

Chapter V of the Clearing Conditions of Eurex Clearing AG

Transactions Concluded at the Frankfurter Wertpapierbörse

As of 20.11.2023

Clearing Conditions of Eurex Clearing AG

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Chapter V Preamble

Preamble

This Chapter V forms an integral part of the Clearing Conditions of Eurex Clearing AG and respective references in other rules or documents to the Clearing Conditions shall also apply to this Chapter V.

Chapter I together with this Chapter V and all references to other Chapters or Annexes of the Clearing Conditions shall apply for all Clearing Members with a respective Clearing License.

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Part 1 General Provisions

- (1) Eurex Clearing AG carries out the Clearing of Transactions in securities and rights concluded at the Frankfurter Wertpapierbörse (“**FWB**”) (“**FWB Transactions**”), provided that the securities or rights underlying the respective FWB Transaction can be settled by Eurex Clearing AG and the respective Settlement Location and that the prerequisites pursuant to Paragraph (2) are fulfilled.
- (2) Eurex Clearing AG determines, in agreement with FWB, which FWB Transactions respectively which securities and rights underlying these FWB Transactions shall be included in the Clearing. The FWB Transactions being included in the Clearing shall be published by Eurex Clearing AG to the Clearing Members via electronic publication in the internet exclusively, available on the Eurex Clearing Website.
- (3) If and to the extent that the Clearing or other respective rules have been agreed upon between Eurex Clearing AG and FWB, the provisions of Chapter I shall also apply to the Clearing of FWB Transactions concluded at FWB unless otherwise provided hereinafter.
- (4) Not more than three different Clearing Members may clear FWB Transactions concluded in the electronic trading system of FWB with respect to the same DC Market Participant or the same Indirect Client Market Participant. In this case, the provisions on the change of the Clearing Member (Chapter I Part 1 Number 8), on the default rules relating to DC Market Participants or Indirect Client Market Participants (Chapter I Part 1 Number 10) and other agreements between Clearing Members and DC Market Participants or Indirect Client Market Participants relating to the clearing of FWB Transactions (Chapter I Part 1 Number 12) shall apply only insofar as the respective legal relationship between the relevant Clearing Member and the DC Market Participant (or, in the case of an Indirect Client Market Participant, the Direct Client to which it relates) is affected.

Notwithstanding Chapter I Part 1 Number 15.1, Eurex Clearing AG may inform a Clearing Member if one of its DC Market Participants or Indirect Client Market Participants assigns the Clearing of FWB Transactions to a second or third Clearing Member. The name of such other Clearing Member will not be disclosed.

- (5) A DC Market Participant or Indirect Client Market Participant may on behalf of the Clearing Member enter into the trading system of FWB orders and quotes for all securities belonging to the securities classes agreed upon among the Clearing Member and the DC Market Participant or Indirect Client Market Participant as well as for all securities tradable in the continuous auction trading model.
- (6) The Clearing Conditions incorporate by reference the Exchange Rules for the Frankfurter Wertpapierbörse, the Conditions for Transactions at the Frankfurter Wertpapierbörse and other rules and regulations of the Frankfurter Wertpapierbörse with respect to the Clearing of Transactions concluded on the Frankfurter

Wertpapierbörse pursuant to Part 2, each in their German version and as amended from time to time.

1.1 Clearing Licenses

1.1.1 Granting of Clearing Licenses

A Clearing License is required in order to participate in the Clearing of FWB Transactions, and Eurex Clearing AG shall grant such Clearing License upon written application.

1.1.2 Prerequisites for Clearing Licenses

- (1) With regard to the prerequisites to be fulfilled within the granting of the Clearing License, Chapter I Part 1 Numbers 2.1.1 to 2.1.3 apply.
- (2) Upon written request and after submission of respective evidence by the applicant or a Clearing Member, Eurex Clearing AG may allow that the prerequisites for a Clearing License pursuant to Paragraph (2) (b) and additionally, as an option, the prerequisites pursuant to Paragraph (2) (a) are wholly complied with and evidence is provided for by one or more settlement institutions in the name and on behalf of the applicant or the Clearing Member. Chapter I Part 1 Number 2.1.2 Paragraph (7) and (8) apply *mutatis mutandis*.

1.2 Margin Requirement

The following applies in addition to the relevant basic provisions on margin requirements set out in Chapter I:

the Current Liquidating Margin and the Additional Margin shall be the applicable Margin Types.

1.3 Clearing of Off-Book Trades

As part of the Clearing of FWB Transactions, Eurex Clearing AG also provides, besides the Clearing of FWB Transactions, the Clearing of off-book-trades concluded pursuant to Part I.a. of the Conditions for Transactions on the Frankfurter Wertpapierbörse ("**Off-Book Trades**"). The provisions in Chapter I, and this Chapter V shall apply to Off-Book Trades *mutatis mutandis* unless not regulated otherwise in the Conditions for Transactions on the Frankfurter Wertpapierbörse.

1.4 Clearing Members acting as DC Market Participants

A Clearing Member may enter with one or two other Clearing Members into a bilateral legal relationship as a DC Market Participant in respect of FWB Transactions. If FWB Transactions of a Clearing Member, acting as a DC Market Participant, are cleared by another Clearing Member, the rules applicable or relating to DC Market Participants shall apply accordingly.

Part 2 Clearing of Transactions concluded at the Frankfurter Wertpapierbörse (FWB)

2.1 General Obligations

- (1) With regard to the settlement of FWB Transactions, Chapter I Part 1 Numbers 1.2.5 and 1.4 apply, unless otherwise stated hereinafter.
- (2) Eurex Clearing AG shall be the contractual counterparty to all sellers of securities and rights ("**FWB Sell Transaction**") and all buyers of securities and rights ("**FWB Buy Transaction**") for deliveries and payments under FWB Transactions.
- (3) Clearing Members must fulfil their delivery and payment obligations in accordance with the instructions of Eurex Clearing AG.
- (4) All physical deliveries under FWB Transactions, shall be made versus payment (*Zug-um-Zug*) within the settlement period determined by Eurex Clearing AG on the second Business Day after the trading day unless otherwise specified ("**Contractual Settlement Date**").
- (5) Deliveries of securities may also occur by means of partial deliveries which, accordingly, have a discharging effect. This shall apply for the settlement of securities transactions through the relevant Settlement Locations that facilitate partial deliveries of securities during the day to the extent Eurex Clearing AG supports such functionality for the respective Settlement Location.

2.2 Failure to Deliver

2.2.1 Failure to Deliver Securities

In case of a failure to deliver shares covered by Article 15 of Regulation (EU) No. 236/2012 ("**Shares**") or other securities ("**Other Securities**", and together with Shares "**Securities**") owed under a FWB Sell Transaction on the Contractual Settlement Date until the applicable settlement cut-off time of the relevant Settlement Location ("**Settlement Cut-Off Time**") ("**Failure to Deliver Securities**"), the following provisions apply.

For the avoidance of doubt, subscription rights are not considered as Securities and therefore, the provisions under to Number 2.2.2 apply.

- (1) Buy-in
 - (a) Failure to Deliver Shares

In case of a Failure to Deliver Securities by the Clearing Member obliged to deliver Shares under a FWB Sell Transaction ("**Late Seller of Shares**"), the following shall apply:

If the Late Seller of Shares did not deliver the Shares at the latest on the 4th Business Day following the Contractual Settlement Date until the respective Settlement Cut-Off Time, Eurex Clearing AG will initiate a buy-in within the meaning of Chapter I Part 1 Number 1.4.4.1 on the 4th Business Day following the Contractual Settlement Date.

(b) Failure to deliver Other Securities

In case of a Failure to Deliver Securities by the Clearing Member obliged to deliver Other Securities under a FWB Sell Transaction ("**Late Seller of Other Securities**", and together with the Late Seller of Shares, "**Late Seller**"), the following shall apply:

If the Late Seller of Other Securities did not deliver the Other Securities at the latest on the 5th Business Day following the Contractual Settlement Date until the Settlement Cut-Off Time, Eurex Clearing AG is entitled to initiate a buy-in within the meaning of Chapter I Part 1 Number 1.4.4.1 on the 5th Business Day following the Contractual Settlement Date. In case such buy-in attempt fails, Eurex Clearing AG is entitled to initiate a further buy-in on the 10th and 27th Business Day following the Contractual Settlement Date.

(c) General Provisions

(aa) Consequences of a Buy-in

- (i) Once Eurex Clearing AG has informed the Late Seller about the initiation of a buy-in, the Late Seller is no longer entitled to deliver the owed Securities to Eurex Clearing AG until a written notification of Eurex Clearing AG is received informing the Late Seller that the buy-in attempt was not successful.

If a buy-in is not successful, the Late Seller must be given time for delivery until the next buy-in attempt or the cash settlement according to Paragraph (3).

- (ii) If a buy-in is successful, the Late Seller's obligation to deliver and Eurex Clearing AG's obligation to pay the amount resulting from the relevant FWB Sell Transaction expires with immediate effect as of the successful buy-in of the relevant Securities.
- (iii) If only a partial delivery of Securities occurs, the provisions under this Number 2.2 shall apply accordingly with regard to the outstanding partial deliveries.

(bb) Deviating Provisions

- (i) Eurex Clearing AG will not initiate a buy-in, if the Late Seller holds an identical claim against Eurex Clearing AG, which may be set off against the claim Eurex Clearing AG holds against the Late Seller.

- (ii) Eurex Clearing AG may deviate from the deadlines set out in this Number 2.2.1 (1) in accordance with Number 2.2.4.

(2) Costs of the Buy-in; Buy-in Fees

(a) Costs of the Buy-in

As far as the price paid by Eurex Clearing AG for the Securities in the buy-in exceeds the price under the FWB Sell Transaction, Eurex Clearing AG shall be entitled to claim the difference between the price under the FWB Sell Transaction and the price paid by Eurex Clearing AG for the Securities in the buy-in multiplied by the number of Securities purchased in the buy-in.

(b) Buy-in Fees

Eurex Clearing AG charges the Late Seller with a fee for each buy-in carried out in relation to a class of Securities in an amount of

- (i) 0.1 per cent of the value of the fixed income securities to be delivered under the relevant FWB Sell Transaction, or
- (ii) in the case of Securities other than fixed income securities, 10 per cent of the value of the Securities to be delivered under the relevant FWB Sell Transaction,

however at least EUR 250 and (subject to the below) at maximum EUR 5,000. If Eurex Clearing AG appoints a third party buy-in agent to acquire the Securities for Eurex Clearing AG the maximum amount set out in Chapter I Part 1 Number 1.4.4.1 shall apply.

When converting fees into the invoice currency, Eurex Clearing AG will use a commercially reasonable exchange rate applicable at the relevant point in time.

(3) Cash Settlement

(a) Determination of Cash Settlement

If the required Securities cannot be acquired wholly or partially by way of a buy-in according to Paragraph (1), Eurex Clearing AG is entitled to determine a cash settlement amount regarding the non-delivered Securities on a day after the Contractual Settlement Date ("**Determination Day**"). For the purpose of the cash settlement, Eurex Clearing AG shall allocate a FWB Buy Transaction of a Clearing Member to whom delivery has not been effected in due time ("**Buyer**") to the FWB Sell Transaction of the Late Seller ("**Allocated FWB Buy Transaction**").

The Determination Day shall be

- (i) in case of Shares, the 8th Business Day after the Contractual Settlement Date of the FWB Sell Transaction of the Late Seller of Shares and

(ii) in case of Other Securities, a Business Day between the 30th and the 36th Business Day after the Contractual Settlement Date of the FWB Sell Transaction of the Late Seller of Other Securities and the Allocated FWB Buy Transaction.

(b) Cash Settlement Amount

The cash settlement amount is determined as follows:

(aa) The highest price of

- (i) the last available settlement price of the respective class of securities on the Business Day preceding the Determination Day as determined by Eurex Clearing AG plus a premium of 10 per cent;
- (ii) the agreed price per security under the non-performed FWB Sell Transaction; and
- (iii) the agreed price per security under the respective Allocated FWB Buy Transaction.

Notwithstanding the aforementioned determination, for FWB Transactions in fixed income securities, the cash settlement amount is determined without taking into account accrued interest and by adding a premium of 300 basis points.

(bb) The highest price so determined is multiplied by the number of non-delivered Securities owed under the non-performed FWB Sell Transaction.

(c) General Provisions

aa) Consequences of Cash Settlement

Upon Determination Day, the Late Seller's delivery obligation under the relevant FWB Sell Transaction expires and is replaced by the obligation to pay to Eurex Clearing AG the determined cash settlement amount.

Eurex Clearing AG shall set off the cash settlement amount to be paid by the Late Seller with the amount to be paid for the non-delivered Securities under the relevant FWB Sell Transaction.

(bb) Deviating Provisions

- (i) Eurex Clearing AG may deviate from the deadlines set out in this Number 2.2.1 (3) in accordance with Number 2.2.4.
- (ii) If proceedings pursuant to Chapter 11 of the US-American Bankruptcy Code are initiated against the issuer of the Securities to be delivered, Eurex Clearing AG may already determine such cash settlement

amount on the 6th Business Day following the Contractual Settlement Date.

(d) Special Provisions for Other Securities

If a cash settlement pursuant to Number Paragraph (3) (a) to c) in respect of non-delivered Other Securities is not possible in whole or in part, Eurex Clearing AG will try to purchase the Other Securities ("**Additional Purchase Attempt**"). Such Additional Purchase Attempt shall take place on the 37th Business Day after the Contractual Settlement Date. Paragraph (1) and (2) shall apply accordingly.

If the Additional Purchase Attempt fails, in whole or in part, Eurex Clearing AG will attempt an additional cash settlement ("**Additional Cash Settlement Attempt**"). Paragraph (3) (a) to (c) shall apply accordingly with the limitation that the Determination Day shall be between the 40th and the 46th Business Day after the Contractual Settlement Date.

The Additional Purchase Attempt and the Additional Cash Settlement Attempt shall be repeated every 10 Business Days until all Other Securities owed under the relevant FWB Sell Transaction have been delivered or until the cash settlement has been effected.

(e) Cash Settlement Fee

Eurex Clearing AG will charge a fee from the Late Seller for every cash settlement in an amount of 0.0025 per cent of the value of the respective class of Securities to be delivered under the relevant FWB Sell Transaction, however at least EUR 250 and at maximum EUR 1,000. When converting fees into the invoice currency, Eurex Clearing AG will use a commercially reasonable exchange rate applicable at the relevant point in time.

(4) Disclosure of Delivery Claim

(a) Enforcement of Temporary Rights

If the Securities owed by the Late Seller provide for rights or claims or if the Securities owed by the Late Seller are connected with rights or claims and provided that such rights and claims can only be enforced within a specified period of time, Eurex Clearing AG is entitled to disclose its claim for delivery against the Late Seller with respect to such Securities to the Buyer.

The Late Seller and the Buyer to whom the delivery claim was disclosed by Eurex Clearing AG shall find a solution with respect to rights and claims arising from the Securities owed by the Late Seller bilaterally. Any claims of such Buyer against Eurex Clearing AG with respect to the rights and claims arising from the Securities shall be deemed as discharged.

The disclosure shall be processed in accordance with Number 2.2.2 (1) which shall apply accordingly.

(b) Exchange Offers (*Umtauschangebote*) and Election Rights

If

- (i) the Securities owed by the Late Seller can be exchanged against other Securities or cash in the context of a Corporate Action, or
- (ii) the Securities owed by the Late Seller are subject to an election right as part of a mandatory Corporate Action,

and provided that the Buyer has suffered a loss as a result thereof and has evidenced such loss vis-a-vis Eurex Clearing AG within the statutory limitation period, Eurex Clearing AG is entitled to disclose its claim for delivery against the Late Seller with respect to these Securities to the Buyer.

The disclosure may also be made if the delivery claim has already been discharged.

The Late Seller and the Buyer to whom the delivery claim was disclosed by Eurex Clearing AG shall find a solution with respect to the exchange offer or election right arising from the Securities owed by the Late Seller bilaterally. Any claims of such Buyer against Eurex Clearing AG with respect to the exchange offer or election right arising from the Securities shall be deemed as discharged.

The disclosure shall be processed in accordance with Number 2.2.2 (1) which shall apply accordingly.

(c) Cash Distributions on ETFs

If the Late Seller does not deliver Exchange Traded Funds ("**ETFs**") with respect to which cash distributions are payable pursuant to Number 2.3 as part of a Corporate Action and provided that the Buyer has suffered a loss as a result thereof and has evidenced such loss vis-a-vis Eurex Clearing AG within the statutory limitation period, Eurex Clearing AG is entitled to disclose its claim for delivery against the Late Seller with respect to these ETFs to the Buyer.

The disclosure may also be made if the delivery claim has already been discharged.

The Late Seller and the Buyer to whom the delivery claim was disclosed by Eurex Clearing AG shall find a solution with respect to the loss bilaterally. Any claims of such Buyer against Eurex Clearing AG with respect to the loss shall be deemed as discharged.

The disclosure shall be processed in accordance with Number 2.2.2 (1) which shall apply accordingly.

(5) Consequences of a Failure to Deliver Securities for the Buyer

In case of a Failure to Deliver Securities, the following shall apply:

- (i) The Buyer shall not request from Eurex Clearing AG the delivery of the Securities owed under the FWB Buy Transaction unless Eurex Clearing AG has successfully performed a buy-in;
- (ii) Eurex Clearing AG is after performance of a buy-in obliged to deliver the Securities resulting from the buy-in to the Buyer;
- (iii) After performance of a cash settlement, Eurex Clearing AG's delivery obligation of the Securities under the relevant FWB Buy Transaction expires and is replaced by the obligation to pay to the Buyer the determined cash settlement amount.
- (iv) Eurex Clearing AG shall set-off the cash settlement amount to be paid by it with the amount to be paid for the non-delivered Securities under the relevant Allocated FWB Buy Transaction.

(6) Contractual Penalty

(a) Penalties in respect of a Failure to Deliver Securities

In respect of a Failure to Deliver Securities the provisions on penalties set out in Chapter I Part 1 Number 1.4.4.2 apply.

(b) Additional penalties in respect of a Failure to Deliver Securities

A Late Seller is obliged to pay a contractual penalty to Eurex Clearing AG and Eurex Clearing AG is obliged to pay a contractual penalty to the relevant Buyer, if the Late Seller or Eurex Clearing AG does not deliver Securities on which dividend or bonus payments are paid during a Failure to Deliver Securities. This contractual penalty applies regardless of whether Eurex Clearing AG or the relevant Buyer suffer any losses.

This Paragraph (6) (b) shall not apply to the delivery of Securities pursuant to Paragraph (4) (b) or the delivery of ETF pursuant to Paragraph (4) (c).

Eurex Clearing AG may waive the enforcement of contractual penalties in the case of non-delivery of certain Securities. Eurex Clearing AG will inform the Clearing Members thereof by circular.

The enforcement of the contractual penalty against Eurex Clearing AG by the relevant Buyer must be in written form by using a template accessible on the Eurex Clearing Website, within 30 days following the Contractual Settlement Date.

The amount of the relevant contractual penalty is calculated using the following criteria:

(aa) For the amount of the contractual penalty owed by the Late Seller, the number of Securities due on the Contractual Settlement Date is multiplied by the amount equal to 35 per cent of the net dividend. For the amount of the contractual penalty owed by Eurex Clearing AG, the number of Securities due on the Contractual Settlement Date is multiplied by the amount equal to 15 per cent of the net dividend. The net dividend is calculated from the dividend due to the shareholder after deduction of payable taxes and duties.

(bb) The calculation of the relevant contractual penalty is made regardless of the delivery of the Securities by the Late Seller or a buy-in by Eurex Clearing AG.

(cc) The penalty is charged in the currency of the Securities.

The relevant contractual penalty may only be asserted if the calculation results in an amount in the relevant currency of at least EUR, CHF or GBP 5,000, USD 6,000, CAD 7,000, AUD 8,000, PLN 23,000, DKK 37,000, NOK 50,000, SEK 55,000 or JPY 700,000.

If the relevant Settlement Location rewinds the Corporate Action being the basis for the relevant dividend or bonus payments, due to whatever reason, Eurex Clearing AG will also rewind any contractual penalties processed in accordance with this Paragraph (b) as the legal basis for the contractual basis ceased to exist. Eurex Clearing AG will only process the rewinding of the contractual penalties until 280 calendar days after the actual payment date of the relevant Corporate Action. With respect to the part of the contractual penalty, which has been transferred by Eurex Clearing AG to the relevant Buyer, Eurex Clearing AG shall only be obliged to re-transfer such part of the contractual penalty, if Eurex Clearing AG was able to retrieve such amount from the relevant Buyer. If Eurex Clearing AG is not able to retrieve such amount from the relevant Buyer, Eurex Clearing AG shall assign to the Clearing Member, to which the contractual penalty shall be retransferred, with discharging effect any claims Eurex Clearing AG may have against the relevant Buyer, after having disclosed its claim for retransfer against the Buyer to the Late Seller.

(c) Consequence of Payment of the Penalty

As far as the Late Seller has paid to Eurex Clearing AG a contractual penalty, Eurex Clearing AG will not enforce any losses up to the amount of the penalty. As far as Eurex Clearing AG has paid to the relevant Buyer a contractual penalty, such Clearing Member will not enforce any losses up to the amount of the penalty. The enforcement of any other losses by Eurex Clearing AG as well as the relevant Buyer remains unaffected.

2.2.2 Non-Delivery of Rights

If the Clearing Member (such Clearing Member also being a Late Seller) does not deliver rights or rights resulting from Securities to be delivered, with the exception of partial rights pursuant to Number 2.2.3, on the Contractual Settlement Date until the respective Settlement Cut-Off Time ("**Failure to Deliver Rights**"), Eurex Clearing AG shall be entitled to take the following measures on the earlier of either (i) the expiry of the applicable Settlement Cut-Off Time on the Business Day before the end of the subscription period, in case there are at least three Business Days between the last trading date and last date of subscription period, (ii) in case the requirements of (i) are not met, the expiry of the applicable Settlement Cut-Off Time on the last day of the subscription period in case of subscription rights traded at FWB:

- (1) Eurex Clearing AG shall disclose its claim for transfer of the rights which have not been delivered in time by the Late Seller to the Buyer to the extent that the number of rights to be delivered by the Late Seller corresponds to the number of rights to be transferred by Eurex Clearing AG to the Buyer.
- (2) The disclosure pursuant to Paragraph (1) is made for the purpose to enable the Late Seller and the Buyer to enter into an assumption of debt (Section 414 of the German Civil Code).

A valid assumption of debt in favour of Eurex Clearing AG shall only occur when the following requirements are met:

- (i) the Late Seller and the Buyer agreed on a specific number of rights that shall be delivered to the Buyer by the Late Seller instead of Eurex Clearing AG and
- (ii) the Late Seller and the Buyer have entered into and signed an agreement on the assumption of debt in the form as provided by Eurex Clearing AG ("**Assumption of Debt Agreement**") and submitted a copy of such agreement to Eurex Clearing AG.

For the execution of such Assumption of Debt Agreement, Eurex Clearing AG authorises the Buyer to waive Eurex Clearing AG's claim for the delivery of the rights vis-à-vis the Late Seller with debt-discharging effect up to a number of rights equivalent to the ones as agreed between the Late Seller and the Buyer under Paragraph (i) as well as all present and future secondary claims in connection therewith.

- (3) Eurex Clearing AG will determine a period of no more than 10 Business Days during which the Assumption of Debt Agreement must be signed. The Late Seller and the Buyer shall submit the signed Assumption of Debt Agreement to Eurex Clearing AG at the latest until 10:00 CET on the Business Day following the last day of such period.
- (4) As soon as the signed Assumption of Debt Agreement has been received by Eurex Clearing AG, the obligation of Eurex Clearing AG to deliver the rights to the Buyer as well as all present or future secondary claims in connection therewith cease to exist

with immediate debt-discharging effect in the number of rights to be transferred as agreed upon between the Late Seller and the Buyer under Paragraph (1).

- (5) In the case that no Assumption of Debt Agreement has been submitted to Eurex Clearing AG within the period as determined pursuant to Paragraph (3), Eurex Clearing AG will determine a cash settlement with respect to the rights to be delivered by the Late Seller in accordance with Number 2.2.1 Paragraph (3) (b) and (c) with the provision that the calculated value of the right at the time of the cash settlement shall replace the determined settlement price according to Number 2.2.1 Paragraph 3 (b) (aa) (i).
- (6) In case of a Failure to Deliver Rights by the Late Seller, the provisions set out in Number 2.2.1 Paragraph (3) (e) and (5) (i) and (iii) shall apply accordingly.
- (7) Eurex Clearing AG may deviate from the deadlines set in this Number 2.2.2 in accordance with Number 2.2.4.

2.2.3 Non-Delivery of Partial Rights

If the Clearing Member does not deliver partial rights or partial rights resulting from Securities in time on the Contractual Settlement Date, Eurex Clearing AG will, following the respective Settlement Cut-Off Time on the last day of the subscription period, or, if this point in time occurs earlier, the 20th Business Day after the Contractual Settlement Date, determine a cash settlement in relation to the non-delivered partial rights.

The cash settlement amount is determined on the basis of the price communicated for the partial right by the Settlement Location on the day on which Eurex Clearing AG determines the cash settlement. Number 2.2.1 Paragraph (3) (b) (c) and (e) and 5 (i) and (iii) shall apply accordingly.

Eurex Clearing AG may deviate from the deadlines set in this Number 2.2.3 in accordance with Number 2.2.4.

2.2.4 Deviating Timing Provisions, Costs

At the earliest from the 1st Business Day after the Contractual Settlement Date, Eurex Clearing AG may, in its reasonable discretion and pursuant to Numbers 2.2.1 to 2.2.3, perform a buy-in, a cash settlement or a disclosure if due to extraordinary risks Eurex Clearing AG believes that the collateral deposited with Eurex Clearing AG by the Late Seller is no longer sufficient to secure its FWB Sell Transactions or if Eurex Clearing AG, due to other serious reasons, such as a Market Disorder Event, an Impossibility Event or a Force Majeure Event as defined in Chapter I Part 1 Number 13.3.2, deems the performance of the aforementioned measures necessary.

Eurex Clearing AG may in addition deviate from the deadlines set forth in Numbers 2.2.1 to 2.2.3 if compliance with these deadlines would lead to the result that measures pursuant to Numbers 2.2.1 to 2.2.3 cannot be performed or if their performance would cause disproportional effort or costs, or if such deviation is required by other deadlines or by obligations resulting from the Securities.

The Late Seller is obliged to bear the costs resulting from measures pursuant to Numbers 2.2.1 to 2.2.4.

2.2.5 Pair-Off Service

In case of a failure to deliver Shares or Other Securities, a Clearing Member may request a Pair-Off in accordance with this Number 2.2.5 to avoid the initiation of a buy-in process by Eurex Clearing AG pursuant to Number 2.2.1. If

- (i) a Clearing Member is not able to deliver Shares or Other Securities on a Pair-Off Date under one or more FWB Transactions, under which such Clearing Member is acting as the seller (each a "**Sell Transaction**") and
- (ii) the Clearing Member has not received identical Shares or Other Securities on the same Pair-Off Date under one or more FWB Transactions, under which the Clearing Member is acting as a buyer (each a "**Buy Transaction**"),

the Clearing Member may request the set-off of such delivery obligations in accordance with the requirements stipulated under this Number 2.2.5 ("**Pair-Off**").

Eurex Clearing AG publishes a procedures manual on the Eurex Clearing Website providing further information of this service ("**Pair-Off Procedures Manual**").

(1) Pair-Off Request

A Pair-Off is only initiated by Eurex Clearing AG on written request by the Clearing Member ("**Pair-Off Request**") and after written acceptance by Eurex Clearing AG.

A Pair-Off Request must be submitted to Eurex Clearing AG by using a specific form (available on the Eurex Clearing Website - "**Pair-Off Request Form**").

In the Pair-Off Request Form, the Clearing Member shall specify

- (i) all Sell Transactions and Buy Transactions (each a "**Pair-Off Transaction**"), which shall form part of such Pair-Off, and
- (ii) the final result of the Pair-Off as calculated by the Clearing Member.

Eurex Clearing AG is entitled to limit the right of a Clearing Member to submit Pair-Off Requests pursuant to this Number 2.2.5 as further specified in the Pair-Off Procedures Manual.

(2) Timing

A Pair-Off Request can only be submitted, if each Sell Transaction forming part of a Pair-Off Request is not settled

- (i) in case of a Sell Transaction relating to Shares, on the 4th Business Day after the Contractual Settlement Date, or

- (ii) in case of a Sell Transaction relating to Other Securities, on the 5th Business Day after the Contractual Settlement Date

(each such Business Day under (i) and (ii), a **"Pair-Off Date"**).

The Pair-Off Request Form shall be submitted on the Pair-Off Date within the timeframe as specified by Eurex Clearing AG in the Pair-Off Procedures Manual (**"Pair-Off Period"**).

(3) **Pair-Off Eligibility Requirements**

A Pair-Off Request may only be accepted by Eurex Clearing AG pursuant to Paragraph (4) below, if it meets the following requirements (**"Pair-Off Eligibility Requirements"**):

- (a) each Sell Transaction included in the relevant Pair-Off Request has not been settled prior to the submission of the Pair-Off Request,
- (b) each Buy Transaction combined in the relevant Pair-Off Request has not been settled prior to the submission of the Pair-Off Request,
- (c) all Pair-Off Transactions included in the relevant Pair-Off Request relate to shares, securities, rights or other instruments with the same ISIN (or other securities identification number) (**"Pair-Off Securities"**),
- (d) all payment obligations under all Pair-Off Transactions included in the relevant Pair-Off Request are denominated in the same currency,
- (e) the relevant Pair-Off Securities are not subject to a Corporate Action from the Trade Date (including) until the Pair-Off Date (including),
- (f) all Pair-Off Transactions included in the relevant Pair-Off Request form part of the same Transaction Account,
- (g) the Clearing Member has designated the same Settlement Location with respect to all Pair-Off Transactions included in the relevant Pair-Off Request,
- (h) the Clearing Member has designated the same securities accounts with the relevant Settlement Location to be used for performing the delivery obligations under all Pair-Off Transactions included in the relevant Pair-Off Request, and
- (i) any other requirement Eurex Clearing AG stipulates in the Pair-Off Procedures Manual.

For the avoidance of doubt, a FWB Transaction can only form part of a Pair-Off Request once.

(4) **Verification, Acceptance or Rejection of Pair-Off Requests**

A Pair-Off Request will only be exercised, if

- (i) Eurex Clearing AG received the Pair-Off Request Form on the Pair-Off Date within the Pair-Off Request Period,
- (ii) the Pair Off-Request meets all Pair-Off Eligibility Requirements, and
- (iii) Eurex Clearing AG accepted the Pair-Off Request by submitting a written acceptance notice ("**Pair-Off Acceptance Notice**") prior to the acceptance cut-off time as specified in the Pair-Off Procedures Manual ("**Acceptance Cut-Off Time**").

Eurex Clearing AG will – in its own discretion and using best efforts – accept a Pair-Off Request, if it deems itself capable of processing the Pair-Off Request. When making this determination, Eurex Clearing AG particularly considers the point in time when the relevant Pair-Off Request was received by Eurex Clearing AG. For the avoidance of doubt, even in case a Pair-Off Request meets all Pair-Off Eligibility Requirements and is also received within the Pair-Off Request Period, Eurex Clearing AG is not obliged to accept such Pair-Off Request.

If Eurex Clearing AG determines that it does not have the capability to process the relevant Pair-Off Request, Eurex Clearing AG is entitled to reject such Pair-Off Request. Eurex Clearing AG will inform the Clearing Member about the rejection in writing as soon as practicably possible.

(5) **Consequences of an accepted Pair-Off Request**

Upon acceptance of the Pair-Off Request by Eurex Clearing AG, Eurex Clearing AG will within the processing time as specified in the Pair-Off Procedures Manual ("**Pair-Off Processing Time**"):

- (i) fully or partially set-off all delivery and payment obligations arising from all Pair-Off Transactions included in the relevant Pair-Off Request with discharging effect,
- (ii) fully or partially settle all Pair-Off Transactions forming part of the set-off under (i) in cash,
- (iii) amend or delete any settlement instruction relating to the relevant Pair-Off Transactions or enter new settlement instructions within the settlement systems of the relevant Settlement Location in accordance with the result of the set-off, and
- (iv) if the delivery obligation arising from the relevant Sell Transaction is not fully set-off, initiate a buy-in process in accordance with Number 2.2.1 with respect to such remaining delivery obligation.

The Pair-Off Acceptance Notice shall constitute the declaration of set-off. Each set-off effected pursuant to this Number 2.2.5 shall become effective upon execution within the Pair-Off Processing Time

2.3 Corporate Actions

- (1) Any Corporate Action carried out in respect of Securities which relate to unperformed FWB Transactions, shall be processed by the relevant Settlement Location in accordance with the applicable rules of the relevant Settlement Location.

"Corporate Actions" means any dividend payments interest payments, bonus payments or other cash distributions, transformations, the granting of subscription rights to shares or comparable rights, conversion offers, occurrence of the final maturity of fixed income securities, or any other similar action or event.

Eurex Clearing AG will not and shall not be obliged to check whether the relevant Settlement Location processed the Corporate Action correctly.

- (2) Handling of Fractions

If – in case of the occurrence of a Corporate Action with respect to Securities under a pending FWB Transaction – it comes to a fractional processing of Securities as the minimum settlement unit or settlement unit multiple are not met ("**Fractions**"), the processing of the Fractions shall be performed by the relevant Settlement Location in accordance with the applicable rules of the relevant Settlement Location ("**Settlement Location Fractions Processing**").

As the result of Settlement Location Fractions Processing, the relevant Settlement Location may either

- (i) perform a cash compensation with respect to the Fractions and settle the relevant cash payments to the Clearing Member entitled to the delivery, or
- (ii) not perform a cash compensation with respect to the Fractions.

Eurex Clearing AG shall not be obliged to check whether the relevant Settlement Location Fraction Processing was performed correctly, but Eurex Clearing AG may apply the following provisions:

- (a) In addition to the Settlement Location Fraction Processing, Eurex Clearing AG shall not be obliged to perform with respect to Fractions any additional cash compensation.
- (b) If the relevant Settlement Location Fractions Processing results in a shortfall of one or more Securities for Eurex Clearing AG, Eurex Clearing AG shall be entitled to purchase such Securities from a third-party for a maximum purchase price that shall not exceed 120 per cent of the market value of the Securities on the record date of the relevant Corporate Action as determined by Eurex Clearing AG in its reasonable discretion ("**Purchase Attempt**"). Eurex

Clearing AG may deviate from this restriction when it deems the deviation in its reasonable discretion for necessary.

If a Purchase Attempt is successful, Eurex Clearing AG delivers the relevant Securities to the Clearing Member entitled to the delivery.

If a Purchase Attempt is not successful, Eurex Clearing AG will initiate a cash settlement with respect to such Securities. Eurex Clearing AG shall transfer a cash amount to the Clearing Member entitled to the delivery in the currency of the underlying FWB Transaction and equal to the market value of the Securities on the record date of the relevant Corporate Action as determined by Eurex Clearing AG in its reasonable discretion. The delivery obligation of Eurex Clearing AG vis-à-vis the Clearing Member entitled to the delivery shall expire with debt discharging effect.

- (c) If the relevant Settlement Location Fractions Processing results in a surplus of one or more Securities for Eurex Clearing AG, Eurex Clearing AG shall be entitled to sell such Securities to a third-party (“**Sale**”).

(3) Reversal of FWB Transactions

If an FWB Transaction is reversed after its conclusion pursuant to the Conditions for Transactions on Frankfurter Wertpapierbörse, the debits/credits, arising from Corporate Actions, to the accounts of Clearing Members concerned shall also be reversed with the value date of the FWB Transaction reversal.

(4) Corrections to Corporate Actions

In case Corporate Actions were carried out incorrectly by the relevant Settlement Location, Eurex Clearing AG shall be entitled to undertake the required corrections to Corporate Actions.

If Corporate Actions in regard of as yet unperformed or performed FWB Transactions were not carried out and afterwards corrected or implemented by the relevant Settlement Location, Eurex Clearing AG shall reserve the right to waive the subsequent implementation of the Corporate Action in favour of assigning to the claiming Clearing Member its claims against the other Clearing Members arising out of corresponding identical transactions with debt-discharging effect. For that reason Eurex Clearing AG shall disclose its claim against such other Clearing Member to the claiming Clearing Member.

(5) Change of method of holding in custody

If, due to a Corporate Action on the part of an issuer, Securities held in collective custody or ancillary rights need to be held on a trust-custody basis or in a different way (hereinafter referred to as “**change of method of holding in custody**”) Eurex Clearing AG is entitled according to its best judgement and by safeguarding of the interests of the respective Clearing Member to effectuate transactions to be

performed by Eurex Clearing AG by using Securities or ancillary rights subject to such a change of method of holding in custody.

Eurex Clearing AG is also entitled, in case of delivery obligations with shares, fractional rights and ancillary rights which are not fully feasible, to clear such delivery obligations at Clearstream Banking AG on the first Business Day after the Business Day on which the delivery obligation came into existence after respective order by Eurex Clearing AG. Numbers 2.2.1 and 2.2.2 do not apply.

2.4 [Deleted]

2.5 Transaction Netting

Eurex Clearing AG and the Clearing Member may agree upon a netting of FWB Transactions on the relevant Trade Date ("**Transaction Netting**") subject to and in accordance with the following provisions:

2.5.1 General provisions

- (1) The Transaction Netting shall occur at the end of each Trade Date and relates to all FWB Transactions (including FWB Transactions originating from different trading venues of the Frankfurter Wertpapierbörse and Off-Book Trades) that form part of the same Netting Unit.
- (2) A "**Netting Unit**" comprises all FWB Transactions meeting the following requirements:
 - (a) all FWB Transactions have the same Trade Date,
 - (b) all FWB Transactions are concluded on the same trading venue of FWB or the Clearing Member has chosen to combine FWB Transactions concluded on both trading venues of FWB,
 - (c) all delivery obligations under all FWB Transactions need to be fulfilled on the same Business Day,
 - (d) all such delivery obligations relate to Securities, rights or other instruments ("**Relevant Securities**"), in each case with the same ISIN (or other securities identification number),
 - (e) all payment obligations under all FWB Transactions are denominated in the same currency,
 - (f) all FWB Transactions are booked into the same Transaction Account,
 - (g) the Clearing Member has designated the same Settlement Location with respect to all FWB Transactions, and

- (h) the Clearing Member has designated the same securities accounts with the relevant Settlement Location to be used for performing the delivery obligations under all FWB Transactions.
- (3) With respect to any FWB Transaction that forms part of a Netting Unit, the provisions on set-offs set out in Chapter I Part 1 Number 1.3.1 of the Clearing Conditions do not apply.

2.5.2 Net Processing Methods

- (1) The Clearing Member may specify by submitting a form provided by Eurex Clearing AG on its website which of the following processing methods (each a "**Net Processing Method**") shall be applicable:
 - (i) all FWB Transactions shall be netted in accordance with Paragraph (2) ("**Netting**"),
 - (ii) all FWB Transactions with a delivery obligation of the Clearing Member shall be aggregated and all FWB Transactions with a delivery obligation for Eurex Clearing AG shall be aggregated in accordance with Paragraph (3) ("**Aggregation**") , or
 - (iii) no Transaction Netting shall apply in accordance with Paragraph (4) ("**Gross Processing**"),

Netting shall be the default Net Processing Method. Eurex Clearing AG ensures that the relevant Net Processing Method specified by the Clearing Member shall be applied in Eurex Clearing AG's systems as soon as reasonably practicable.

(2) Netting

If Netting is the applicable Net Processing Method, the following shall apply with respect to each Netting Unit:

(a) Novation

Within the end-of-day processing by Eurex Clearing AG on the relevant Trade Date, the following new FWB Transaction shall be established via novation:

All FWB Transactions under the same Netting Unit shall be novated (noviert) into, and replaced with, one FWB Transaction with (I) a delivery obligation for either the Clearing Member or Eurex Clearing AG that is equal to the netted delivery obligations under such FWB Transactions immediately prior to the novation and (II) a payment obligation for either Eurex Clearing AG or the Clearing Member that is equal to the netted payment obligations under such FWB Transactions immediately prior to the novation ("**Net Position**").

(b) Strange Nets

- (i) A "**Strange Net**" occurs, if the Novation under Paragraph (a) results in the establishment of an FWB Transaction
 - (I) with only an obligation to deliver Relevant Securities, but without a primary contractual payment obligation,
 - (II) with only a payment obligation, but without an obligation to deliver Relevant Securities,
 - (III) with a delivery obligation and a payment obligation for one (but not for the other) party, or
 - (IV) without a delivery obligation and without a payment obligation.
- (ii) The Clearing Member can specify separately with respect to each Netting Unit by submitting a form provided by Eurex Clearing AG on its website which of the following strange net processing methods (each a "**Strange Net Processing Method**") shall be applicable:
 - (I) the Strange Net shall be unwound and Aggregation shall be the applicable Net Processing Method with respect to such Netting Unit instead of Netting ("**Unwinding**"), or
 - (II) the Strange Net shall be processed as free-of-payment without the establishment of any delivery obligation.

Unwinding shall be the default Strange Net Processing Method for each Netting Unit.

(3) Aggregation

If Aggregation is the applicable Net Processing Method, the following provisions shall apply with respect to each Netting Unit:

(a) Transaction Netting via Aggregation

Within the end-of-day processing by Eurex Clearing AG on the relevant Trade Date, the following two FWB Transactions shall be established via novation:

- (i) all FWB Transactions under the same Netting Unit with a delivery obligation for the Clearing Member shall be novated (noviert) into, and replaced with, one FWB Transaction with (I) a delivery obligation for the Clearing Member that is equal to the aggregated delivery obligations under such FWB Transactions immediately prior to the novation and (II) a payment obligation for Eurex Clearing AG that is equal to the aggregated payment obligations under such FWB Transactions immediately prior to the novation ("**Aggregated Sell Position**"); and
- (ii) all FWB Transactions under the same Netting Unit with a delivery obligation for Eurex Clearing AG shall be novated (noviert) into, and

replaced with, one FWB Transaction with (I) a delivery obligation for Eurex Clearing AG that is equal to the aggregated delivery obligations under such FWB Transactions immediately prior to the novation and (II) a payment obligation for the Clearing Member that is equal to the aggregated payment obligations under such FWB Transactions immediately prior to the novation ("**Aggregated Buy Position**").

(b) Linking before Aggregation

- (i) Prior to the Aggregation under Paragraph (3) (a), the Clearing Member may in the systems of Eurex Clearing AG combine specific FWB Transactions forming part of the same Netting Unit (each a "**Linked FWB Transaction**") into one or more specific sub-units ("**Linking Unit**") prior to the applicable cut-off time specified by Eurex Clearing AG ("**Linking**").

(ii) Netting of Linked FWB Transactions

Within the end-of-day processing by Eurex Clearing AG on the relevant Trade Date, all Linked FWB Transactions within the relevant Linking Unit shall be netted (verrechnet) and a netting result shall be calculated ("**Linking Net Result**") specifying the following :

- (i) all primary contractual payment obligations under all Linked FWB Transactions within the relevant Linking Unit shall be netted (verrechnet) and
- (ii) all primary contractual delivery obligations under all Linked FWB Transactions within the relevant Linking Unit shall be netted (verrechnet).

For the avoidance of doubt, this netting (Verrechnung) does not lead to the establishment of another FWB Transaction and leaves the Linked FWB Transactions unamended.

(iii) Processing of the Linking Net Result

If the Linking Net Result does not result in a Strange Net, the Linked Net Result forms part of the Transaction Netting via Aggregation in accordance with Paragraph (3) (a).

If the Linking Net Result results in a Strange Net, the following applies:

- (I) if the Linking Net Result includes a delivery obligation, but without a payment obligation, the Linking Net Result shall form part of the Transaction Netting via Aggregation in accordance with Paragraph (3) (a);
- (II) if the Linking Net Result includes a payment obligation, without a delivery obligation, the Linking Net Result shall be processed separately outside the Aggregation pursuant to Paragraph (3) (a);

(III) if the Linking Net Result includes a delivery obligation and a payment obligation for the same party, such Linking Net Result shall be separated into two separate Linking Net Results:

- (i) a "Linking Net Delivery Result" with a delivery obligation for either the Clearing Member or Eurex Clearing AG that is equal to the delivery obligation under such Linking Net Result, but with no payment obligation and shall form part of the Transaction Netting via Aggregation in accordance with Paragraph (3) (a); and
- (ii) a "Linking Net Payment Result" with a payment obligation for either the Clearing Member or Eurex Clearing AG that is equal to the payment obligation under such Linking Net Result, but with no delivery obligation and shall be processed separately outside the Aggregation pursuant to Paragraph (3) (a); or

(IV) without a delivery obligation and without a payment obligation, the Linked Net Position shall be processed separately outside the Aggregation pursuant to Paragraph (3) (a).

(4) Gross Processing

If Gross Processing is the applicable Net Processing Method, all FWB Transactions forming part of the relevant Netting Unit remain unaffected and no novation of such Transactions shall occur.

(5) Netting and Aggregation between Clearing Member and Direct Clients

If any FWB Transaction that is subject to an aggregation or netting pursuant to Number 2.5.2 (2) or Number 2.5.2 (3) is a Client-Related Transaction, it is the responsibility of the Clearing Member and the relevant Direct Client to agree on a bilateral basis on the consequences (if any) that such aggregation or netting may have on the relevant corresponding transaction between them.

2.5.3 Effectiveness of Netting and Aggregation; Reporting

- (1) Any Netting or Aggregation pursuant to Number 2.5.2 (2) and Number 2.5.2 (3) shall automatically become effective upon completion of the end-of-day processing by Eurex Clearing AG for the relevant Trade Date.
- (2) Eurex Clearing AG will inform the Clearing Member of the results of any Netting or Aggregation pursuant to Number 2.5.2 (2) and Number 2.5.2 (3) after the completion of the end-of-day processing on the relevant Trade Date by submitting a report ("Net Clearing Report").

In case the Clearing Member has chosen Netting as Net Processing Method, Eurex Clearing AG will determine in the Net Clearing Report with respect to each FWB Transaction forming part of the relevant Netting Unit whether such FWB Transaction forms part of (i) either the netting result or (ii) the remaining buy or sell obligation

("Surplus Flag"). The Surplus Flag shall serve as recommendation only and shall not constitute a legally binding obligation between Eurex Clearing AG and the Clearing Member.

2.5.4 Discharge of the Delivery Obligations to be performed under the FWB Transactions resulting from Netting and Aggregation

- (1) The settlement of the FWB Transactions resulting from Netting and Aggregation pursuant to Number 2.5.2 (2) and Number 2.5.2 (3) between Eurex Clearing AG and the relevant Clearing Member shall occur on the Contractual Settlement Date and is effected by the relevant Settlement Location processing the relevant delivery instructions (including any relevant payment instructions).
- (2) In addition to the settlement confirmation submitted by the relevant Settlement Location to the holder of the relevant settlement account, Eurex Clearing AG will inform the Clearing Member of the settlement status of each such FWB Transaction at the end of each relevant settlement day by submitting a settlement report ("**Settled Delivery Report**"). If the Transaction Netting has resulted in a Strange Net pursuant to Number 2.5.2 (2) (b) (i) (IV), the Settlement Delivery Report will include such Strange Net and will specify such Strange Net as "settled".
- (3) If the Settled Delivery Report provides information on the (partial) settlement of the relevant FWB Transaction pursuant to Number 2.5.2 (2) and Number 2.5.2 (3), the delivery obligations arising under such FWB Transactions shall, at the point in time of the submission of the Settled Delivery Report by Eurex Clearing AG, be deemed to be (partially) discharged. For the avoidance of doubt, the actual (partial) discharge of the delivery obligations arising under such FWB Transactions occurs prior to the submission of the Settled Delivery Report in accordance with the settlement confirmation submitted by the relevant Settlement Location with respect to such FWB Transactions.
- (4) If a FWB Transaction resulting from a Transaction Netting qualifies as a Client-Related Transaction, it is the responsibility of the Clearing Member and the relevant Direct Client(s) to agree on a bilateral basis on the consequences (if any) that such Netting or Aggregation may have on the relevant corresponding transaction(s) between them. The Clearing Member procures to implement non-discretionary measures in its systems which provide for the (partial) allocation and distribution of the Relevant Securities delivered to the Clearing Member (as stated in the Settled Delivery Report) in relation to such Client-Related Transaction among its clients to which such FWB Transactions relate, in particular in scenarios where the delivery claims of the Clearing Member under such FWB Transaction remain partially unsatisfied.

2.5.5 Optimised Transaction Netting

- (1) To allow Transaction Netting across several Transaction Accounts of two or more DC Market Participants ("**Optimised Transaction Netting**"), the Clearing Member of such DC Market Participants can submit a request to Eurex Clearing AG per DC

Market Participant, which shall participate in the Optimised Transaction Netting (“**Optimised Transaction Netting Request**”).

An Optimised Transaction Netting Request shall always relate to all Transaction Accounts relating to the relevant DC Market Participant.

- (2) Upon the acceptance of an Optimised Transaction Netting Request by Eurex Clearing AG with respect to the Transaction Accounts of a DC Market Participant, the following provisions shall apply:
- (a) Whenever an order or quote is entered into the trading systems of FWB by the relevant DC Market Participant and such order or quote is matched with another order or quote, the relevant FWB Transaction concluded between Eurex Clearing AG and the relevant Clearing Member of such DC Market Participant shall
- (i) constitute an UDC-Related Transaction immediately upon the matching of the orders and quotes (each an “**Optimised Transaction Netting Transaction**”) and
- (ii) each Optimised Transaction Netting Transaction shall directly be booked into the relevant NOSA UDC Account.

For the avoidance of doubt, the Optimised Transaction Netting Transactions shall not constitute UDC-Related Transactions and shall not be booked into the relevant DC Own Account, NOSA Indirect Client Account, GOSA Indirect Client Account or ISA Transaction Account.

- (b) All Optimised Transaction Netting Transactions shall form part of the relevant Netting Units arising from such NOSA UDC Account.
- (c) After the acceptance of an Optimised Transaction Netting Request by Eurex Clearing AG, Eurex Clearing AG will inform the relevant DC Market Participant about the legal consequences of the application of Optimized Transaction Netting and the reduced level of protection in case of the occurrence of a Termination with respect to the Clearing Member of the DC Market Participant.
- (d) By submitting the Optimised Transaction Netting Request with respect to a specific Transaction Account relating to a DC Market Participant, the Clearing Member represents and warrants by way of an independent guarantee and irrespective of fault (*selbständiges, verschuldensunabhängiges Garantieverprechen*) to Eurex Clearing AG that the Clearing Member has informed such DC Market Participant about the legal consequences of the Optimised Transaction Netting, in particular about the reduced level of protection in case of the occurrence of a Termination with respect to the Clearing Member resulting in (*inter alia*):
- (i) a reduced level of segregation, as the Optimised Transaction Netting Transactions do not form part of a DC Transaction Account Group or ISA

Standard Agreement upon the application of Optimised Transaction Netting;

- (ii) that Eurex Clearing AG will not calculate a separate Difference Claim in relation to the relevant Optimised Transaction Netting Transactions, which rather form part of a combined Difference Claim for the entire NOSA UDC Account;
- (iii) that a potential Difference Claim in relation to the relevant Optimised Transaction Netting Transactions, which is owed by Eurex Clearing AG will not be directly returned to the relevant DC Market Participant;
- (iv) that no Eligible Margin Assets actually delivered to Eurex Clearing AG with respect to any Optimised Transaction Netting Transaction, which is not realised as such by Eurex Clearing AG during the Default Management Process, will be directly returned to the DC Market Participant; and
- (v) the application of a more complex porting process with respect to the Optimised Transaction Netting Transactions.