



Release date: 15 Jun 2020 | Eurex Clearing

No. 050/2020

Amendments to the Clearing Conditions and FCM Regulations of Eurex Clearing AG

Eurex Clearing Circular 050/20

1. Introduction

This circular contains information with respect to amendments to the Clearing Conditions of Eurex Clearing AG (Clearing Conditions) and the FCM Regulations of Eurex Clearing AG (FCM Regulations) regarding the following topics:

- A. Extension of maximum remaining term for USD-denominated Overnight Index Swaps
- B. Introduction of Secured Overnight Financing Rate (SOFR) swaps
- C. Discounting switch from EONIA to €STR for EUR-denominated EurexOTC Clear derivatives
- D. Validation for bunched order allocation trades
- E. Amendments to the Pledge Agreements / Full Title Transfer Agreement to account for changes to the references to General Terms and Conditions (GTC) of Clearstream Banking AG (CBF)

The amendments under the items A to D will come into effect as of **24 July 2020**.

The amendments under the item E will come into effect as of **7 July 2020**.

2. Required action

Clearing Members, Basic Clearing Members, Disclosed Direct Clients, FCM Clearing Members, vendors and other affected contractual parties should take the amendments to the Clearing Conditions and FCM Clearing Conditions into consideration.

3. Details

A. Extension of maximum remaining term for USD-denominated Overnight Index Swaps (OIS)

With EurexOTC Clear Release 10.1, the Transaction Type specific novation criteria of Eurex Clearing will be enhanced to allow for USD-denominated overnight index swaps a maximum remaining term (from the date of novation to the termination date) of 50 years and 10 Business Days.

To reflect the changes and amendments, the following provisions of the Clearing Conditions and FCM Regulations will be amended as outlined in the Attachments 1 and 2:

- Chapter VIII Part 2 Number 2.1.5.1 of the Clearing Conditions
- Chapter II Part 2 Number 2.1.5.1 of the FCM Regulations

B. Introduction of Secured Overnight Financing Rate (SOFR)-based swaps

Eurex Clearing will offer clearing eligibility for SOFR-based OIS, SOFR-USD LIBOR basis swaps and SOFR-EFFR basis swaps. SOFR-based swaps will use the Effective Federal Funds Rate (EFFR) for discounting and PAI/PAA until the general transition from EFFR- to SOFR-based discounting for discounting and PAI/PAA takes place, which is currently envisaged for the weekend from 16 to 19 October 2020 (see Eurex Clearing Circular 044/20).

Addition with respect to certain definitions and floating rate calculation will be made to the following provisions as outlined in Attachments 1 and 2:

- Chapter VIII Part 1 Number 1.7, Part 2 Number 2.2.5 and 2.2.7 Clearing Conditions
- Chapter II Part 1 Number 1.7, Part 2 Number 2.2.5 and 2.2.7 FCM Regulations

C. Discounting switch from EONIA to €STR for all EUR-denominated EurexOTC Clear derivatives

As part of the transition from EONIA to €STR as the new euro risk-free rate and as previously communicated, Eurex Clearing will implement for its EurexOTC Clear service the switch from EONIA to €STR-flat (without a spread) as follows:

1. Transition of the Price Alignment Interest (PAI) and Price Alignment Amount (PAA) and the discounting based on EONIA to €STR-flat (without a spread) in a single step for all EUR-denominated OTC derivatives including but not limited to forward-rate agreements, interest-rate swaps, overnight-index swaps, and inflation swaps denominated in euro.
2. Compensation for changes in the present values of EUR OTC derivatives resulting out of the transition by a euro cash credit or debit (e.g. via one-time cash fee instructions on trade level). To mitigate profit-and-loss impacts (positive and negative) resulting from variation margin changes induced by the discounting switch, a mandatory and automatic euro cash debit or credit will be instructed as a fee, ensuring that the discounting switch does not create winners and losers. The published document "EurexOTC Clear – process and methodology of the EONIA to €STR discounting switch" describes the methodology behind the compensation and lists and describes all steps in the compensation process. It also specifies all Member and public reports that are relevant for the transition, enabling each Member to reconcile the compensation. The document is available in the [Eurex Clearing Member Section](#), under the following path:

Risk & Collateral Management > Benchmark Transition Information > EUR: EONIA-€STR Transition

As announced in Eurex Clearing Circular 016/20, in order to provide further transparency regarding the discounting switch, Eurex Clearing has prepared an additional version of the margin tool Cloud Prisma Margin Estimator (CPME) that uses the €STR curve for discounting euro-denominated cashflows.

Through this tool, Members can calculate the trade Net Present Value (NPV) and portfolio initial margin on arbitrary portfolios under €STR discounting and compare the values to those under EONIA discounting in the current Production version of CPME.

The two CPME versions are available under the following links:

CPME Production (EONIA discounting): <https://eurexmargins.prod.dbgservice.com/>

CPME What-if (€STR discounting): <https://whatif.eurexmargins.prod.dbgservice.com/>

For further information on the discounting switch, see Eurex Clearing Circular 096/19 and 016/20 and Eurex Clearing Readiness Newsflash of 5 May 2020.

The EONIA-€STR discounting switch will be performed on the weekend of 24 – 27 July 2020. Accordingly, Friday, 24 July 2020, will be the last Business Day with EONIA-based PAI/PAA and discounting; and Monday, 27 July 2020, will be the first Business Day with €STR-based PAI/PAA and discounting.

To reflect the changes and amendments, the following provisions of the Clearing Conditions and FCM Regulations will be amended as outlined in Attachments 1 and 2:

- Chapter VIII Part 2 Number 2.1.6, 2.1.7 and 2.2.1 Clearing Conditions
- Chapter II Part 2 Number 2.1.6 and 2.2.1 FCM Regulations

D. Validation for bunched order allocation trades under the Clearing Conditions

Eurex Clearing introduced bunched order clearing for OTC Interest Rate Derivative Transactions in March 2019 (see Eurex Clearing Circular 013/19).

Bunched order clearing is a functionality to facilitate the clearing of OTC Interest Rate Derivative block trades (so-called bunched orders transactions) that are initially booked into a 'suspense transaction account' for post-novation allocation to different target transaction accounts. After a bunched order transaction is included into the clearing, the bunched order transaction is allocated from the suspense transaction account to the target transaction accounts of the Clearing Member which clears the transactions of the client to which the bunched order transaction relates.

The allocation can be performed either A) via a third-party allocation service provider such as an ATS by submitting allocation transactions to Eurex Clearing or B) via post-trade events directly at Eurex Clearing.

For an allocation transaction that is submitted to Eurex Clearing via a third-party allocation service provider that is different from the ATS that submitted the bunched order transaction that is to be allocated, Eurex Clearing will implement a novation criterion that validates: (i) if the respective bunched order transaction is already cleared by Eurex Clearing and (ii) if its notional value is equal to or greater than the notional value of the respective allocation transaction that is to be novated. If (i) or (ii) fails, the allocation transaction will be rejected.

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

- Chapter VIII Part 1 Number 1.2.3 (11) and (12) of the Clearing Conditions

E. Amendments to the Pledge Agreements / Full Title Transfer Agreement to account for changes to the references to General Terms and Conditions (GTC) of Clearstream Banking AG (CBF)

CBF amended its GTC and, inter alia, the provision on CBF's right of pledge that was previously set out in No. XXVII of CBF's GTC become No. XXX of CBF's GTC. Consequently, all references in Appendix 7, Appendix 11 and Appendix 14 to the Clearing Conditions of Eurex Clearing as well as Appendix 2 to the FCM Regulations to the provision need to be updated accordingly. Further, it is clarified that any reference to CBF's or Clearstream Banking S.A.'s GTC shall also refer to any successor provision of the respective reference.

To reflect the changes and amendments, the following provisions of the Clearing Conditions and FCM Regulations will be amended as outlined in Attachments 4 and 5:

- Appendix 7 to the Clearing Conditions – Pledge Agreement relating to pledges of Eligible Margin Assets in the form of Securities
- Appendix 11 to the Clearing Conditions – Pledge Agreement relating to pledges of Eligible Margin Assets in order to provide Basic Clearing Member Margin in the form of Securities
- Appendix 14 to the Clearing Conditions – Full Title Transfer Agreement relating to the transfer of ownership of Securities to Eurex Clearing AG by using securities accounts of a third party
- Appendix 2 to the FCM Regulations – Pledge Agreement relating to pledges of Eligible Margin Assets in the form of Securities

As of the effective date, the full version of the amended Clearing Conditions and FCM Regulations will be available for download on the Eurex Clearing website www.eurexclearing.com under the following link:

[Resources > Rules and Regulations](#)

The changes and amendments to the legal framework of Eurex Clearing AG published by this circular are deemed accepted by each affected contractual party of Eurex Clearing AG, unless the respective contractual party objects by written notice to Eurex Clearing AG within the first ten (10) Business Days after publication. Any ordinary right of Eurex Clearing AG to terminate the respective contract (including a Clearing Agreement, if applicable) shall remain unaffected.

Unless the context requires otherwise, terms used and not otherwise defined in this circular shall have the meaning ascribed to them in the Clearing Conditions or FCM Clearing Conditions of Eurex Clearing AG, as applicable.

Attachments:

- Amended sections of Chapter VIII of the Clearing Conditions related to topics A to C
- Amended sections of Chapter II of the Clearing Conditions related to topic C
- Amended sections of Chapter VIII of the Clearing Conditions related to topic D
- Amended sections of Appendix 7, Appendix 11 and Appendix 14 to the Clearing Conditions of Eurex Clearing related to topic E
- Amended sections of Appendix 2 to the FCM Regulations related to topic E

Further information

Recipients: All Clearing Members, Basic Clearing Members, Disclosed Direct Clients, FCM Clearing Members, vendors and other affected contractual parties

Target groups: Front Office/Trading, Middle + Backoffice

Contact: client.services@eurexclearing.com

Related circulars: Eurex Clearing circulars [044/20](#), [016/20](#), [096/19](#), [013/19](#)

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Further information

[Attachment 1 to Eurex Clearing circular 050/20](#)

[Attachment 2 to Eurex Clearing circular 050/20](#)

[Attachment 3 to Eurex Clearing circular 050/20](#)

[Attachment 4a to Eurex Clearing circular 050/20](#)

[Attachment 4b to Eurex Clearing circular 050/20](#)

[Attachment 4c to Eurex Clearing circular 050/20](#)

[Attachment 5 to Eurex Clearing circular 050/20](#)

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Chapter VIII of the Clearing Conditions of Eurex Clearing AG

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

As of 24.07.2020

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED,

DELETIONS ARE CROSSED OUT.

[...]

Part 1 General Provisions

[...]

1.7 Certain Definitions

In this Chapter VIII:

[...]

(14) “SOFR” is the daily secured overnight financing rate provided by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the New York Fed’s Website. The “New York Fed’s Website” means, in this context, the website of the Federal Reserve Bank of New York at <http://www.newyorkfed.org>, or any successor source (as defined in Section 7.2 (b) of the 2006 ISDA Definitions).

[...]

Part 2 Clearing of OTC Interest Rate Derivative Transactions

2.1 General Provisions

[...]

2.1.5 Novation Criteria and Process Regarding OTC Interest Rate Derivative Transactions

[...]

2.1.5.1 Transaction Type Specific Novation Criteria

The following Transaction Type specific novation criteria must be fulfilled for OTC Interest Rate Derivative Transactions (based on the Trade Record transmitted to Eurex Clearing AG via the ATS):

[...]

(4) Maximum remaining term

The remaining term of the OTC Interest Rate Derivative Transaction from the date of novation to the termination date must be

(~~ia~~) in case of IRS, no more than 50 years and 10 Business Days for Original OTC Transactions in EUR, USD and GBP and no more than 30 years and 10 Business Days for Original OTC Transactions in CHF, DKK, SEK, NOK and JPY and no more than 10 years and 10 Business Days for Original OTC Transactions in PLN,

(~~ib~~) in case of OIS, (i) no more than 30 years and 10 Business Days for Original OTC Transactions in EUR referencing EUR-EONIA-COMPOUND, ~~USD~~, GBP, CHF and JPY, and (ii) no more than 50 years and 10 Business Days for Original OTC Transactions in EUR referencing EUR-EuroSTR-COMPOUND and USD,

(~~ic~~) in case of FRA, no more than 36 months and 10 Business Days for Original OTC Transactions in EUR, USD, GBP, CHF, SEK and JPY and no more than 24 months and 10 Business Days for Original OTC Transactions in DKK, NOK and PLN, and

(~~id~~) in case of ZCIS, no more than 30 years and 10 Business Days for transactions in EUR (indexes HICPxT and FRCPI) and no more than 50 years and 10 Business Days for transactions in GBP (index UK-RPI).

[...]

(8) Floating rate indices

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

- (a) EUR-EURIBOR-Reuters;
- (b) GBP-LIBOR-BBA;
- (c) USD-LIBOR-BBA;
- (d) CHF-LIBOR-BBA;
- (e) JPY-LIBOR- BBA;

- (f) USD-Federal Funds-H.15-OIS_i;
- (g) JPY-TONA-OIS-COMPOUND_i;
- (h) GBP-SONIA-COMPOUND_i;
- (i) EUR-EONIA-OIS-Compound_i;
- (j) NOK-6m NIBOR_i;
- (k) SEK-3m STIBOR_i;
- (l) DKK-6m CIBOR_i;
- (m) PLN-6m WIBOR_i;
- (n) CHF-SARON-OIS-COMPOUND_i;
- (o) EUR-EuroSTR-COMPOUND_i;
- (p) USD-SOFR-COMPOUND_i;

where:

[...]

for Paragraphs (f), ~~and (g)~~ and (p), payment is on the first or second Business Day following the period end date;—

~~(q)~~ Non revised Eurozone Harmonised Indices of Consumer Prices excluding Tobacco (“**HICPxT**”) (ZCIS in trade currency EUR);

~~(r)~~ Non revised French Inflation Consumer Price Index excluding Tobacco (“**FRCPIx**”) (ZCIS in trade currency EUR);

~~(s)~~ Non revised UK Retail Price Index (“**UK RPI**”) (ZCIS in trade currency GBP).

[...]

[...]

2.1.6 Daily Evaluation Price and Discounting of Future Cashflows

(1) _____ Eurex Clearing AG determines the daily evaluation price on the basis of (i) the fixings published on the Reuters Screen page as defined for the relevant floating rate in Number 2.2.5 Paragraph (1) below and (ii) the raw market quotes underlying the discount and forecast curve provided by a recognised third party provider, in each case as of the day of the determination of the daily evaluation price (each such day a “Reset Date” for the purposes of Number 2.2.5 Paragraph (1)). Where no information on the relevant rates is available on the

relevant screen page, Eurex Clearing AG will determine the daily evaluation price in accordance with Number 1.8 and 2.2.5 Paragraph (5). The relevant discount and forecast curves are laid out in the EurexOTC Clear Risk Methodology Description Interest Rate Swaps of Eurex Clearing AG.

- (2) If an IRS PAI Switch and/or an IRS PAA Switch occurs that necessitates a switch of the relevant discount curves used for the determination of the daily evaluation prices in accordance with Paragraph (1) (such switch an “**OTC IRD Discounting Switch**”), any change of the daily evaluation price induced by the OTC IRD Discounting Switch shall give rise to an offsetting cash compensation claim from Eurex Clearing against the respective Clearing Member or Basic Clearing Member (or vice versa, as applicable) that is equal but opposite to the Variation Margin requirement, Basic Clearing Member Variation Margin requirement or the IRS STM Amount requirement (as applicable) following from the change in the daily evaluation price induced by the OTC IRD Discounting Switch. Such offsetting cash compensation claim shall be due and payable upon determination thereof by Eurex Clearing AG, but no earlier than on the effective date of the OTC IRD Discounting Switch.

2.1.7 Margin Requirements

[...]

- (4) In addition to Variation Margin and Basic Clearing Member Variation Margin, as applicable, and as part of the primary payment obligations of CTM Interest Rate Derivative Transactions, interest (the so-called price alignment interest (“**PAI**”)) shall be payable on the cumulative Variation Margin or Basic Clearing Member Variation Margin, respectively, at the applicable overnight interest rate.

- (a) PAI corresponds to the overnight interest paid or received on the cumulative Variation Margin or Basic Clearing Member Variation Margin over the lifetime of the respective IRS portfolio. The cumulative Variation Margin or Basic Clearing Member Variation Margin, respectively, of the previous Business Day corresponds to the value of the respective IRS portfolio on the previous Business Day.

[...]

For T+2 currencies (JPY, DKK, SEK, and NOK) VM is settled on T+2 (in contrast to EUR, USD, GBP, CHF and PLN where VM is settled on T+1). Thus, PAI for T+2 currencies is defined as:

$$PAI(T) = -MtM_{exCF}(T-2) * ONR(T, T+1) * YF(T, T+1),$$

with

$$MtM_{exCF}(T-2) = MtM(T-2) - DCF(T-2, T-1) - DCF(T-2, T).$$

- (b) The relevant indices to determine the PAI are:

(~~ai~~) In case the currency is EUR then EONIA (until and including 24.07.2020) or €STR (from 25.07.2020 onwards);

(~~iib~~) In case the currency is USD then FED FUNDS;

(~~iiie~~) In case the currency is GBP then SONIA;

(~~ivd~~) In case the currency is CHF then SARON;

(~~ve~~) In case the currency is JPY then TONAR;

(~~vif~~) In case the currency is DKK then T/N (published by Danish National Bank);

(~~vii~~) In case the currency is SEK then STIBOR T/N;

(~~viii~~) In case the currency is NOK then NOWA (Norwegian Overnight Weighted Average);

(~~ixi~~) In case the currency is PLN then POLONIA (Polish Overnight Index Average).

Eurex Clearing AG may switch the index to determine the IRS PAI by amending this Paragraph (4) (b) or, in case a Permanent Index Cessation Event occurs with respect to an index, by announcing a successor index in accordance with Chapter I Part 1 Number 16.1 (each an "IRS PAI Switch"). Eurex Clearing AG may postpone the effective date of an IRS PAI Switch by amending this Paragraph (4) (b) (bb) or, if a Termination Event with respect to a Clearing Member, a Termination Event (as defined in the FCM Regulations) with respect to an FCM Clearing Member, an Insolvency Termination Event with respect to a Clearing Member, an Insolvency Termination Event (as defined in the FCM Regulations) with respect to an FCM Clearing Member, a Basic Clearing Member Termination Event or a Basic Clearing Member Insolvency Termination Event occurs and Eurex Clearing deems that such event may have an adverse impact on the proper course of an IRS PAI Switch, by publishing an announcement in accordance with Chapter I Part 1 Number 16.1 of the Clearing Conditions.

[...]

[...]

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

[...]

2.2.1 Payment Obligations

[...]

(5) The following additional primary payment obligations apply under STM Interest Rate Derivative Transactions:

[...]

- (b) A price alignment amount (“**IRS Price Alignment Amount**” or “**IRS PAA**”) shall be payable by the Clearing Member or Eurex Clearing AG, as the case may be, together with the IRS STM Amount.

(aa) The IRS PAA corresponds to the overnight interest paid or received on the cumulative IRS STM Amounts over the lifetime of the STM Interest Rate Derivative Transaction. The cumulative IRS STM Amounts of the previous Business Day correspond to the value of the STM Interest Rate Derivative Transaction on the previous Business Day.

[...]

For T+2 currencies (JPY, DKK, SEK, and NOK) the IRS STM Amount is settled on T+2 (in contrast to EUR, USD, GBP, CHF and PLN where the IRS STM Amount is settled on T+1). Thus, IRS PAA for T+2 currencies is defined as:

$$IRS\ PAA\ (T) = - MtM_{exCF}(T-2) * ONR(T,T+1) * YF(T,T+1),$$

with

$$MtM_{exCF}(T-2) = MtM(T-2) - DCF(T-2,T-1) - DCF(T-2,T).$$

- (bb) Number 2.1.7 (4) (b) shall apply *mutatis mutandis* to the identification of the relevant indices to determine the IRS PAA, provided that each reference in Number 2.1.7 (4) to an IRS PAI Switch shall be read as a reference to an IRS PAA Switch (such switch an “**IRS PAA Switch**”).

— The relevant indices are

- ~~(a) In case the currency is EUR, then EONIA;~~
- ~~(b) In case the currency is USD, then FED FUNDS;~~
- ~~(c) In case the currency is GBP, then SONIA;~~
- ~~(d) In case the currency is CHF, then SARON;~~
- ~~(e) In case the currency is JPY, then TONAR;~~
- ~~(f) In case the currency is DKK, then T/N (published by Danish National Bank);~~
- ~~(g) In case the currency is SEK, then STIBOR T/N;~~
- ~~(h) In case the currency is NOK, then NOWA (Norwegian Overnight Weighted Average);~~

(i) ~~In case the currency is PLN, then POLONIA (Polish Overnight Index Average).~~

[...]

[...]

2.2.5 Rates for calculating the Floating Amount

(1) The applicable Relevant Rate (in case of ISDA Interest Rate Derivative Transactions) or Base Rate (in case of DRV Interest Rate Derivative Transactions) applied by Eurex Clearing AG in calculating Floating Amounts will be set out in the OTC Trade Novation Report on the basis of the floating rate index specified in the Trade Record transmitted to Eurex Clearing AG via the ATS whereby:

[...]

(j) **“CHF-SARON-OIS-COMPOUND”, “USD-Federal Funds-H.15-OIS-COMPOUND”, “GBP-SONIA-COMPOUND”, “EUR-EONIA-OIS-Compound”, “EUR-EuroSTR-COMPOUND”, “JPY-TONA-OIS-COMPOUND”, “USD-SOFR-COMPOUND”** will be calculated as set out in Number 2.2.7 below.

[...]

[...]

2.2.7 OIS Rate Calculation

[...]

“**FEDFUND_i**”; for any day “***t***” in the relevant Calculation Period, is a reference rate equal to the rate set forth in H.15(519) in respect of that day under the caption “**EFFE_{CT}**”, as such rate is displayed on the Reuters Screen FEDFUNDS1 Page. If such rate does not appear on the Reuters Screen FEDFUNDS1 Page, in respect of any day “***t***”, the rate for that day will be the rate displayed on the Reuters Screen FEDFUNDS1 Page in respect of the first preceding New York Banking Day;

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

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

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

The USD-SOFR-COMPOUND will be calculated as follows, and the resulting percentage will be rounded, if necessary, in accordance with the method set forth in Section 8.1(a) of the 2006 ISDA Definitions:

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

where:

“d₀” for any Calculation Period, is the number of U.S. Government Securities Business Days (as defined in the 2006 ISDA Definitions) in the relevant Calculation Period;

“i” is a series of whole numbers from one to d₀, each representing the relevant U.S. Government Securities Business Days (as defined in the 2006 ISDA Definitions) in chronological order from, and including, the first U.S. Government Securities Business Day (as defined in the 2006 ISDA Definitions) in the relevant Calculation Period;

“SOFR_i”; for any day “i” in the relevant Calculation Period, is a reference rate equal to SOFR in respect of that day as published on or about 8:00 a.m., New York City time, on the U.S. Government Securities Business Day (as defined in the 2006 ISDA Definitions) immediately following that day “i”. In deviation of Chapter VIII Part 1 Number 1.8.3 Clearing Conditions, if, by 5:00 p.m., New York City time, on the U.S. Government Securities Business Day (as defined in the 2006 ISDA Definitions) immediately following any day “i”, SOFR in respect of such day “i” has not been published and a Permanent Index Cessation Event has not occurred, then SOFR_i for that day “i” will be SOFR as published in respect of the first preceding U.S. Government Securities Business Day (as defined in the 2006 ISDA Definitions) for which SOFR was published on the New York Fed’s Website;

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

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

“JPY-TONA-OIS-COMPOUND” means that the rate for a Reset Date, calculated in accordance with the formula set forth below, will be the rate of return of a daily compound interest investment, (it being understood that the reference rate for the calculation of interest is the arithmetic mean of the daily rates of the day-to-day interbank JPY market in Tokyo).

[...]

[...]

Chapter II: Special Provisions for Clearing of Interest Rate Derivative Transactions

FCM Regulations of Eurex Clearing AG

As of 24.07.2020

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED,

DELETIONS ARE CROSSED OUT.

[...]

Part 1 General Provisions

[...]

1.7 Certain Definitions

In this Chapter II:

[...]

(11) “SOFR” is the daily secured overnight financing rate provided by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the New York Fed’s Website. The “New York Fed’s Website” means, in this context, the website of the Federal Reserve Bank of New York at <http://www.newyorkfed.org>, or any successor source (as defined in Section 7.2 (b) of the 2006 ISDA Definitions).

[...]

Part 2 Clearing of Interest Rate Derivative Transactions

2.1 General Provisions

[...]

2.1.5 Novation Criteria and Process Regarding Interest Rate Derivative Transactions

[...]

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2.1.5.1 Specific Novation Criteria

The following specific novation criteria must be fulfilled for Interest Rate Derivative Transactions (based on the Trade Record transmitted to Eurex Clearing AG via the ATS):

[...]

(4) Maximum remaining term

[...]

- (b) in case of OIS, (i) no more than 30 years and 10 Business Days for Original Swap Transactions in EUR referencing EUR-EONIA-COMPOUND, ~~USD, GBP, CHF and JPY~~, and (ii) no more than 50 years and 10 Business Days for Original Swap Transactions in EUR referencing EUR-EuroSTR-COUMPOUND and USD,

[...]

[...]

(8) Floating rate indices

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

[...]

- (o) EUR-EuroSTR-COMPOUND_i

- ~~(p)~~ USD-SOFR-COMPOUND;

where:

[...]

for Paragraphs (f)_i ~~and (g)~~ and (p), payment is on the first or second Business Day following the period end date;

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

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

- ~~(e_s)~~ Non-revised UK Retail Price Index (“**UK RPI**”) (ZCIS in trade currency GBP).

[...]

[...]

2.1.6 Daily Evaluation Price and Discounting of Future Cashflows

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(1) Eurex Clearing AG determines the daily evaluation price on the basis of (i) the fixings published on the Reuters Screen page as defined for the relevant floating rate in Number 2.2.5 Paragraph (1) below and (ii) the raw market quotes underlying the discount and forecast curve provided by a recognized third party provider, in each case as of the day of the determination of the daily evaluation price (each such day a "Reset Date" for the purposes of Number 2.2.5 Paragraph (1)). Where no information on the relevant rates is available on the relevant screen page, Eurex Clearing AG will determine the daily evaluation price in accordance with Number 1.8 and 2.2.5 Paragraph (5). The relevant discount and forecast curves are laid out in the EurexOTC Clear Risk Methodology Description Interest Rate Swaps of Eurex Clearing AG.

(2) If a PAA Switch occurs that necessitates a switch of the relevant discount curves used for the determination of the daily evaluation prices in accordance with Paragraph (1) (such switch an "OTC IRD Discounting Switch"), any change of the daily evaluation price induced by the OTC IRD Discounting Switch shall give rise to an offsetting cash compensation claim from Eurex Clearing against the respective FCM Clearing Member (or vice versa, as applicable) that is equal but opposite to the Variation Settlement Amount requirement following from the change in the daily evaluation price induced by the OTC IRD Discounting Switch. Such offsetting cash compensation claim shall be due and payable upon determination thereof by Eurex Clearing AG, but no earlier than on the effective date of the OTC IRD Discounting Switch.

2.2 General product-related terms for Interest Rate Derivative Transactions

[...]

2.2.1 Payment Obligations

[...]

(5) The following additional primary payment obligations apply:

[...]

(b) A ~~Price-price Alignment-alignment Amount-amount~~ ("Price Alignment Amount" or "PAA") shall be payable by the FCM Clearing Member or Eurex Clearing AG, as the case may be, together with the Variation Settlement Amount.

(aa) The Price Alignment Amount "~~Price Alignment Amount~~" or "PAA" means the overnight interest paid or received on the cumulative Variation Settlement Amounts over the lifetime of the Interest Rate Derivatives Transaction. The cumulative Variation Settlement Amounts of the previous Business Day correspond to the value of the Interest Rate Derivatives Transaction on the previous Business Day.

[...]

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(bb) The relevant indices to determine the PAA are

(aa) In case the currency is EUR, then EONIA (until and including 24.07.2020) or €STR (from 25.07.2020 onwards);

(bb) In case the currency is USD, then FED FUNDS;

(cc) In case the currency is GBP, then SONIA;

(dd) In case the currency is CHF, then SARON;

(ee) In case the currency is JPY, then TONAR;

(ff) In case the currency is DKK, then T/N (published by Danish National Bank);

(gg) In case the currency is SEK, then STIBOR T/N;

(hh) In case the currency is NOK, then NOWA (Norwegian Overnight Weighted Average);

(ix) In case the currency is PLN, then POLONIA (Polish Overnight Index Average).

Eurex Clearing AG may switch the index to determine the PAA by amending this Paragraph (4) (b) or, in case a Permanent Index Cessation Event occurs with respect to an index, by announcing a successor index in accordance with Chapter I Part 1 Number 16.1 (each a "PAA Switch"). Eurex Clearing AG may postpone the effective date of a PAA Switch by amending this Paragraph (4) (b) (bb) or, if a Termination Event with respect to an FCM Clearing Member, a Termination Event (as defined in the Clearing Conditions) with respect to a Clearing Member, an Insolvency Termination Event with respect to an FCM Clearing Member, an Insolvency Termination Event (as defined in the Clearing Conditions) with respect to a Clearing Member, a Basic Clearing Member Termination Event (as defined in the Clearing Conditions) or a Basic Clearing Member Insolvency Termination Event (as defined in the Clearing Conditions) occurs and Eurex Clearing deems that such event may have an adverse impact on the proper course of a PAA Switch, by publishing an announcement in accordance with Chapter Number 15.1 of the FCM Regulations.

[...]

[...]

2.2.5 Rates for calculating the Floating Amount

- (1) The applicable Relevant Rate (in case of ISDA Interest Rate Derivative Transactions) or Base Rate (in case of DRV Interest Rate Derivative Transactions) applied by Eurex Clearing AG in calculating Floating Amounts will be set out in the

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Swap Trade Novation Report on the basis of the floating rate index specified in the Trade Record transmitted to Eurex Clearing AG via the ATS whereby:

[...]

- (j) “**CHF-SARON-OIS-COMPOUND**”, “**USD-Federal Funds-H.15-OIS-COMPOUND**”, “**GBP-SONIA-COMPOUND**”, “**EUR-EONIA-OIS-Compound**”, “**EUR-EuroSTR-COMPOUND**”, “**JPY-TONA-OIS-COMPOUND**”, “**USD-SOFR-COMPOUND**” will be calculated as set out in Number 2.2.7 below.

[...]

[...]

2.2.7 OIS Rate Calculation

[...]

“**FEDFUND_i**”; for any day “**i**” in the relevant Calculation Period, is a reference rate equal to the rate set forth in H.15(519) in respect of that day under the caption “**EFFECT**”, as such rate is displayed on the Reuters Screen FEDFUNDS1 Page. If such rate does not appear on the Reuters Screen FEDFUNDS1 Page, in respect of any day “**i**”, the rate for that day will be the rate displayed on the Reuters Screen FEDFUNDS1 Page in respect of the first preceding New York Banking Day;

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

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

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

The USD-SOFR-COMPOUND will be calculated as follows, and the resulting percentage will be rounded, if necessary, in accordance with the method set forth in Section 8.1(a) of the 2006 ISDA Definitions:

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

where:

“**d₀**” for any Calculation Period, is the number of U.S. Government Securities Business Days (as defined in the 2006 ISDA Definitions) in the relevant Calculation Period;

“**i**” is a series of whole numbers from one to d₀, each representing the relevant U.S. Government Securities Business Days (as defined in the 2006 ISDA Definitions) in

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chronological order from, and including, the first U.S. Government Securities Business Day (as defined in the 2006 ISDA Definitions) in the relevant Calculation Period;

“SOFR_i”; for any day “*t*” in the relevant Calculation Period, is a reference rate equal to SOFR in respect of that day as published on or about 8:00 a.m., New York City time, on the U.S. Government Securities Business Day (as defined in the 2006 ISDA Definitions) immediately following that day “*t*”. In deviation of Chapter VIII Part 1 Number 1.8.3 Clearing Conditions, if, by 5:00 p.m., New York City time, on the U.S. Government Securities Business Day (as defined in the 2006 ISDA Definitions) immediately following any day “*t*”, SOFR in respect of such day “*t*” has not been published and a Permanent Index Cessation Event has not occurred, then SOFR_i for that day “*t*” will be SOFR as published in respect of the first preceding U.S. Government Securities Business Day (as defined in the 2006 ISDA Definitions) for which SOFR was published on the New York Fed’s Website;

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

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

[...]

[...]

Chapter VIII of the Clearing Conditions of Eurex Clearing AG

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

As of 24.07.2020

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

[...]

Part 1 General Provisions

[...]

[...]

1.2 Conclusion of Transactions

[...]

[...]

1.2.3 Novation Criteria

[...]

[...]

10. [...]

(b) [...]

(y) provided that, for the purposes of this lit. (b) only, references in the defined terms used in Part 3 Number 3.3 to “Market Movement NPV Change Amount” shall be read as references to “Stressed NPV Change Amounts” and, for the purpose of determining the TAG CM USD Pay-Out Verification Total Settlement Amount CUM, the Stressed NPV Change Amount shall be taken into account instead of the Market Movement NPV Change Amount.

[...]

“**Stressed STM Amount**” means an amount in USD determined by Eurex Clearing AG at its reasonable discretion (*billiges Ermessen*) in accordance with the general margin framework of Eurex Clearing AG and equal to the

market risk component of the Initial Margin (as defined in Chapter I Part 1 Number 3.1.8) with respect to each Transaction Accounts Group or ISA Transaction Accounts Group of a Clearing Member to which STM Currency Transactions of such Clearing Member relate, reflecting the theoretical Currency STM Amounts magnitude in such STM Currency Transactions in case of a large market move within a one-business-day time window.

~~and~~

11. If it is specified in a form satisfactory to Eurex Clearing AG in the Trade Record of an Original OTC Transaction that the Original OTC Transaction shall be understood as a transaction to allocate a prior bunched order CCP Transaction and this Original OTC Transaction is not submitted to Eurex Clearing AG by the ATS that has also submitted the Original OTC Transaction that formed the basis for the bunched order CCP Transaction, the corresponding bunched order CCP Transaction must already exist and the notional value of the bunched order CCP Transaction must be greater or equal to the notional value of such allocating Original OTC Transaction;

and

12. All applicable additional novation criteria set forth in Part 2, Part 3 and Part 4 (as applicable) (and, if one of the transactions that shall result from the novation of the Original OTC Transaction is a Swap Transaction, the applicable novation criteria pursuant to the FCM Regulations) are fulfilled.

[...]

[...]

Appendix 7 to the Clearing Conditions of Eurex Clearing AG:

Pledge Agreement

relating to pledges of Eligible Margin Assets in the form of Securities

As of 07.07.2020

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

[...]

Schedule 1 – Attachment 1
Form of Notice of Pledge with respect to Securities in Luxembourg Securities
Accounts ¹

[...]

Dear Sir or Madam,

We would like to notify you hereby that _____ (the “**Pledgor**”) has pledged in favour of Eurex Clearing AG (the “**Pledgee**”) all assets standing from time to time to the credit of the account(s) numbered:

Account number(s)	Account name(s)
[...]	

[...]

The Pledgor and the Pledgee request CBL, and by signing the present notice, CBL accepts to waive its retention right and pledge pursuant to Articles 43 and 44 Section I of General Terms and Conditions (or any successor provision) with respect to the Collateral standing to the credit of the Pledged Securities Account(s).

[...]

¹ Only applicable in case of a Non-CmaX Pledged Account(s).

**Schedule 2
Form of Notice of Pledge to
Clearstream Banking AG (Bilateral/Triparty Version)**

[...]

_____ (date)

Notice of pledge of securities in securities account(s)

Dear Sir or Madam,

We hereby notify you that _____ (the “**Pledgor**”) has pledged in favour of Eurex Clearing AG (the “**Pledgee**”), in accordance with a pledge agreement dated _____ between the Pledgor and the Pledgee (the “**Pledge Agreement**”) any securities that are at present or are in the future deposited in any of the following German securities account(s)² held with you in the name of the Pledgor [or held with you in the name of _____ (“**Third-Party CM Account Holder**”)]³:

Account holder name	Account/Sub-Account number
[...]	

[...]

The Pledgor further asks CBF, ~~to the extent not previously waived, CBF waives to waive~~ any prior ranking pledge ~~we CBF may have granted subject to No. XXVII of according to the General Terms and Conditions of CBF (Allgemeine Geschäftsbedingungen der Clearstream Banking AG) CBF’s GTCs or~~ any other retention right with respect to the above-mentioned securities account(s).

[If any of the accounts or sub-accounts listed above is held by the Third-Party CM Account Holder, all notices and instructions set out herein are also given by the Third-Party CM Account Holder.]⁴

[...]

* * * * *

² Please do not include Xemac Pledged Securities Account, Xemac Omnibus Pledged Securities Account, Xemac CASS Omnibus Pledged Securities Account, Xemac ISA Pledged Securities Account, Xemac ISA CASS Pledged Securities Account and CBF GC Pooling Re-use Pledged Securities Account.

³ To be included if any of the accounts/sub-accounts is an account/sub-account held by the Third-Party CM Account Holder.

⁴ To be included if any of the accounts/sub-accounts is an account/sub-account held by the Third-Party CM Account Holder.

CBF hereby confirms receipt, acknowledges the terms of the letter set out above and agrees to waive any prior ranking pledge CBF may have ~~subject to No. XXVII of~~ according to the General Terms and Conditions of CBF (*Allgemeine Geschäftsbedingungen der Clearstream Banking AG*) CBF's GTCs or any other retention right with respect to the ~~above~~ above-mentioned securities account(s).

CBF

_____ (place) _____ (date)

_____ (signature)

_____ (signature)

_____ (printed name)

_____ (printed name)

_____ (title)

_____ (title)

Date: _____.

Achting for CBF:

_____ signature

_____ signature

_____ Name and capacity

_____ Name and capacity

[...]

Appendix 11 to the Clearing Conditions for Eurex Clearing AG:

Pledge Agreement

relating to pledges of Eligible Margin Assets in order to provide Basic Clearing Member Margin in the form of Securities

As of 07.07.2020

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

[...]

**Schedule 1 – Attachment 1
Form of Notice of Pledge with respect to Luxembourg
Basic Clearing Member Pledged Securities Accounts**

[...]

_____ (Date)

Dear Sirs,

We would like to hereby notify you that the Pledgor has pledged in favour of the Pledgee the assets standing to the credit of the account(s) numbered:

Account number(s)	Account name(s)
[...]	

[...]

The Pledgor and the Pledgee request CBL, and by signing the present notice, CBL accepts, to waive CBL's retention right and pledge pursuant to Articles 43 and 44 Section I of the General Terms and Conditions (or any successor provision) with respect exclusively to the Relevant Pledged Assets standing to the credit of the Luxembourg Basic Clearing Member Pledged Securities Account(s). This waiver shall serve to supplement and amend the General Terms and Conditions with respect to the subject matter contained herein. This waiver shall have no other effect whatsoever on any other account(s) of the Pledgor with CBL, nor on any positions other than the assets standing from time to time to the credit of the Luxembourg Basic Clearing Member Pledged Securities Account(s).

[...]

**Schedule 2 – Attachment 1
Form of Notice of Pledge with Respect to Luxembourg
Basic Clearing Member Pledged Securities Accounts**

[...]

_____ (Date)

Dear Sirs,

We would like to hereby notify you that the Pledgor has pledged in favour of the Pledgee the assets standing to the credit of the account(s) numbered:

Account number(s)	Account name(s)
[...]	

[...]

The Account Holder, the Pledgor and the Pledgee request CBL, and by signing the present notice, CBL accepts, to waive CBL's retention right and pledge pursuant to Articles 43 and 44 Section I of the General Terms and Conditions (or any successor provision) with respect exclusively to the Relevant Pledged Assets standing to the credit of the Luxembourg Basic Clearing Member Pledged Securities Account(s). This waiver shall serve to supplement and amend the General Terms and Conditions with respect to the subject matter contained herein.

[...]

**Schedule 2 – Attachment 2
Form of Notice of Waiver of First Ranking Pledge Over CmaX Basic Clearing
Member Pledged Securities Accounts and GC Pooling Re-use Basic Clearing
Member Pledged Securities Accounts When the Third Party Pledge Holder is
not the Collateral Giver**

[...]

_____ (Date)

Dear Sirs,

Please be informed that the Pledgor has pledged in favour of the Pledgee the assets standing to the credit of the account(s) numbered:

Account number(s)	Account name(s)
[...]	

[...]

In the above context we hereby request CBL, and by signing the present notice CBL accepts, to waive CBL's retention right and pledge pursuant to Articles 43 and 44 Section I of CBL's General Terms and Conditions (or any successor provision) with respect exclusively to the pledged assets standing to the credit of the Collateral Account(s). This waiver shall serve to supplement and amend CBL's General Terms and Conditions with respect to the subject matter contained herein.

[...]

**Schedule 3 –
Form of Notice of Pledge
to Clearstream Banking AG**

[...]

_____ (Date)

Notice of pledge of securities in securities account(s) or sub-account(s)

Dear Sirs,

We hereby notify you that [*Basic Clearing Member*] (the "**Pledgor**") has pledged in favour of Eurex Clearing AG (the "**Pledgee**"), in accordance with a pledge agreement dated _____ between the Pledgor and the Pledgee (the "**Pledge Agreement**") any securities that are currently or are in the future standing to the credit of the following securities account(s) or sub-accounts held with you in the name of the Pledgor:

Account/Sub-Account holder name	Account/Sub-Account number
[...]	

Therefore, the Pledgor hereby instructs CBF to (a) establish a bailment (*Begründung eines Besitzmittlungsverhältnisses*) with Eurex Clearing AG in respect of all securities that are or will at any time be credited to any such account, (b) change its bailment intention (*Besitzmittlungswillen*) accordingly and (c) appropriately record such change of its bailment intention.

The Pledgor further asks CBF, ~~to the extent not previously waived, to waive~~ any prior ranked pledge ~~it CBF may have according to subject to No. XXVII of the General Terms and Conditions of CBF (Allgemeine Geschäftsbedingungen der Clearstream Banking AG) CBF's GTCs or any other retention right with respect to the above-mentioned securities account(s).~~

[...]

* * * * *

~~We CBF hereby confirm~~ receipt, ~~acknowledges~~ the terms of the letter set out above and ~~agrees~~ to waive any prior ranked pledge ~~we CBF may have according to subject to No. XXVII of the General Terms and Conditions of CBF (Allgemeine Geschäftsbedingungen der Clearstream Banking AG) CBF's GTCs or any other retention right with respect to the above-mentioned securities account(s).~~

Clearstream Banking AG

_____ (place) _____ (date)

_____ (signature) _____ (signature)

_____ (printed name) _____ (printed name)

_____ (title) _____ (title)

Date of Receipt

Clearstream Banking AG

Clearstream Banking-AG

Name

Name

Function

Function

Appendix 14 to the Clearing Conditions of Eurex Clearing AG:

Full Title Transfer Agreement

relating to the transfer of ownership of Securities to Eurex Clearing AG
by using securities accounts of a third party

As of 07.07.2020

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

[...]

Schedule 1
Form of Notice of full title transfer to Clearstream Banking AG

[...]

Notice of full title transfer of securities in securities account(s)

[...]

Account holder name	Xemac Claim-ID
[...]	

[...]

In addition, the Transferor and the Transferee ask CBF, to the extent not previously waived, to waive any pledge ~~the Transferor and/or the Transferee~~ CBF may have granted according to subject to ~~No. XXVII of the General Terms and Conditions of CBF (Allgemeine Geschäftsbedingungen der Clearstream Banking AG) CBF's GTCs~~ or any other retention right with respect to the above-mentioned securities account(s).

Please confirm receipt and acknowledgement of this letter by countersigning and sending a copy of this letter to us and Eurex Clearing AG, Client Services, Trading & Clearing and Cash Market (DSG), (Mergenthalerallee 61, 65760 Eschborn, Federal Republic of Germany).

[...]

* * * * *

 _____ (Date)

Re: Notice of full title transfer of securities in securities account(s)

Dear Sir or Madam,

We hereby confirm receipt, acknowledge the terms of the letter set out above and agree to waive any pledge we may have ~~according to subject to No. XXVII of the General Terms and Conditions of CBF (Allgemeine Geschäftsbedingungen der Clearstream Banking AG) CBF's GTCs~~ or any other retention right with respect to the Accounts/Sub-Accounts/Xemac securities accounts set out in the letter above.

[...]

In respect of all securities in the form of book-entries (*Gutschriften in Wertpapierrechnung*) that are at present or are in the future deposited in any of the Accounts/Sub-Accounts/Xemac securities accounts set out in the letter above and in deviation of No. XIV of General Terms and Conditions of CBF (Allgemeine Geschäftsbedingungen der Clearstream Banking AG) (or any successor provision) CBF's GTCs, we will hold the securities on trust solely for Eurex Clearing AG.

Date of Receipt:

Kind regards,

Clearstream Banking AG

Name

Name

Function

Function

Clearstream Banking AG

(place)

(date)

(signature)

(signature)

(printed name)

(printed name)

(title)

(title)

Appendix 2 to the FCM Regulations of Eurex Clearing AG:

Pledge Agreement

relating to pledges of Eligible Margin Assets in the form of Securities

As of 07.07.2020

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED,

DELETIONS ARE CROSSED OUT.

[...]

Schedule 1 Form of Notice of Pledge to Clearstream Banking AG

[...]

Notice of pledge of securities in securities account(s)

Dear Sirs,

We hereby notify you that _____ (the “**Pledgor**”) has pledged in favour of Eurex Clearing AG (the “**Pledgee**”), in accordance with a pledge agreement dated _____ between the Pledgor and the Pledgee (the “**Pledge Agreement**”) any securities that are at present or are in the future deposited in any of the following German securities account(s) held with you in the name of the Pledgor:

Account holder name	Account/Sub-Account number
[...]	

Therefore, the Pledgor hereby instructs CBF to (a) establish a bailment (*Begründung eines Besitzmittlungsverhältnisses*) with Eurex Clearing AG in respect of all securities that are or will at any time be credited to any such account(s), (b) change its bailment intention (*Besitzmittlungswillen*) accordingly and (c) appropriately record such change of its bailment intention.

The Pledgor further asks CBF, ~~To~~ to the extent not previously waived, ~~CBF waives to waive~~ any prior ranking pledge ~~we CBF~~ may have according to granted subject to No. XXVII of the General Terms and Conditions of CBF (*Allgemeine Geschäftsbedingungen der Clearstream Banking AG*) CBF's GTCs or any other retention right with respect to the above-mentioned securities account(s).

[...]

* * * * *

We ~~CBF~~ hereby confirms receipt, acknowledges the terms of the letter set out above and agrees to waive any prior ranking pledge ~~we CBF~~ may have according to subject to No. XXVII of the General Terms and Conditions of CBF (*Allgemeine Geschäftsbedingungen der Clearstream Banking AG*)

CBF's GTCs or any other retention right with respect to the ~~above~~ above-mentioned securities account(s).

[...]

Clearstream Banking AG

(place)

(date)

(signature)

(signature)

(printed name)

(printed name)

(title)

(title)

Date of Receipt

Clearstream Banking AG

Name

Name

Function

Function
