

CLEARING CONDITIONS FOR EUREX CLEARING AG

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2 Part: Settlement of Transactions at Eurex Deutschland and Eurex Zürich

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2.2 Subpart: Settlement of Options Contracts

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2.2.25 Sub-Subpart: Settlement of Options Contracts on Stocks of Stock Corporations listed on TecDAX~~Neuer Markt~~ (~~Neuer Markt~~ TecDAX Stock Options)

2.2.25.1 General Provisions

- (1) Eurex Clearing AG shall be a contracting party to all deliveries and payments arising out of the exercise and assignment of options contracts.
- (2) Clearing Members must, in accordance with instructions of Eurex Clearing AG, make deliveries and payments in respect of exercises and assignments of positions for the Clearing of which they are responsible.
- (3) Eurex Clearing AG will inform each Clearing Member of the options contracts assigned to it on the morning of the Exchange day after exercise.
- (4) The following provisions shall apply to the procedures for deliveries and payments pursuant to paragraph (1):

All physical deliveries of securities and payments shall be concurrently performed between the Clearing Members, with regard to ~~Neuer Markt~~ TecDAX stock options ~~in~~ of German shares on the second Exchange day after the exercise of the option vis-à-vis Eurex Clearing AG, with to regard to ~~Neuer Markt~~ TecDAX stock options ~~in~~ of Dutch or US shares on the third Exchange day after the exercise of the option; this shall also apply if the exercise is not assigned to the writer until the Exchange day following exercise. Physical deliveries of securities are to be made through a bank for central depository of securities recognised by Eurex Clearing AG or respectively through a Custodian or Central Securities Depository, and payments shall be made via the respective account determined by such bank for central depository of securities or by such Custodian or Central Securities Depository.

Each Clearing Member and Eurex Clearing AG must ensure, through appropriate instruction to the respective bank for central depository of securities or the Custodian or Central Securities Depository, that transactions can be processed on the Exchange day on which the delivery notice is given. All Clearing Members must ensure their ability to effect deliveries and payments on the due date thereof through sufficient deposits in the securities account of the respective bank for central depository of securities or the Custodian or Central Securities Depository and credit balances on the respective cash accounts.

2.2.25.3 Margin Requirements

- (1) The basic provisions for margin requirements are set forth in subsections 1.3.1 through 1.3.5. In addition thereto, the following conditions shall apply:
- (2) Margin must generally be maintained to cover the costs of a potential closing of all positions at their daily settlement price ("Premium Margin"). The daily settlement price of an option series is the price of the last transaction entered into in such option series during the final 15 minutes on an Exchange day. If no transactions are entered into in such option series during such period, or if the use of such daily settlement price would not result in a margin requirement that would be adequate to cover the risk assessment of Eurex Clearing AG, Eurex Clearing AG shall determine the daily settlement price.
- (3) The difference between the price of the respective underlying security effected on the closing auction in the electronic trading system of the Frankfurt Stock Exchange and the exercise price shall be used for exercised and assigned positions in options contracts on shares in ~~Neuer Markt~~ TecDAX stock corporations.

If no price in the underlying security is effected on the closing auction, the volume-weighted average of the last three "paid" prices (Bezahl-Preise) of the respective underlying security effected in the electronic trading system of the Frankfurt Stock Exchange before the close of trading at Eurex Deutschland and Eurex Zürich in ~~Neuer Markt~~ TecDAX stock options shall be used. Eurex Clearing AG may deviate from a price so determined if the resulting margin requirements do not comply with the risk assessment of Eurex Clearing AG.

- (4) For purposes of calculating the margin requirements for all option series, net long positions shall be treated as credit balances.
- (5) In addition to the foregoing margin requirements ("Premium Margin"), a further margin requirement ("Additional Margin") shall be calculated in an amount sufficient to cover any change to the cost of closing all options positions assuming the least favourable price developments, as determined by Eurex Clearing AG, until the next calculation of margin.

2.2.25.4 Dividends

If a ~~Neuer Markt~~ TecDAX stock option is exercised before the ex-dividend date, the new owner of the shares shall be entitled to the dividend, including any corresponding tax credits.

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2.2.26 Sub-Subpart:

Settlement of Low Exercise Price Options (LEPO) on Stocks of Stock Corporations listed on ~~Neuer Markt~~TecDAX of the Frankfurt Stock Exchange (~~Neuer Markt~~TecDAX Stock Options)

2.2.26.1 General Provisions

- (1) Eurex Clearing AG shall be a contracting party to all deliveries and payments arising out of the exercise and assignment of options contracts.
- (2) Clearing Members must, in accordance with instructions of Eurex Clearing AG, make deliveries and payments in respect of exercises and assignments of positions for the Clearing of which they are responsible.
- (3) Eurex Clearing AG will inform each Clearing Member of the options contracts assigned to it on the morning of the Exchange day after exercise.
- (4) The following provisions shall apply to the procedures for deliveries and payments pursuant to paragraph (1):

All physical deliveries of securities and payments shall be concurrently performed between the Clearing Members, with regard to ~~Neuer Markt~~TecDAX stock options in German shares, on the second Exchange day after the exercise of the option vis-à-vis Eurex Clearing AG, with to regard to ~~Neuer Markt~~TecDAX stock options ~~in~~ of Dutch or US shares on the third Exchange day after the exercise of the option; this shall also apply if the exercise is not assigned to the writer until the Exchange day following exercise. Physical deliveries of securities are to be made through a bank for central depository of securities recognised by Eurex Clearing AG or respectively through a Custodian or Central Securities Depository, and payments shall be made via the respective account determined by the bank for central depository of securities or by such Custodian or Central Securities Depository.

Each Clearing Member and Eurex Clearing AG must ensure, through appropriate instruction to the respective bank for central depository of securities or the Custodian or Central Securities Depository, that transactions can be processed on the Exchange day on which the delivery notice is given. All Clearing Members must ensure their ability to effect deliveries and payments on the due date thereof through sufficient deposits in the securities account of the respective bank for central depository of securities or the Custodian or Central Securities Depository and credit balances on the respective cash accounts..

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2.2.26.3 Margin Requirements

- (1) The basic provisions for margin requirements are set forth in subsections 1.3.1 through 1.3.5. In addition thereto, the following conditions shall apply:
- (2) Margin must generally be maintained to cover the costs of a potential closing of all positions at their daily settlement price ("Premium Margin"). The daily settlement price of an option series is the price of the last transaction entered into in such option series during the final 15 minutes on an Exchange

day. If no transactions are entered into in such option series during such period, or if the use of such daily settlement price would not result in a margin requirement that would be adequate to cover the risk assessment of Eurex Clearing AG, Eurex Clearing AG shall determine the daily settlement price.

- (3) The difference between the price of the respective underlying security effected on the closing auction in the electronic trading system of the Frankfurt Stock Exchange and the exercise price shall be used for exercised and assigned positions in options contracts on shares of ~~Neuer Markt~~ TecDAX stock corporations.

If no price in the underlying security is effected on the closing auction, the volume-weighted average of the last three "paid" prices (Bezahl-Preise) of the respective underlying security effected in the electronic trading system of the Frankfurt Stock Exchange before the close of trading at Eurex Deutschland and Eurex Zürich in ~~Neuer Markt~~ TecDAX stock options shall be used. Eurex Clearing AG may deviate from a price so determined if the resulting margin requirements do not comply with the risk assessment of Eurex Clearing AG.

- (4) For purposes of calculating the margin requirements for all option series, net long positions shall be treated as credit balances.
- (5) In addition to the foregoing margin requirements ("Premium Margin"), a further margin requirement ("Additional Margin") shall be calculated in an amount sufficient to cover any change to the cost of closing all options positions assuming the least favourable price developments, as determined by Eurex Clearing AG, until the next calculation of margin.

2.2.26.4 Dividends

If LEPO in shares of ~~Neuer Markt~~ TecDAX stock corporations are exercised before the ex-dividend date, the new owner of the shares shall be entitled to the dividend, including any corresponding tax credits .

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