

Eurex Clearing Circular 017/18

Amendments to the Clearing Conditions of Eurex Clearing AG

Summary

This circular contains information with respect to Eurex Clearing AG's service offering and corresponding amendments to the Clearing Conditions of Eurex Clearing AG (Clearing Conditions) regarding the following topics:

1. Editorial changes subsequent to the termination of clearing services for products traded on Eurex Bonds
2. Editorial changes in the context of obsolete explanations
3. Change in the "number of minimum days to redemption" for the acceptance as Margin Collateral
4. Amendments with respect to the Settled-to-Market (STM) model
5. Process changes with regard to the charging of mistrade fees
6. Amendments relating to the mark-to-market of Pledge-Back Principal Collateral
7. Amendments relating to the cash infrastructure requirements for holders of a Specific Lender License
8. Amendments relating to corporate action handling where Euroclear UK & Ireland Limited (EUI) is the settlement location

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

All amendments will come into effect on **5 March 2018**.

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

Attachments:

- Updated sections of the Clearing Conditions of Eurex Clearing AG

Date: 9 February 2018

Recipients:

All Clearing Members, Non-Clearing Members, Basic Clearing Members, FCM Clients and Registered Customers of Eurex Clearing AG and Vendors

Authorized by:

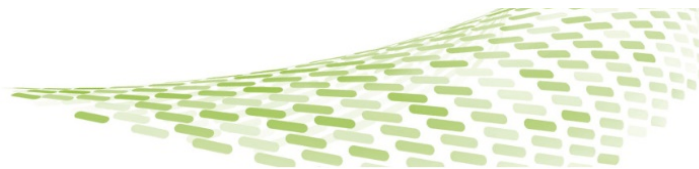
Heike Eckert

Target group:

All departments

Contact:

Your dedicated Key Account Manager
Clearing, clearing.services-
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Amendments to the Clearing Conditions of Eurex Clearing AG

1. Editorial changes subsequent to the termination of clearing services for products traded on Eurex Bonds

Eurex Clearing AG terminated the clearing services for the products traded on Eurex Bonds GmbH (Eurex Bonds) as of 31 December 2017. Consequently, the option to select clearing for these transactions in the Clearing Agreements (Appendices 1, 2, 3 and 4 to the Clearing Conditions) has to be removed.

To implement the changes, the following Clearing Agreements and provisions of the Clearing Conditions will be amended as outlined in Attachments 1a–1e to this circular:

- Appendices 1, 2, 3 and 4 to the Clearing Conditions (Attachments 1a–1d)
- Chapter I Part 1 Number 1.3.1 (Attachment 1e)

2. Editorial changes in the context of obsolete explanations

Currently, Chapter II of the Clearing Conditions contains obsolete explanations of the final settlement price for the Bloomberg Commodity Index Futures and Options Contracts. Therefore, editorial changes to Chapter II of the Clearing Conditions are required.

To implement the changes, the following provisions of the Clearing Conditions will be amended as outlined in Attachment 2:

- Chapter II Part 2 Number 2.11.2
- Chapter II Part 3 Number 3.10.3

3. Change in the “number of minimum days to redemption” for the acceptance as Margin Collateral

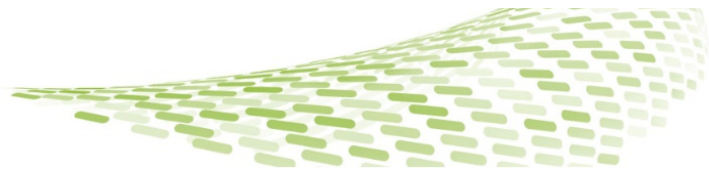
Currently, debt securities that have a remaining term of 15 calendar days or less will not be accepted as Eligible Margin Assets. With effect from 5 March 2018, the new period is 30 calendar days.

Since the list of eligible instruments is updated daily and published on the website of Eurex Clearing AG¹, the specific definition for the “minimum days to redemption” has been removed from the Clearing Conditions.

To implement the changes, the following provisions of the Clearing Conditions will be amended as outlined in Attachment 3:

- Chapter I Part 1 Number 3.2.1

¹ List available under: <http://www.eurexclearing.com/clearing-en/risk-management/risk-parameters/>



4. Amendments with respect to the Settled-to-Market (STM) model

In response to regulatory guidance published by the Commodity Futures Trading Commission (CFTC) in October 2017, the Clearing Conditions will be amended to clarify that all OTC Interest Rate Derivative Transactions cleared with respect to OTC IRS U.S. Clearing Members and OTC IRS FCM Clients can only be cleared as STM Transactions. References to the term Variation Margin under the General Clearing Provisions and the U.S. Clearing Model Provisions will be amended accordingly.

Furthermore, certain provisions of the STM model under Chapter VIII will be amended for clarification purposes.

To implement the changes, the following provisions of the Clearing Conditions will be amended as outlined in Attachment 4:

- Chapter I
- Chapter VIII

5. Process changes with regard to the charging of mistrade fees

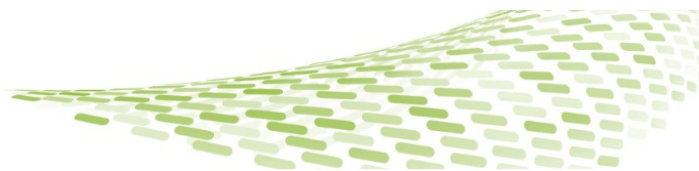
Currently, order book and Eurex T7 Entry Service (TES) mistrade fees are processed via the regular Eurex Clearing AG transaction fee invoice and stated on the daily fee report CB165 as well as on the monthly fee statement CB192.

As both mistrade fee types are regulated by the Fee Regulations for Eurex Deutschland, the process for charging mistrades will be amended. The following new processes will apply:

- For each mistrade, the corresponding Clearing Member or Non-Clearing Member will receive a notification of charges (“*Gebührenbescheid*”) on a daily basis.
- Clearing Members and Non-Clearing Members will receive an overview of their own notification of charges each month.
- Mistrade fees are no longer stated in the CB165 and CB192 fee reports and are no longer displayed on the transaction fee invoice by Eurex Clearing AG. A new monthly report “CB189” will be provided to each Member that summarizes the mistrade fees per Member ID. The schema files for the new report CB189 will be published with the Report Reference Manual (Simulation) on 15 February 2018.
- All mistrade fees (including mistrade fees from Non-Clearing Members) will still be collected by Eurex Clearing AG from the respective Clearing Members, who can charge their Non-Clearing Members accordingly.

To implement the changes and to also clarify that Eurex Frankfurt AG connectivity fees are collected in the same way as the mistrade fees, the following provisions of the Clearing Conditions will be amended as outlined in Attachment 5:

- Chapter I Part 1 Number 5.1
- Chapter II Part 1



6. Amendments relating to the mark-to-market of Pledge-Back Principal Collateral

In case of a default of the holder of a Specific Lender License with whom Eurex Clearing AG has entered into a Fixed Term Loan and agreed on a “title transfer/pledge-back” collateralisation, there could be a potential risk that the pledge-back to Eurex Clearing AG of additional Principal Collateral assets provided to the holder of a Specific Lender License by way of a title transfer following a mark-to-market process would not be valid without the consent of the relevant administrator. The proposed amendment allows in such cases that additional Principal Collateral is not title transferred to the defaulting Lender but provided by way of pledge to a collateral account opened in the name of Eurex Clearing AG.

To implement the changes, the following provisions of the Clearing Conditions will be amended as outlined in Attachment 6:

- Chapter IX Part 2 Number 2.3.2 Paragraph (3) (b)

7. Amendments relating to the cash infrastructure requirements for holder of a Specific Lender License

The Clearing Conditions, Chapter IX, define the need for a certain cash account. For a holder of a Specific Lender License, a multicurrency account for cash payments in Swiss franc (CHF) and British pound (GBP) is accepted, but for cash payment in euro (EUR), the provisions seem to stipulate a TARGET2 account (see Chapter IX Part 2 Paragraph 1.1.3 (5)(c)).

The amendments clarify that also for cash payments in euro, the provision of a multicurrency account is sufficient for the granting of a Specific Lender License, i.e. there is no need to provide a TARGET2 account.

To implement the changes, the following provisions of the Clearing Conditions will be amended as outlined in Attachment 7:

- Chapter IX Part 1 Number 1.1.3 (5) (c)

8. Amendments relating to corporate action handling where Euroclear UK & Ireland Limited (EUI) is the settlement location

In June 2017, Euroclear UK & Ireland Limited (EUI) has been introduced as settlement location for Loaned Securities. The corporate action handling where EUI acts as settlement location currently defined in the Clearing Conditions has to be amended in relation to a specific type of corporate action called “Dividend with Options”.

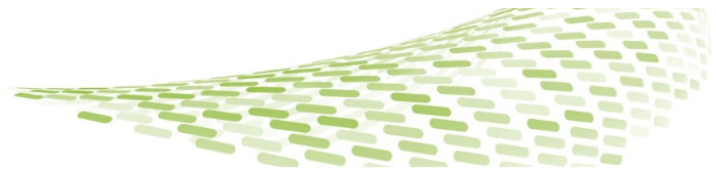
To implement the changes, the following provisions of the Clearing Conditions will be amended as outlined in Attachment 8:

- Chapter IX Part 2 Numbers 2.1.2 (3), 2.1.4, 2.1.5 (2), 2.1.5 (3), 2.1.5 (5), 2.2.2 (2), 2.2.2 (3), 2.2.2 (4), 2.4, 2.4.1, 2.4.1 (4), 2.4.2 (4), 2.4.5, 2.6.3 (2), 2.6.3 (3), 2.6.4 (2) and 2.6.6.

The relevant amendments will become effective on 5 March 2018. As of the effective date, the full version of the amended Clearing Conditions will be available for download on the Eurex Clearing website www.eurexclearing.com under the following link:

[Resources > Rules and Regulations > Clearing Conditions](#)

Pursuant to Chapter I Part 1 Number 17.2.2 and Number 17.2.6 of the Clearing Conditions, each change and amendment of the Clearing Conditions published by this circular to Clearing Members, Non-Clearing Members, Registered Customers, FCM Clients and Basic Clearing Members affected by such change or amendment (Affected Customers) at least fifteen (15) Business Days prior to the effective date indicated herein, are deemed



accepted by each Affected Customer, unless it objects by written notice to Eurex Clearing AG within such period. The right of Eurex Clearing AG to terminate the Clearing Agreement pursuant to Chapter I Part 1 Number 7.2.1 Paragraph (4) shall remain unaffected.

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

If you have any questions or need further information, please contact your dedicated Key Account Manager Clearing or send an e-mail to: clearing.services-admission@eurexclearing.com.

9 February 2018

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

Appendix 1 to the Clearing Conditions of Eurex Clearing AG:

Clearing Agreement

between Eurex Clearing AG and a Clearing Member

As of 05.03.2018

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

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Appendix 2 to the Clearing Conditions of Eurex Clearing AG:

Clearing Agreement

with a Non-Clearing Member and/or Registered Customer for the
Elementary Clearing Model

As of 05.03.2018

[...]

Annex A to the Clearing Agreement: Transaction Types included in the Clearing, Close-Out Netting

The Non-Clearing Member/Registered Customer shall participate in the Clearing pursuant to this Agreement in accordance with the following elections:

- Registered Customer for the following Transaction Types:
 - Chapter II Transactions Concluded at Eurex Deutschland and Eurex Zürich (Eurex Exchanges)
 - Chapter VIII Part 2 Clearing of OTC Interest Rate Derivative Transactions.
- Non-Clearing Member for the following Transaction Types:
 - 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)

[...]

Appendix 3 to the Clearing Conditions of Eurex Clearing AG:

Clearing Agreement

with a Non-Clearing Member and/or Registered Customer for the
Individual Clearing Model under Eurex Clearing AG Documentation

As of 05.03.2018

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

[...]

Annex A to the Clearing Agreement: Transaction Types included in the Clearing, Direct Segregated Margin Transfer and Retransfer

1 Transaction Types included in the Clearing

The ICM Client shall participate in the Clearing pursuant to this Agreement in accordance with the following elections:

- Registered Customer for the following Transaction Types:
 - Chapter II Transactions Concluded at Eurex Deutschland and Eurex Zürich (Eurex Exchanges)
 - Chapter VIII Part 2 Clearing of OTC Interest Rate Derivative Transactions
- Non-Clearing Member for the following Transaction Types:
 - 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)

[...]

Appendix 4 to the Clearing Conditions of Eurex Clearing AG:

Clearing Agreement

with a Non-Clearing Member and/or Registered Customer for the
Individual Clearing Model under Client Clearing Documentation

As of 05.03.2018

AMENDMENTS ARE MARKED AS FOLLOWS:

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[...]

Annex A to the Clearing Agreement: Details of Client Clearing Agreement, Transaction Types included in the Clearing, Direct Segregated Margin Transfer and Retransfer

[...]

2 Transaction Types included in the Clearing

The ICM Client shall participate in the Clearing pursuant to this Agreement in accordance with the following elections:

- Registered Customer for the following Transaction Types:
 - Chapter II Transactions Concluded at Eurex Deutschland and Eurex Zürich (Eurex Exchanges)
 - Chapter VIII Part 2 Clearing of OTC Interest Rate Derivative Transactions.
- Non-Clearing Member for the following Transaction Types:
 - 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 I of the Clearing Conditions of Eurex Clearing AG

General Provisions

As of 05.03.2018

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[...]

Part 1 General Clearing Provisions

[...]

1.3 Set-off

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

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

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

(1) Set-off Procedure within Standard Agreements

(a) Set-off of Cash Claims

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

(b) Set-off of Settlement Claims

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

- (aa) only Settlement Claims arising from the same Transaction Type may be set off; and
- (bb) only Settlement Claims being part of the same Set-Off Cluster (as defined below) may be set off.

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

- (A) Settlement Claims pursuant to Chapter II and Settlement Claims pursuant to Chapter V Part 2;
- (B) Settlement Claims pursuant to Chapter IV.

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

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

[...]

[...]

Chapter II of the Clearing Conditions of Eurex Clearing AG

Transactions Concluded at Eurex Deutschland and Eurex Zürich

(Eurex Exchanges)

As of 05.03.2018

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[...]

Part 2 Clearing of Futures Contracts

[...]

2.11 Clearing of Commodity Index Futures Contracts

The following provisions shall apply to the Clearing of Commodity Index Futures contract transactions specified in Number 1.10 of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich.

2.11.1 Payment Procedures

All payments shall be made on the Business Day following the final settlement day (Number 1.10.4 of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich). All Clearing Members must ensure their ability to effect payments on the due date thereof by having sufficient credit balances in the respective currency of the contract in the account with a payment institution recognised by Eurex Clearing AG (available on www.eurexclearing.com).

2.11.2 Final Settlement Price

The final settlement price of Commodity Index Futures contracts shall be determined by Eurex Clearing AG at the latest on the final settlement day (Number 1.10.4 of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich) of a contract.

- (1) ~~The closing index value calculated by the index provider (Bloomberg) seven Eurex trading days before the final settlement day shall generally be relevant for the Bloomberg Commodity Index Futures Contracts. Usually, this is a Wednesday preceding the penultimate Friday in a month. The closing index value shall be determined on the basis of the individual daily settlement prices of the commodity futures combined in the index.~~

~~Starting with the expiry in July 2015, the following rule will be applied:~~ The closing index value calculated by the index provider (Bloomberg) on the last trading day will be used as final settlement price. The closing index value shall be determined on the basis of the individual daily settlement prices of the commodity futures combined in the index.

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[...]

[...]

Part 3 Clearing of Options Contracts

The following provisions shall apply to the Clearing of Options contract transactions specified in Number 2 of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich ("**Eurex Contract Specifications**").

[...]

3.10 Clearing of Commodity Index Options Contracts

The following provisions shall apply to the Clearing of transactions in the Commodity Index Options Contracts specified in Number 2.10 of the Contract Specifications for Futures Contracts and Options Contracts at Eurex Deutschland and Eurex Zürich.

[...]

3.10.3 Final Settlement Price

The final settlement price of Commodity Index Options Contracts shall be determined by Eurex Clearing AG at the latest on the final settlement day (Number 2.10.5 of the Contract Specifications for Futures Contracts and Options contracts at Eurex Deutschland and Eurex Zürich) of a contract.

- (1) ~~The closing index value calculated by the index provider (Bloomberg) seven Eurex trading days before the final settlement day shall generally be relevant for the Bloomberg Commodity Index Options Contracts. Usually, this is a Wednesday preceding the penultimate Friday in a month. The closing index value shall be determined on basis of the individual daily settlement prices of the commodity futures combined in the index.~~

~~Starting with the expiry in July 2015, the following rule will be applied:~~ The closing index value calculated by the index provider (Bloomberg) on the last trading day will be used as final settlement price. The closing index value shall be determined on the basis of the individual daily settlement prices of the commodity futures combined in the index.

[...]

Chapter I of the Clearing Conditions of Eurex Clearing AG

General Provisions

As of 05.03.2018

AMENDMENTS ARE MARKED AS FOLLOWS:

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Part 1 General Provisions

[...]

3. General Provisions regarding Margin

[...]

3.2 Eligible Margin Assets and Valuation

3.2.1 Eligible assets to be provided as cover (i) in respect of Margin are such currency amounts and such Securities, as are accepted to Eurex Clearing AG from time to time in its reasonable discretion and (ii) in respect of Variation Margin such currency amounts specified in the Special Clearing Provisions (the "**Eligible Margin Assets**"). Eurex Clearing AG will publish the relevant applicable list of Eligible Margin Assets in accordance with Number 16.1 (ii). ~~Unless otherwise provided for in such list, debt securities that have a remaining term of 15 calendar days or less will not be accepted as Eligible Margin Assets.~~

[...]

* * *

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CHAPTERS I AND VIII OF THE CLEARING CONDITIONS

WILL BE AMENDED.

AMENDMENTS ARE MARKED AS FOLLOWS:

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Chapter I of the Clearing Conditions of Eurex Clearing AG

[...]

Part 1 General Clearing Provisions

1 General Rules

[...]

1.2.4 Certain Definitions and Interpretation

[...]

- (3) The terms "**Margin**" or "**Variation Margin**", "**Proprietary Margin**" or "**Proprietary Variation Margin**" and "**Omnibus Margin**" or "**Omnibus Variation Margin**" shall have the meaning given to such terms in the Elementary Clearing Model Provisions, the terms "**Segregated Margin**" or "**Segregated Variation Margin**" shall have the meaning given to such terms in the Individual Clearing Model Provisions, the terms "**OTC IRS FCM Client Margin**" or "~~OTC IRS FCM Client Variation Margin~~" shall have the meaning given to such terms in the U.S. Clearing Model Provisions and the terms "**Basic Clearing Member Margin**" or "**Basic Clearing Member Variation Margin**" shall have the meaning given to such terms in the Basic Clearing Member Provisions, provided that (i) "**Margin**" shall refer to "**Proprietary Margin**", "**Omnibus Margin**", "**Segregated Margin**", "**OTC IRS FCM Client Margin**" or "**Basic Clearing Member Margin**" and (ii) "**Variation Margin**" shall refer to "**Proprietary Variation Margin**" and "**Omnibus Variation Margin**", "**Segregated Variation Margin**", "~~OTC~~"

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~~“**OTC IRS FCM Client Variation Margin**”~~ or **“Basic Clearing Member Variation Margin”**, respectively, in the General Clearing Provisions and the Special Clearing Provisions where the context so provides or requires.

[...]

6.5 Interpretation

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

[...]

7.1 Construction and Interpretation

[...]

7.1.4 If and to the extent that the U.S. Clearing Model Provisions apply, references in this Number 7 to **“Transactions”** ~~or~~ **“Margin”** ~~or~~ **“Variation Margin”** shall refer respectively to the terms **“OTC IRS FCM Client Transactions”** ~~or~~ **“OTC IRS FCM Client Margin”** ~~and~~ **“OTC IRS FCM Client Variation Margin”** as defined in the U.S. Clearing Model Provisions.

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[...]

Part 2 Elementary Clearing Model Provisions

[...]

Part 2 Subpart A: General Elementary Clearing Model Provisions

[...]

5 Variation Margin

5.1 Variation Margin Requirement

Each of Eurex Clearing AG and the Clearing Member shall be required to transfer (additional) cover in respect of daily profits or losses for ECM Transactions (Variation Margin). Only Eligible Margin Assets in the form of cash shall be delivered as cover in respect of Variation Margin.

Eurex Clearing AG will calculate net variation margin requirements separately with respect to

- (a) the relevant Internal Proprietary Cash Account for all Own Transactions of a Clearing Member (to be provided in accordance with Subpart B Number 6) and
- (b) each relevant Internal Omnibus Cash Account reflecting the sum of the calculations with respect to all Client Transaction Accounts of such Clearing Member in accordance with Subpart C Number 7 that relate to such Internal Omnibus Cash Account,

and in each case in accordance with Chapter II Part 2 Number 2.1.2 Paragraph (1) and (2), Chapter II Part 3 Number 3.2.3 Paragraph (1), Number 3.3.3 Paragraph (1) or Chapter VIII Part 2 Number 2.1.76, as applicable.

The aggregate net amount of Eligible Margin Assets in the form of cash to be delivered as cover in respect of Variation Margin shall, in each case of (a) and (b), be a "**Variation Margin Requirement**". The party obliged to provide Variation Margin shall be the "**Variation Margin Provider**" and the party entitled to request Variation Margin shall be the "**Variation Margin Taker**".

[...]

5.4 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

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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~~6~~, as applicable, (the relevant amount shall be the “**Redelivery Amount**”) and (ii) shall be decreased and discharged accordingly (subject to a minimum value of zero) if and to the extent equivalent Eligible Margin Assets in form of cash have been actually delivered to the Variation Margin Provider by the Variation Margin Taker. For the avoidance of doubt, if the profit amount determined for the benefit of the Variation Margin Provider is higher than its relevant Redelivery Claim with respect to Variation Margin as of such time, the payment of the excess amount by the other party constitutes itself a delivery of Variation Margin. In such case the roles of the Variation Margin Provider and Variation Margin Taker will be reversed.

[...]

Part 3 The Individual Clearing Model Provisions

[...]

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 2.1.7~~6~~ Paragraph (3), as applicable, apply in such amounts and at such times as are required pursuant to this Number 6. Any such cover provided or to be provided with respect to the relevant Standard Agreement is herein referred to as “**Segregated Variation Margin**”).

6.2 Segregated Variation Margin Requirement

Only Eligible Margin Assets in the form of cash shall be delivered as cover in respect of Segregated Variation Margin. The party to the relevant Standard Agreement obliged to provide Segregated Variation Margin (the “**Segregated Variation Margin Provider**”), to the other party to such Standard Agreement (the “**Segregated Variation Margin Taker**”), and the amount of Eligible Margin Assets in form of cash to be delivered as cover in respect of Segregated Variation Margin (the “**Segregated Variation Margin**”).

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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 2.1.76 Paragraph (3), as applicable.

6.3 Delivery of Segregated Variation Margin and Redelivery Claim

Segregated Variation Margin shall be delivered and/or returned on any Business Day in accordance with the daily cash clearing procedure pursuant to Number 1.4.1 of the General Clearing Provisions.

Eligible Margin Assets actually delivered in the form of cash in respect of the Segregated Variation Margin by the Segregated Variation Margin Provider will give rise to or increases a Redelivery Claim of such party against the Segregated Variation Margin Taker in accordance with Number 2.2.3. Any such Redelivery Claim (i) shall become due 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 2.1.76 Paragraph (3), as applicable, (the applicable amount shall be the **“Redelivery Amount”**) and (ii) shall be decreased and fulfilled accordingly (subject to a minimum value of **“zero”**) if and to the extent equivalent Eligible Margin Assets in form of cash have been actually delivered to it by the Segregated Variation Margin Taker. For the avoidance of doubt, if the profit amount determined for the benefit of the Segregated Variation Margin Provider is higher than its Redelivery Claim as of such time, the payment of the excess amount by the other party constitutes itself a delivery of Segregated Variation Margin and the relevant party to the Standard Agreement being the Segregated Variation Margin Provider or the Segregated Variation Margin Taker shall change.

[...]

Part 4 U.S. Clearing Model Provisions

[...]

2 Content of Clearing Agreement and OTC IRS FCM Client Standard Agreement

[...]

2.1.2 All rights and obligations between Eurex Clearing AG and the OTC IRS FCM Client with respect to OTC IRS FCM Client Transactions under the Clearing Agreement pursuant to Number 2.1.1 shall constitute a separate arrangement (each such arrangement a **“OTC IRS FCM Client Standard Agreement”**). All OTC IRS FCM Client Transactions and all Redelivery Claims between Eurex Clearing AG and the relevant OTC IRS FCM Client arising pursuant to the U.S. Clearing Model Provisions under the relevant OTC IRS FCM Client Standard Agreement form a single agreement between the parties and such

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agreement constitutes a separate master agreement (*Rahmenvertrag*) between such parties which (subject to provisions in this Chapter I on the termination of individual OTC IRS FCM Client Transactions and subject to the provisions of this Part 4 stipulating specific requirements for terminations) can be terminated only in its entirety.

OTC IRS FCM Client Transactions, OTC IRS FCM Client Margin, ~~OTC IRS FCM Client Variation Margin~~, Redelivery Claims and any other rights and obligations under each OTC IRS FCM Client Standard Agreement relating to the relevant OTC IRS FCM Client will be separate from:

- (a) all OTC IRS FCM Client Transactions, OTC IRS FCM Client Margin, ~~OTC IRS FCM Client Variation Margin~~, any Redelivery Claims, and any other rights and obligations under any other OTC IRS FCM Client Standard Agreement relating to any other OTC IRS FCM Client (if any),
- (b) all Own Transactions, Margin, ~~Variation Margin~~, any Redelivery Claims and any other rights and obligations under the Proprietary Standard Agreement of the OTC IRS FCM Clearing Member with Eurex Clearing AG, and
- (c) all other Standard Agreements, Transactions, Margin, Variation Margin, Redelivery Claims and any other rights and obligations under the Elementary Clearing Model Provisions, the Individual Clearing Model Provisions and the Basic Clearing Member Provisions.

[...]

2.2 **General principles applicable to the settlement of OTC IRS FCM Client Transactions and any Delivery and Redelivery of OTC IRS FCM Client Margin or ~~OTC IRS FCM Client Variation Margin~~**

2.2.1 Subject to Numbers 1.6.5 and 1.6.6, each party to the OTC IRS FCM Client Standard Agreement (and, with respect to any obligations of the OTC IRS FCM Client, the relevant OTC IRS FCM Clearing Member pursuant to the OTC IRS FCM Clearing Member Guarantee) shall be obliged to fulfil any payment obligations under the OTC IRS FCM Client Transactions or obligations to deliver or redeliver cover in respect of either the OTC IRS FCM Client Margin in the form of cash or ~~the OTC IRS FCM Client Variation Margin~~ under the relevant OTC IRS FCM Client Standard Agreement by transferring to the transferee all right, title and interest in and to the Eligible Margin Assets in the form of cash free and clear of any and all rights and claims of the transferring party and of any third person, howsoever arising, including, without limitation, pursuant to applicable law or regulation or under any statutory or other trust. The value of such assets shall, as of the date the transfer is effected, be at least equal to the value at that date of the concerned payment or delivery obligation.

2.2.2 The actual payment of Eligible Margin Assets in the form of cash in respect of OTC IRS FCM Client Margin or ~~OTC IRS FCM Client Variation Margin~~ gives rise to a corresponding contractual claim of the margin provider against the margin taker for repayment of equivalent assets in the same amount as such Eligible Margin Assets

actually delivered (or increases an already existing repayment or redelivery claim; each such claim shall be referred to as a “**Redelivery Claim**”). Each such Redelivery Claim shall be allocated to the relevant OTC IRS FCM Client Standard Agreement.

In the case of OTC IRS FCM Client Margin in the form of cash, only the OTC IRS FCM Client may be the creditor of the relevant Redelivery Claim ~~and in the case of OTC IRS FCM Client Variation Margin, Eurex Clearing AG or the OTC IRS FCM Client may be the creditor of the relevant Redelivery Claim.~~

For the purpose of the relevant Redelivery Claim, the term “**equivalent**” means the same amount in the same currency as such Eligible Margin Assets actually delivered in respect of the OTC IRS FCM Client Margin ~~or the OTC IRS FCM Client Variation Margin.~~

A Redelivery Claim will become due with respect to ~~(i)~~ OTC IRS FCM Client Margin in the form of cash (a) upon receipt of a respective declaration from the OTC IRS FCM Clearing Member (on behalf of the OTC IRS FCM Client) by Eurex Clearing AG prior to the then applicable cut-off time of any Business Day, as specified by Eurex Clearing AG on its website www.eurexclearing.com for cash with respect to the relevant currency and if and to the extent the relevant applicable Default OTC IRS FCM Client Margin Requirement (as defined in Number 5.2) is below the aggregate value of all Eligible Margin Assets actually delivered in respect of the OTC IRS FCM Client Margin or (b) in accordance with Number 5.3.1 Paragraph (3) ~~and (ii) with respect to the OTC IRS FCM Client Variation Margin in accordance with Number 6, in each case~~ provided that no OTC IRS FCM Client Termination Date or Termination Date has occurred with respect to the OTC IRS FCM Client or its OTC IRS FCM Clearing Member, respectively.

2.2.3 Subject to Number 3.2.2 Paragraph (2) and (3) of the General Clearing Provisions, the term “**actually delivered**” when used in the U.S. Clearing Model Provisions means

- (i) the actual credit of an Eligible Margin Asset in the form of cash to the relevant Eurex Clearing AG cash account or, as the case may be, the actual entry on the Internal OTC IRS FCM Client Margin Account pursuant to Number 5.3.1 Paragraph (3), or
- (ii) an Eligible Margin Asset in the form of Securities has been credited to the relevant OTC IRS FCM Client Pledged Securities Account and such Eligible Margin Asset is subject to a valid pledge in accordance with Number 5.7.1 Paragraph (3), or
- (iii) in the event of a set-off pursuant to Number 4, the legal effectiveness of such set-off.

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

Where reference is made in the U.S. Clearing Model Provisions to the “**aggregate value**” of Eligible Margin Assets in connection with the assessment of compliance with the Default OTC IRS FCM Client Margin Requirement or an obligation to deliver or redeliver cover in respect of the OTC IRS FCM Client Margin ~~or the OTC IRS FCM Client Variation Margin, as applicable,~~ the aggregate value will be determined by Eurex Clearing AG in accordance with Number 3.2.2 of the General Clearing Provisions.

2.3 Obligation of the OTC IRS FCM Clearing Member to forward Assets

Whenever (a) the OTC IRS FCM Clearing Member has received from Eurex Clearing AG a cash amount to settle an OTC IRS FCM Client Transaction, (b) the OTC IRS FCM Clearing Member has received from Eurex Clearing AG Eligible Margin Assets in the form of cash to deliver or redeliver cover in respect of OTC IRS FCM Client Margin ~~or OTC IRS FCM Client Variation Margin~~ under the relevant OTC IRS FCM Client Standard Agreement or (c) a pledge over Eligible Margin Assets in the form of Securities that have been provided as OTC IRS FCM Client Margin to Eurex Clearing AG has lapsed or has been released, the OTC IRS FCM Clearing Member shall – always subject to Number 5.3.1 Paragraph (3) and any applicable termination provisions (including, without limitation, Number 8.1) – promptly transfer the same cash amount or the same amount of equivalent Eligible Margin Assets to the relevant OTC IRS FCM Client or credit such cash amount or such amount of equivalent Eligible Margin Assets to the OTC IRS FCM Client in the books and records of the OTC IRS FCM Clearing Member. The same applies with respect to a redelivery of non-Eligible Margin Assets.

Whenever the OTC IRS FCM Clearing Member has received an amount of Eligible Margin Assets from the OTC IRS FCM Client for delivery of cover in respect of OTC IRS FCM Client Margin ~~or OTC IRS FCM Client Variation Margin~~ under the relevant OTC IRS FCM Client Standard Agreement to Eurex Clearing AG, the OTC IRS FCM Clearing Member shall promptly transfer (or, in the case of Securities, pledge) the same amount of equivalent Eligible Margin Assets to Eurex Clearing AG as OTC IRS FCM Client Margin ~~or OTC IRS FCM Client Variation Margin~~, as relevant, in respect of the OTC IRS FCM Client Standard Agreement of such OTC IRS FCM Client.

[...]

3.2 Internal Cash Accounts for OTC IRS FCM Client Transactions

With respect to each currency accepted by it, Eurex Clearing AG shall establish and maintain for each OTC IRS FCM Client of the OTC IRS FCM Clearing Member one internal cash account for the settlement of claims, into which all daily settlement payments, fees and other cash payment obligations arising under OTC IRS FCM Client Transactions or under the Clearing Conditions with respect or relating to the relevant OTC IRS FCM Client Standard Agreement shall be booked.

The daily balance of each internal cash account (after taking into account the set-offs pursuant to the Clearing Conditions) shall be debited or credited, as the case may be, to the respective OTC IRS U.S. Clearing Member Cash Account of the OTC IRS FCM Clearing Member to the extent that Eurex Clearing AG does not claim any credit balance in such account as OTC IRS FCM Client Margin ~~or OTC IRS FCM Client Variation Margin~~.

[...]

3.4 Records of the OTC IRS FCM Clearing Member; Method of assigning Eligible Margin Assets to an OTC IRS FCM Client Standard Agreement

The OTC IRS FCM Clearing Member shall establish and maintain records with respect to all OTC IRS FCM Client Transactions under each OTC IRS FCM Client Standard Agreement detailing (i) all OTC IRS FCM Client Transactions, (ii) all payments under the OTC IRS FCM Client Transactions, (iii) all OTC IRS FCM Client Margin and ~~OTC IRS FCM Client Variation Margin~~ actually delivered and (iv) all Redelivery Claims relating to such OTC IRS FCM Client Standard Agreement.

The OTC IRS FCM Clearing Member shall establish and provide to Eurex Clearing AG a specific customer identifier with respect to each of its OTC IRS FCM Clients. Any transfer by the OTC IRS FCM Clearing Member (acting for the account of an OTC IRS FCM Client) of Eligible Margin Assets in the form of cash to Eurex Clearing AG in respect of OTC IRS FCM Client Margin or ~~OTC IRS FCM Client Variation Margin~~ as well as of any Eligible Margin Assets in the form of Securities in respect of OTC IRS FCM Client Margin to the relevant OTC IRS FCM Client Pledged Securities Account shall clearly refer to the applicable customer identifier.

[...]

4 Set-off

[...]

4.2 Any claim of Eurex Clearing AG and the OTC IRS FCM Client under an OTC IRS FCM Client Standard Agreement, including claims to provide cover in respect of OTC IRS FCM Client Margin or ~~OTC IRS FCM Client Variation Margin~~ pursuant to Numbers 5 and 6, may only be set off against claims arising from OTC IRS FCM Client Transactions under the same OTC IRS FCM Client Standard Agreement or claims to provide cover in respect of OTC IRS FCM Client Margin or ~~OTC IRS FCM Client Variation Margin~~ pursuant to Numbers 5 and 6 of the respective other party under the same OTC IRS FCM Client Standard Agreement.

[...]

6 ~~OTC IRS FCM Client Variation Margin~~

6.1 ~~General Obligation to provide OTC IRS FCM Client Variation Margin~~

Neither Eurex Clearing AG nor the OTC IRS FCM Client shall be required to transfer (additional) cover in the form of cash in respect of daily profits or losses for all OTC IRS FCM Client Transactions under the relevant OTC IRS FCM Client Standard Agreement (Variation Margin). All OTC IRS FCM Client Transactions can only be cleared as STM Transactions.

6.1.1 ~~Each of Eurex Clearing AG and the OTC IRS FCM Client shall be required to transfer, with respect to each OTC IRS FCM Client Standard Agreement separately, (additional) cover in respect of daily profits or losses for all OTC IRS FCM Client Transactions under each OTC IRS FCM Client Standard Agreement (“**OTC IRS FCM Client Variation Margin**”) in such amounts and at such times as are required pursuant to this Number 6.~~

~~6.1.2 The OTC IRS FCM Clearing Member is required to separately demand cover in respect of daily profits or losses arising in respect of the OTC IRS FCM Client Transactions from each OTC IRS FCM Client in an amount not less than the OTC IRS FCM Client Variation Margin Requirement.~~

6.2 OTC IRS FCM Client Variation Margin Requirement

~~6.2.1 Only Eligible Margin Assets in the form of cash shall be delivered as cover in respect of OTC IRS FCM Client Variation Margin.~~

~~6.2.2 With respect to the relevant OTC IRS FCM Client Standard Agreement, the amount of Eligible Margin Assets in form of cash to be delivered by the party obliged to provide OTC IRS FCM Client Variation Margin (the "**OTC IRS FCM Client Variation Margin Provider**") to the other party (the "**OTC IRS FCM Client Variation Margin Taker**") as cover in respect of the relevant OTC IRS FCM Client Variation Margin (the "**OTC IRS FCM Client Variation Margin Requirement**") shall be determined in accordance with Chapter VIII Part 2 Number 2.1.6 of the Clearing Conditions.~~

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

~~6.3.1 OTC IRS FCM Client Variation Margin shall be delivered and/or returned on each Business Day in accordance with the daily cash clearing procedure pursuant to Number 1.4.1 and Number 1.3 of the General Clearing Provisions.~~

~~6.3.2 Eligible Margin Assets in the form of cash actually delivered in respect of the relevant OTC IRS FCM Client Variation Margin by the relevant OTC IRS FCM Client Variation Margin Provider will give rise to or increase a Redelivery Claim of such OTC IRS FCM Client Variation Margin Provider against the OTC IRS FCM Client Variation Margin Taker in accordance with Number 2.2.2. Any such Redelivery Claim shall become due if and to the extent that on any subsequent Business Day a profit amount has been determined in respect of the relevant OTC IRS FCM Client Standard Agreement for the benefit of such OTC IRS FCM Client Variation Margin Provider in accordance with Chapter VIII Part 2 Number 2.1.6 (the applicable amount shall be the "**Redelivery Amount**"). However, if equivalent Eligible Margin Assets in form of cash have been actually delivered to the OTC IRS FCM Client Variation Margin Provider by the FCM Variation Margin Taker, the value of such Eligible Margin Assets will be applied to reduce (subject to a minimum of zero) the Redelivery Amount and the value of the Redelivery Claim then due. If the profit amount determined for the benefit of the OTC IRS FCM Client Variation Margin Provider is higher than its Redelivery Claim as of such time, the payment of the excess amount by the other party itself constitutes a delivery of OTC IRS FCM Client Variation Margin and in this case the OTC IRS FCM Client Variation Margin Provider shall become the OTC IRS FCM Client Variation Margin Taker and vice versa.~~

~~6.3.3 If, upon the conclusion of an OTC IRS FCM Client Transaction under an FCM Standard Agreement, the terms and conditions of such OTC IRS FCM Client Transaction provide that due to a netting with an applicable initial consideration no actual payment in respect of such OTC IRS FCM Client Variation Margin will occur, an actual delivery in respect of~~

~~the relevant OTC IRS FCM Client Variation Margin resulting in a corresponding Redelivery Claim shall take place.~~

- ~~6.3.4 Eligible Margin Assets in the form of cash delivered to Eurex Clearing AG as OTC IRS FCM Client Variation Margin shall be maintained on the relevant OTC IRS FCM Client TARGET2 Account or on another relevant currency account of Eurex Clearing AG.~~
- ~~6.3.5 Each of the accounts referred to in Number 6.3.4 shall, subject to the other provisions of this Number 6, be maintained in a manner compliant with applicable provisions of the CEA and the CFTC Regulations on "Cleared Swaps Customer Accounts", including but not limited to Part 1, Part 22 and Part 190 of the CFTC Regulations. The Eligible Margin Assets booked on such accounts shall be maintained separately from any and all assets of the OTC IRS FCM Clearing Members or any other assets that Eurex Clearing AG is holding for or with respect to customers other than OTC IRS FCM Clients and shall contain no assets other than Eligible Margin Assets provided with respect to OTC IRS FCM Client Transactions.~~
- ~~6.3.6 All Eligible Margin Assets received by Eurex Clearing AG from, or for the account of, an OTC IRS FCM Client as OTC IRS FCM Client Variation Margin shall be separately accounted for and segregated with respect to the relevant individual OTC IRS FCM Client. For purposes of complying with CFTC Regulation 22.15 (and subject to CFTC Regulation 22.3(d)), Eurex Clearing AG shall treat the value of all Eligible Margin Assets delivered by or for the account of each OTC IRS FCM Client as being allocated to such individual OTC IRS FCM Client and such amount shall not be used to margin, guarantee, or secure any Own Transaction or other obligations of the OTC IRS FCM Clearing Member or of any other OTC IRS FCM Client.~~
- ~~6.3.7 The name of each account in which Eligible Margin Assets delivered to Eurex Clearing AG as OTC IRS FCM Client Variation Margin are deposited shall identify the account as a "Cleared Swaps Customer Account" and clearly indicate that the assets therein are "Cleared Swaps Customer Collateral" subject to segregation in accordance with Part 22 of the CFTC Regulations and Section 4d(f) of the CEA. Eurex Clearing AG shall obtain and retain in its files for the period provided by CFTC Regulation 1.31 an acknowledgment from each Permitted Depository that it was informed that the Eligible Margin Assets deposited in such accounts are those allocated to OTC IRS FCM Clients and are being held for purpose of complying with the provisions of the CEA and the CFTC Regulations. For the purpose of CFTC Rule 22.8 the situs of the accounts referred to in this Number 6.3.7 shall be deemed to be in the United States.~~

[...]

8.4 Porting in relation to OTC IRS FCM Client Standard Agreements

[...]

- 8.4.4 If the OTC IRS FCM Client has provided a Replacement Election Notice by the Replacement Cut-Off Time, this Number 8.4.4 applies.

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If, at or prior to the end of the Replacement Period, Eurex Clearing AG determines that all OTC IRS FCM Clearing Member Replacement Requirements in respect of an OTC IRS FCM Client Standard Agreement are fulfilled, all rights and obligations of the Affected OTC IRS FCM Clearing Member arising from the relevant Clearing Agreement appended in the form of Appendix 9 entered into between Eurex Clearing AG, the Affected OTC IRS FCM Clearing Member and the relevant OTC IRS FCM Client in respect of all existing OTC IRS FCM Client Transactions under the relevant OTC IRS FCM Client Standard Agreement (including, without limitation, any obligations under the OTC IRS FCM Clearing Member Guarantee) shall be transferred, by way of an assumption of contract (*Vertragsübernahme*), (a “**Transfer**”) to the new OTC IRS FCM Clearing Member (the “**Replacement OTC IRS FCM Clearing Member**”), and the Affected OTC IRS FCM Clearing Member hereby expressly and irrevocably consents to such Transfer with respect to it in such event.

[...]

“**OTC IRS FCM Clearing Member Replacement Requirements**” means all of the following requirements:

[...]

- (v) the Replacement OTC IRS FCM Clearing Member has (a) provided Eurex Clearing AG with sufficient Eligible Margin Assets to cover (for the account of the OTC IRS FCM Client) any shortfall in OTC IRS FCM Client Margin and ~~OTC IRS FCM Client Variation Margin~~ in respect of all OTC IRS FCM Client Transactions to which the Transfer relates or (b) committed itself to Eurex Clearing AG to provide the relevant amount of Eligible Margin Assets without undue delay following the Transfer.

[...]

8.4.9 After the Transfer, Eurex Clearing AG shall

- (i) book the relevant OTC IRS FCM Client Transactions from the relevant OTC IRS FCM Client Own Account(s) of the Affected OTC IRS FCM Clearing Member to the relevant OTC IRS FCM Client Own Account(s) of the Replacement OTC IRS FCM Clearing Member; and
- (ii) with respect to the relevant OTC IRS FCM Client Standard Agreement to which the Transfer relates, attribute to the Replacement OTC IRS FCM Clearing Member (acting for the account of the relevant OTC IRS FCM Client), by making appropriate changes to its records, all OTC IRS FCM Client Margin and ~~all OTC IRS FCM Client Variation Margin~~ provided to Eurex Clearing AG in respect of such OTC IRS FCM Client Standard Agreement

and, following such changes to the records, such amounts or assets shall be deemed to constitute OTC IRS FCM Client Margin and ~~OTC IRS FCM Client Variation Margin~~, respectively, that has been provided by the Replacement OTC IRS FCM Clearing Member for the account of the relevant OTC IRS FCM Client.

8.4.10 During the Replacement Period

- (i) the Clearing of new OTC IRS FCM Client Transactions under each OTC IRS FCM Client Standard Agreement of the Affected OTC IRS FCM Clearing Member's OTC IRS FCM Clients shall always be suspended;
- (ii) all Redelivery Claims of the Affected OTC IRS FCM Clearing Member's OTC IRS FCM Clients with respect to OTC IRS FCM Client Margin in the form of cash ~~and OTC IRS FCM Client Variation Margin~~ shall be deferred (*gestundet*);
- (iii) Eurex Clearing AG shall not be obliged to provide any ~~OTC IRS FCM Client Variation Margin~~ STM Amounts to the Affected OTC IRS FCM Clearing Member's OTC IRS FCM Clients (or the Affected OTC IRS FCM Clearing Member acting for their account).

8.4.11 Partial Transfers

Subject to appropriate arrangements between the Affected OTC IRS FCM Clearing Member, the OTC IRS FCM Client, the Replacement OTC IRS FCM Clearing Member and Eurex Clearing AG (upon terms satisfactory to Eurex Clearing AG), the porting and transfers set out in Numbers 8.4.1 to 8.4.9 may also be made only with respect to some, but not all, OTC IRS FCM Client Transactions under the relevant OTC IRS FCM Client Standard Agreement, provided that, following such porting and transfers, the aggregate value of all Eligible Margin Assets actually delivered to Eurex Clearing AG in respect of OTC IRS FCM Client Margin allocated to the OTC IRS FCM Client Transactions that continue to form part of the existing OTC IRS FCM Client Standard Agreement is equal to or exceeds the applicable Default OTC IRS FCM Client Margin Requirement. In the case of such partial porting and transfer, the assumption of contract by the Replacement OTC IRS FCM Clearing Member shall be limited accordingly and (i) the OTC IRS FCM Client Transactions to which such transfer does not relate (and the relevant Redelivery Claims relating to OTC IRS FCM Client Margin ~~and OTC IRS FCM Client Variation Margin~~ allocated to such OTC IRS FCM Client Transactions) will continue to form part of the existing OTC IRS FCM Client Standard Agreement, a Termination and Termination Date shall occur, and Numbers 8.6.2 to 8.6.5 shall apply with respect to such existing OTC IRS FCM Client Standard Agreement and (ii) the OTC IRS FCM Client Transactions to which such transfer relates (and the relevant Redelivery Claims relating to OTC IRS FCM Client Margin ~~and OTC IRS FCM Client Variation Margin~~ allocated to such OTC IRS FCM Client Transactions) shall become part of a new OTC IRS FCM Client Standard Agreement.

[...]

8.6.2 Termination of OTC IRS FCM Client Transactions and Redelivery Claims

All current and future primary obligations (including payment and delivery obligations) under the relevant OTC IRS FCM Client Standard Agreement between Eurex Clearing AG and the OTC IRS FCM Client arising from OTC IRS FCM Client Transactions and any Redelivery Claim under the relevant OTC IRS FCM Client Standard Agreement shall expire (*auflösende Bedingung*) as of the Termination Time and

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shall no longer be required to be performed by the relevant obligor. Furthermore, all due but unsatisfied obligations in respect of the relevant OTC IRS FCM Client Margin ~~or OTC IRS FCM Client Variation Margin~~ shall expire (*auflösende Bedingung*) as of the Termination Time. The expiration affects all claims arising from OTC IRS FCM Client Transactions under the relevant OTC IRS FCM Client Standard Agreement independent of the time they came into existence or would have come into existence otherwise. These expired primary obligations and delivery obligations, respectively, are reflected by the Difference Claim.

[...]

8.7.3 Further Termination Provisions; Porting in Lieu of Termination

If Eurex Clearing AG has not declared a Termination and a Termination Date with respect to an OTC IRS FCM Client Standard Agreement with an OTC IRS FCM Client, the following provisions apply:

[...]

- (3) If the Bankruptcy Trustee timely communicates to Eurex Clearing AG that a particular OTC IRS FCM Client has chosen porting in relation to its OTC IRS FCM Client Transactions or has not made a choice, Eurex Clearing AG will consult with the Bankruptcy Trustee to effect the porting of the OTC IRS FCM Client Transactions with the OTC IRS FCM Client and the porting of OTC IRS FCM Client Margin in the form of cash ~~and OTC IRS FCM Client Variation Margin~~ as well as the transfer of OTC IRS FCM Client Margin in the form of Securities in accordance with the Bankruptcy Code and CFTC Regulation 190.06. As soon as possible, and in any event within three calendar days following the commencement of the Relevant Period, Eurex Clearing AG will give the CFTC notice of Eurex Clearing AG's intent to conduct a porting in relation to the OTC IRS FCM Client Transactions, and, unless the porting and transfer is disapproved by the CFTC, Eurex Clearing AG will complete the porting and transfer within the Relevant Period.

[...]

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

[...]

9.6 If an OTC IRS FCM Client Termination Date has occurred with respect to an OTC IRS FCM Client Standard Agreement, the following provisions shall apply:

9.6.1 Termination of OTC IRS FCM Client Transactions and Redelivery Claims

All current and future primary obligations (including payment and delivery obligations) under the relevant OTC IRS FCM Client Standard Agreement between Eurex Clearing AG and the OTC IRS FCM Client arising from OTC IRS FCM Client Transactions and any Redelivery Claim under the relevant OTC IRS FCM Client Standard Agreement shall expire (*auflösende Bedingung*) as of the OTC IRS FCM Client

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Termination Time and shall no longer be required to be performed by the relevant obligor. Furthermore, all due but unsatisfied obligations in respect of the relevant OTC IRS FCM Client Margin or ~~OTC IRS FCM Client Variation Margin~~ shall expire (*auflösende Bedingung*) as of the OTC IRS FCM Client Termination Time. The expiration affects all claims arising from OTC IRS FCM Client Transactions under the relevant OTC IRS FCM Client Standard Agreement independent of the time they came into existence or would have come into existence otherwise. These expired primary obligations and delivery obligations, respectively, are reflected by the Difference Claim (as defined below).

[...]

Chapter VIII of the Clearing Conditions of Eurex Clearing AG

[...]

Part 2 Clearing of OTC Interest Rate Derivative Transactions

2.1 General Provisions

[...]

2.1.4 CTM Transactions and STM Transactions

- (1) A Clearing Member may, by way of an STM Election, elect that all (but not some only) of its STM Eligible Transactions shall be cleared as STM Transactions. In the case of Existing STM Eligible Transactions, the CTM Transactions shall be established as STM Transactions upon the STM Effective Date pursuant to Paragraph (2). In the case of Original STM Eligible Transactions, the OTC Interest Rate Derivative Transactions created by way of novation pursuant to Part 1 Number 1.2.1 shall be converted into STM Transactions upon such novation pursuant to Paragraph (3) below. In the case of Transfer STM Eligible Transactions, the OTC Interest Rate Derivative Transactions created by way of novation pursuant to Number 2.7 in connection with Chapter I Part 1 Number 1.2.2 Paragraph (5)(c) shall be converted into STM Transactions upon such novation pursuant to Paragraph (4) below. With respect to OTC IRS U.S. Clearing Members and OTC IRS FCM Clients, all OTC Interest Rate Derivative Transactions can only be cleared as STM Transactions.

[...]

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 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, 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 coupon payments and transaction fees on the current Business Day are added and the 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) Eurex Clearing AG will 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 the Variation Margin, ~~the OTC IRS FCM Client Variation Margin~~ or the Basic Clearing Member Variation Margin, as the case may be. It corresponds to the overnight interest paid or received on the cumulative Variation Margin, ~~OTC IRS FCM Client Variation Margin~~ or Basic Clearing Member Variation Margin over the lifetime of the portfolio. The cumulative Variation Margin, ~~OTC IRS FCM Client Variation Margin~~ or Basic Clearing Member Variation Margin, respectively, of the previous Business Day corresponds to the value of the IRS portfolio on the previous Business Day.

[...]

2.7 Transfer of CCP Transactions and Account Transfer

[...]

- (5) If the CCP Transaction to be transferred is an STM Transaction and no STM Election is or has been made ~~no STM Election is made~~ or no STM Election is permitted with respect to the CCP Transaction resulting from the novation pursuant to Chapter I Part 1 Number 1.2.2 Paragraph (5) (c), the relevant CCP Transaction resulting from the novation pursuant to Chapter I Part 1 Number 1.2.2 Paragraph (5) (c) shall be established as a CTM Transaction and the additional primary payment

obligations of the Clearing Member and Eurex Clearing AG set out in Number 2.2.1 Paragraph (5) shall not arise with respect to such Transaction. ~~under the CCP Transaction resulting from the novation pursuant to Chapter I Part 1 Number 1.2.2 Paragraph (5) (c).~~

[...]

* * *

Chapter I of the Clearing Conditions of Eurex Clearing AG

General Provisions

As of 05.03.2018

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

[...]

5 Fees

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

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

[...]

Chapter II of the Clearing Conditions of Eurex Clearing AG

Transactions Concluded at Eurex Deutschland and Eurex Zürich

(Eurex Exchanges)

As of 05.03.2018

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[...]

Part 1 General Provisions

- (1) Eurex Clearing AG shall carry out the settlement respectively and clearing of transactions concluded at the Eurex Exchanges ("**derivatives transactions**"), provided that the futures and Options contracts underlying the respective derivatives transaction or the securities to be delivered as a result of the execution of these derivatives transactions can be settled by Eurex Clearing AG and by the respective Settlement Location and provided that the prerequisites set out in Paragraph 2 below are fulfilled.
- (2) In consultation with the Eurex Exchanges, Eurex Clearing AG shall determine which derivatives transactions shall be included in the clearing and shall publish them exclusively via electronic publication on the internet available on the website of Eurex Clearing AG (www.eurexclearing.com).
- (3) Provided that transactions concluded on the Eurex Exchanges are included in the Clearing by Eurex Clearing AG, the provisions of Chapter I shall also apply to the clearing of derivatives transactions, unless provided otherwise hereinafter.
- (4) Eurex Clearing AG shall collect fees ("*Entgelte*") from the Clearing Member on behalf of Eurex Frankfurt AG; the Clearing Member is obliged to pay such fees to Eurex Frankfurt AG in accordance with the Agreement on Technical Connection and Utilization of the Trading Systems of Eurex Deutschland and Eurex Zürich ("**EFAG Connection Agreement**"). Eurex Clearing AG shall furthermore, on behalf of Eurex Deutschland, collect by direct debit the fees ("*Gebühren*") which are levied by Eurex Deutschland from the Clearing Member in accordance with the Fee Regulations for Eurex Deutschland ("**Fee Regulations for Eurex Deutschland**").
- (5) Eurex Clearing AG shall collect from such Clearing Member which has concluded an agreement with Eurex Clearing AG and a Non-Clearing Member according to Appendix 2 to 5 of the Clearing Conditions of Eurex Clearing AG:

a. on behalf of Eurex Frankfurt AG, such fees (“Entgelte”) which the respective Non-Clearing Member is obliged to pay to Eurex Frankfurt AG in accordance with EFAG Connection Agreement, and

b. on behalf of Eurex Deutschland, such fees (“Gebühren”) which are levied by Eurex Deutschland from the respective Non-Clearing Member in accordance with the Fee Regulations for Eurex Deutschland.

The Clearing Member may collect such fees from the respective Non-Clearing Member.

(56) The Clearing Conditions incorporate by reference the Exchange Rules for Eurex Deutschland and Eurex Zürich, the Conditions for Trading at Eurex Deutschland and Eurex Zürich and all other regulations of Eurex Deutschland and Eurex Zürich with respect to the Clearing of Eurex Transactions pursuant to this Chapter II, each in their German version and as amended from time to time.

[...]

Chapter IX of the Clearing Conditions of Eurex Clearing AG

Clearing of Securities Lending Transactions

As of 05.03.2018

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Part 1 General Provisions

[...]

Part 2 Terms and Conditions of Securities Lending Transactions

[...]

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

[...]

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

[...]

(3) If at the time of the beginning of the end-of-day processing at Eurex Clearing AG on any Business Day, Eurex Clearing AG determines that:

(a) the Market Value of the Posted Collateral under a Securities Lending Transaction

falls below

(b) the Required Collateral Value under such Securities Lending Transaction,

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

provided, however, that Eurex Clearing Borrower shall not be required to provide to a SLLH (Title Transfer/Pledge) any such further Eligible Principal Collateral Assets with respect to a Fixed Term Loan by way of Title Transfer if and for as long as Eurex Clearing Borrower is not reasonably satisfied that such SLLH (Title Transfer/Pledge) will, or will be able to, validly provide the related Pledge-Back Principal Collateral to Eurex Clearing Borrower; in such circumstances Eurex Clearing Borrower shall offer to provide such further Eligible Principal Collateral Assets by way of pledge in accordance with Number 2.1.5 Paragraph (2) (applied *mutatis mutandis*).

[...]

Chapter IX of the Clearing Conditions of Eurex Clearing AG

Clearing of Securities Lending Transactions

As of 05.03.2018

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Part 1 General Provisions

[...]

1.1.3 Specific Lender License

[...]

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

(c) the applicant maintains:

(i) for cash payments in EUR, CHF and GBP: Cash accounts required pursuant to Chapter I Part 1 Number 2.1.2 Paragraph (4) (b) for cash payments in EUR, CHF and GBP, provided that for cash payments in CHF and/or in GBP, which are not made in respect of margin, the applicant may alternatively use or a multicurrency cash account with

___ – CBF including a CBF(I) account, and/or

___ – Clearstream Banking S.A., and/or

___ – Euroclear Bank SA/NV; and

(ii) for cash payments in USD: An account with a Settlement Bank for USD or a multicurrency cash account referred to under sub-paragraph (i).

All accounts referred to in Paragraph (5)(c) can either be accounts opened in the name of the applicant or accounts opened in the name of an Agent Lender for the account of the applicant. The applicant agrees that if necessary Eurex Clearing AG may convert amounts to be received on such multicurrency cash accounts by the applicant into the Transaction Currency (as defined in Part 2 Number 2.1.7) prior to any payment, using a commercial reasonable exchange rate prevailing at such time;

[...]

Chapter IX of the Clearing Conditions of Eurex Clearing AG

Clearing of Securities Lending Transactions

As of 05.03.2018

AMENDMENTS ARE MARKED AS FOLLOWS:

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[...]

Part 2 Terms and Conditions of Securities Lending Transactions

[...]

2.1 General Provisions of Securities Lending Transactions

[...]

2.1.2 Eligible Principal Collateral Assets and Redelivery Claim

[...]

(3) [...]

For the avoidance of doubt, in respect of a Securities Lending Transaction relating to Loaned Securities or Equivalent Loaned Securities for which EUI acts as the settlement location, Principal Collateral shall not cover any claims of the Lender Clearing Member against Eurex Clearing Borrower and Eurex Clearing Lender against the Borrower Clearing Member, that, in each case, result from any Securities Distribution (including any Securities Distribution resulting from any Dividend With Options).

[...]

2.1.4 Delivery of Loaned Securities and Equivalent Loaned Securities

Loaned Securities and Equivalent Loaned Securities shall be delivered free of payment (FoP), and Chapter I Part 1 Numbers 1.2.5, 1.4.2 (except for Paragraph (2)) and 1.4.3 shall insofar apply *mutatis mutandis* to the delivery of Loaned Securities and Equivalent Loaned Securities. With respect to Loaned Securities and Equivalent Loaned Securities for which EUI acts as the settlement location, the obligation to provide a power of attorney to Eurex Clearing AG set out in Chapter I Part 1 Number 1.4.2 Paragraph 3 ~~Clause 2~~second sentence shall not apply.

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

[...]

(2) [...]

[...]

The pledge will not secure a Difference Claim of a Clearing Member against Eurex Clearing AG upon the occurrence of a Termination with respect to the Clearing Member or a difference claim of the Clearing Member against Eurex Clearing AG in the event of a close-out with respect to Eurex Clearing AG pursuant to Chapter I Part 1 Number 9. For the avoidance of doubt, in respect of a Securities Lending Transaction relating to Loaned Securities or Equivalent Loaned Securities for which EUI acts as the settlement location, the pledge shall not secure any obligations of

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Eurex Clearing Borrower in respect of any Securities Distribution (including any Securities Distribution resulting from any Dividend With Options).

[...]

- (3) With respect to a Securities Lending Transaction between Eurex Clearing Borrower and a Lender Clearing Member (Pledge),
- (a) the Lender Clearing Member (Pledge) (i) shall not be subject to a margin requirement pursuant to Number 1.3 with regard to such Securities Lending Transaction and (ii) shall not be required to pay Contributions to the Default Fund pursuant to Chapter I Part ~~1~~ Number 6.1.1 with regard to such Securities Lending Transactions, accordingly,

[...]

- (5) [...]

The purpose of any such pledge over Pledge-Back Principal Collateral is to secure the obligation of the SLLH (Title Transfer/Pledge) (i) to deliver Equivalent Principal Collateral pursuant to Number 2.3.3 on the Maturity Date and (ii) to make any payment to Eurex Clearing Borrower resulting from a netting pursuant to Number 2.7.2 Paragraph (6), in each case with regard to the specific Securities Lending Transaction only, except that, where the Principal Collateral or Initial Principal Collateral is delivered in respect of an Exposure Netting Unit, the purpose of the pledge of such Pledge-Back Principal Collateral is to secure such obligations of the SLLH (Title Transfer/Pledge) with respect to all Securities Lending Transactions to which such Exposure Netting Unit relates.;

[...]

2.2 Delivery and Return of Loaned Assets

[...]

2.2.2 Return of Equivalent Loaned Assets

[...]

- (2) In respect of any Securities Lending Transaction which is an Open Term Loan, ~~(i)~~ —the Borrower Clearing Member and Eurex Clearing Borrower are each entitled to return to Eurex Clearing Lender and the Lender Clearing Member, respectively, all (or, to the extent provided for by the rules of the relevant Third Party Flow Provider, any part of) the Equivalent Loaned Securities at any time, ~~;~~ and

~~(ii)~~ —In respect of any Securities Lending Transaction, the Borrower Clearing Member and the Lender Clearing Member may mutually agree to return all (or, to the extent provided for by the rules of the relevant Third Party Flow Provider, any part of) the Equivalent Loaned Assets at any time.

[...]

- (3) In respect of any Securities Lending Transaction which is an Open Term Loan, ~~(i)~~ —the Lender Clearing Member and Eurex Clearing Lender are each entitled to recall from Eurex Clearing Borrower and the Borrower Clearing Member, respectively, all (or, to the extent provided for by the rules of the relevant Third Party Flow Provider, any part of) the Equivalent Loaned Securities at any time; ~~and~~

~~(ii)~~—In respect of any Securities Lending Transaction, the Borrower Clearing Member and the Lender Clearing Member may mutually agree on a recall of all (or, to the extent provided for by the rules of the relevant Third Party Flow Provider, any part of) the Equivalent Loaned Assets at any time.

[...]

- (4) Except in the case of the second sub-paragraphs of Paragraph (2)-(ii) and Paragraph (3)-(ii) above, any Return or Recall requests may be made independently of the other party to the Securities Lending Transaction. To the extent the rules of the Third Party Flow Provider contain such provisions, the placement of a Return request shall automatically create a Recall request and the placement of a Recall request shall automatically create a Return request.

[...]

2.4 Corporate Actions

[...]

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

"Dividends With Options" are corporate actions in relation to Distributions granting the relevant holder of the relevant Underlying Securities the option (i) to receive securities or other instruments instead of a cash dividend or (ii) to have a cash dividend re-invested and to receive, in lieu of such re-invested cash, securities or other instruments (the securities or other instruments received pursuant to (i) and (ii) above, the "Option Securities") or (iii) to receive a cash dividend payment in an alternative currency (the "Option Cash").

2.4.1 Distributions in respect of Underlying Securities

In relation to any Securities Lending Transaction, if a relevant date on which the holders of the Underlying Securities are identified as being holders of an entitlement to any interest, dividends, rights or other distributions of any kind (the "**Record Date**") falls in the period from, and including, the Value Date (taking into account any postponement

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

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

[...]

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

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

- (a) If the Lender Clearing Member, in respect of a Securities Lending Transaction to which such Dividend With Options relates, wishes to select an option for a delivery of Option Securities or Option Cash (in accordance with the terms offered by the relevant issuer or the relevant other grantor of the relevant

option) in lieu of a Cash Distribution, the Lender Clearing Member must, with respect to such Securities Lending Transaction and by no later than 24 hours prior to the applicable Election Deadline, (i) submit an instruction to Eurex Clearing Borrower through the CREST system of EUI (subject to the requirements as to form and content as determined by EUI from time to time) cancelling the cash income claim of the Lender Clearing Member against Eurex Clearing Borrower that, by default, is established in the CREST system of EUI with respect to such Dividend With Options (a "**Lender Income Cancellation Instruction**") and (ii) notify Eurex Clearing AG of the submission of such Lender Income Cancellation Instruction.

"**Election Deadline**" means the latest point in time at which, pursuant to the terms of the relevant Dividend With Options, the option for a delivery of Option Securities or the payment of Option Cash can validly be exercised.

- (b) If the Lender Income Cancellation Instruction and the related notification have been submitted in compliance with Paragraph (4) (a), Eurex Clearing Lender shall, by no later than the applicable Election Deadline (i) submit to the Borrower Clearing Member an instruction through the CREST system of EUI (subject to the requirements as to form and content as determined by EUI from time to time) cancelling the cash income claim of Eurex Clearing Lender against the Borrower Clearing Member that, by default, is established in the CREST system of EUI with respect to such Dividend With Options (a "**Eurex Clearing Lender Income Cancellation Instruction**") and (ii) notify the Borrower Clearing Member of the receipt of the Lender Income Cancellation Instruction and the submission of the Eurex Clearing Lender Income Cancellation Instruction.
- (c) If the Lender Income Cancellation Instruction and the related notification have been submitted in compliance with Paragraph (4) (a), Eurex Clearing Borrower shall, in addition to its obligations set out in Paragraph (4) (b), by no later than the applicable Payment Date, (i) submit to the Lender Clearing Member an instruction through the CREST system of EUI (subject to the requirements as to form and content as determined by EUI from time to time) matching the Lender Income Cancellation Instruction and (ii) notify the Lender Clearing Member of such submission.

"**Payment Date**" means the date on which, pursuant to the terms of the relevant Dividend With Options, the relevant Cash Distribution would be payable (if no option for a delivery of Option Securities or a payment of Option Cash has been exercised).

- (d) If Eurex Clearing Lender has submitted a Eurex Clearing Lender Income Cancellation Instruction in compliance with Paragraph (4) (b), the Borrower Clearing Member shall, prior to the applicable Payment Date, (i) submit an instruction to Eurex Clearing Lender through the CREST system of EUI (subject to the requirements as to form and content as determined by EUI from time to time) matching the Eurex Clearing Lender Income Cancellation Instruction (a

"Borrower Income Cancellation Instruction") and (ii) notify Eurex Clearing Lender of such submission.

(e) If the Lender Clearing Member has submitted a Lender Income Cancellation Instruction in compliance with Paragraph (4) (a), the Lender Clearing Member, by no later than the end of business on the second Business Day prior to the applicable Payment Date, (i) may, with respect to such Securities Lending Transaction submit to Eurex Clearing Borrower an instruction through the CREST system of EUI (subject to the requirements as to form and content as determined by EUI from time to time) for a delivery of the relevant Option Securities or a payment of the relevant Option Cash with respect to the Dividend With Options to the Lender Clearing Member (a "**Lender Delivery Instruction**") and (ii) shall, if it submits such Lender Delivery Instruction, notify Eurex Clearing Borrower of such submission.

(f) If the Lender Delivery Instruction and the related notification have been submitted in compliance with Paragraph (4) (e), Eurex Clearing Lender shall, prior to the applicable Payment Date, (i) submit to the Borrower Clearing Member an instruction through the CREST system of EUI (subject to the requirements as to form and content as determined by EUI from time to time) for a delivery of the relevant Option Securities or the payment of the relevant Option Cash with respect to the Dividend With Options to Eurex Clearing Lender (a "**Eurex Clearing Lender Delivery Instruction**") and (ii) notify the Borrower Clearing Member of the receipt of the Lender Delivery Instruction and the submission of the Eurex Clearing Lender Delivery Instruction.

Upon the submission of such Eurex Clearing Lender Delivery Instruction, a claim of Eurex Clearing Lender against the Borrower Clearing Member for the delivery of the relevant Option Securities or the payment of the relevant Option Cash, as applicable, to Eurex Clearing Lender ("**Eurex Clearing Delivery Claim**") shall arise under the Clearing Conditions with respect to such Dividend With Options (irrespective of whether (A) the Borrower Clearing Member has submitted the relevant Borrower Income Cancellation Instruction or (B) the Borrower Clearing Member submits a matching Borrower Delivery Instruction (as defined in Paragraph (4)(h)), provided that a Eurex Clearing Delivery Claim shall not arise to the extent that a corresponding delivery or payment claim of Eurex Clearing Lender against the Borrower Clearing Member for the relevant Option Securities or the relevant Option Cash is also established in the CREST system of EUI. If a Eurex Clearing Delivery Claim has arisen and subsequently a corresponding delivery or payment claim of Eurex Clearing Lender against the Borrower Clearing Member for the relevant Option Securities or the relevant Option Cash is established in the CREST system of EUI, the Eurex Clearing Delivery Claim shall expire to the extent that such delivery or payment claim established in the CREST system of EUI is equal to the Eurex Clearing Delivery Claim.

(g) If the Lender Delivery Instruction and the related notification have been submitted in compliance with Paragraph (4) (e), Eurex Clearing Borrower shall, (irrespective of whether the Borrower Clearing Member has submitted the

related Borrower Income Cancellation Instruction), no later than on the applicable Payment Date, (i) submit to the Lender Clearing Member an instruction through the CREST system of EUI (subject to the requirements as to form and content as determined by EUI from time to time) matching the Lender Delivery Instruction ("**Eurex Clearing Borrower Delivery Instruction**") and (ii) notify the Lender Clearing Member of such submission.

- (h) The Borrower Clearing Member shall, by no later than the applicable Payment Date, (i) submit an instruction to Eurex Clearing Lender through the CREST system of EUI (subject to the requirements as to form and content as determined by EUI from time to time) matching the Eurex Clearing Lender Delivery Instruction (a "**Borrower Delivery Instruction**") and (ii) notify Eurex Clearing Lender of such submission.
- (i) If a Eurex Clearing Delivery Claim has been established, but the Borrower Clearing Member has failed to submit the related Borrower Income Cancellation Instruction such that the cash income claim of Eurex Clearing Lender against the Borrower Clearing Member that, by default, has been established in the CREST system of EUI with respect to such Dividend With Options is not cancelled and Eurex Clearing Lender receives any payment from the Borrower Clearing Member in discharge of such cash income claim, Eurex Clearing Lender shall repay to the Borrower Clearing Member the amount so received.
- (j) Any payment or delivery claims arising with respect to a Dividend With Options between the Lender Clearing Member and Eurex Clearing Borrower or between Eurex Clearing Lender and the Borrower Clearing Member pursuant to this Paragraph (4) shall only result in separate unilateral claims between the relevant parties, but shall not result in any amendment of any existing Securities Lending Transaction or in the creation of any new Securities Lending Transaction.

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

[...]

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

"Mandatory Reorganisations With Options" are certain corporate actions in respect of which the participation as such of the relevant holder of the relevant Underlying Securities is mandatory, but in respect of which the holder of the relevant Underlying Securities has the option to choose between different benefits. For the avoidance of doubt, Dividends With Options do not qualify as Mandatory Reorganisations with Options.

[...]

2.4.5 Fractions

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

[...]

2.6 Failure to Deliver

[...]

2.6.3 Failure to Deliver Principal Collateral or Return Equivalent Principal Collateral during the term of a Securities Lending Transaction; Failure to Deliver Pledge-Back Principal Collateral

[...]

- (2) Irrespective of the postponement of the due date pursuant to Paragraph (1), the failure by the respective Clearing Member to comply with its obligation pursuant to Number 2.3.2 Paragraphs (2) and (3), respectively, shall constitute a Termination Event; pursuant to Chapter I Part 1 Number 7.2.1 Paragraph (1) shall apply *mutatis mutandis*. Eurex Clearing AG is entitled at any time to increase its margin requirement accordingly if a Clearing Member fails to return Equivalent Principal Collateral or to deliver Principal Collateral pursuant to Number 2.3.2 Paragraphs (2) and (3), as the case may be.
- (3) If a SLLH (Title Transfer/Pledge) fails to deliver Pledge-Back Principal Collateral when due, this shall constitute a Termination Event; pursuant to Chapter I Part 1 Number 7.2.1 Paragraph (2) shall apply *mutatis mutandis*.

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

[...]

- (2) If a Record Date for a Cash Distribution or for a Securities Distribution ~~in the form of rights~~ pursuant to Number 2.4.1 (including a Record Date in respect of a Dividend With Options in relation to Loaned Securities or Equivalent Loaned Securities for which EUI acts as the settlement location, but excluding any Record Date in respect of any other Securities Distribution in relation to Loaned Securities or Equivalent

Loaned Securities for which EUI acts as the settlement location) or the Market Deadline in connection with a Voluntary Reorganisation pursuant to Number 2.4.2 (but excluding any Voluntary Reorganisation in relation to Loaned Securities or Equivalent Loaned Securities for which EUI acts as the settlement location) occurs with respect to a Non-Performed Transaction between Eurex Clearing Lender and the Borrower Clearing Member, the Borrower Clearing Member shall be obliged to pay a contractual penalty to Eurex Clearing AG irrespective of whether Eurex Clearing AG has suffered a loss.

Such contractual penalty shall be determined as follows:

- (a) with respect to Cash Distributions pursuant to Number 2.4.1 Paragraph (1), the contractual penalty shall be 35.8 per cent of the net Cash Distribution, multiplied by the number of Equivalent Loaned Securities owed by the Borrower Clearing Member to Eurex Clearing Lender on the Maturity Date. The contractual penalty shall be payable in the currency of the Equivalent Loaned Securities and only be charged by Eurex Clearing AG if the calculation in the applicable currency results in a value of at least EUR 5,000, GBP 5,000, CHF 7,000 or USD 7,000;

[...]

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

[...]

The contractual penalty shall be payable in the currency of the Equivalent Loaned Securities and only be charged by Eurex Clearing AG if the calculation in the applicable currency results in a value of at least EUR 5,000, GBP 5,000, CHF 7,000 or USD 7,000.

[...]

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

- (1) If, in any of the circumstances set out in Number 2.4.1 Paragraph (3) or Number 2.4.2 Paragraph (3) (e) (B) or, with respect to Option Securities, Number 2.4.1 Paragraph (4) (f), the Borrower Clearing Member fails to actually deliver the relevant securities to Eurex Clearing Lender on the relevant due date or, if such delivery obligation has been postponed, on the relevant next Business Day (the “**Non-Performed Delivery Obligation**” and the securities not delivered, the “**Non-Delivered Securities**”), such delivery obligation (and the corresponding delivery obligation of Eurex Clearing Borrower to the Lender Clearing Member) shall, subject to Paragraph (2), be postponed to the next following Business Day.

[...]
