

Function:

Function:

Appendix 13 to the Clearing Conditions of Eurex Clearing AG:

FX Swap Line Agreement

between Eurex Clearing AG and a Clearing Member

As of 26.03.2018

This FX Swap Line Agreement (the “**Agreement**”) is dated the last date specified on the signature page hereof and entered into

BETWEEN:

(1) _____
(legal name)

acting through / having its (registered) office at

_____ as Clearing Member (the “**Clearing Member**”); and

(2) Eurex Clearing Aktiengesellschaft, a stock company (*Aktiengesellschaft*) incorporated under the laws of Federal Republic of Germany, registered in the commercial register of the local court (*Amtsgericht*) in Frankfurt am Main under HRB 44828 and having its registered seat in Frankfurt am Main, with its business address at Mergenthalerallee 61, 65760 Eschborn, Federal Republic of Germany (“**Eurex Clearing AG**”).

The Clearing Member and Eurex Clearing AG are hereinafter also referred to as the “**Parties**” and each of them as a “**Party**”. Unless the context requires otherwise, terms used in this Agreement shall have the meaning given to them in the Clearing Conditions of Eurex Clearing AG (the “**Clearing Conditions**”).

1. *Scope.* The Parties enter into this Agreement in connection with the Clearing of OTC FX Transactions and OTC XCCY Transactions pursuant to Chapter VIII Part 3 and Part 4 of the Clearing Conditions, respectively.
2. *Incorporation of Clearing Conditions.* This Agreement incorporates by reference the Clearing Conditions (including all rules and conditions which are incorporated by reference therein (the “**Referenced Conditions**”)) in their German version as amended from time to time. The Clearing Conditions may be viewed and printed out via internet on the website www.eurexclearing.com. The Referenced Conditions may be obtained from Eurex Clearing AG upon request.
3. *Single Agreement.* All FX Hedging Transactions between Eurex Clearing AG and the Clearing Member shall together with all other Own Transactions between Eurex Clearing AG and the Clearing Member under the Proprietary Standard Agreement and any Redelivery Claims arising in relation to the Proprietary Standard Agreement form a single agreement between such parties and constitute a separate Standard Agreement and such agreement constitutes a separate master agreement (*Rahmenvertrag*) between such parties which (subject to provisions in Chapter I of the Clearing Conditions on the termination of individual Transactions) can be terminated only in its entirety.
4. *Option.* The Clearing Member hereby expressly grants to Eurex Clearing AG the right to cause one or more FX Hedging Transactions between the Clearing Member and Eurex Clearing AG to become effective pursuant to and in accordance with the provisions of this Agreement (the “**Option**”).
5. *Exercise of Option.* Eurex Clearing AG may in its sole discretion decide to exercise the Option via the Approved Trade Source System designated by Eurex Clearing AG on its website (www.eurexclearing.com) in respect of OTC FX Transactions. Eurex Clearing AG can exercise the Option up to each FX Swap Line Maximum Amount between the CLS Cut-Off Time and the CLS Processing Time on any Business Day on which (i) one or more other Clearing Members become and/or remain Late CMs and/or (ii) an Affected Clearing Member would have had to make a Relevant FX/XCCY Payment under the Terminated Transactions (as defined in Chapter I Part 1 Number 7.5) which were OTC Currency Transactions in the absence of the Termination and only as part of and during the default management process with respect to the Affected Clearing Member pursuant to Chapter I Part 1 Number 7.5 of the Clearing Conditions. Eurex Clearing AG is entitled to exercise the Option with respect to each currency of the Currency Pairs multiple times for as long as the Clearing Member holds its OTC Currency Products Clearing License but only to the extent that the then relevant outstanding FX Swap Line Maximum Amount is not exceeded by such further exercise(s) of the Option. The relevant outstanding FX Swap Line Maximum Amount will be reduced by the amount of each FX Hedging Transaction resulting from the exercise of the Option and re-increased by such amount if and when the relevant FX Hedging Transaction is fully settled. A Corresponding EUR/USD FX Hedging Transaction shall not count towards the Swap Line Maximum Amount with respect to USD. The FX Swap Line Maximum Amount

for FX Hedging Transaction(s) with respect to USD is USD 250,000,000.00 and the FX Swap Line Maximum Amount for FX Hedging Transaction(s) with respect to GBP is GBP 100,000,000.00. Each FX Swap Line Maximum Amount can be amended in accordance with the procedure set out in Chapter I Part 1 Numbers 17.2 and 17.3 of the Clearing Conditions (and in particular the consultation process set out therein).

6. *Trade Record.* The following terms will be set out in the trade record relating to the relevant FX Hedging Transaction transmitted by Eurex Clearing AG to the relevant Clearing Member in the course of exercising the Option pursuant to Clause 5 above:
- (i) the Currency A Swap Amount or, in the case of a Corresponding EUR/USD FX Hedging Transaction, the amount equivalent to the Currency B Swap Amount (which Eurex Clearing AG is required to pay under the Currency A Swap Amount GBP/USD FX Hedging Transaction);
 - (ii) the Currency B Swap Amount or, in the case of a Corresponding EUR/USD FX Hedging Transaction, the EUR Amount (in each case at the applicable FX Swap Line FX Rate); and
 - (iii) the FX Swap Line Exercise Day.
7. *Conclusion of an FX Hedging Transaction.* By virtue of Eurex Clearing AG unilaterally exercising its right under the Option in accordance with the provisions set out in Clause 5 above, an FX Hedging Transaction shall become effective between Eurex Clearing AG and the Clearing Member (in its capacity as FX Hedge Counterparty). Unless otherwise provided for in this Agreement, the terms and conditions of Chapter I and of Chapter VIII of the Clearing Conditions shall apply to each FX Hedging Transaction as if it was a Transaction.
8. *Payment Obligations under an FX Hedging Transaction.* Subject to the relevant FX Swap Line Maximum Amount applicable to the FX Hedge Counterparty, under each near leg of an FX Hedging Transaction Eurex Clearing AG shall receive from the FX Hedge Counterparty the Currency A Swap Amount. The payments under the near leg of the FX Hedging Transaction are due and payable on the FX Swap Line Exercise Day within two hours of Eurex Clearing AG exercising its Option or by such other time as notified by Eurex Clearing AG to the FX Hedge Counterparty. In return for the receipt of the Currency A Swap Amount, Eurex Clearing AG shall pay to the FX Hedge Counterparty the Currency B Swap Amount as set out in the trade record relating to the relevant FX Hedging Transaction.

Under the far leg of the FX Hedging Transaction, Eurex Clearing AG shall pay to the relevant FX Hedge Counterparty the Currency A Swap Amount in return for the payment by that FX Hedge Counterparty of the Currency B Swap Amount. The payments under the far leg of the FX Hedging Transaction are due and payable on the Business Day immediately following the FX Swap Line Exercise Day by such time as notified by Eurex Clearing AG to the FX Hedge Counterparty.

If the Currency A Swap Amount under an FX Hedging Transaction is denominated in GBP, Eurex Clearing AG shall also have the right to enter into a Corresponding EUR/USD FX Hedging Transaction at the same time and with the same FX Hedge Counterparty as with respect to the Currency A Swap Amount GBP/USD FX Hedging Transaction. Under the near leg of the Corresponding EUR/USD FX Hedging Transaction Eurex Clearing AG shall receive an amount equivalent to the Currency B Swap Amount (which Eurex Clearing AG is required to pay under the Currency A Swap Amount GBP/USD FX Hedging Transaction) in return for the payment by Eurex Clearing AG to that FX Hedge Counterparty of the EUR Amount. Under the far leg of that Corresponding EUR/USD FX Hedging Transaction Eurex Clearing AG shall pay to that FX Hedge Counterparty an amount equivalent to the Currency B Swap Amount (under the Currency A Swap Amount GBP/USD FX Hedging Transaction) in return for the payment by that FX Hedge Counterparty of the EUR Amount.

9. *Obligation to pay FX Hedging Transaction Spread Amount.* In addition to the payment obligations set out in Clause 8 above, Eurex Clearing AG is obliged to pay to the FX Hedge Counterparty the relevant FX Hedging Transaction Spread Amount with respect to an FX Hedging Transaction. If Eurex Clearing AG enters into a Currency A Swap Amount GBP/USD FX Hedging Transaction it shall, however, only be obliged to pay an FX Hedging Transaction Spread Amount with respect to the Currency A Swap Amount GBP/USD FX Hedging Transaction but not with respect to the Corresponding EUR/USD FX Hedging Transaction.

10. *Payments.* Any payments to be made by an FX Hedge Counterparty to Eurex Clearing AG under an FX Hedging Transaction shall be made directly to the relevant CLS Central Bank Account through the CLS CCP Service.

Any payments to be made by Eurex Clearing AG to the FX Hedge Counterparty under an FX Hedging Transaction shall be made directly to the relevant Currency Products Cash Account of the FX Hedge Counterparty through the CLS CCP Service.

The payments under the far leg of an FX Hedging Transaction shall be made – with respect to each currency of the Currency Pairs – on a net basis in relation to any payment made through the CLS CPP Service pursuant to Chapter VIII Part 3 and Part 4 of the Clearing Conditions which is also specified to be made on a net basis.

Subject to the provisions of this Agreement, the discharge provisions set out in Chapter VIII Part 3 Number 3.2.2 of the Clearing Conditions apply with respect to FX Hedging Transactions. The FX Hedging Transaction Spread Amount is not payable through the CLS CCP Service.

11. *Acknowledgement by Clearing Member.* The Clearing Member acknowledges that:
- (i) the CLS CCP Service is used by central counterparties and their clearing members to facilitate the settlement of and to mitigate the settlement risk associated with cleared foreign exchange and cross currency products;

- (ii) if the CLS CCP Service becomes unavailable for settlement for any reason (including, but not limited to, in an insolvency of CLS Bank), (x) the Clearing Member will – in the circumstances set out in Chapter VIII Part 3 Number 3.2.2.3 and Chapter VIII Part 4 Number 4.2.2.3 in connection with Part 3 Number 3.2.2.3 of the Clearing Conditions – be required to discharge its payment obligation by making the relevant payment outside the CLS CCP Service to an account notified to it by Eurex Clearing AG for such purpose despite the fact that the Clearing Member may have already made a payment through the CLS CCP Service to the relevant CLS Central Bank Account and/or (y) the Clearing Member will – in the circumstances set out in Chapter VIII Part 3 Number 3.8 Paragraphs (2) and (3) and Chapter VIII Part 4 Number 4.11 Paragraphs (2) and (3) of the Clearing Conditions – be required to indemnify Eurex Clearing AG by paying an amount equivalent to the relevant Prefunding Amount or Late Payment Amount, respectively, to an account notified to it by Eurex Clearing AG for such purpose despite the fact that the Clearing Member has already paid the Prefunding Amount or Late Payment Amount, respectively, to Eurex Clearing AG;
- (iii) it is under no obligation to submit Original OTC Transactions for Clearing which result in exceeding the USD Maximum Amount (and/or GBP Maximum Amount) (as applicable to it from time to time) on any Settlement Date and that it may reduce its portfolio size in order to avoid exceeding the USD Maximum Amount (and/or GBP Maximum Amount) (as applicable to it from time to time);
- (iv) to the extent Eurex Clearing AG is unable to source the Unavailable FX/XCCY Currency Amount through the exercise of its option(s) as set out in Chapter VIII Part 3 Number 3.3.3.1 and Chapter VIII Part 4 Number 4.4 in connection with Part 3 Number 3.3.3.1 of the Clearing Conditions, Eurex Clearing AG shall be entitled to discharge its payment obligation with respect to the Unavailable FX/XCCY Currency Amount by paying a corresponding amount in the Available Currency as further set out in Chapter VIII Part 3 Number 3.3.3.2 and Chapter VIII Part 4 Number 4.4 in connection with Part 3 Number 3.3.3.2 of the Clearing Conditions;
- (v) in the case of Extraordinary Circumstances, Eurex Clearing AG shall be entitled to postpone its and all other Clearing Members' respective payment obligations under the relevant OTC Currency Transactions due for settlement on the relevant Settlement Date until the Business Day immediately following such Settlement Date as further set out in Chapter VIII Part 3 Number 3.3.3.3 and Chapter VIII Part 4 Number 4.4 in connection with Chapter VIII Part 3 Number 3.3.3.3 of the Clearing Conditions;
- (vi) it shall pay the Prefunding Amount Investment Loss Shortage Amount or Late Payment Amount Investment Loss Shortage Amount (which can be an amount up to the relevant Prefunding Amount or Late Payment Amount, respectively) in the circumstances set out in Chapter VIII Part 3 Number 3.4.1 and Chapter VIII Part 4 Number 4.5 in connection with Part 3 Number 3.4.1 of the Clearing Conditions;

- (vii) it shall pay the FX/XCCY Failure to Pay Costs if it fails to pay the relevant Investment Loss Shortage Amount in full by the relevant Investment Loss Shortage Cut-Off Time;
 - (viii) the payment obligations of Eurex Clearing AG under the Deferred Payment shall be reduced by an amount equal to the Corresponding Pay-In Amount Investment Loss Shortage Amount pursuant to Chapter VIII Part 3 Number 3.4.2 Paragraph (1) and Chapter VIII Part 4 Number 4.5 in connection with Part 3 Number 3.4.2 Paragraph (1) of the Clearing Conditions; and
 - (ix) Eurex Clearing AG is entitled to claim compensation from the Clearing Member for any Prefunding Amount Clearing Member-Related Investment Loss, Late Payment Amount Clearing Member-Related Investment Loss and Corresponding Pay-In Amount Clearing Member-Related Investment Loss, in each case as further set out in Chapter I Part 1 Number 3.4.6 of the Clearing Conditions (which may also be the case if an Investment Loss occurs with respect to an Investment Party which is unrelated to the actual holding of Prefunding Amounts, Late Payment Amounts or Corresponding Pay-In Amounts, respectively).
12. *No Set-off.* The set-off provisions set out in Chapter I Part 1 Number 1.3 of the Clearing Conditions shall not apply to any claims of Eurex Clearing AG or of the Clearing Member (in its capacity as FX Hedge Counterparty) arising under the near leg of an FX Hedging Transaction.
13. *Margin Requirements.* The basic provisions for the margin requirements set forth in Chapter I Part 1 Number 3 of the Clearing Conditions together with Chapter I Part 2 Numbers 6 and 7 of the Clearing Conditions shall not apply to the near leg of an FX Hedging Transaction. As regards the far leg of an FX Hedging Transaction, Chapter VIII Part 3 Number 3.1.6 of the Clearing Conditions shall apply.
14. *Failure to pay.* If a Clearing Member fails to perform its payment obligations under one or more FX Hedging Transactions, the provisions in Chapter I Part 1 Number 7.2.1 of the Clearing Conditions shall not apply. Instead the Clearing Member is obliged to pay the FX Swap Line Contractual Penalty to Eurex Clearing AG, provided that the FX Swap Line Contractual Penalty is only payable once with respect to the same FX Hedging Transaction. The FX Swap Line Contractual Penalty applies regardless of any actual damages incurred by Eurex Clearing AG. The right of Eurex Clearing AG to claim further damages shall remain unaffected. The amount of the FX Swap Line Contractual Penalty – as determined by Eurex Clearing AG – is the equivalent in the relevant Clearing Currency of 40 basis points of the payment due under the relevant leg of the relevant FX Hedging Transaction, with a minimum of EUR 2,500.00, CHF 3,000.00 or GBP 2,000.00, as applicable, and a maximum of EUR 10,000,000.00, CHF 12,000,000.00 or GBP 8,000,000.00, as applicable. The amount of the FX Swap Line Contractual Penalty can be amended in accordance with the procedure set out in Chapter I Part 1 Number 17.2 of the Clearing Conditions.

15. *Term.* This Agreement shall be entered into for an indefinite period of time and shall remain in effect for as long as the Clearing Member holds its OTC Currency Products Clearing License. This Agreement supersedes any previous written or oral agreement between the Parties in relation to the matters dealt with herein.
16. *Assignment.* Unless otherwise provided for in the Clearing Conditions, the Clearing Member shall not assign any of its rights or claims under this Agreement and/or under an FX Hedging Transaction except with the prior written consent of Eurex Clearing AG.
17. *Third Party Rights.* This Agreement does not and is not intended to confer any rights to third parties.
18. *Governing Law.* This Agreement is governed by the substantive laws (*Sachrecht*), excluding German private international law, of Germany. Any non-contractual rights and obligations arising out of or in connection with this Agreement shall also be governed by the substantive laws (*Sachrecht*), excluding German private international law, of Germany.
19. *Jurisdiction.* The courts in Frankfurt am Main, Germany shall have exclusive jurisdiction (*ausschließlicher Gerichtsstand*) over any action or other legal proceedings arising out of or in connection with this Agreement.
20. *Place of Performance.* The place of performance shall be Frankfurt am Main, Germany.
21. *Severability.* If any provision contained in this Agreement is or becomes invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not be affected. Such invalid, illegal or unenforceable provision shall be replaced by means of supplementary interpretation (*ergänzende Vertragsauslegung*) by a valid, legal and enforceable provision, which most closely approximates the Parties' commercial intention. This shall also apply *mutatis mutandis* to any gaps (*Vertragslücken*) in this Agreement.

AUTHORISED SIGNATURES
to the FX Swap Line Agreement

(as Clearing Member)

(Place / Date)

Name:

Name:

Function:

Function:

Eurex Clearing Aktiengesellschaft

(Eurex Clearing AG)

(Place / Date)

Name:

Name:

Function:

Function:

DEFAULT MANAGEMENT COMMITTEE RULES

1 General Provisions for Default Management Committees and Market Advisers

1.1 Default Management Committees

Default Management Committees (each, a "**DMC**") are committees established by Eurex Clearing AG pursuant to Chapter I Part 1 Number 7.5.1 of the Clearing Conditions of Eurex Clearing AG (the "**Clearing Conditions**") for purposes of advising and assisting the management board of Eurex Clearing AG with respect to the occurrence of a Termination (as defined in Chapter I Part 1 Number 7 of the Clearing Conditions) or a Basic Clearing Member Termination (as defined in Chapter I Part 6 Number 10 of the Clearing Conditions) and all other DMC Matters (as defined in Chapter I Part 1 Number 7.5.1 Paragraph (2) of the Clearing Conditions). Each DMC is governed by the rules set forth in these default management committees rules (the "**DMC Rules**").

1.2 DMC Secretary

Eurex Clearing AG shall serve as the secretary of each DMC (the "**DMC Secretary**") and shall perform the administrative duties set out herein.

1.3 Definitions

Terms used and not otherwise defined in these DMC Rules shall have the meanings ascribed to them in the Clearing Conditions. In addition, the terms set out below shall have the meaning ascribed to them below:

"Affiliate" means, in respect of a Participating DMC Member Institution, any undertaking which is or becomes (i) a subsidiary undertaking or parent undertaking of such Participating DMC Member Institution or (ii) a subsidiary undertaking of a parent undertaking of such Participating DMC Member Institution.

"Assignment Phase" means a period of six months prior to the start of each DMC Term. During the Assignment Phase, Eurex Clearing AG shall determine the Eligible Clearing Members which shall participate in a DMC in the following DMC Term in accordance with Number 2.2. Eurex Clearing AG shall inform all Eligible Clearing Members with respect to the relevant DMC about the commencement of the relevant Assignment Phase at least one month prior to the start of such Assignment Phase. In case of the establishment of a new DMC, Eurex Clearing may deviate from the ~~six months~~ months period.

"DMC Composition Table" means the DMC composition table published by Eurex Clearing AG on its website (www.eurexclearing.com) detailing the exact numbers of DMC Members for each DMC and the identity of the Participating DMC Member Institutions.

"DMC Deputy" shall have the meaning given to such term in Chapter I Part 1 Number 7.5.1 Paragraph (5) of the Clearing Conditions.

"DMC Member" shall have the meaning given to such term in Chapter I Part 1 Number 7.5.1 Paragraph (5) of the Clearing Conditions.

"DMC Member Eligibility Criteria" means the following cumulative eligibility criteria for each DMC Member:

- (a) It must be an employee of the Participating DMC Member Institution (or of an Affiliate) and shall have agreed to participate in a DMC;
- (b) it must be able to demonstrate relevant experience with respect to products of the relevant Liquidation Group and have appropriate expertise in relation to the relevant DMC Matters;
- (c) it is not subject to on-going investigations regarding misdemeanour in any trading related matter;
- (d) it is not already a member of a default management committee or a similar committee of another central counterparty or exchange;
- (e) it will not be subject to conflicts of interest following its acceptance as a DMC Member or will not be unable to act as DMC Member for whatever reasons; and
- (f) it must be available for prompt participations in person in a DMC Meeting (as defined in Number 3.1) within two hours after receipt of an Invitation (as defined in Number 3.1).

"DMC Term" means the period commencing as of the time the Agreement for the Participation in a Default Management Committee has been signed and has become effective, and ending after one calendar year. Eurex Clearing AG may extend the relevant period if the DMC Matters for which a DMC Meeting (as defined in Number 3.1) has been convened may not be finalised before the relevant term would have otherwise ended.

"Eligible Clearing Member" means for the purposes of each Liquidation Group, a Clearing Member which (i) holds the respective license to clear all products of that Liquidation Group and (ii) has cleared at least one trade in a product from such Liquidation Group within the three months prior to the beginning of the relevant Assignment Phase itself, or acts as a Clearing Agent for one or more Basic Clearing Members that have cleared at least one trade in a product from such Liquidation Group. Basic Clearing Members do not qualify as Eligible Clearing Members.

"Invitation" means a meeting request notice delivered by Eurex Clearing AG to all DMC Members of the relevant DMC in accordance with Number 3.1.

"Participating DMC Member Institution" means the Eligible Clearing Members which have been selected by Eurex Clearing AG in accordance with Number 2.2 and 2.4 and which are participating in a DMC.

"Required Number" means, with respect to each DMC, the required numbers of DMC Members set forth in the DMC Composition Table.

1.4 Market Advisors

In addition to a DMC, Eurex Clearing AG may determine at its own discretion whether with respect to a Liquidation Group further individual persons can be nominated by the Eligible Clearing Member or its Affiliate for purposes of advising and assisting the management board of Eurex Clearing AG with respect to the occurrence of a Termination or a Basic Clearing Member Termination ("**Market Advisor**"). Each Market Advisor is subject to the provisions under Number 7.

2 Composition of Default Management Committees

2.1 Establishment of DMCs

Eurex Clearing AG will establish a DMC with respect to one or more Liquidation Groups as specified in the DMC Composition Table with respect to the relevant DMC Term, provided that a DMC with respect to a Liquidation Group will only be established if there are at least five (5) Eligible Clearing Members.

Eurex Clearing AG may, in its discretion, decide not to establish a DMC with respect to a Liquidation Group which does not have a substantial size. However, Eurex Clearing AG will establish a DMC for any Liquidation Group if such Liquidation Group is expected to comprise at least one OTC Interest Rate Derivative Transaction (as defined in Chapter VIII Part 2 Number 2.1.1 of the Clearing Conditions) or one OTC Currency Transaction (as defined in Chapter VIII Part 1 Paragraph (1) of the Clearing Conditions).

2.2 Selection of Participating DMC Member Institutions

Eurex Clearing AG will select the Participating DMC Member Institutions which shall participate in a DMC in accordance with Numbers 2.3 and 2.4 below.

2.3 DMC Rotation Process

2.3.1 Each Participating DMC Member Institution will be selected for two consecutive DMC Terms.

2.3.2 At the end of the first DMC Term with respect to all Participating DMC Member Institutions of a newly established DMC, Eurex Clearing AG will replace, at its sole discretion, Participating DMC Member Institutions pursuant to Number 2.4 and in accordance with the following provisions:

(i) in case of a DMC consisting of two Participating DMC Member Institutions, Eurex Clearing AG will replace one Participating DMC Member Institution and, after each further DMC Term, one Participating DMC Member Institution;

(ii) in case of a DMC consisting of three Participating DMC Member Institutions, Eurex Clearing AG will replace one Participating DMC Member Institution and, after each further DMC Term, two Participating DMC Member Institutions; and

~~(iii)~~ (iii) in case of a DMC consisting of four Participating DMC Member Institutions, Eurex Clearing AG will replace two Participating DMC Member Institutions and, after each further DMC Term, two Participating DMC Member Institutions.

2.3.3 Any further replacements of Participating DMC Member Institutions following the first DMC Term will be made once the relevant Participating DMC Member Institutions have served as such for two consecutive DMC Terms.

2.3.4 If Eurex Clearing AG is not able to select a Participating DMC Member Institution in accordance with Number 2.4 below, no rotation of the relevant Participating DMC Member Institution shall take place.

2.4 Guidelines for the Selection of Participating DMC Member Institutions

2.4.1 General Principles

Subject to Number 2.4.4 Paragraph (2), no Eligible Clearing Member shall be selected as Participating DMC Member Institution

- (i) for more than one DMC in any DMC Term; and
- (ii) if such Eligible Clearing Member served as Participating DMC Member Institution with respect to this particular DMC in any of the previous two consecutive DMC Terms.

Without prejudice to the right of an Eligible Clearing Member to volunteer to serve as Participating DMC Member Institution in more than one DMC in accordance with the selection process in Number 2.4.2 below, Eurex Clearing AG shall, if an Eligible Clearing Member qualifies as Participating DMC Member Institution with respect to more than one DMC, in its discretion, in accordance with the DMC Rotation Process decide in which DMC such Eligible Clearing Member shall serve as Participating DMC Member Institution.

2.4.2 Selection Process for voluntarily participating Eligible Clearing Members

- ~~(1)~~ (1) All Eligible Clearing Members which intend to volunteer as Participating DMC Member Institution shall (i) inform Eurex Clearing AG thereof no later than on the first Business Day of the relevant Assignment Phase and (ii) specify in which DMC they wish to participate.
- ~~(2)~~ (2) Eurex Clearing AG will then rank (whereby Eligible Clearing Members with higher cleared volumes (such cleared volumes will be calculated based on the aggregate notional amounts (actual or implied, as applicable), the "**Cleared Volumes**") will be ranked above those with lower Cleared Volumes) the volunteering Eligible Clearing Members based on their respective Cleared Volumes in the three months preceding the relevant Assignment Phase in the relevant Liquidation Group. Volunteering Eligible Clearing Members will be selected by Eurex Clearing AG in accordance with such ranking.
- ~~(3)~~ (3) Eurex Clearing AG will inform the selected Eligible Clearing Members of their selection as Participating DMC Member Institutions no later than one month after the start of the relevant ~~Assignment~~ Assignment Phase.
- ~~(4)~~ (4) If the Required Number of Eligible Clearing Members cannot be successfully selected due to the general principles set forth in Number 2.4.1, further Participating DMC Member Institutions shall be selected by Eurex Clearing AG in accordance with the non-voluntary selection process pursuant to Number 2.4.3.

2.4.3 Selection Process for non-voluntarily participating Eligible Clearing Members

- ~~(1)~~ (1) If the selection process for a voluntary participation of Eligible Clearing Members pursuant to Number 2.4.2 does not result in a sufficient number of Participating DMC Member Institutions, Eurex Clearing AG will rank (whereby Eligible Clearing Members with higher Cleared Volumes will be ranked first) the other Eligible

Clearing Members based on their respective Cleared Volumes in the three months preceding the relevant Assignment Phase in the relevant Liquidation Group. Eurex Clearing AG will select the Participating DMC Member Institutions in accordance with such ranking.

~~(2)~~ (2) Eurex Clearing AG will inform the Participating DMC Member Institutions of their selection as Participating DMC Member Institution in accordance with Number 2.4.3 Paragraph (1) above, at the latest 10 Business Days after the start of the relevant Assignment Phase.

~~(3)~~ (3) Such Participating DMC Member Institutions shall, subject to Paragraph (4) below, be obliged to participate in the relevant DMC and shall confirm to Eurex Clearing AG their participation in the relevant DMC at the latest ten Business Days after receiving the information regarding their selection as Participating DMC Member Institutions pursuant to paragraph (2) above.

~~(4)~~ (4) If a Participating DMC Member Institution selected pursuant to Number 2.4.3 Paragraph (2) above can evidence to the satisfaction of Eurex Clearing AG at the latest ten Business Days after receiving the information regarding its selection as Participating DMC Member Institution, that it participates in a DMC or fulfils a similar function for the same Liquidation Group or asset class with respect to another central counterparty or exchange during the proposed DMC Term, such Participating DMC Member Institution shall not be obliged to participate in the relevant DMC.

2.4.4 Further Selection Process

~~(1)~~ (1) If a sufficient number of Participating DMC Member Institutions cannot be selected by Eurex Clearing AG in accordance with Numbers 2.4.2 and 2.4.3 above, Eurex Clearing AG will inform the DMP-coordinators (Chapter I Part 1 Number 7.5 of the Clearing Conditions) of all Eligible Clearing Members which have not already been selected as Participating DMC Member Institutions pursuant to Number 2.4.2 or 2.4.3 at the latest six weeks after the start of the relevant Assignment Phase, and will ask all such Eligible Clearing Members again whether they want to volunteer as Participating DMC Member Institutions of the relevant DMC.

~~(2)~~ (2) All Eligible Clearing Members which intend to volunteer then (irrespective of whether the general principles set forth in Number 2.4.1 Paragraph (1) are met) as Participating DMC Member Institution for the relevant DMC shall inform Eurex Clearing AG thereof at the latest two weeks after the receipt of the information pursuant to paragraph (1) above.

~~(3)~~ (3) Eurex Clearing AG will then rank (whereby Eligible Clearing Members with higher Cleared Volumes will be ranked first) the volunteering Eligible Clearing Members based on their respective Cleared Volumes in the three months preceding the relevant Assignment Phase in the relevant Liquidation Group. Volunteering Eligible Clearing Members will be selected by Eurex Clearing AG in accordance with such ranking.

~~(4)~~ (4) Eurex Clearing AG will inform the Eligible Clearing Members of their selection as Participating DMC Member at the latest three months after the start of the relevant Assignment Phase.

~~(5)~~ (5) If Eurex Clearing AG was able to select the Required Number of Participating DMC Member Institutions for the relevant DMC according to the DMC Composition Table, the relevant DMC shall be established.

~~(6)~~ (6) If Eurex Clearing AG was not able to select the Required Number of Participating DMC Member Institutions for the relevant DMC according to the DMC Composition Table, no DMC shall be established.

2.5 Substitution of Participating DMC Member Institution by an affiliated Non-Clearing Member or Registered Customer

Each Participating DMC Member Institution may request its substitution by an affiliated Non-Clearing Member or Registered Customer by giving written notice at least one month in advance of the intended substitution. Upon acceptance of such substitution by Eurex Clearing AG, which acceptance shall not be unreasonably withheld, the relevant Eligible Clearing Member shall cease to be a Participating DMC Member Institution and the affiliated Non-Clearing Member or Registered Customer shall instead become a Participating DMC Member Institution and shall be obliged to sign the Agreement for the Participation in a Default Management Committee (Annex 1) applicable to Non-Clearing Members and Registered Customers. If such affiliated Non-Clearing Member or affiliated Registered Customer does not comply with its obligations under such agreement, the relevant Eligible Clearing Member remains responsible for the ~~fulfillment~~ fulfilment of its obligations under the DMC Rules.

2.6 DMC Member Nomination

The relevant Participating DMC Member Institutions shall nominate DMC Members which comply with the DMC Member Eligibility Criteria.

2.6.1 Each Participating DMC Member Institution shall notify Eurex Clearing AG of the identities and contact information (including names, phone numbers, email addresses and CVs) of the DMC Members nominated by it by no later than three months after the start of the relevant Assignment Phase (the "**Designation Notice**"). The relevant Participating DMC Member Institution shall evidence by adequate information to Eurex Clearing AG that its DMC Members satisfy the DMC Member Eligibility Criteria.

2.6.2 The nominated DMC Member is, subject to Number 2.8, expected to serve on the relevant DMC for two consecutive DMC Terms. A Participating DMC Member Institution may nominate a person as DMC Member who has already served as DMC Member for that Participating DMC Member Institution on the same DMC in any previous DMC Term.

2.6.3 Procedures for becoming a DMC Member

~~(1)~~ (1) Upon receipt of a Designation Notice, Eurex Clearing AG validates the nominated DMC Member on the basis of the information provided by the Participating DMC Member Institution to evidence compliance with the DMC Member Eligibility Criteria. The Participating DMC Member Institution shall

provide any further information or evidence of compliance with the DMC Member Eligibility Criteria as reasonably requested by Eurex Clearing AG.

~~(2)~~ (2) Upon acceptance of a nominated DMC Member by Eurex Clearing AG, such nominated DMC Member shall, subject to Number 2.8, be a DMC Member for the DMC Term of the relevant DMC.

~~(3)~~ (3) Eurex Clearing AG shall only reject a nominated DMC Member if the nominated DMC Member does not satisfy the DMC Member Eligibility Criteria. Eurex Clearing AG shall immediately notify the relevant Participating DMC Member Institution of such rejection and the reasons therefor.

~~(4)~~ (4) Upon a rejection of a nominated DMC Member by Eurex Clearing AG, the relevant Participating DMC Member Institution shall nominate a further individual as DMC Member in accordance with this Number 2.5 within five (5) Business Days upon receipt of a rejection by Eurex Clearing AG.

If Eurex Clearing AG also rejects such further individual nominated as DMC Member, the relevant Participating DMC Member Institution shall cease to be a Participating DMC Member Institution and another Eligible Clearing Member shall be selected by Eurex Clearing AG in accordance with Number 2.4 to nominate a DMC Member. Eurex Clearing AG shall immediately notify the relevant Participating DMC Member Institution of its failure to nominate a further DMC Member.

2.7 Information Undertakings of Participating DMC Member Institutions

Each Participating DMC Member Institution shall inform Eurex Clearing AG without undue delay (i) if the Participating DMC Member Institution becomes aware that its DMC Member no longer complies with the DMC Member Eligibility Criteria or (ii) if it merges with any other Participating DMC Member Institution(s) and if therefore more than one DMC Member nominated by Participating DMC Member Institutions which are Affiliates are DMC Members in the same DMC.

2.8 Removal of DMC Members, Suspension of DMC Membership

Any DMC Member that resigns or is replaced or removed from a DMC pursuant to these DMC Rules shall no longer be a DMC Member, as the case may be, and Eurex Clearing AG shall, in each case, accept a successor DMC Member for the DMC Term of the relevant DMC in accordance with the DMC Member Eligibility Criteria.

2.8.1 Resignation

A DMC Member may at any time resign from its appointment by giving not less than 30 calendar days' prior written notice of its resignation to the DMC Secretary provided that in any event such resignation shall only become effective upon the acceptance of a successor DMC Member.

2.8.2 Automatic Removal

A DMC Member shall be automatically removed from a DMC on which it serves without any further notice upon (i) the occurrence of a Termination Date in relation to the Participating DMC Member Institution which has nominated such DMC Member or (ii) ceasing to be an employee of the Participating DMC Member Institution or of an Affiliate.

2.8.3 Removal in the case of a merger

If two or more Participating DMC Member Institutions are subject to a merger and become affiliates, Eurex Clearing AG will upon consultation with these Participating DMC Member Institution(s), remove all appointed DMC Members and DMC Deputies of such original Participating DMC Member Institutions except for one DMC Member.

2.8.4 Removal by Eurex Clearing AG

Eurex Clearing AG has the right to remove a DMC Member from the DMC on which it serves by giving not less than five calendar days—'__prior written notice to the Participating DMC Member Institution if

- (1) the DMC Member fails to participate in one DMC Meeting without reasonable excuse, or
- (2) the DMC Member fails to comply with the DMC Rules and such failure (if capable of remedy) has not been remedied after receipt of written notice thereof from the DMC Secretary giving a reasonable remedy period; or
- (3) the DMC Member no longer complies with either of the DMC Member Eligibility Criteria (a) or (c) through (f).

The notice period set forth in the preceding sentence does not apply in the case of (i) material breaches of the DMC Rules, (ii) a repeated breach of the DMC Rules or (iii) in case of another important reason (*wichtiger Grund*).

2.8.5 Removal by Participating DMC Member Institution

A Participating DMC Member Institution is only entitled to remove the DMC Member nominated by it from the DMC on which it serves upon occurrence of an important reason in the person of the DMC Member (*wichtiger Grund*) provided that in any event such removal shall only become effective upon the acceptance of a successor DMC Member.

2.8.6 Suspension of Membership in a DMC

Eurex Clearing AG may suspend with immediate effect a DMC Member from its capacity as DMC Member (i) upon the occurrence of a Termination Event in relation to the Participating DMC Member Institution which has nominated such DMC Member or in case of (ii) material breaches of the DMC Rules, (iii) a repeated breach of the DMC Rules or (iv) another important reason (*wichtiger Grund*).

2.9 Request to exercise Direction Right

Eurex Clearing AG may prior to exercising its rights pursuant to Number 2.8.4 Sentence 2 or Number 2.8.6 request the Participating DMC Member Institution (i) to use its direction right vis-à-vis the DMC Member or (ii) if the DMC Member is employed with an Affiliate, to request such Affiliate to use its direction right.

2.10 List of DMC Members

Eurex Clearing AG maintains a list of all DMC Members of the relevant DMC, including the relevant contact details (address, phone number, fax number, email address) in accordance with the statutory data protection rules.

Eurex Clearing AG shall not be obliged to make available such list to Clearing Members, Non-Clearing Members or Registered Customers.

3 Procedures of DMCs

3.1 Convening a DMC Meeting

3.1.1 Request for a DMC Meeting

The DMC Secretary may at any time convene a meeting of a DMC (a "**DMC Meeting**") upon the occurrence of a Termination Event, Insolvency Termination Event, Basic Clearing Member Termination Event or Basic Clearing Member Insolvency Termination Event, for a Default Simulation or to obtain advice on any DMC Matters as deemed appropriate by Eurex Clearing AG by delivering a meeting request notice (the "**Invitation**") in accordance with this Number 3.1 to all DMC Members of the relevant DMC.

If there is at least one OTC Interest Rate Derivative Transaction (as defined in Chapter VIII Part 4-2 Number 2.1.1 of the Clearing Conditions) or one OTC Currency Transaction (as defined in Chapter VIII Part 1 Paragraph (1) of the Clearing Conditions) among the Terminated Transactions, Eurex Clearing AG shall in any event convene a DMC Meeting of the DMC related to the relevant Liquidation Group.

3.1.2 Invitation

Invitations shall be provided to each DMC Member by telephone and/or email at the telephone number and/or email address provided in the Designation Notice, or notified under Number 5.2.2, and addressed to such DMC Member personally. Invitations shall be delivered to DMC Members as soon as practical, but not less than 2 hours, before the DMC Meeting giving details about the date, time and place of the DMC Meeting.

If a Participating DMC Member Institution has provided Eurex Clearing AG with the identity and contact information of its chief compliance officer ("**Chief Compliance Officer**") or a designee of the chief compliance officer ("**Chief Compliance Officer Designee**") (including names, phone numbers, and email addresses), Eurex Clearing AG shall inform the Chief Compliance Officer or the Chief Compliance Officer Designee (if applicable) by e-mail about any DMC Meeting of the relevant Participating DMC Member Institution, giving details about the date, time and place of the relevant DMC Meeting.

The Participating DMC Member Institution informs Eurex Clearing AG without undue delay of any changes with respect to the Chief Compliance Officer or the Chief Compliance Officer Designee.

3.1.3 Preparation of DMC Meeting

The DMC Secretary may convene a DMC Meeting in such manner as it reasonably considers appropriate to discuss the envisaged DMC Matters taking into account the urgency of such DMC Matters. The DMC Secretary may consult with the Chairman (as defined in Number 3.2.3) and/or the Deputy Chairman (as defined in Number 3.2.3) prior to convening a DMC Meeting as it deems appropriate in view of the given circumstances. The DMC Secretary will prepare a meeting agenda which shall be distributed to the DMC Members once the DMC Meeting has been opened by the Chairman (the "**DMC Meeting Agenda**").

3.2 Meeting, Participation, Chairman, Participation Duties

3.2.1 Meeting

DMC Meetings shall take place at premises in London and Frankfurt am Main (or Eschborn). The premises shall be linked to each other by video conference.

3.2.2 Participation

Each Participating DMC Member Institution shall use reasonable endeavours to ensure that

- (1) its DMC Member participates in each DMC Meeting in person,
- (2) if its DMC Member is unable to attend a DMC Meeting it provides evidence to the DMC Secretary of its inability to attend the DMC Meeting in person,
- (3) if its DMC Member does not attend the DMC Meeting for whatever reason, the relevant DMC Deputy attends instead of the DMC Member, and
- (4) if the DMC Deputy is unable to attend such DMC Meeting it provides evidence to the DMC Secretary of its inability to attend the DMC Meeting in person.

The DMC Members (or subject to the above, any DMC Deputies) attending a DMC Meeting shall be referred hereinafter as the "**Participating DMC Members**" and each a "**Participating DMC Member**".

3.2.3 Chairman and Deputy Chairman

Once all DMC Members for a respective DMC and a respective DMC Term have been appointed, these DMC Members shall, upon notification of Eurex Clearing AG, appoint a DMC Member via email by Majority (as defined in Number 3.3) vote as the chairman of the DMC (the "**Chairman**") and as the deputy chairman who shall perform the functions of the Chairman at any DMC Meeting at which the Chairman is not present (the "**Deputy Chairman**"). The appointment as Chairman and Deputy Chairman shall be valid for the DMC Term of the relevant DMC. Only a DMC Member and not a DMC-Deputy may be appointed as Chairman or Deputy Chairman.

The Participating DMC Members have the right to replace the Chairman or Deputy Chairman by Majority vote, provided that such replacement does not occur in time critical situations, in particular if a Termination Event or Basic Clearing Member Termination Event has occurred.

3.2.4 Duties of Participating DMC Members

Each Participating DMC Member Institution shall use reasonable endeavours to ensure that its Participating DMC Members comply with the following rules:

- (1) Participating DMC Members are not permitted to engage in any communication with the relevant Participating DMC Member Institution or any other third party with respect to DMC Matters or any other information obtained during DMC Meetings.
- (2) No Participating DMC Member may engage in any communication with another DMC Member outside of the DMC Meeting with respect to DMC Matters (except for any briefings between a DMC Member and its DMC Deputy that are indispensable in order to procure that each of them is in a position to attend the relevant DMC Meeting for the relevant other person).
- (3) Participating DMC Members are not permitted to bring any own means of electronic communication to the DMC Meeting.
- (4) Participating DMC Members are not permitted to leave the DMC Meeting, unless the DMC Meeting has been officially closed by the DMC Secretary.

3.3 Voting Procedure

Subject to Number 3.2.3, all decisions to be made by the DMC shall be made at a DMC Meeting by Majority vote of the Participating DMC Members. "**Majority**" shall mean at least 50% of the Participating DMC Members. Each Participating DMC Member shall have one single vote. In the event that any vote is tied, the Chairman shall have the casting vote.

3.4 Minutes of Meetings, Statements

3.4.1 Minutes

Minutes shall be taken of all DMC Meetings and signed by the DMC Secretary ("**DMC Minutes**"). The DMC Minutes shall set forth the place and date of the DMC Meeting, the Participating DMC Members, the DMC Matters on the DMC Meeting Agenda, the substance of the deliberations and the votes taken by the DMC. The DMC Secretary shall record in the DMC Minutes the identity of each Participating DMC Member with respect to any matter raised by such Participating DMC Member in the DMC Meeting.

3.4.2 Statements

The DMC may appoint by Majority vote one or more Participating DMC Members to prepare, on behalf of the DMC, any proposal, response, statement or other document setting out the views of the DMC with respect to any DMC Matter (a "**Statement**"). The Chairman may refer the Statement to a DMC Meeting for approval by Majority vote or may, if the Chairman is satisfied that the Statement represents the views of the Majority of Participating DMC Members after circulating such Statement to the Participating DMC Members, deliver such Statement to Eurex Clearing AG, whereupon such Statement shall be incorporated into the Minutes and shall be deemed to set out the view of the DMC.

3.5 Participation of Non-DMC Members in DMC Meetings

3.5.1 External Experts and other Attendees

- (1) Eurex Clearing AG may invite any external counsel or other external experts or may invite Non-Clearing Members, Registered Customers or clients to designate one of its employees to attend one or more DMC Meetings of a specific DMC to the extent and as long as such attendance is considered appropriate by Eurex Clearing AG (each an "**Attendee**").
- (2) Each Attendee must sign an acknowledgement and undertaking letter provided by the DMC Secretary prior to its attendance in a DMC Meeting.
- (3) All Attendees shall form part of the relevant DMC but shall not have the right to vote in a DMC Meeting.
- (4) The costs of an Attendee for participating in a DMC Meeting shall be borne by Eurex Clearing AG.

3.5.2 Participation of Employees of Eurex Clearing AG

Employees of Eurex Clearing AG may attend DMC Meetings for the purpose of handling the DMC Matters at any time but shall not have a right to vote and shall not be deemed to be DMC Members.

3.6 Assistance by Participating DMC Members as *Bote* of Eurex Clearing AG

Eurex Clearing AG may request one or more Participating DMC Members of a DMC to assist Eurex Clearing AG in the execution of DM Hedging Transactions or other legal declarations. Any such Participating DMC Member must act as messenger (*Bote*) of Eurex Clearing AG and shall not have the rights of an attorney in fact (*Stellvertreter*) of Eurex Clearing AG. Eurex Clearing AG will at all times maintain the ultimate decision on whether or not and under what terms and conditions a DM Hedging Transactions or a certain legal act is executed or not.

Each Participating DMC Member Institution shall instruct its Participating DMC Member to always inform (potential) contractual counterparties of Eurex Clearing AG that it is acting as messenger (*Bote*) of Eurex Clearing AG and not as an attorney in fact (*Stellvertreter*) of Eurex Clearing AG and to prevent any acts or indications which could be interpreted as its entitlement to act as an attorney in fact (*Stellvertreter*) (*Anscheinsvollmacht*).

4 Legal Relationship

4.1 Status

Each DMC Member always remains an employee of the respective Participating DMC Member Institution or, if applicable, its Affiliate, and does not qualify as an employee of Eurex Clearing AG. The DMC Members act under a mandate (*Auftrag*) of Eurex Clearing AG in their capacity as DMC Members.

4.2 Direction Rights

Each Participating Member Institution shall instruct its DMC Members to follow the instructions of Eurex Clearing AG during a DMC Meeting with respect to all acts requested by Eurex Clearing AG in connection with the DMC Matters provided for in the DMC Rules.

During a DMC Meeting and with respect to all other acts requested by Eurex Clearing AG in connection with the DMC Matters provided for in the DMC Rules, a Participating DMC Member Institution shall not exercise, and if its DMC Member is employed by its Affiliate shall use reasonable endeavours to ensure that such Affiliate does not exercise, its employer direction rights vis-à-vis the DMC Member nominated by it unless it is requested by Eurex Clearing AG to use its direction rights in accordance with Number 2.10.

5 General Duties of DMC Members

5.1 Duty of Care

The Participating DMC Member Institution shall instruct, and if its DMC Member is employed by its Affiliate shall use reasonable endeavours to ensure that such Affiliate instructs, its DMC Member when acting in such capacity, to comply with any instructions of Eurex Clearing AG and to always act in the best interest of a successful default management process of Eurex Clearing AG.

5.2 Information Undertakings

The Participating DMC Member Institution shall instruct its DMC Member and if its DMC Member is employed by its Affiliate shall use reasonable endeavours to ensure that such Affiliate instructs its DMC Member, to inform Eurex Clearing AG without undue delay

5.2.1 and, if possible, in advance if it is unable to attend DMC Meetings due to holidays, gardening leave, sickness or any other absence or unavailability; and

5.2.2 of any change of its contact details.

6 Communications

Unless otherwise provided for in these DMC Rules, any communication hereunder shall be made via-email to and from (as applicable) the relevant DMP-coordinator appointed by each Clearing Member and the relevant Eurex Clearing AG representatives, provided that any invitations to actual DMC Meetings will be addressed directly to the DMC Members or DMC Deputies.

7 Provisions for Market Advisors

7.1 Eurex Clearing AG informs all Eligible Clearing Members of the relevant Liquidation Group, for which Eurex Clearing AG determined that Market Advisors can be nominated, that they may nominate individual persons who meet the Market Advisor Eligibility Criteria as Market Advisors.

7.2 Each Eligible Clearing Member may nominate one or more Market Advisors with respect to each Liquidation ~~Group~~Group, for which Eurex Clearing AG determined that Market Advisors can be nominated.

7.3 Eurex Clearing AG appoints Market Advisors with respect to the relevant Liquidation Group pursuant to the following provisions:

7.3.1 The provisions under Number ~~7.4.1~~2.4.1 do not apply for the election of Market Advisors.

7.3.2 Each Eligible Clearing Member intending to nominate Market Advisors with respect to the relevant Liquidation Group, for which the nomination of Market Advisors is possible, may at any time nominate a Market Advisor by sending a written notice to Eurex Clearing AG ("**Market Advisor Nomination**").

By submitting the Market Advisor Nomination, the Eligible Clearing Member confirms that the nominated Market Advisor meets the following criteria ("**Market Advisor Eligibility Criteria**"):

- (i) the individual person must be an employee of the Eligible Clearing Member (or of an Affiliate) and shall have agreed to serve as Market Advisor;
- (ii) the individual person must be able to demonstrate relevant experience with respect to products of the relevant Liquidation Group; and
- (iii) the individual person is not subject to on-going investigations regarding misdemeanour in any trading related matter.

As part of the Market Advisor Nomination, the Eligible Clearing Member shall (i) specify for which Liquidation Group it intends to nominate the relevant Market Advisor and (ii) provide the identity and contact information (including names, phone numbers, and email addresses) of the relevant Market Advisor.

The Eligible Clearing Member informs Eurex Clearing AG without undue delay of any changes with respect to the Market Advisor Eligibility Criteria and the contact information of the relevant Market Advisor.

7.3.3 By submitting the Market Advisor Nomination to Eurex Clearing AG, the Eligible Clearing Member acknowledges that in case of the acceptance of the relevant Market Advisor nominated by it as Market Advisors by Eurex Clearing AG, it is bound by the provisions under this Number 7.

7.3.4 Eurex Clearing AG may at its own discretion accept the nominated Market Advisor as Market Advisor or reject the nominated Market Advisor without giving reasons. The appointment as Market Advisor shall last for an indefinite period and shall continue until the Market Advisor ~~resigns~~resigns or is removed by Eurex Clearing AG or the Eligible Clearing Member. In case of ~~an~~a rejection of a nominated Market Advisor by Eurex Clearing AG, the relevant Eligible Clearing Member may at any time nominate another individual person as Market Advisor.

7.3.5 The appointment as Market Advisor shall become effective upon signing the acknowledgement and undertaking letter provided by Eurex Clearing AG by the relevant Market Advisor.

7.4 If a Market Advisor resigns or is removed by the Eligible Clearing Member or by Eurex Clearing AG, the relevant Market Advisor shall no longer be a Market Advisor.

7.4.1 Resignation

A Market Advisor may at any time and without observing any notice period resign by giving written notice of its resignation to Eurex Clearing AG.

7.4.2 Automatic Removal

A Market Advisor shall be automatically removed without any further notice upon (i) the occurrence of a Termination Date in relation to the Eligible Clearing Member which has nominated such Market Advisor or (ii) ceasing to be an employee of the Eligible Clearing Member or of an Affiliate.

7.4.3 Removal by Eurex Clearing AG or the Eligible Clearing Member

Eurex Clearing AG and the Eligible Clearing Member, which has nominated the relevant Market Advisor, each may remove the relevant Market Advisor by giving written notice to the Eligible Clearing Member and/or Eurex Clearing AG without observing any notice period and without giving reasons.

7.5 Market Advisor Activities

7.5.1 Eurex Clearing AG may consult Market Advisors within a Default Management Process with respect to occurrence of a Termination or a Basic Clearing Member Termination and all other issues connected thereto ("**Market Advisor Activities**"). Eurex Clearing AG is not obliged to consult Market Advisors.

7.5.2 The consultation of Market Advisors is generally performed via telephone. Eurex Clearing AG consults the relevant Market Advisors separately.

7.5.3 The Market Advisor will not assist Eurex Clearing AG in the execution of DM Hedging Transactions or other legal declarations.

7.6 Legal Relationship

7.6.1 Each Market Advisor remains an employee of the relevant Eligible Clearing Members or, if applicable, its Affiliate, at all times and does not qualify as an employee of Eurex Clearing AG.

7.6.2 Eurex Clearing AG has at no point in time during the Market Advisor Activities any direction right with respect to the Market Advisor.

7.6.3 Eurex Clearing AG will neither reimburse the Eligible Clearing Member, nor, if the Eligible Clearing Member is not the employer of the Market Advisor, the relevant Affiliate for the personnel costs of the Market Advisor nor pay the Market Advisor a remuneration. The Clearing Member will continue to pay the Market Advisor nominated by it its usual remuneration for the duration of any Market Advisor Activity and will reimburse any costs incurred by the Market Advisor in connection with the Market Advisor Activities, or shall procure, if the Market Advisor is employed by an Affiliate, that such company continues to pay its usual remuneration and reimburses any costs.

7.6.4 The Eligible Clearing Member or its Affiliate shall, to the extent legally possible, not be liable, neither for breach of contract, nor in tort or on any other basis for any acts or omissions by the Market Advisor in connection with the Market Advisor Activities. The liability of the Eligible Clearing Member or its Affiliate under this Provision shall be limited to wilful misconduct (*Vorsatz*) and gross negligence (*grobe Fahrlässigkeit*).

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7.6.5 In connection with the Market Advisor Activities, the Market Advisor is neither an authorised agent (*Bevollmächtigter*) nor a vicarious agent (*Erfüllungsgehilfe*) of the Eligible Clearing Member or its Affiliate.

7.7 Confidentiality

7.7.1 Except as required by applicable law, court order, regulation or as required or requested by any regulatory, self-regulatory or supervisory authority having appropriate jurisdiction, the Eligible Clearing Member agrees (i) not to disclose any Confidential Market Advisor Information the Market Advisor obtains during the Market Advisor Activities or (ii) not to use any such Confidential Market Advisor Information for its own benefit or the benefit of any third party.

7.7.2 The Eligible Clearing Member's obligation under ~~Clause-Number~~ 7.7.1 shall continue to apply until the earlier of two years after (i) the end of the employment relationship of the Eligible Clearing Member with the Market Advisor or the employment relationship of its Affiliate with the Market Advisor, and (ii) the resignation by or the removal of the Market Advisor pursuant to ~~Clause-Number~~ 7.4.

7.7.3 The Eligible Clearing Member represents and warrants by way of an independent guarantee and irrespective of fault (*selbständiges, verschuldensunabhängiges Garantieverprechen*) that the Market Advisor and, if the Market Advisor is employed by an Affiliate, such Affiliate is obliged to keep confidentiality vis-a-vis all third parties with respect to Confidential Market Advisor Information, unless a disclosure of such information is required by applicable law, court order, regulation or as required or requested by any regulatory, self-regulatory or supervisory authority having appropriate jurisdiction.

7.7.4 **"Confidential Market Advisor Information"** means (a) any and all business and trade secrets of Eurex Clearing AG obtained by the Market Advisor during the Market Advisor Activities or in connection therewith, and (b) all matters arising from any current or past Market Advisor Activities in which the Market Advisor is or was involved, including any discussions or deliberations, any determinations or acts made under the DMC Rules except for information which

(a) is or becomes public information other than as a direct or indirect result of a breach (of which such Market Advisor, the Clearing Member or the Affiliate is aware) of the confidentiality obligation in this ~~Clause-Number~~ 7.7;

(b) is identified in writing at the time of delivery as non-confidential by Eurex Clearing AG or any of its advisers; or

(c) was already known to the Market Advisor, the Clearing Member or the Affiliate before the date the information is disclosed to it in accordance with Paragraphs (a) or (b) above or is lawfully obtained by such Market Advisor, Clearing Member or Affiliate after that date, from a source which is, as far as such Market Advisor, Clearing Member or Affiliate is aware, unconnected with Eurex Clearing AG and which, in either case, as far as such Market Advisor, Clearing Member or Affiliate is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality.

7.7.5 Subject to compliance with the terms of this ~~Clause-Number~~ 7.7, the Eligible Clearing Member and, if the Market Advisor is employed by an Affiliate, such Affiliate is not prevented from carrying out any transactions in respect of investments, provided that the Eligible Clearing Member or the Affiliate does not make use of any Confidential Market Advisor Information obtained from the Market Advisor nominated by the Eligible Clearing Member in breach of the ~~Market~~ Market Advisor's confidentiality obligations.

8 Governing Law; Place of Jurisdiction

- 8.1 Unless provided otherwise, the rights and obligations arising out of, and in connection with, these DMC Rules shall be governed by the substantive laws (*Sachrecht*), excluding German private international law, of the Federal Republic of Germany. Only the German version of these DMC Rules is legally binding.
- 8.2 Any non-contractual rights and obligations arising out of, and in connection with, these DMC Rules shall be governed by the substantive laws (*Sachrecht*), excluding German private international law, of the Federal Republic of Germany.
- 8.3 Exclusive place of jurisdiction for all disputes arising out of, or in connection with, these DMC Rules is Frankfurt am Main.

9 Amendments

Eurex Clearing AG reserves the right to amend the DMC Rules in accordance with Chapter I Part 1 Number 17.2 of the Clearing Conditions; any amendments to these DMC Rules shall be published in accordance with Chapter I Part 1 Number 16.1 of the Clearing Conditions.

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

Appendix 1

Agreement

for the Participation in a Default Management Committee

Agreement for the Participation in a Default Management Committee

between

Clearing Member

and

Eurex Clearing AG, Frankfurt/Main.

This Agreement for the Participation in a Default Management Committee (the “**Agreement**”) is dated the last date specified on the signature page hereof and entered into

BETWEEN:

(1)

(legal name)

acting through / having its (registered) office at

—

—

—

_____, as Clearing Member (the “**Clearing Member**”); and

- (2) Eurex Clearing Aktiengesellschaft, a stock company (*Aktiengesellschaft*) incorporated under the laws of Germany, registered in the commercial register of the local court (*Amtsgericht*) in Frankfurt am Main under HRB 44828 and having its registered seat in Frankfurt am Main, with its business address at Mergenthalerallee 61, 65760 Eschborn, Germany, (“**Eurex Clearing AG**”).

The Clearing Member and Eurex Clearing AG are hereinafter also referred to as the “**Parties**” and each of them as a “**Party**”.

WHEREAS:

- (A) The Parties have entered into a Clearing Agreement on [●] (the “**Clearing Agreement**”) which incorporates Eurex Clearing AG’s clearing conditions, as amended from time to time (the “**Clearing Conditions**”).
- (B) 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 a Termination Event or Basic Clearing Member Termination Event resulting in a Termination or Basic Clearing Member Termination and the calculation of one or more Difference Claims, as described in the 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 Chapter I Part 1 Number 7.5 of the Clearing Conditions.
- (C) Each DMC is governed by the rules set forth in the default management committee rules and published by Eurex Clearing AG on its website www.eurexclearing.com (the “**DMC Rules**”).
- (D) Each DMC consists of individuals generally nominated by certain Clearing Members that are selected in accordance with the DMC Rules (each a “**Participating DMC Member Institution**”) or by an Affiliate.
- (E) Eurex Clearing AG may invite any external counsel or other external experts or may invite Non-Clearing Members, Registered Customers or clients of a Clearing Member to designate one of its employees to attend one or more DMC Meetings.
- (F) When selected as Participating DMC Member Institution pursuant to the DMC Rules, the Clearing Member is obliged to nominate one of its employees or an employee of an Affiliate as DMC Member and another one of its employees or another employee of an Affiliate as DMC Deputy pursuant to the DMC Rules. The Participating DMC Member Institution is obliged to make the nominated DMC Member (or its DMC Deputy) available to Eurex Clearing AG for the purposes set out in the DMC Rules and pursuant to this Agreement.
- (G) If a Participating DMC Clearing Member Institution requested its substitution by an affiliated Non-Clearing Member or Registered Customer in accordance with Number 2.5 of the DMC Rules and Eurex Clearing AG accepted such substitution, any reference to the Clearing Member in this Agreement and

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As of 04.09.2017

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within the DMC Rules shall be read as references to the relevant Non-Clearing Member or Registered Customer.

NOW THEREFORE, the Parties agree as follows:

1 Definitions and Interpretation

Unless the context requires otherwise, capitalised terms used in this Agreement shall have the meaning given to them in the DMC Rules and the Clearing Conditions. The DMC Rules and the Clearing Conditions form an integral part of this Agreement.

2 Obligation to nominate a DMC Member and its DMC Deputy

Whenever selected as a Participating DMC Member Institution pursuant to the DMC Rules with respect to a DMC, the Clearing Member is obliged pursuant to the DMC Rules to nominate one of its employees or an employee of an Affiliate as a DMC Member and another of its employees or an employee of an Affiliate as its DMC Deputy for a participation in the relevant DMC pursuant to the requirements further set out in the DMC Rules.

3 DMC Member or DMC Deputy

3.1 The Clearing Member and Eurex Clearing AG agree, that upon acceptance by Eurex Clearing AG of the Clearing Member's nominated employee or an employee of its Affiliate as "**DMC Member**" or "**DMC Deputy**" in accordance with the DMC Rules, the Clearing Member is obliged to make its DMC Member or DMC Deputy available to Eurex Clearing AG for the duration of the DMC Terms for the participation in all DMC Meetings convened from time to time in accordance with the DMC Rules and for all other matters requested by Eurex Clearing AG in connection with the DMC Matters provided for in the DMC Rules (each such meeting or activity in respect of such other matters, a "**DMC Activity**").

3.2 Subject to compliance with mandatory laws applicable to the Clearing Member and its DMC Member or DMC Deputy, the Clearing Member shall not prevent or restrict but support and enable its DMC Member or its DMC Deputy to perform their duties in their respective capacities as DMC Member or DMC Deputy. The Clearing Member shall procure, if the DMC Member or the DMC Deputy is employed by an Affiliate that such Affiliate does not prevent or restrict but supports and enables its DMC Member or its DMC Deputy to perform their duties in their respective capacities as DMC Member or DMC Deputy.

3.3 The DMC Member or its DMC Deputy will be made available to Eurex Clearing AG for the duration of each DMC Activity (including travelling times and breaks). The duration of each DMC Activity will be determined by Eurex Clearing AG.

3.4 Each DMC Activity of the DMC Member or its DMC Deputy is personal.

3.5 Eurex Clearing AG is aware of and accepts that the DMC Member or its DMC Deputy will not be made available for periods of permitted absences from work (e.g. holiday,

gardening leave, sickness or maternity) or post termination of the employment relationship with the Clearing Member or an Affiliate. If the DMC Member or the DMC Deputy has neither an employment relationship with the Clearing Member nor with its ~~Affiliate, Affiliate~~, the Clearing Member shall be obliged to notify Eurex Clearing AG thereof and nominate a replacement DMC Member or a replacement DMC Deputy pursuant to Clause 2 above.

3.6 At the time when the Clearing Member nominates a DMC Member or a DMC Deputy, the Clearing Member shall represent (*zusichern*) that it has no knowledge or information that may suggest that the DMC Member and its DMC Deputy nominated by it cannot be relied upon (*zuverlässig*) to fulfil their respective duties or that the DMC Member or DMC Deputy is or was subject to any criminal proceedings or regulatory proceedings. If the DMC Member or the DMC Deputy is employed by an Affiliate the Clearing Member shall, prior to making such representation, enquire with such Affiliate whether such representation can reasonably be made.

3.7 Subject to Clause 6.5, the Clearing Member or its Affiliate shall, to the extent legally possible, not be liable, neither for breach of contract, nor in tort or on any other basis for any acts or omissions by the DMC Member and its DMC Deputy in connection with a DMC Activity. In connection with any DMC Activity, the DMC Member and its DMC Deputy are neither an authorised agent (*Bevollmächtigter*) nor a vicarious agent (*Erfüllungsgehilfe*) of the Clearing Member or its Affiliate.

3.8 The liability of the Clearing Member under and in connection with this Agreement shall be limited to wilful misconduct (*Vorsatz*) and gross negligence (*grobe Fahrlässigkeit*).

4 Remuneration

Eurex Clearing AG will neither reimburse the Clearing Member, nor, if the Clearing Member is not the employer of the DMC Member and/or the DMC Deputy, the relevant Affiliate for the personnel costs of the DMC Member or the DMC Deputy nor pay the DMC Member or the DMC Deputy a remuneration. The Clearing Member will continue to pay the DMC Member or the DMC Deputy nominated by it its usual remuneration for the duration of any DMC Activity and will reimburse any costs incurred by the DMC Member or the DMC Deputy in connection with a DMC Activity, or shall procure, if the DMC Member or the DMC Deputy is employed by an Affiliate, that such company continues to pay its usual remuneration and reimburses any costs.

5 Limitation of Clearing Member's direction rights

5.1 The Clearing Member and Eurex Clearing AG agree for the period of ~~an~~ a DMC Activity that,

- 5.1.1 the Clearing Member may only exercise any direction rights vis-à-vis the DMC Member or the DMC Deputy nominated by it upon request by Eurex Clearing AG and if the DMC Member or the DMC Deputy is employed by an Affiliate, the Clearing Member shall procure that such company only exercises its direction rights vis-à-vis the DMC Member or the DMC Deputy upon request by Eurex Clearing AG, provided, however, that the DMC Member or the DMC Deputy remains employed by the Clearing Member or Affiliate (as applicable),
- 5.1.2 the DMC Member or the DMC Deputy (as applicable) shall be independent in exercising its duties as DMC Member or DMC Deputy and it shall not be prevented by the Clearing Member (or, if the DMC Member or the DMC Deputy is employed by an Affiliate, such Affiliate) from complying with its duty of independence,
- 5.1.3 the DMC Member or the DMC Deputy (as applicable) shall neither be obliged nor entitled to report to the Clearing Member, and, if the DMC Member or the DMC Deputy is employed by an Affiliate, to report to such Affiliate, and
- 5.1.4 during a DMC Activity with respect to any DMC Member or the DMC Deputy the compliance rules and restrictions as well as all other code of conduct and organisational requirements of Eurex Clearing AG as well as the DMC Rules and the Clearing Conditions shall apply.
- 5.2 Eurex Clearing AG shall provide all necessary documents to the DMC Member or DMC Deputy (as applicable) to enable such DMC Member or DMC Deputy to comply with the compliance rules and restrictions as well as all other code of conduct and organisational requirements of Eurex Clearing AG as well as the DMC Rules and the Clearing Conditions.
- 5.3 Any participation of the DMC Member ~~if~~or the DMC Deputy in DMC Activities shall be supervised by Eurex Clearing AG.

6 Confidentiality

- 6.1 Except as expressly contemplated otherwise in this Agreement or as required by applicable law, court order, regulation or as required or requested by any regulatory, self-regulatory or supervisory authority having appropriate jurisdiction, the Clearing Member agrees (i) not to disclose any Confidential Information (as defined below) and (ii) not to use any such Confidential Information for its own benefit or the benefit of any third party. The Clearing Member's obligation under this Clause 6.1 shall continue to apply until the earlier of two years after (i) the end of the employment relationship with the DMC Member and/or the DMC Deputy nominated by the Clearing Member or the employment relationship of its Affiliate with the DMC Member and/or the DMC Deputy, (ii) the termination of this Agreement and (iii) the DMC Term with respect to which the Confidential Information was obtained during the respective DMC Activity.

- 6.2 The Clearing Member represents and warrants by way of an independent guarantee and irrespective of fault (*selbständiges, verschuldensunabhängiges Garantieverprechen*) that the DMC Member or the DMC Deputy and, if the DMC Member or the DMC Deputy is employed by an Affiliate, such Affiliate, and the Chief Compliance Officer or the Chief Compliance Officer Designee (if applicable), is obliged to keep confidentiality vis-a-vis all third parties with respect to Confidential Information (as defined below). The Clearing Member undertakes to keep up this confidentiality obligation (and procures that such confidentiality obligation is kept up) until the earlier of two years after (i) the end of the employment relationship with the DMC Member, the DMC Deputy, the Chief Compliance Officer or the Chief Compliance Officer Designee (if applicable), or the employment relationship of the Affiliate with the DMC Member or the DMC Deputy, (ii) the termination of this Agreement and (iii) the DMC Term with respect to which the Confidential Information was obtained during the respective DMC Activity.
- 6.3 The Clearing Member shall direct (or, if the Clearing Member is not the employer of the DMC Member or its DMC Deputy shall use reasonable endeavours to ensure that its employer directs) the DMC Member, the DMC Deputy, the Chief Compliance Officer or the Chief Compliance Officer Designee (if applicable), (i) not to disclose any Confidential Information (as defined below) to the Clearing Member (and, if different to the Clearing Member, the employer of the DMC Member and/or the DMC Deputy) and to third parties and (ii) not to use any Confidential Information for its own benefit or the benefit of the Clearing Member (and, if different to the Clearing Member, the employer of the DMC Member and/or the DMC Deputy) or for the benefit of any third parties.
- 6.4 The Clearing Member shall indemnify Eurex Clearing AG for all damages resulting from any intentional (*vorsätzlich*) or grossly negligent (*grob fahrlässig*) breach by the DMC Member or the DMC Deputy of the confidentiality obligation set forth in Clause 6.2 and the direction set forth in Clause 6.3.
- 6.5 Subject to compliance with the terms of this Clause 6, the Clearing Member is not prevented from carrying out any transactions in respect of investments, provided that the Clearing Member does not make use of any Confidential Information obtained from the DMC Member or the DMC Deputy nominated by it in breach of the DMC Member's or the DMC Deputy's confidentiality obligations.
- 6.6 The relevant DMC Member or the DMC Deputy shall be entitled to disclose Confidential Information to employees working in the compliance departments of the Clearing Member or (if the Clearing Member is not the employer of the DMC Member or its DMC Deputy) the Affiliate, provided that such disclosure is required to ensure compliance with internal compliance requirements of the Clearing Member or (if the Clearing Member is not the employer of the DMC Member or its DMC Deputy) the

Affiliate. Clauses 6.2 to 6.4 shall apply accordingly with respect to such employees working in the compliance departments.

“Confidential Information” means (a) any and all business and trade secrets of Eurex Clearing AG obtained from the DMC or in connection therewith, and (b) all matters arising out of the DMC or any current or past DMC Activity in which the DMC Member or the DMC Deputy is or was involved, including any discussions, deliberations, proceedings, or results of any votes, or any determinations or acts made under the DMC Rules except for information which

- (a) is or becomes public information other than as a direct or indirect result of a breach (of which the DMC Member, the DMC Deputy, the Chief Compliance Officer or the Chief Compliance Officer Designee (if applicable), the Clearing Member, or the Affiliate is aware) of the confidentiality obligation in this Clause 6; or
- (b) is identified in writing at the time of delivery as non-confidential by Eurex Clearing AG or any of its advisers; or
- (c) was already known to the DMC Member, the DMC Deputy, the Chief Compliance Officer or the Chief Compliance Officer Designee (if applicable), the Clearing Member, or the Affiliate before the date the information is disclosed to it in accordance with Paragraphs (a) or (b) above or is lawfully obtained by such DMC Member, DMC Deputy, Chief Compliance Officer or Chief Compliance Officer Designee (if applicable), Clearing Member or Affiliate after that date, from a source which is, as far as that DMC Member, DMC Deputy, Chief Compliance Officer or Chief Compliance Officer Designee (if applicable), Clearing Member or Affiliate, is aware, unconnected with Eurex Clearing AG and which, in either case, as far as that DMC Member, DMC Deputy, Chief Compliance Officer or Chief Compliance Officer Designee (if applicable), Clearing Member or Affiliate is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality.

7 Information Undertakings of the Clearing Member

The Clearing Member shall inform Eurex Clearing AG without undue delay of any developments involving the Clearing Member and/or its Affiliate employing a DMC Member and/or its DMC Deputy of which the Clearing Member has become aware and which may affect its obligations as a Participating DMC Member Institution or may result in a breach of the DMC Rules.

The Clearing Member undertakes to remove its DMC Member and/or DMC Deputy from the DMC pursuant to Number 2.9.5 of the DMC Rules if it becomes aware of a development involving the DMC Member and/or its DMC Deputy which affects the

ability or suitability of the DMC Member and/or DMC Deputy to perform its duties as such or results in a breach of the DMC Rules.

8 Term

8.1 This Agreement shall remain in effect until all Clearing Agreements with the Clearing Member have been terminated, in which case this Agreement will terminate at the same time.

8.2 Eurex Clearing AG and the Clearing Member may terminate this Agreement at any time. Such termination requires a written notice to the Clearing Member or to Eurex Clearing AG, respectively, with a prior notice period of 30 days.

9 Amendments

9.1 Eurex Clearing AG reserves the right to amend this Agreement in accordance with Chapter I Part 1 Number 17.2 of the Clearing Conditions.

9.2 The Clearing Member accepts each change and amendment to the DMC Rules and this Agreement, unless it objects by sending a written notice to Eurex Clearing AG within the Regular Notification Period or the Prolonged Notification Period, as applicable. Eurex Clearing AG will inform the Clearing Member of the effects of such approval in the relevant publication of such changes and amendments. The right to terminate the Agreement pursuant to Clause 8.2 shall remain unaffected.

10 Governing Law; Jurisdiction, Place of Performance

10.1 Governing Law

10.1.1 This Agreement is governed by the substantive laws (*Sachrecht*), excluding German private international law of Germany.

10.1.2 Any non-contractual rights and obligations arising out of or in connection with this Agreement shall also be governed by the substantive laws (*Sachrecht*), excluding German private international law of Germany.

10.2 Jurisdiction

The courts in Frankfurt am Main shall have exclusive jurisdiction (*ausschließlicher Gerichtsstand*) over any action or other legal proceedings arising out of or in connection with this Agreement.

11 Severability Clause

If any provision contained in this Agreement is or becomes invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not be affected. Such invalid, illegal or unenforceable provision shall be replaced by

DEFAULT MANAGEMENT COMMITTEE RULES

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means of supplementary interpretation (*ergänzende Vertragsauslegung*) by a valid, legal and enforceable provision, which most closely approximates the parties' commercial intention. This shall also apply *mutatis mutandis* to any gaps (*Vertragslücken*) in this Agreement.

AUTHORISED SIGNATURES

to the Agreement

(as Clearing Member)

(Place / Date)

Name:

Name:

Function:

Function:

Eurex Clearing Aktiengesellschaft

(Eurex Clearing AG)

(Place / Date)

Name:

Name:

Function:

Function:

DEFAULT MANAGEMENT AUCTION RULES

1 General

- 1.1** Upon the occurrence of a Termination or Basic Clearing Member Termination, as defined in the Clearing Conditions in Chapter I Part 1 Number 7 and Part 6 Number 10.4, respectively, Eurex Clearing AG may in its free discretion conduct one or more DM Auction(s) or one or more DM Bonds Auction(s) in accordance with the Clearing Conditions of Eurex Clearing AG (the "**Clearing Conditions**").
- 1.2** Each DM Auction is governed by the rules set forth in these default management auction rules (the "**General DM Auction Rules**"), as supplemented by specific auction terms (the "**Specific Terms**"), which shall be materially in the form ~~is~~as annexed hereto (the General DM Auction Rules and the Specific Terms together the "**DM Auction Rules**"). Unless otherwise stated in such provisions, the DM Auction Rules shall apply *mutatis mutandis* to DM Bonds Auctions, provided that, in such case, any reference in such provisions to the DM Auction shall be read as a reference to DM Bonds Auctions.
- 1.3** Terms used and not otherwise defined in the DM Auction Rules shall have the meaning ascribed to them in the Clearing Conditions.

2 DM Auctions

- 2.1** DM Auctions will enable the bidders participating in accordance with the DM Auction Rules to enter into the DM Auction Transactions comprised in the relevant Auction Units (each as defined in the Clearing Conditions in Chapter I Part 1 Number 7.5.3) with Eurex Clearing AG pursuant to the Clearing Conditions at an auction price for the relevant Auction Unit determined in accordance with these DM Auction Rules (the price for an Auction Unit in each case an "**Auction Price**"). DM Bonds Auctions will enable the bidders participating in accordance with the DM Auction Rules to purchase bonds underlying the DM Bonds Auctions from Eurex Clearing AG at an auction price for the relevant Bonds Auction Unit determined in accordance with these DM Auction Rules.
- 2.2** Eurex Clearing AG will, after consultation with the relevant DMC(s), specify in the Specific Terms for each DM Auction the relevant Auction Units, and the total number of Auction Units, to be auctioned in the relevant DM Auction.

3 Participation in DM Auctions

Participants in DM Auctions are Mandatory Participants and Selected Invitees, as further described in this Number 3.

- 3.1** Each Mandatory Participant (as defined in the Clearing Conditions in Chapter I Part 1 Number 7.5.3) shall be obliged to participate in the relevant DM Auction.
- 3.2** In addition, any entity may participate in a DM Auction upon invitation by Eurex Clearing AG if
- 3.2.1** such entity is either (i) a Clearing Member which does not qualify as a Mandatory Participant with respect to the relevant DM Auction, (ii) a Basic Clearing Member, or

(iii) a Non-Clearing Member, a Registered Customer or any other customer of a Clearing Member, in each case if applicable limited to the applicable Liquidation Group(s) (each a "**Qualified Invitee**");

3.2.2 such Qualified Invitee (except for Clearing Members pursuant to Number 3.2.1 (i) and Basic Clearing Members pursuant to Number 3.2.1 (ii)) has evidenced the receipt of consent from its respective Clearing Member(s) (which must qualify as a Mandatory Participant) to participate in the relevant DM Auction; and

3.2.3 such Qualified Invitee prior to the DM Auction represents, warrants and undertakes vis-à-vis Eurex Clearing AG in writing to comply at all times with the requirements and obligations set forth in Number 10.1, 10.2 and 10.3 below

(each a "**Selected Invitee**").

Each Mandatory Participant that participates in a DM Auction in accordance with Number 3.1 as well as each Clearing Member or Basic Clearing Member that participates in a DM Auction in accordance with this Number 3.2 is, upon the submission of its Bid (as defined in Number 5.2 below) with regard to a specific Auction Unit, herein referred to as a "**Participating Bidder**".

Selected Invitees (except for Clearing Members pursuant to Number 3.2.1 (i) and Basic Clearing Members pursuant to Number 3.2.1 (ii)) are only entitled to participate in DM Auctions via their relevant Clearing Members; each such Clearing Member is, upon the submission of a Bid for a Selected Invitee with regard to a specific Auction Unit, herein referred to as a "**Representing Participating Bidder**"). The submission of a Bid by a Representing Participating Bidder constitutes a Bid by such Representing Participating Bidder and only binds such Representing Participating Bidder vis-à-vis Eurex Clearing AG.

Pursuant to Number 3.2.1, a Basic Clearing Member may participate in the relevant DM Auction directly or through its Clearing Agent. The Clearing Agent does not qualify as Representing Participating Bidder but acts on behalf and in the name of the Basic Clearing Member. For the avoidance of doubt, the submission of a Bid by the Clearing Agent acting on behalf and in the name of such Basic Clearing Member therefore constitutes a Bid by the Basic Clearing Member and only binds the Basic Clearing Member vis-à-vis Eurex Clearing AG. Any Basic Clearing Member that is a Participating Bidder may make such information about Bids available to its Clearing Agent, as is necessary for the Clearing Agent to act on behalf of the Basic Clearing Member in any DM Auction.

Any Mandatory Participant may disclose the Specific Terms and/or any additional information with respect to any DM Auction only to Selected Invitees invited by Eurex Clearing AG to participate in the respective DM Auction.

3.3 Eurex Clearing AG shall be entitled to subsequently suspend any Mandatory Participant or any Selected Invitee compliant with the conditions of Number 3.2 from participating in a DM Auction upon the occurrence of a serious cause related to such Mandatory Participant or Selected Invitee, as the case may be. If a Representing Participating Bidder has been suspended, the Selected Invitee represented by it shall also be suspended.

If the relevant DM Auction Transactions qualify as OTC Interest Rate Derivative Transactions (as defined in the Clearing Conditions in Chapter VIII Part 2) or OTC Currency Transactions

(as defined in the Clearing Conditions in Chapter VIII Part 1), Eurex Clearing AG may release a Mandatory Participant from its obligation to participate in any relevant DM Auction if (i) within 3 months prior to the relevant Termination or Basic Clearing Member Termination less than ten (10) Transactions with respect to the Relevant Liquidation Group and in the relevant currency have been booked on the Clearing Member's respective accounts (aggregated, if the Clearing Member acts as Clearing Agent for one or more Basic Clearing Members, with the Transactions (if any) that have been booked on the accounts of its Basic Clearing Members), or (ii) within 3 months prior to the relevant Termination or Basic Clearing Member Termination (a) the average sum of the Clearing Member's Initial Margin requirement (aggregated, if the Clearing Member acts as Clearing Agent for one or more Basic Clearing Members, with the Initial Margin requirement for all its Basic Clearing Members) with respect to the Relevant Liquidation Group and in the relevant currency is less than 0.5 per cent of the sum of all Clearing Members' and Basic Clearing Members' Initial Margin requirement with respect to the Relevant Liquidation Group and in the relevant currency, and (b) (A) with respect to OTC Interest Rate Derivative Transactions, the average aggregate notional amount resulting from the Clearing Member's OTC Interest Rate Derivative Transactions (aggregated, if the Clearing Member acts as Clearing Agent for one or more Basic Clearing Members, with the OTC Interest Rate Derivative Transactions (if any) of its Basic Clearing Members) or (B) with respect to OTC Currency Transactions, the average aggregate notional amount resulting from the Clearing Member's OTC Currency Transactions, in each case, with respect to the Relevant Liquidation Group and in the relevant currency is less than 0.5 per cent of the aggregate notional amount-, in the case of OTC Interest Rate Derivative Transactions, of all Clearing Members' and Basic Clearing Members' OTC Interest Rate Derivative Transactions or, in the case of OTC Currency Transactions, the aggregate notional amount of all Clearing Members' OTC Currency Transactions, in each case, with respect to the Relevant Liquidation Group and in the relevant currency or (iii) upon occurrence of a serious cause related to such Mandatory Participant.

4 Pre-Auction Procedures

- 4.1** For each DM Auction Eurex Clearing AG will provide all Mandatory Participants, all Representing Participating Bidders, and all Selected Invitees (together the "**Invitees**" and each an "**Invitee**") with the Specific Terms and with any further relevant information relating to this DM Auction in accordance with Number 11. The distribution of the Specific Terms constitutes an invitation of Eurex Clearing AG to the Invitees to submit a Bid to enter into each of the DM Auction Transactions comprised in the relevant Auction Unit with Eurex Clearing AG at the Auction Price.

In addition, Eurex Clearing AG shall specify in the Specific Terms or via email for each Mandatory Participant a minimum number of Auction Units for which such individual Mandatory Participant shall bid; such number shall depend on the relative exposure of the relevant Mandatory Participant with respect to the relevant Liquidation Group(s), in particular with regard to (i) the number of Transactions held by the Mandatory Participant (aggregated, if the Mandatory Participant acts as Clearing Agent for one or more Basic Clearing Members, with the Transactions (if any) of its Basic Clearing Members) with respect to the relevant Liquidation Group(s), (ii) the notional amount of Transactions held by the Mandatory Participant (aggregated, if the Mandatory Participant acts as Clearing Agent for one or more

Basic Clearing Members, with the Transactions (if any) of its Basic Clearing Members) with respect to the relevant Liquidation Group(s) and (iii) the risks inherent in the Transactions held by the Mandatory Participant (and, if the Mandatory Participant acts as Clearing Agent for one or more Basic Clearing Members, the Transactions (if any) of its Basic Clearing Members) with respect to the relevant Liquidation Group(s).

4.2 The Specific Terms will contain

- (i) the Auction Units ((not excluding the singular) including information regarding the DM Auction Transactions comprised therein),
- (ii) the permissible spread between the two bids to be provided in accordance with Chapter I Part 1 Number 7.5.3 Paragraph (3) (vi) of the Clearing Conditions for the respective Auction Unit, if applicable,
- (iii) the auction currency,
- (iv) with respect to OTC Currency Transactions, the relevant Currency Pair (as defined in the Clearing Conditions in Chapter VIII Part 3 Number 3.1.4.1 Paragraph (2)).
- ~~(iv)~~(v) the scheduled auction date (the "**Auction Date**") and the commencement time, as of which the respective Bids can be submitted (the "**Commencement Time**"),
- ~~(v)~~(vi) the scheduled expiration time by which the respective Bids have to be submitted pursuant to Number 5 by the relevant Participating Bidder and/or Representing Participating Bidder (the "**Expiration Time**"),
- ~~(vi)~~(vii) the Auction Format (as defined in Number 7 below), and
- ~~(vii)~~(viii) the date and time of acceptance of the winning Bids (the "**Acceptance Date**" and "**Acceptance Time**") and the date and time of settlement of the auction (the "**Settlement Date**" and the "**Settlement Time**").

4.3 Eurex Clearing AG is entitled at any time prior to the Expiration Time to change the Auction Date, Commencement Time, Expiration Time, the Auction Format, or the bidding procedures pursuant to Number 5, or to cancel a DM Auction, in each case by notice pursuant to Number 11, provided that Eurex Clearing AG shall reasonably extend the Expiration Time to allow for the exercise of the revocation right pursuant to Number 4.4 below. Eurex Clearing AG shall inform all Participating Bidders or Representing Participating Bidders of the respective DM Auction pursuant to Number 11 about any such changes.

4.4 If Eurex Clearing AG amends the Specific Terms or any provisions of the General DM Auction Rules prior to the Expiration Time of a DM Auction and such amendment is, in the reasonable opinion of Eurex Clearing AG, materially prejudicial to any Participating Bidder and/or Representing Participating Bidder that has already submitted its Bid(s) before such amendment was announced and became effective, then such Participating Bidder or Representing Participating Bidder may revoke its Bid(s) in accordance with this Number 4.4, provided that a revocation of the respective Bid(s) will only become effective if received by Eurex Clearing AG prior to the Expiration Time (as amended). Any extension, cancellation, or re-opening of a DM Auction shall be deemed not to be materially prejudicial so that a Participating Bidder and/or Representing Participating may not revoke its Bid in case of any such change.

5 Bidding Procedures

- 5.1 With respect to each DM Auction the following principles shall apply:
- 5.1.1 Each Mandatory Participant is obliged to provide Eurex Clearing AG with its Mandatory Bid(s) (as defined in the Clearing Conditions in Chapter I Part 1 Number 7.5.3 ~~paragraph~~ Paragraph (3) (v), (4) (ii) or (5) (iviii)).
 - 5.1.2 Each Mandatory Participant is permitted to provide Eurex Clearing AG with a Bid for any further Auction Unit, if applicable, for which it is not obliged to bid.
 - 5.1.3 A Representing Participating Bidder or a Clearing Agent acting in the name and on behalf of a Basic Clearing Member may with respect to each Selected Invitee provide Bids for any Auction Unit in accordance with Number 3.2. Each Bid by a Representing Participating Bidder and each Bid by a Clearing Agent acting on behalf and in the name of a Basic Clearing Member shall state the identity of the Selected Invitee for which the Bid is provided.
 - 5.1.4 Each Bid submitted by a Representing Participating Bidder with respect to a Selected Invitee shall be taken into account when determining whether such Representing Participating Bidder has fulfilled its obligations as a Mandatory Participant in accordance with Number 5.1.1.
- 5.2 Each (Mandatory) Bid provided in accordance with Number 5.1 is only valid if it complies with Chapter I Part 1 Number 7.5.3 Paragraph (3) (iv) of the Clearing Conditions. Bids which are not valid are deemed not to have been provided and will not be accepted by Eurex Clearing AG.
- 5.3 Participating Bidders and Representing Participating Bidders shall submit their offered price for each Auction Unit in accordance with the Auction Format (each a "**Bid**") in accordance with Number 7 from, and including, the relevant Commencement Time to, and including, the relevant Expiration Time (the "**Bidding Period**").
- 5.4 A Bid constitutes an offer (*Angebot*) to enter into the DM Auction Transactions comprised in the relevant Auction Unit (as referred to in the Bid in accordance with the Auction Format) with Eurex Clearing AG at the Auction Price. Subject to Number 4.4, a Bid shall be irrevocable.
- 5.5 Bids may be positive or negative. If the Bid is positive, the Participating Bidder or Representing Participating Bidder will be required to pay the Auction Price to Eurex Clearing AG. If the Bid is negative, Eurex Clearing AG will be required to pay the Auction Price to the respective Participating Bidder or Representing Participating Bidder.
- 5.6 Bids for different Auction Units as well as Bids for the same Auction Unit by a Clearing Member which is both (i) a Participating Bidder and (ii) a Representing Participating Bidder or a Clearing Agent acting on behalf and in the name of a Basic Clearing Member may be different.

6 Determination of the Winning Bid and the Auction Price

- 6.1** After the Expiration Time, Eurex Clearing AG will determine the winning Bid for each Auction Unit in accordance with the Auction Format specified in the Specific Terms and will inform the winning Participating Bidder or Representing Participating Bidder on the Acceptance Date and at the Acceptance Time about the acceptance of the respective Bid in accordance with Number 11.
- 6.2** If two or more Participating Bidders and/or Representing Participating Bidders enter the same Bid for the same Auction Unit, the winning Bid shall be the Bid that was received first by Eurex Clearing AG.
- 6.3** Upon acceptance of the winning Bid for an Auction Unit by Eurex Clearing AG, the DM Auction Transactions of such Auction Unit shall be established at the Settlement Time on the Settlement Date against payment of the Auction Price for such Auction Unit in accordance with the standard practices of Eurex Clearing AG between the Participating Bidder or Representing Participating Bidder and Eurex Clearing AG. If a Representing Participating Bidder submitted the winning Bid, Transactions corresponding to the DM Auction Transactions of the relevant Auction Unit will further be established between the Non-Clearing Member or Registered Customer for which the relevant Bid has been provided and its Representing Participating Bidder at the same time.
- 6.4** Eurex Clearing AG shall inform all Participating Bidders and/or Representing Participating Bidders as soon as practically feasible on whether their Bid(s) qualified as winning Bid(s) with respect to each Auction Unit in accordance with Number 11.
- 6.5** Eurex Clearing AG shall not disclose (i) the identity of the Participating Bidder or Representing Participating Bidder that submitted the winning Bid for an Auction Unit and/ or (ii) the Auction Price for any Auction Unit of a DM Auction, to any party other than the Participating Bidder or Representing Participating Bidder who submitted the winning Bid and/or (iii) Bids of Participating Bidders and/or Representing Participating Bidders to other Participating Bidders and/or Representing Participating Bidders.
- 6.6** Upon acceptance of the winning Bid for a Bonds Auction Unit by Eurex Clearing AG, the bonds underlying such Bonds Auction Unit shall be sold to the Participating Bidder or Representing Participating Bidder that submitted the winning Bid at the Settlement Time on the Settlement Date against payment of the Auction Price for such Bonds Auction Unit in accordance with the standard practices of Eurex Clearing AG.

7 Auction Format

- 7.1** The Specific Terms will specify the format of the relevant DM Auction with regard to the content of a Bid, the specific procedures of the bidding and the determination of the winning Bid (the "**Auction Format**").
- 7.2** When conducting a DM Auction in accordance with these DM Auction Rules, Eurex Clearing AG shall, unless stated otherwise in the Specific Terms, apply the Auction Format of a "Multi Unit – Pay as you bid" as described in Number 7.3. Notwithstanding the provisions in Sentence 1, if at least one of the relevant DM Auction Transactions qualify/qualifies as OTC Interest Rate Derivative Transaction or OTC Currency Transaction, Eurex Clearing AG shall

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Eurex Clearing AG

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generally conduct separate DM Auctions per currency or Currency Pair, respectively and shall apply the Auction Format of a “Single Unit – Pay as you bid” as described in Number 7.4.

7.3 If the Specific Terms specify “Multi Unit – Pay as you bid” as the applicable Auction Format, the following applies:

7.3.1 All Bids shall be made in accordance with the DM Auction Rules;

7.3.2 each Bid provided by a Participating Bidder or Representing Participating Bidder shall relate to an Auction Unit;

7.3.3 the highest valid Bid shall be the winning Bid with respect to each Auction Unit and such highest Bid shall be the Auction Price for the respective Auction Unit;

7.3.4 Eurex Clearing AG shall accept the winning Bid pursuant to Number 7.3.3 above with respect to each Auction Unit irrespective of whether Bids were submitted for all Auction Units of the respective DM Auction.

7.4 If the Specific Terms specify “Single Unit – Pay as you bid” as the applicable Auction Format, the following applies:

7.4.1 All Bids shall be made in accordance with the DM Auction Rules;

7.4.2 each Bid provided by a Participating Bidder or Representing Participating Bidder shall relate to the Auction Unit;

7.4.3 the highest valid Bid shall be the winning Bid with respect to the Auction Unit and such highest Bid shall be the Auction Price for the Auction Unit;

7.4.4 Eurex Clearing AG shall accept the winning Bid pursuant to Number ~~7.3.3~~ 7.4.3 above with respect to the Auction Unit.

8 Settlement of Auction Price

At the Settlement Time on the Settlement Date, the payment of the Auction Price becomes due and payable and shall be paid in accordance with the daily cash clearing procedure pursuant to Chapter I Part 1 Number 1.4.1 of the Clearing Conditions.

9 Irregularities

9.1 All questions as to the validity, form and eligibility (including the time of receipt) of any Bid or revision thereof, will be determined by Eurex Clearing AG, which determination will be final and binding.

9.2 Eurex Clearing AG reserves the absolute right to reject at any time any and all Bids that do not comply with these DM Auction Rules.

9.3 Eurex Clearing AG reserves the absolute right to waive any requirement under the DM Auction Rules.

9.4 Eurex Clearing AG shall be under no duty to give notice to Participating Bidders and/or Representing Participating Bidders of any irregularities in Bids.

10 Representations, Warranties and Undertakings

Each Participating Bidder (for itself) and each Representing Participating Bidder (for itself and on behalf of its relevant Selected Invitee(s))

10.1 agrees with Eurex Clearing AG (and repeats this agreement with Eurex Clearing AG at any time it submits a Bid) that

10.1.1 it accepts the DM Auction Rules;

10.1.2 it accepts that Eurex Clearing AG is under no obligation to accept a Bid which does not comply with Number 7.3.3 or Number 7.4.3, or which is not made in accordance with Number 9.2; and

10.1.3 it shall indemnify on an after tax basis Eurex Clearing AG against all and any losses, costs, claims, liabilities, expenses, charges, actions or demands which Eurex Clearing AG may incur or which may be made against Eurex Clearing AG as a result of any breach of any of the DM Auction Rules of, or any of the acknowledgements, representations, warranties and/or undertakings given pursuant to, the DM Auction Rules (including any Bid thereunder) by it;

10.2 acknowledges to Eurex Clearing AG (and repeats this acknowledgement to Eurex Clearing AG at any time it submits a Bid) that

10.2.1 it understands that Eurex Clearing AG may, at its own discretion, extend, re-open, amend or waive any condition of, or cancel a DM Auction at any time in accordance with Number 4.3 hereof, and that in the event of a cancellation of the DM Auction, the Bids will be released;

10.2.2 it understands that acceptance by Eurex Clearing AG of a submitted Bid will constitute a binding contract regarding the entering into the DM Auction Transactions comprised in the relevant Auction Unit;

10.2.3 that Eurex Clearing AG will rely upon the truth and accuracy of the foregoing and the following acknowledgments, agreements, representations, warranties and undertakings; and

10.2.4 that a margin requirement with respect to the respective DM Auction Transactions comprised in the relevant Auction Unit may become due at the relevant Settlement Time; and

10.3 represents and warrants to Eurex Clearing AG (and repeats this representation and ~~warrant~~ warranty to Eurex Clearing AG at any time it submits a Bid) that

10.3.1 it will keep confidential and will not disclose directly or indirectly the Specific Terms or any other information regarding the relevant DM Auction, including any information with respect to the DM Auction Transactions or the Auction Units, unless permitted to do so in accordance with Number 3.2 above, that it respects to be permitted to use any such information solely for the purpose of evaluating the relevant Auction Unit and that it will, unless it has provided the winning Bid in accordance with Number 7.3.3 or Number 7.4.3, immediately delete and destroy

such information after the respective Expiration Time and will promptly certify to Eurex Clearing AG in writing that such deletion has been completed;

- 10.3.2** unless permitted to do so in accordance with Number 3.2, it has not made and will not make available any information about Bids to, or discuss any Bids with, any other Participating Bidder and Representing Participating Bidder;
- 10.3.3** it has neither taken, nor omitted to take, any action in breach of the DM Auction Rules or which will or may result in Eurex Clearing AG or any other person acting in breach of the legal or regulatory requirements of any jurisdiction in connection with a Bid;
- 10.3.4** it does not engage in any trading activity which could have an impact on the value of any DM Auction Transaction or Auction Unit;
- 10.3.5** no order has been made or applied for or resolution passed for the suspension of payments or dissolution, termination of existence, liquidation, winding-up, bankruptcy, insolvency, judicial management or curatorship;
- 10.3.6** 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;
- 10.3.7** 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;
- 10.3.8** 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 DM Auction Transactions and, where such entity is incorporated in Germany, is not imminent illiquid (*drohend zahlungsunfähig*) in the meaning of Sec. 18 of the German Insolvency Code (*Insolvenzordnung*) ("**InsO**"), is not illiquid (*zahlungsunfähig*) in the meaning of Sec. 17 InsO and is not over-indebted (*überschuldet*) in the meaning of Sec. 19 InsO; and
- 10.3.9** no event has occurred or circumstance arisen with respect to it, which might (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 an Insolvency Termination Event, Basic Clearing Member Termination Event or Basic Clearing Member Insolvency Termination Event, as applicable.
- 10.4** The representations and warranties pursuant to Number 10.3 shall be repeated by each Participating Bidder and Representing Participating Bidder on the Settlement Date.
- 10.5** If a Participating Bidder or Representing Participating Bidder is unable to give the agreements, acknowledgements, representations and warranties set out in this Number 10, such Participating Bidder or Representing Participating Bidder shall notify Eurex Clearing AG without undue delay informing Eurex Clearing AG about the relevant circumstances.

11 Publication and Notices

All notices and publications by Eurex Clearing AG and all notices by a Participating Bidder or Representing Participating Bidder pursuant to or related with the DM Auction Rules shall be made via the auction tool as defined and applied by Eurex Clearing AG (the "**Auction**

Tool"). In addition, Eurex Clearing AG may provide notices and publications pursuant to or related with the DM Auction Rules by email.

12 Miscellaneous

12.1 Governing law; Place of jurisdiction

12.1.1 The rights and obligations arising out of, and in connection with, the DM Auction Rules shall be governed by the substantive laws (*Sachrecht*) excluding German private international law of the Federal Republic of Germany. Only the German version of the DM Auction Rules is legally binding.

12.1.2 Any non-contractual rights and obligations arising out of, and in connection with, the DM Auction Rules shall be governed by the substantive laws (*Sachrecht*) excluding German private international law of the Federal Republic of Germany.

12.1.3 Exclusive place of jurisdiction for all disputes arising out of, or in connection with, these DM Auction Rules is Frankfurt am Main.

12.2 Amendment of DM Auction Rules

Eurex Clearing AG reserves the right to amend the DM Auction Rules in accordance with Chapter I Part 1 Number 17.2 of the Clearing Conditions; any amendments to these DM Auction Rules shall be published in accordance with Chapter I Part 1 Number 16.1 of the Clearing Conditions.

The current version of the General DM Auction Rules is available via the internet (www.eurexclearing.com).

DEFAULT MANAGEMENT AUCTION RULES

Eurex Clearing AG

As of

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Form of Specific Terms for DM Auctions**[Letterhead of Eurex Clearing AG]**

To

all Mandatory Participants,

all Representing Participating Bidders, and

all Selected Invitees

[Date]

SPECIFIC TERMS FOR DM AUCTIONS

You have been invited by Eurex Clearing AG to participate in a DM Auction (as further described by the details below).

These Specific Terms must be read in conjunction with the Default Management Auction Rules published by Eurex Clearing AG on its website www.eurexclearing.com. These Specific ~~Rules~~ Terms in conjunction with the General DM Auction Rules constitute the applicable DM Auction Rules for this DM Auction. In case of any differences between the General DM Auction Rules and these Specific Terms, these Specific Terms shall prevail.

Each Mandatory Participant, Representing Participating Bidder, and Selected Invitee will keep confidential and will not disclose directly or indirectly the Specific Terms or any other information regarding the relevant DM Auction, including any information with respect to the DM Auction Transactions or the Auction Units set forth therein, unless permitted to do so in accordance with Number 3.2 above. It will further respect to be permitted to use any such information solely for the purpose of evaluating the relevant Auction Unit and it will, unless it has provided the winning Bid in accordance with Number 7.3.3 or Number 7.4.3 of the General DM Auction Rules, immediately delete and destroy such information after the respective Expiration Time and will promptly certify to Eurex Clearing AG in writing that such deletion has been completed.

Capitalised terms used in this letter but not defined herein shall have the same meaning given to them in the Default Management Auction Rules or the Clearing Conditions of Eurex Clearing AG.

DEFAULT MANAGEMENT AUCTION RULES

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General Information:	
Liquidation Group(s):	<input type="checkbox"/>
DM Auction Transactions:	See attached spread sheet
Auction Units:	See attached spread sheet
Maximum Spread Value, if applicable:	
Auction Currency:	
Auction Timetable:	
Auction Date:	<input type="checkbox"/>
Commencement Time:	<input type="checkbox"/>
Expiration Time:	<input type="checkbox"/>
Acceptance Date and Acceptance Time:	<input type="checkbox"/>
Announcement Time:	<input type="checkbox"/>
Settlement Date and Settlement Time:	<input type="checkbox"/>
Bidding and Auction Procedure Details:	
Auction Format:	<input type="checkbox"/> Multi Unit – Pay as you bid <input type="checkbox"/> Single Unit – Pay as you bid <input type="checkbox"/> Other: [describe]
[other]	<input type="checkbox"/>
[other]	<input type="checkbox"/>