

Chapter I of the Clearing Conditions of Eurex Clearing AG

General Provisions

As of 01.02.2022

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

[...]

Part 1 General Clearing Provisions

[...]

7 Termination Rules with respect to the Clearing Member

[...]

7.5 Default Management Process

[...]

7.5.1 Default Management Committees

[...]

(2) Eurex Clearing AG has the right to convene a meeting of one or more DMCs

[...]

(d) any further matters relating to the consequences and risks of a Termination Event, an Insolvency Termination Event, a Basic Clearing Member Termination, an FCM Clearing Conditions Termination Event or an FCM Clearing Conditions Insolvency Termination Event.

— ~~If there is at least (i) one OTC Interest Rate Derivative Transaction (as defined in Chapter VIII Part 2 Number 2.1.1) or one OTC Currency Transaction (as defined in Chapter VIII Part 1 Paragraph (1)) among the Terminated Transactions or (ii) one Interest Rate Derivative Transaction among the Terminated FCM Clearing Member Transactions, Eurex Clearing AG shall, subject to Number 2.4.4 Paragraph (6) of the DMC Rules in any event convene a DMC Meeting (as defined in the DMC Rules) for such DMC that has been established with respect to the Liquidation Group to which such OTC Interest Rate Derivative Transaction, OTC Currency Transaction or Interest Rate Derivative Transaction belongs.~~

[...]

7.5.2 DM Hedging Transactions

[...]

(2) Hedging Auctions

[...]

- (iii) To be able to participate in Hedging Auctions, a Clearing Member must become a Hedging Auction Participant.

[...]

- (c) Hedging Auction Participant on non-voluntary basis

[...]

Each selected Hedging Auction Participant is obliged to sign the ~~DMC Hedging Auction~~ Participation Agreement within the next 10 Business Days after the date on which it was informed about the selection by Eurex Clearing AG. As of the signing of the Hedging Auction Participation Agreement by the selected Clearing Member and Eurex Clearing AG, the Clearing Member becomes a Hedging Auction Participant.

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

- (1) At any time after the Clearing Member Termination Time, the Basic Clearing Member Termination Time or the FCM Clearing Member Termination Time, Eurex Clearing AG may in its discretion, take the following measures:

- (i) Enter into independent trades to

(i~~a~~) establish new Transactions or new FCM Clearing Member Transactions equivalent ~~(except, as relevant, for the governing law)~~ to Terminated Transactions or Terminated FCM Clearing Member Transactions and/or new Transactions or new FCM Clearing Member Transactions reciprocal ~~(except, as relevant, for the governing law)~~ to DM Hedging Transactions, and

(b~~ii~~) buy or sell Securities underlying the Terminated Transactions or Terminated FCM Clearing Member Transactions ~~and which are required to enter into new Transactions or FCM Clearing Member Transactions,~~ as deemed appropriate by Eurex Clearing AG in consultation with the relevant DMC(s).

((~~a~~) and (~~b~~)) collectively the “**Independent Trade Transactions**” and each an “**Independent Trade Transaction**”).

- (ii) If it is deemed appropriate by Eurex Clearing AG in consultation with the relevant DMC(s), Eurex Clearing AG may conduct one or more auctions with respect to one or several Liquidation Groups (in whole or in part the “**DM Auctions**” or each a “**DM Auction**”) to establish
- (ia) new Transactions specified by Eurex Clearing AG which are – taken as a whole – equivalent to Terminated Transactions or equivalent (~~except for the governing law~~) to Terminated FCM Clearing Member Transactions and/or reciprocal (~~except, as relevant, for the governing law~~) to DM Hedging Transactions, ~~or~~
- (bii) new FCM Clearing Member Transactions specified by Eurex Clearing AG which are – taken as a whole – equivalent (~~except for the governing law~~) to Terminated Transactions or equivalent to Terminated FCM Clearing Member Transactions and/or reciprocal (~~except, as relevant, for the governing law~~) to DM Hedging Transactions
- ((ia) and (bii) collectively the “**DM Auction Transactions**” and each a “**DM Auction Transaction**”), ~~or~~
- (iii) With respect to Repo Transactions, Eurex Clearing AG may, if it is deemed appropriate by Eurex Clearing AG in consultation with the relevant DMC(s), conduct one or more auctions, to sell the bonds underlying the Repo Transactions and to establish new Transactions being reciprocal to DM Hedging Transactions (“**DM Bonds Auctions**”).

[...]

(3) General Provisions

[...]

- (v) ~~Each A~~ Mandatory Participant that does not submit a Mandatory Bid or does not submit a valid Mandatory Bid for an Auction Unit (in respect of all its capacities as a Clearing Member and a Clearing Agent, as applicable) during such DM Auction, ~~is~~ qualifies with respect to the relevant Liquidation Group, to which the DM Auction relates, as “**CM Non-Bidding Participant**”.

_____ A CM Non-Bidding Participant shall be subject to the following contractual penalty which shall be paid in accordance with Number 1.4.1:

- (a) the CM Non-Bidding Participant shall, subject to a Residual Settlement pursuant to (d), pay to Eurex Clearing AG, in accordance with instructions received from Eurex Clearing AG, an amount which shall be calculated by Eurex Clearing AG as follows: the fraction of (i) the number of the Auction Units for which the CM Non-Bidding Participant has not submitted a Mandatory Bid or has not submitted a valid Mandatory Bid in such DM Auction (numerator) and (ii) the total number of Auction Units offered in such DM Auction (denominator), such fraction, multiplied by 100 and further multiplied by EUR 500,000 (or the corresponding equivalent in any

other Clearing Currency as determined by Eurex Clearing AG), but subject to a maximum aggregate amount of EUR 5,000,000 (or the corresponding equivalent in any other Clearing Currency as determined by Eurex Clearing AG) per DM Auction.

~~Any amount received by Eurex Clearing AG under this Paragraph (a) shall be added to, and forthwith be part of, the Dedicated Amount of Eurex Clearing AG in accordance with Number 6.1.3; and~~

[...]

- (c) if during the DM Auction only some (but not all) Auction Units have been successfully auctioned in accordance with the DM Auction Rules (each Auction Unit which has not been so auctioned a “**Residual Auction Unit**”), the CM Non-Bidding Participant shall (i) pay to Eurex Clearing AG on the relevant due dates of the relevant DM Auction Transactions the amounts (subject to a maximum aggregate amount of EUR 1,000,000,000 (or the corresponding equivalent in any other Clearing Currency as determined by Eurex Clearing AG) per DM Auction) equal to the Pro Rata Share (as defined below) of the exposure of Eurex Clearing AG as at the relevant due date to such Residual Auction Units (for which the CM Non-Bidding Participant failed to provide a Mandatory Bid or a valid Mandatory Bid) and (ii) provide collateral to Eurex Clearing AG for its obligations arising under (i) above, where Number 3 shall apply *mutatis mutandis* to the collateral.

[...]

The “**Pro Rata Share**” of a CM Non-Bidding Participant shall be the ratio of (A) the Residual Auction Units for which the CM Non-Bidding Participant failed to provide a Mandatory Bid or a valid Mandatory Bid in the relevant DM Auction and (B) the total number of valid Mandatory Bids which all CM Non-Bidding Participants failed to provide in the relevant DM Auction.

[...]

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

[...]

- (iii) ~~Each If a Mandatory Participant that does not submits an Insufficient Bid for the relevant Auction Unit in accordance with the DM Auction Rules during the relevant DM Auction, such Mandatory Participant qualifies as CM Non-Bidding Participant subject to the following provisions: shall be subject to the following contractual penalty:~~

- (a) ~~If the Mandatory Participant submits an Insufficient Bid and if, following a Realisation Event in relation to the relevant Affected Clearing Member or the relevant Affected FCM Clearing Member (but not with respect to any other Realisation Event), Contributions of Non-Affected Clearing~~

Members and/or Non-Affected FCM Clearing Members are realised, the Contributions of such CM Non-Bidding Participant with respect to the relevant Liquidation Group ~~of all Mandatory Participants~~ (in respect of all ~~its~~ their capacities as Clearing Members and Clearing Agents, as applicable) ~~and all FCM Mandatory Participants submitting at least one Insufficient Bid shall be realised (in accordance with Number 6.2.1)~~ prior to the Contributions of the other Non-Affected Clearing Members and Non-Affected FCM Clearing Members in accordance with Number 6.2.1.

(iv) ~~b)~~ If ~~a~~ the Mandatory Participant submits a Medium Bid for the relevant Auction Unit in accordance with the DM Auction Rules during the relevant DM Auction, such Mandatory Participant qualifies as CM Non-Bidding Participant subject to the following provisions:

~~and if~~, following a Realisation Event with respect to the relevant Affected Clearing Member or the relevant Affected FCM Clearing Member (but not with respect to any other Realisation Event), Contributions of Non-Affected Clearing Members and/or Non-Affected FCM Clearing Members are realised, the Contributions of such CM Non-Bidding Participant with respect to the relevant Liquidation Group ~~of all Mandatory Participants~~ (in respect of all ~~its~~ their capacities as Clearing Members and Clearing Agents, as applicable) ~~and all FCM Mandatory Participants submitting at least one Medium Bid shall in such DM Auction, in accordance with Number 6.2.1, be realised prior to the Contributions of the other Non-Affected Clearing Members and Non-Affected FCM Clearing Members, in accordance with Number 6.2.1, but simultaneously with the Contributions of those Mandatory Participants and those FCM Mandatory Participants that have submitted Insufficient Bids in such DM Auction, up to an amount which shall be calculated by Eurex Clearing AG as follows: the difference between (i) the winning Bid minus the product of 0.5 and the Auction Unit Margin Amount and (ii) the respective Medium Bid, such difference divided by the Auction Unit Margin Amount and subsequently multiplied by the relevant Mandatory Participant's (or FCM Mandatory Participant's, as relevant) Contributions.~~

~~Any remainder of the Contributions of the Mandatory Participants~~ such CM Non-Bidding Participant submitting a Medium Bid shall be considered as Contributions of a Non-Affected Clearing Member that is not a CM Non-Bidding Participants.

(iv) ~~a)~~ A Mandatory Participant, which ~~does not submit a Mandatory Bid for any relevant Auction Unit in accordance with the DM Auction Rules during such DM Auction, also qualifies as CM Non-Bidding Participant with respect to the relevant Liquidation Group and is subject to the following provisions: (a~~ **“Chapter VIII Product Non-Bidding Participant”**),

~~(a)~~ A ~~the Chapter VIII Product~~ CM Non-Bidding Participant shall pay to Eurex Clearing AG, in accordance with Number 1.4.1, an amount which shall be calculated by Eurex Clearing AG as follows: the fraction of (i) the ~~Chapter VIII Product~~ CM Non-Bidding Participant's Contributions (in respect

of all its capacities as a Clearing Member and a Clearing Agent, as applicable) with respect to the Relevant Liquidation Group and in the relevant currency (numerator) and (ii) the aggregate sum of all Contributions with respect to the Relevant Liquidation Group and in the relevant currency (denominator), such fraction, multiplied by 100 and further multiplied by EUR 500,000 (or the corresponding equivalent in any other Clearing Currency as determined by Eurex Clearing AG), but subject to a maximum aggregate amount of EUR 5,000,000 (or the corresponding equivalent in any other Clearing Currency as determined by Eurex Clearing AG) per DM Auction.

Any amount received by Eurex Clearing AG from the CM Non-Bidding Participant shall be added to, and forthwith be part of, the Dedicated Amount of Eurex Clearing AG.

If, upon the occurrence of a Realisation Event, any Contributions of the ~~Chapter VIII Product~~ CM Non-Bidding Participant are realised, the amount calculated in accordance with the preceding sentence shall be reduced by the sum of the realised Contributions (but shall in no case be a negative amount).

- (b) If, following a Realisation Event in relation to the relevant Affected Clearing Member or the relevant Affected FCM Clearing Member (but not with respect to any other Realisation Event) Contributions of the Non-Affected Clearing Members and/or Non-Affected FCM Clearing Members are realised, the Contributions of such CM Non-Bidding Participant (in respect of all its capacities as a Clearing Member and a Clearing Agent, as applicable) with respect to the relevant Liquidation Group shall be realised prior to the Contributions of the other Non-Affected Clearing Members and/or Non-Affected FCM Clearing Members in accordance with Number 6.2.1. The provisions under Number 6.2.1 (5) and (6), (7) and (8) shall apply *mutatis mutandis* with respect to the Contributions to the Default Fund of the relevant Chapter VIII Product Non-Bidding Participant. Any amount received by Eurex Clearing AG from the relevant Chapter VIII Product Non-Bidding Participant shall be added to, and forthwith be part of, the Dedicated Amount of Eurex Clearing AG in accordance with Number 6.1.3.
- ~~(v) The provisions under Number 7.5.3 (6) (i) and (ii) (4) (iii) above shall apply *mutatis mutandis* in relation to the realisation of the Further Contributions of the Mandatory Participant submitting an Insufficient Bid or a Medium Bid. The provisions under Number 6.2.1 (9), (10) and (11) shall apply *mutatis mutandis* with respect to the Chapter VIII Product Non-Bidding Participants.~~
- (vi) For the avoidance of doubt, the provisions under Paragraph (3) (v) shall not apply to a CM Non-Bidding Participant pursuant to Paragraph (4) (iii), (iv) or (v).
- (vii) Each (Mandatory) Bid is generally valid, and the highest valid Bid shall be accepted by Eurex Clearing AG as the winning Bid with respect to each Auction Unit.

[...]

- (5) Special provisions relating to Repo Transactions, under which the Affected Clearing Member acted as Cash Taker

[...]

- (ii) The DM Bonds Auctions will generally be conducted separately for all bonds with the same ISIN underlying all terminated Eurex Repo Transactions within the relevant Liquidation Group and with respect to one or several Bonds Auction Unit(s). In individual cases, Eurex Clearing AG is entitled to combine bonds with different ISINs in the same DM Bonds Auction after consultation of the relevant DMC.

_____ **“Bonds Auction Units”** means, with respect to DM Bonds Auctions, one unit or several identically composed units of the relevant bonds underlying the terminated Repo Transactions, and the Transactions being reciprocal to DM Hedging Transactions as specified by Eurex Clearing AG after consultation with the relevant DMC.

- (iii) A Bonds Mandatory Participant shall be obliged to participate in DM Bonds Auctions in accordance with the DM Auction Rules.

A Clearing Member qualifies as **“Bonds Mandatory Participant”** with respect to the relevant DM Bonds Auction, if

(i) it holds a Clearing License for Repo Transactions,

(ii) within 3 months prior to the relevant Termination or Basic Clearing Member Termination at least one Repo Transaction with an underlying bond which falls under the same Bonds Cluster as the bond auctioned in the relevant DM Bonds Auction (x) has been booked on a respective account, or (y) has been booked as a Basic Clearing Member Transaction of a Basic Clearing Member of such Clearing Member (acting as Clearing Agent) on a respective account, and

(iii) with respect to which no Termination Event or Insolvency Termination Event has occurred and is continuing.

[...]

- (v) A (Mandatory) Bid is only valid, if such Bid is not below the Reference Price.

_____ **“Reference Price”** with respect to a DM Bonds Auction means the difference of (i) the worst winning Bid in the relevant DM Bonds Auction and (ii) the product of (a) 0.5 and (b) the Risk Parameter. In individual cases, Eurex Clearing AG is entitled to adjust the multiplier of 0.5 after consultation of the relevant DMC.

_____ **“Risk Parameter”** means with respect to the bond underlying the relevant Bonds Auction Unit the fraction of (i) the Additional Margin requirement for such Bonds Auction Unit and (ii) the product of (a) the nominal size of the Bonds

Auction Unit and (b) the last available settlement price of the bond underlying the relevant Bonds Auction Unit.

- (vi) Each Bonds Mandatory Participant that does not submit a valid Mandatory Bid for a Bonds Auction Unit (in respect of all its capacities as a Clearing Member and a Clearing Agent, as applicable) during such DM Bonds Auction qualifies, with respect to the relevant Liquidation Group to which the DM Auction relates, as a CM Non-Bidding Participant subject to the following provisions:

If, following a Realisation Event in relation to the relevant Affected Clearing Member or the relevant Affected FCM Clearing Member (but not with respect to any other Realisation Event) the Contributions of the Non-Affected Clearing Members and/or Non-Affected FCM Clearing Members are realised, the Contributions with respect to the relevant Liquidation Group of the CM Non-Bidding Participant (in respect of all its capacities as a Clearing Member and a Clearing Agent, as applicable) shall be realised prior to the Contributions of the other Non-Affected Clearing Members and/or Non-Affected FCM Clearing Members in accordance with Number 6.2.1. If a Bonds Mandatory Participant submits a Mandatory Bid for a DM Bonds Auction which is below the Reference Price, Eurex Clearing AG may, subject to the following restrictions and following a Realisation Event in relation to the relevant Affected Clearing Member (but not with respect to any other Realisation Event), realise the Contributions to the Default Fund of such Clearing Member prior to the Contributions to the Default Fund of the other Non-Affected Clearing Members.

“Reference Price” with respect to a Bonds Auction means the Average Price minus the product of (i) the Average Price and (ii) 0.5 and (iii) the Risk Parameter applicable to the relevant bond underlying the relevant Bonds Auction Unit. In individual cases, Eurex Clearing AG is entitled to adjust the multiplier of 0.5 after consultation of the relevant DMC.

“Average Price” means with respect to the relevant Bonds Auction Unit the fraction of (i) the sum of all Bonds Auction Prices accepted by Eurex Clearing AG within this DM Bonds Auction and (ii) the number of all Bonds Auction Units for which Eurex Clearing AG accepted bids within such DM Bonds Auction. “Bonds Auction Price” means the product of (i) the price accepted by Eurex Clearing AG for the relevant Bonds Auction Unit and (ii) the number of Bonds Auction Units for which Eurex Clearing AG accepted such price.

“Risk Parameter” means with respect to the bond underlying the relevant Bonds Auction Unit the fraction of (i) the Additional Margin requirement for such Bonds Auction Unit and (ii) the product of (a) the Nominal Size of the Bonds Auction Unit and (b) the last available settlement price of the bond underlying the relevant Bonds Auction Unit.

For each (Mandatory) Bid submitted by a Bonds Mandatory Participant under any DM Bonds Auctions which is not below the relevant Reference Price, such Bonds Mandatory Participant receives a credit (“Credit”). For each Mandatory Bid submitted by a Bonds Mandatory Participant under any DM Bonds Auctions

which is below the relevant Reference Price, such Bonds Mandatory Participant receives a debit ("**Debit**"). Each Credit is calculated with respect to the relevant Mandatory Bid as the product of (i) 0.25 and (ii) the Additional Margin requirement with respect to the relevant Bonds Auction Unit. The Bonds Mandatory Participant also receives a Credit in case it has purchased the relevant bonds from Eurex Clearing AG via independent trades; such Credit is calculated as the product of (i) a number between 0.01 and 0.1 as determined by Eurex Clearing AG in the individual case after consultation with the relevant DMC and (ii) the Additional Margin requirement with respect to the relevant Bonds Auction Unit. Each Debit is calculated with respect to the relevant Mandatory Bid as the product of (i) 0.5 and (ii) the Additional Margin requirement with respect to the relevant Bonds Auction Unit. In individual cases, Eurex Clearing AG is entitled to adjust the multiplier after consultation of the relevant DMC.

— If, following a Realisation Event with respect to the relevant Affected Clearing Member (but not with respect to any other Realisation Event), the Contributions to the Default Fund of the Non-Affected Clearing Members are realised, parts of the Contributions to the Default Fund of the Mandatory Participants whose Debts exceed the Credits shall be realised prior to the Contributions to the Default Fund of the other Non-Affected Clearing Members.

— The amount of the Contributions to the Default Fund of the Bonds Mandatory Participant, which shall be realised prior to the Contributions to the Default Fund of the other Non-Affected Clearing Members, shall be calculated as follows: the product of (i) the fraction of (a) the sum of all Credits minus the sum of all Debts and Non-Bidding Debts and (b) the sum of the Additional Margin requirements for all Bonds Auction Units, for which the Bonds Mandatory Participant has submitted a Mandatory Bid and for which the Bonds Mandatory Participant should have submitted (but failed to submit) a Mandatory Bid and (ii) the parts of the Contributions to the Default Fund of the Bonds Mandatory Participant which is allocated to the Liquidation Group comprising the Repo Transactions.

For each Mandatory Bid the Bonds Mandatory Participant did not submit, the Bonds Mandatory Participant receives a debit ("**Non-Bidding Debit**"), which corresponds to the Additional Margin requirement for the relevant Bonds Auction Unit.

(vii) If a Bonds Mandatory Participant does not submit a Mandatory Bid for any Bonds Auction Unit in accordance with the DM Auction Rules during such DM Auction, such Bonds Mandatory Participant also qualifies as CM Non-Bidding Participant subject to the following provisions: ~~("Bonds Non-Bidding Participant")~~

(a) ~~and Contributions to the Default Fund of Non-Affected Clearing Members are realised, the Bonds Non-Bidding~~ The CM Non-Bidding Participant shall pay to Eurex Clearing AG ~~(in accordance with Number 1.4.1)~~, an amount which shall be calculated by Eurex Clearing AG as follows: the lower amount of either

(I) the product of (i) the fraction of (a) the sum of the Additional Margin requirements for all Bonds Auction Units within the relevant Liquidation Group for which the Bonds Mandatory Participant did not submit a Mandatory Bid, and (b) the sum of the Additional Margin requirement for all Bonds Auction Units within the relevant Liquidation Group for which the Bonds Mandatory Participant submitted a Mandatory Bid and for which the Bonds Mandatory Participant should have submitted (but failed to submit) a Mandatory Bid and (ii) EUR 5,000,000, or

(II) the sum of the Additional Margin requirement for all Bonds Auction Units within the relevant Liquidation Group for which the Bonds Mandatory Participant submitted a Mandatory Bid and for which the Bonds Mandatory Participant should have submitted (but failed to submit) a Mandatory Bid.

[...]

Any amount received by Eurex Clearing AG from the relevant Bonds Non-Bidding Participant shall be added to, and forthwith be part of, the Dedicated Amount of Eurex Clearing AG ~~in accordance with Number 6.1.3.~~

[...]

(b) If, following a Realisation Event in relation to the relevant Affected Clearing Member or the relevant Affected FCM Clearing Member (but not with respect to any other Realisation Event) Contributions of the Non-Affected Clearing Members and/or Non-Affected FCM Clearing Members are realised, the Contributions of such CM Non-Bidding Participant (in respect of all its capacities as a Clearing Member and a Clearing Agent, as applicable) with respect to the relevant Liquidation Group shall be realised prior to the Contributions of the other Non-Affected Clearing Members and/or Non-Affected FCM Clearing Members in accordance with Number 6.2.1.

(viii) For the avoidance of doubt, the provisions under Paragraph (3) (v) shall not apply to a CM Non-Bidding Participant pursuant to Paragraph (5) (vi) or (vii).

(ix) Each (Mandatory) Bid is generally valid, and the highest valid Bid shall be accepted by Eurex Clearing AG as the winning Bid with respect to each Auction Unit.

[...]

[...]
