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Part 4 Individual Clearing Model Provisions for Specified Clients

1 Application of the ICM for Specified Clients Provisions

- 1.1 The provisions on the individual clearing model for Specified Clients are set forth in this Part 4 (the “**ICM for Specified Clients Provisions**”). The ICM for Specified Clients Provisions provide Clearing Members with the option to offer individual client segregation to their Specified Clients (hereinafter for the purposes of these ICM for Specified Clients Provisions only, a “**ICM Specified Client**”).
- 1.2 Any Transaction between the Clearing Member and Eurex Clearing AG which is subject to the ICM for Specified Clients Provisions shall be a “**ICM SC Transaction**”. An ICM SC Transaction may only be concluded as a SC-Related Transaction and the term “ICM SC Transaction” comprises each SC-Related Transaction (including, for the avoidance of doubt, each SC-Related Transaction that relates to Indirect Clients of the ICM Specified Client) that is subject to the ICM for Specified Clients Provisions.
- 1.3 Eurex Clearing AG and a Clearing Member may enter into a Clearing Agreement in the form appended to the Clearing Conditions as Appendix 1 for the Clearing of ICM SC Transactions.
- 1.4 Further, under the ICM for Specified Clients Provisions, Eurex Clearing AG facilitates indirect clearing services by providing, upon request of the Clearing Member, separate internal accounts for transactions with respect to Indirect Clients.
- 1.5 It is the responsibility of the Clearing Member to agree with each of its ICM Specified Clients on appropriate bilateral client-clearing arrangements allowing for individual client segregation in accordance with any applicable regulatory requirements. In particular, the Clearing Member shall ensure that each such bilateral client-clearing arrangement with an ICM Specified Client shall, if a Termination Date occurs in respect of the ICM SC Standard Agreement (as defined in Number 5.1) to which such bilateral client-clearing arrangement relates, terminate at the same time as such ICM SC Standard Agreement and that the net claim of the Clearing Member or the ICM Specified Client resulting from such termination shall reflect the Difference Claim (as defined in Number 11.2) arising in respect of the related ICM SC Standard Agreement.

2 Conclusion of ICM SC Transactions; General Principles applicable to the Settlement of ICM SC Transactions

- 2.1 ICM SC Transactions shall be concluded in accordance with Number 1.2.2 of the General Clearing Provisions.
- 2.2 Each of Eurex Clearing AG and the Clearing Member shall be obliged to fulfil any payment or delivery obligations under ICM SC Transactions by transferring to the transferee all rights, title and interest in and to the relevant assets or cash, as the case may be, free and clear from any and all rights and claims of the transferring party and of

any third person, including, without limitation, pursuant to applicable regulation or under any statutory or other trust. The value of such assets shall, as of the date the transfer is effected, be at least equal to the value on the date of the relevant payment or delivery obligation.

3 Internal Accounts

Eurex Clearing AG shall establish and maintain with respect to the Clearing Member the following internal accounts for purposes of the ICM for Specified Clients Provisions:

3.1 ICM SC Transaction Accounts

3.1.1 The following types of Transaction Accounts, on which the respective ICM SC Transactions of the Clearing Member shall be booked, may, subject to the Special Clearing Provisions, upon the instructions of the Clearing Member (which shall be provided in the form requested by Eurex Clearing AG), be opened and maintained by Eurex Clearing AG (where required, in addition to the Transaction Accounts established pursuant to Number 4.2.1 of the General Clearing Provisions):

- (1) one or more SC Own Accounts;
- (2) one or more NOSA Indirect Client Accounts;
- (3) one or more GOSA Indirect Client Accounts

(each SC Own Account, each NOSA Indirect Client Account and each GOSA Indirect Client Account established for purposes of the ICM for Specified Clients Provisions is a "**ICM SC Transaction Account**").

GOSA Indirect Client Accounts are only available for Eurex Transactions pursuant to Chapter II and OTC Interest Rate Derivative Transactions pursuant to Chapter VIII Part 2.

3.1.2 The Clearing Member shall ensure that each instruction to book ICM SC Transactions to a certain ICM SC Transaction Account only relates to ICM SC Transactions to be booked on such ICM SC Transaction Account. Eurex Clearing may rely on, and is not obliged to verify the contents of, any such instruction from the Clearing Member.

3.2 ICM SC Transaction Accounts Group

All ICM SC Transaction Accounts of a Clearing Member relating to a particular ICM Specified Client shall form a separate group of Transaction Accounts (each such group, a "**ICM SC Transaction Accounts Group**").

3.3 Internal ICM SC Margin Account

3.3.1 Eurex Clearing AG will, in its internal systems, establish and maintain with respect to each ICM Specified Client of a Clearing Member one or more internal margin accounts (or if the ICM SC Sub Pool Provisions apply pursuant to Number 3.5, a separate internal margin account in relation to each ICM SC Sub Pool), to which all Eligible Margin Assets that have been actually delivered to Eurex Clearing AG with respect to such ICM Specified Client shall be booked (each an “**Internal ICM SC Margin Account**”).

3.3.2 Eligible Margin Assets actually delivered to Eurex Clearing AG and booked to the relevant Internal ICM SC Margin Account shall constitute Margin (as defined in Number 6.1) for ICM SC Transactions relating to the relevant ICM Specified Client.

3.4 Internal ICM SC Cash Accounts

With respect to each currency accepted by it, Eurex Clearing AG shall establish and maintain for each Clearing Member

- (i) in relation to each Internal ICM SC Margin Account, one internal cash account (or if the ICM SC Sub Pool Provisions apply pursuant to Number 3.5, a separate internal cash account in relation to each ICM SC Sub Pool) for the settlement of payment claims arising under ICM SC Transactions booked on an ICM SC Transaction Account that relates to such Internal ICM SC Margin Account (including, in particular, all daily settlement payments, option premiums and payments in respect of Variation Margin (as defined in Number 7.1), but excluding Settlement Claims); and
- (ii) one internal cash account for Settlement Claims

(each an “**Internal ICM SC Cash Account**”).

The daily balance of each Internal ICM SC Cash Account (after taking into account permitted set-offs) shall be debited or credited, as the case may be, to the relevant Clearing Member Cash Account to the extent that Eurex Clearing AG does not claim any credit balance in the account in respect of Margin or Variation Margin.

3.5 Use of ICM SC Sub Pools

The Clearing Member may request Eurex Clearing AG (in the form requested by Eurex Clearing AG) to maintain separate operational sub pools with respect to an ICM Specified Client (each an “**ICM SC Sub Pool**”). If ICM SC Sub Pools shall be established, each ICM SC Transaction Account relating to the relevant ICM Specified Client must be assigned to a particular ICM SC Sub Pool. Each ICM SC Sub Pool shall

- (i) relate to one or more Transaction Types and/or
- (ii) either comprises (a) SC Own Accounts only or (b) Indirect Client Accounts only.

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If Eurex Clearing AG accepts such request, the provisions for the operational handling of ICM SC Sub Pools set out in this Part 4 (“**ICM SC Sub Pool Provisions**”) shall apply with respect to each of the relevant ICM SC Sub Pools.

Each ICM SC Sub Pool shall operationally be treated separately from any other ICM SC Sub Pool, subject to and in accordance with the ICM SC Sub Pool Provisions. The use of ICM SC Sub Pools will in particular, without limitation, neither result in additional Standard Agreements nor separate Difference Claims.

If the ICM SC Sub Pool Provisions apply, the Clearing Member represents and warrants by way of an independent guarantee and irrespective of fault (*selbständiges, verschuldensunabhängiges Garantieverprechen*) to Eurex Clearing AG, that

- (a) it has informed the ICM Specified Client of its election to use ICM SC Sub Pools in connection with the Clearing and of any potential adverse economic effects that the usage of ICM SC Sub Pools may have for that ICM Specified Client in comparison to the Clearing of ICM SC Transactions without the use of ICM SC Sub Pools; and
- (b) the ICM Specified Client is willing to bear the potential economic risks and adverse effects which are related to a use of ICM SC Sub Pools pursuant to Number 3.5 (i), in particular, without limitation, in respect of potentially higher Margin Requirements and Default Fund Contribution requirements resulting from the operational treatment associated with the use of ICM SC Sub Pools.

3.6 Assignment process for transfers of Eligible Margin Assets to Internal ICM SC Margin Accounts and related booking

The Clearing Member shall establish and provide to Eurex Clearing AG a specific customer identifier with respect to the ICM Specified Client and, in case the ICM SC Sub Pool Provisions apply, the customer identifier shall include an identifier of the relevant ICM SC Sub Pool. Any transfer of Eligible Margin Assets to Eurex Clearing AG in respect of Margin shall clearly refer to the applicable customer identifier.

Subject to Number 6.2.4, all Eligible Margin Assets that have been actually delivered by the relevant Clearing Member to Eurex Clearing AG with respect to ICM SC Transactions will be booked to the relevant Internal ICM SC Margin Account based on the reference to the relevant customer identifier.

4 Internal Records of the Clearing Member

The Clearing Member shall establish and maintain records detailing

- (i) all payments and deliveries actually made to Eurex Clearing AG,
- (ii) all Margin and Variation Margin actually delivered to Eurex Clearing AG and
- (iii) all Redelivery Claims which it has against Eurex Clearing AG

in respect of each ICM Specified Client and the related ICM SC Transactions.

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If the ICM SC Sub Pool Provisions apply pursuant to Number 3.5, the Clearing Member shall also reflect the ICM SC Sub Pools in its internal accounting.

5 ICM SC Standard Agreement

- 5.1 All rights and obligations between Eurex Clearing AG and the relevant Clearing Member with respect to all ICM SC Transactions booked to any ICM SC Transaction Account belonging to the same ICM SC Transaction Accounts Group shall constitute a separate arrangement (each a “**ICM SC Standard Agreement**”).
- 5.2 All ICM SC Transactions between Eurex Clearing AG and the relevant Clearing Member under an ICM SC Standard Agreement and any Redelivery Claims for Margin or Variation Margin, in each case relating to such ICM SC Standard Agreement, form a single agreement between such parties and such agreement constitutes a separate master agreement (*Rahmenvertrag*) between such parties which (subject to the provisions in this Chapter I on the termination of individual Transactions) can be terminated only in its entirety.

6 Margin

6.1 Margin Requirement

- 6.1.1 The Clearing Member is required to provide margin for all ICM SC Transactions in respect of each Internal ICM SC Margin Account (“**Margin**”) and Eurex Clearing AG will calculate separate net margin requirements in accordance with Number 3.1 of the General Clearing Provisions with respect to each ICM SC Transaction Account of such Clearing Member.
- 6.1.2 The amount of Eligible Margin Assets to be delivered as cover in respect of Margin shall be determined by Eurex Clearing AG separately with respect to each Internal ICM SC Margin Account reflecting the sum of the calculations for all ICM SC Transaction Accounts in accordance with Number 6.1.1 that relate to such Internal ICM SC Margin Account (for the purpose of the ICM for Specified Clients Provisions, a “**Margin Requirement**”).

For the avoidance of doubt, non-compliance with the applicable Margin Requirement (in whole or in part) by the Clearing Member shall constitute a Termination Event pursuant to Number 7.2.1 Paragraph (1) of the General Clearing Provisions.

Each Margin Requirement applicable to the Clearing Member pursuant to this Part 4 shall be in addition to any other margin requirement of the Clearing Member vis-à-vis Eurex Clearing AG pursuant to these Clearing Conditions.

- 6.1.3 The applicable Margin Requirement with respect to each Internal ICM SC Margin Account will be notified separately by Eurex Clearing AG to the Clearing Member.
- 6.1.4 The Clearing Member is required to separately demand margin from its ICM Specified Client for purposes of the ICM for Specified Clients Provisions in an amount which shall at least be equal to the sum of the margin requirements applicable to each ICM SC

Transaction Account relating to such ICM Specified Client (as calculated by Eurex Clearing AG pursuant to Number 6.1.1).

6.2 Margin Call

6.2.1 If Eurex Clearing AG at any time prior to the end of a Business Day (as defined in Number 1.2.4 Paragraph (1) of the General Clearing Provisions) determines that the aggregate value of Eligible Margin Assets actually delivered as Margin with respect to an Internal ICM SC Margin Account is less than the Margin Requirement applicable to such Internal ICM SC Margin Account, Eurex Clearing AG will require the Clearing Member to provide (additional) Eligible Margin Assets in an amount up to the relevant Margin Requirement by the time specified by Eurex Clearing AG.

This shall also apply in respect of any Margin Call at the end of a Business Day, provided that, in such case, the Clearing Member shall provide (additional) Eligible Margin Assets in the form of cash in the Clearing Currency in an amount sufficient to satisfy the relevant Margin Requirement by the time specified by Eurex Clearing AG.

For the avoidance of doubt, if the ICM SC Sub Pool Provisions apply, Margin actually delivered in relation to a particular ICM SC Sub Pool will not be taken into account by Eurex Clearing AG when determining whether sufficient Margin has actually been delivered with respect to any other ICM SC Sub Pool.

6.2.2 To the extent that Eligible Margin Assets have not yet been delivered by the Clearing Member with respect to a Margin Call pursuant to Number 6.2.1, Eurex Clearing AG shall be entitled to (and without having an obligation towards the Clearing Member to do so, will on or around the time specified) directly debit the Clearing Member Cash Account in an amount equal to the requested amount of Eligible Margin Assets in accordance with the daily cash clearing procedure pursuant to Number 1.4.1 of the General Clearing Provisions.

6.2.3 The Clearing Member may provide Eligible Margin Assets to Eurex Clearing AG in excess of the relevant Margin Requirement. Any such excess shall also form part of the Margin.

6.2.4 If a Clearing Member elects to deliver (additional) Eligible Margin Assets in the form of cash pursuant to Number 3.3.2 of the General Clearing Provisions with respect to a Margin Call relating to Margin prior to the end of a Business Day, then:

- (i) Eurex Clearing AG shall debit the Internal Proprietary Margin Account (as defined in Part 2 Subpart A Number 3) and credit the (relevant) Internal ICM SC Margin Account with such cash, and
- (ii) the related Redelivery Claim allocated to the Internal Proprietary Margin Account (as defined in Part 2 Subpart A Number 3) shall be reduced accordingly upon Eurex Clearing AG having made those credits and debits (which Eurex Clearing AG shall do without undue delay).

If the ICM SC Sub Pool Provisions apply, Eurex Clearing AG will process the booking of cash credits between Internal ICM SC Margin Accounts with respect to ICM SC Sub

Pools relating to the same ICM SC Standard Agreement upon request of the Clearing Member.

6.3 Delivery and Booking of Eligible Margin Assets

6.3.1 Delivery of Eligible Margin Assets in the form of cash

6.3.1.1 The Clearing Member shall be obliged to deliver cover in respect of Margin in the form of cash by transferring to Eurex Clearing AG all rights, title and interest in and to the relevant cash, as the case may be, free and clear from any and all rights and claims of the Clearing Member and of any third person, including, without limitation, pursuant to applicable regulation or under any statutory or other trust.

6.3.1.2 Eligible Margin Assets in the form of cash shall be provided in accordance with the cash clearing procedure pursuant to Number 1.4.1 of the General Clearing Provisions.

6.3.2 Delivery of Eligible Margin Assets in the form of Securities

6.3.2.1 The Clearing Member shall transfer Eligible Margin Assets in the form of Securities to the relevant ICM SC Pledged Securities Account relating to the corresponding Internal ICM SC Margin Account or (in respect of ICM SC Transactions that shall be cleared in accordance with the CASS Rules (as defined in Part 2 Number 4)) to the ICM SC CASS Pledged Securities Account relating to the corresponding Internal ICM SC Margin Account, in each case unless otherwise provided in this Number 6.3.2.

- (1) The Clearing Member shall instruct Clearstream Banking AG, Clearstream Banking S.A. or SIX SIS AG in a timely manner to transfer the relevant Securities to the relevant ICM SC Pledged Securities Account or ICM SC CASS Pledged Securities Account and authorises Clearstream Banking AG, Clearstream Banking S.A. or SIX SIS AG to inform Eurex Clearing AG of such transfer.
- (2) In relation to Securities credited to an ICM SC Pledged Securities Account or ICM SC CASS Pledged Securities Account that confer voting rights or other optional rights on the Clearing Member (including, but not limited to, warrants, options, conversion and subscription rights, rights in connection with takeovers, other forms of offers or capital reorganisations, redemption rights, tenders, options to tender or non-mandatory puts or calls) or that provide for discretionary action or alternative courses of action by the Clearing Member, Eurex Clearing AG shall not be entitled to exercise such voting or optional rights or to take up such discretionary actions or alternative courses of action; the Clearing Member shall remain responsible in this respect. Eurex Clearing AG will not exercise any voting rights, in particular not independently from any instructions by the Clearing Member.
- (3) The Clearing Member will (in form and substance as required by Eurex Clearing AG) grant a pledge to Eurex Clearing AG over all Securities which are or will be credited to the relevant ICM SC Pledged Securities Account or the relevant ICM SC CASS Pledged Securities Account, as applicable.

6.3.2.2 Notwithstanding Number 6.3.2.1, a Clearing Member may also provide Eligible Margin Assets in the form of Securities as Margin by way of pledge by using Xemac on the basis of the SC Xemac. For such purpose, the creation of the pledge is effected by way of Earmarking.

6.3.2.3 To the extent required or expedient under its national laws, the Clearing Member will arrange for the due filing and registration with any relevant competent authority or register of any security interest granted or to be granted pursuant to or in accordance with this Number 6.3.2 and will evidence the due filing and registration of such security interest to Eurex Clearing AG.

6.3.3 Secured Claims

6.3.3.1 The purpose of the Margin actually delivered in the form of cash (other than Margin actually delivered in the form of cash that is booked to an Internal ICM SC Margin Account that forms part of an ICM SC CASS Client Account (as defined in Number 14)) is to collateralise, and (subject to the restrictions pursuant to Number 11.5) the security purpose (*Sicherungszweck*) of the pledges granted to Eurex Clearing AG in accordance with Number 6.3.2 with respect to Securities credited to an ICM SC Pledged Securities Account is to secure (A) all present and future claims under any ICM SC Transactions and any other present and future claims of Eurex Clearing AG against the Clearing Member under all ICM SC Standard Agreements of the Clearing Member, including all present and future claims of Eurex Clearing AG against the Replacement Clearing Member relating to any ICM SC Transactions under such ICM SC Standard Agreement that have been transferred to such Replacement Clearing Member in accordance with Number 10 and (B) any Difference Claim relating to any ICM SC Standard Agreement (a “**Secured ICM SC Difference Claim**”, and together with the claim under (A), the “**Secured ICM SC Claims**”).

6.3.3.2 The purpose of the Margin actually delivered in the form of cash and booked to an Internal ICM SC Margin Account that forms part of an ICM SC CASS Client Account is to collateralise, and (subject to the restrictions pursuant to Number 11.5) the security purpose (*Sicherungszweck*) of the pledges granted to Eurex Clearing AG in accordance with Number 6.3.2 with respect to Securities credited to an ICM SC CASS Pledged Securities Account is to secure (A) all present and future claims under any ICM SC CASS Transactions (as defined in Number 14) and any other present and future claims of Eurex Clearing AG against the Clearing Member under all ICM SC Standard Agreements of the Clearing Member, including all present and future claims of Eurex Clearing AG against the Replacement Clearing Member relating to any ICM SC Transactions under such ICM SC Standard Agreement that have been transferred to such Replacement Clearing Member in accordance with Number 10 and (B) any Difference Claim relating to any ICM SC Standard Agreement allocated to any ICM SC CASS Client Account (a “**Secured ICM SC CASS Difference Claim**”, and together with the claim under (A), the “**Secured ICM SC CASS Claims**”).

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6.3.4 Actual Delivery and Aggregate Value

6.3.4.1 Subject to Number 3.2.2 Paragraph (2) and (3) of the General Clearing Provisions, the term “actually delivered” when used in the ICM for Specified Clients Provisions means at any time and with respect to an Eligible Margin Asset:

- (i) the actual credit of an Eligible Margin Asset in the form of cash to the relevant Eurex Clearing AG cash account or, as the case may be, the actual credit to the relevant Internal ICM SC Margin Account pursuant to Number 6.2.4, or
- (ii) the actual credit of an Eligible Margin Asset in the form of Securities to the relevant ICM SC Pledged Securities Account or the relevant ICM SC CASS Pledged Securities Account, as the case may be, provided that the relevant pledge has been granted in accordance with Number 6.3.2 and has not expired in whole or in part, or
- (iii) in the case of a delivery of an Eligible Margin Asset in the form of Securities pursuant to Number 6.3.2.2, the effectiveness of the pledge in Xemac (as described in Number 6.3.2.2), or
- (iv) otherwise in the event of a set-off pursuant to Number 1.3 of the General Clearing Provisions and Number 12, the legal effectiveness of such set-off.

The term “actual delivery” shall be interpreted accordingly.

6.3.4.2 Where reference is made in the ICM for Specified Clients Provisions to the “aggregate value” of Eligible Margin Assets in connection with the assessment of compliance with a Margin Requirement, the aggregate value of the Eligible Margin Assets actually delivered will be determined by Eurex Clearing AG in accordance with Number 3.2.2 of the General Clearing Provisions.

6.4 Redelivery Claims with respect to Margin

The actual payment or delivery of Eligible Margin Assets in the form of cash in respect of Margin gives rise to a corresponding contractual claim of the Clearing Member against Eurex Clearing AG for repayment of assets equivalent to the relevant Eligible Margin Assets or increases an already existing repayment claim (each a “**Redelivery Claim**”). For the purpose of a Redelivery Claim, the term “equivalent” means an amount in the same currency and amount as such Eligible Margin Asset actually delivered in respect of Margin.

The relevant Redelivery Claim will become due in accordance with Number 6.5, provided that no Termination Date (as defined in Number 7.2 of the General Clearing Provisions) with respect to the relevant ICM SC Standard Agreement or an Insolvency Event or Failure to Pay Event has occurred.

6.5 Redelivery of Margin in the form of cash; Release of Eligible Margin Assets in the form of Securities

6.5.1 Unless a Termination Date or an Insolvency Event or Failure to Pay Event has occurred, a Redelivery Claim pursuant to Number 6.4 for the transfer of assets equivalent to Eligible Margin Assets in form of cash actually delivered will, taking into account a release request of the Clearing Member pursuant to Number 6.5.2, become due, if and to the extent that, at such time, the aggregate value of all Eligible Margin Assets actually delivered as Margin to the relevant Internal ICM SC Margin Account exceeds the applicable Margin Requirement, unless the Clearing Member and Eurex Clearing AG agree otherwise.

A Redelivery Claim shall be discharged if the relevant cash amount has been credited to the relevant account of the Clearing Member or to an account of a correspondent bank designated by the Clearing Member. Such discharge shall occur irrespective of any booking or forwarding errors of the depository, the settlement institution, the custodian, the deposit bank, the central securities depository or the correspondent bank.

6.5.2 Unless a Termination Date or an Insolvency Event or Failure to Pay Event has occurred, Eligible Margin Assets in the form of Securities shall be released if a Clearing Member, prior to the then applicable cut-off time specified by Eurex Clearing AG with respect to each of Clearstream Banking AG, Clearstream Banking S.A. and SIX SIS AG, as applicable, with respect to any Business Day, requests a release of pledged Securities by Eurex Clearing AG if and to the extent that the requirements set out in Number 6.5.1 are met (taking into account a release request of the Clearing Member pursuant to this Number 6.5.2).

6.5.2.1 The release request made in accordance with Number 6.5.2 shall be processed by Eurex Clearing AG during the same Business Day; the Eligible Margin Assets to be released shall be specified by the Clearing Member in the release request. This shall also apply in the case of a pledge pursuant to Number 6.3.2.2 by way of Earmarking where the relevant Security shall be released in Xemac by detachment of the label or release in the system. In the case CmaX is used Securities shall be released according to the applicable rules for that service.

The Clearing Member agrees not to dispose of any Securities credited to an ICM SC Pledged Securities Account or an ICM SC CASS Pledged Securities Account without the prior consent of Eurex Clearing AG unless Eurex Clearing AG has released its pledge over such Securities.

If (i) the processing of the release request would render the remaining aggregate value of the relevant Eligible Margin Assets actually delivered as Margin with respect to the relevant Internal ICM SC Margin Account to be lower than the applicable Margin Requirement for such Internal ICM SC Margin Account or if (ii) the release request is received by Eurex Clearing AG after the applicable cut-off time on the relevant Business Day, Eurex Clearing AG will approve such release on the next Business Day vis-à-vis Clearstream Banking AG, Clearstream Banking S.A. or SIX SIS AG, as applicable, if (x) Eligible Margin Assets in an aggregate value required to cover such shortfall have been

actually delivered by the Clearing Member as Margin with respect to such Internal ICM SC Margin Account in accordance with the daily cash clearing procedure for such Business Day or (y) the aggregate value of the relevant Eligible Margin Assets actually delivered as Margin with respect to such Internal ICM SC Margin Account is at least equal to the applicable Margin Requirement for such Internal ICM SC Margin Account at the start of such Business Day.

- 6.5.2.2 The release of the relevant pledge by Eurex Clearing shall become effective if and as soon as
- (a) the relevant Securities have been credited to a securities account of the Clearing Member or to a securities account of a depository, a settlement institution or a custodian designated by the Clearing Member at a deposit bank or a central securities depository; or
 - (b) in case of a pledge in Xemac by way of Earmarking in accordance with Number 6.3.2.2, the label has been detached or the Securities have been otherwise released in the system, or
 - (c) in case of a pledge in CmaX, the Securities have been released in accordance with the applicable rules for that service.
- 6.5.3 If the ICM SC Sub Pool Provisions apply, the Clearing Member may not request any redelivery or release in accordance with Number 6.5.1 or 6.5.2, if any Margin Requirement with respect to any Internal ICM SC Margin Account relating to any ICM SC Sub Pool is not fully satisfied.

7 Variation Margin

7.1 Variation Margin Requirement

- 7.1.1 Each of Eurex Clearing AG and the Clearing Member shall be required to transfer (additional) cover in respect of daily profits or losses for ICM SC Transactions (“**Variation Margin**”). Only Eligible Margin Assets in the form of cash shall be delivered as cover in respect of Variation Margin.
- 7.1.2 Eurex Clearing AG will calculate net variation margin requirements separately with respect to each relevant Internal ICM SC Cash Account, reflecting the sum of the calculations with respect to all ICM SC Transaction Accounts relating to an ICM Specified Client, in accordance with Chapter II Part 2 Number 2.1.2 Paragraph (1) and (2), Chapter II Part 3 Number 3.2.3 Paragraph (1), Number 3.3.3 Paragraph (1) or Chapter VIII Part 2 Number 2.1.7 Paragraph (3), Chapter VIII Part 3 Number 3.1.6 or Chapter VIII Part 4 Number 4.1.6, as applicable.

The aggregate net amount of Eligible Margin Assets in the form of cash to be delivered as cover in respect of Variation Margin with respect to an Internal ICM SC Cash Account shall be a “**Variation Margin Requirement**”. The party obliged to provide Variation

Margin shall be the “**Variation Margin Provider**” and the party entitled to request Variation Margin shall be the “**Variation Margin Taker**”.

7.1.3 The applicable Variation Margin Requirement will be notified by Eurex Clearing AG to the Clearing Member.

7.1.4 The Clearing Member is required to separately demand or provide (additional) cover in respect of daily profits or losses arising in respect of the corresponding transactions with its ICM Specified Clients in an amount not less than the variation margin requirement applicable between the Clearing Member and Eurex Clearing AG in respect of the relevant ICM SC Transaction Accounts Group relating to the relevant ICM Specified Client.

7.2 Delivery of Variation Margin

7.2.1 Each of Eurex Clearing AG and the Clearing Member shall be obliged to fulfil any obligations to deliver or redeliver cover in respect of Variation Margin by transferring to the transferee all rights, title and interest in and to the relevant cash, as the case may be, free and clear from any and all rights and claims of the transferring party and of any third person, including, without limitation, pursuant to applicable regulation or under any statutory or other trust.

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

7.2.3 The term “actually delivered” when used in the ICM for Specified Clients Provisions with respect to Variation Margin shall have the same meaning as set out in Number 6.3.4.1 (applied *mutatis mutandis*) and the term “actual delivery” shall be interpreted accordingly.

Where reference is made in the ICM for Specified Clients Provisions to the “aggregate value” of Eligible Margin Assets in connection with the assessment of compliance with an obligation to deliver or redeliver cover in respect of Variation Margin, the aggregate value of the Eligible Margin Assets actually delivered will be determined by Eurex Clearing AG in accordance with Number 3.2.2 of the General Clearing Provisions.

An actual delivery in respect of the relevant Variation Margin resulting in a corresponding Redelivery Claim (as defined in Number 7.3.1) shall also occur if, upon conclusion of an ICM SC Transaction, the terms and conditions of such ICM SC Transaction provide that due to a netting with an applicable initial consideration no actual payment in respect of such Variation Margin will occur.

7.3 Redelivery Claims with respect to Variation Margin

7.3.1 Eligible Margin Assets actually delivered as Variation Margin by the Variation Margin Provider in the form of cash with respect to an ICM SC Transaction give rise to or increase a corresponding repayment claim of the Variation Margin Provider against the Variation Margin Taker (each a “**Redelivery Claim**”).

7.3.2 In the case of Variation Margin, either Eurex Clearing AG or the Clearing Member may be the creditor of the relevant Redelivery Claim.

For the purpose of a Redelivery Claim for Variation Margin, the term “equivalent” means an amount in the same currency and amount as such Eligible Margin Asset actually delivered in respect of Variation Margin.

7.4 Redelivery of Variation Margin

Subject to the occurrence of a Termination Date or an Insolvency Event or Failure to Pay Event, any Redelivery Claim with respect to Variation Margin (i) shall become due on any Business Day, if and to the extent that, on such Business Day, a profit amount has been determined in respect of the ICM SC Transaction Accounts relating to the relevant Internal ICM SC Cash Account (as applicable) for the benefit of such Variation Margin Provider in accordance with Chapter II Part 2 Number 2.1.2 Paragraph (1) and (2), Chapter II Part 3 Number 3.2.3 Paragraph (1), Number 3.3.3 Paragraph (1) or Chapter VIII Part 2 Number 2.1.7 Paragraph (3), Chapter VIII Part 3 Number 3.1.6 or Chapter VIII Part 4 Number 4.1.6, as applicable, (the relevant amount shall be the “**Redelivery Amount**”) and (ii) shall be decreased and discharged accordingly (subject to a minimum value of zero) if and to the extent equivalent Eligible Margin Assets in form of cash have been actually delivered to the Variation Margin Provider by the Variation Margin Taker. For the avoidance of doubt, if the profit amount determined for the benefit of the Variation Margin Provider is higher than its relevant Redelivery Claim with respect to Variation Margin as of such time, the payment of the excess amount by the other party constitutes itself a delivery of Variation Margin. In such case the roles of the Variation Margin Provider and Variation Margin Taker will be reversed.

8 Consequences of a Termination Event or Insolvency Termination Event

Upon the occurrence of a Termination Event or Insolvency Termination Event (each as defined in Number 7.2 of the General Clearing Provisions) with respect to a Clearing Member,

- (i) subject to and in accordance with Number 9, the Clearing of new ICM SC Transactions under all ICM SC Standard Agreements shall be suspended;
- (ii) subject to and in accordance with Number 10, the Clearing of ICM SC Transactions shall be transferred to a Replacement Clearing Member; and/or
- (iii) subject to Number 10.2, the existing ICM SC Transactions shall be terminated (the “**Termination**”) and a termination payment shall become due with respect to each ICM SC Standard Agreement.

9 Suspension or Restriction of Clearing after the occurrence of a Termination Event or an Insolvency Termination Event

9.1 If a Termination Event or any of the following events occurs with respect to a Clearing Member:

- (i) the existence of an unremedied breach by the Clearing Member of any of its Clearing Agreements with Eurex Clearing AG, except where such breach is minor, technical or administrative in nature in the reasonable opinion of Eurex Clearing AG;
- (ii) a determination is made by Eurex Clearing AG that a limitation or suspension of Clearing is necessary for it to contain its exposure to the Clearing Member;
- (iii) the suspension or termination (other than a voluntary termination) of the Clearing Member's membership by another clearing house provided that the circumstances relating to that suspension or termination are, in Eurex Clearing AG 's reasonable opinion, material to the management of the risk of Eurex Clearing AG, and that Eurex Clearing AG first consults or attempts to consult with the Clearing Member and the competent regulatory authorities;
- (iv) the commencement of Disciplinary Procedures as defined in Number 14 of the General Clearing Provisions against a Clearing Member; or
- (v) any other event in respect of the Clearing Member that could materially impact the ability of that Clearing Member to perform its obligations under the Clearing Conditions and any Clearing Agreement,

then Eurex Clearing AG may (taking into account the interests of such Clearing Member and its clients and provided that such action constitutes a proportionate and reasonable action) one or more times suspend or limit the Clearing of new ICM SC Transactions under all ICM SC Standard Agreements pursuant to the ICM for Specified Clients Provisions.

9.2 Eurex Clearing AG shall notify the affected Clearing Member and all affected ICM Specified Clients of such Clearing Member of the decision to suspend or limit the Clearing. Eurex Clearing AG shall specify in the notification a reasonable period of time during which such suspension or limitation shall apply.

Furthermore, if Eurex Clearing AG so demands, the relevant Clearing Member shall, at its own expense, provide such information and evidence as Eurex Clearing AG, in its reasonable opinion, may deem necessary, to conduct an appropriate investigation of the facts and circumstances relating to a Termination Event or any of the events listed above.

Upon the occurrence of a Termination Event or any of the events listed above and unless such Termination Event or other events have been remedied, the Clearing Member is – subject to Number 10.15 (if applicable) and any other limitations or restrictions of the Clearing pursuant to the Clearing Conditions – only entitled to enter any order or quotes into the systems of the Markets if sufficient Margin and Variation Margin has been actually delivered to Eurex Clearing AG in advance.

Before limiting or suspending the Clearing of new ICM SC Transactions under this Number 9, and without limiting its rights under Number 7.2.1 of the General Clearing Provisions, Eurex Clearing AG shall, where reasonable in the circumstances, attempt to consult with the relevant Clearing Member, further to which Eurex Clearing AG may in its absolute discretion agree a grace period within which the Clearing Member may remedy

the event in question. For the avoidance of doubt, in case the relevant event constitutes an Alleged Breach (as defined in the Disciplinary Procedures Rules) Eurex Clearing AG may commence Disciplinary Procedures in respect of the Clearing Member subject to and in accordance with the Disciplinary Procedures Rules.

- 9.3 Upon the occurrence of an Insolvency Termination Event with respect to a Clearing Member the Clearing of new ICM SC Transactions under all ICM SC Standard Agreements shall automatically be suspended.

10 Porting of assets and positions in relation to an ICM SC Standard Agreement

- 10.1 This Number 10 shall apply with respect to a Clearing Member, if Eurex Clearing AG has determined, based on the legal circumstances in the jurisdiction where such Clearing Member is domiciled, that the porting mechanics contemplated herein shall be applicable with respect to such Clearing Member. Eurex Clearing AG will from time to time publish a list of the relevant jurisdictions in respect of which this Number 10 is not (or not fully) applicable.
- 10.2 For the purposes of this Number 10 and solely with respect to an ICM SC Standard Agreement (including all ICM SC Transactions thereunder and all Redelivery Claims for Margin and all Redelivery Claims for Variation Margin relating thereto), a Termination, Termination Time and a Termination Date shall only occur
- (i) at the end of the ICM SC Porting Election Period if no ICM SC Porting Election Notice (as defined in Number 10.3) has been received by Eurex Clearing AG by such point in time;
 - (ii) upon the expiry of the ICM SC Porting Period in accordance with Number 10.4, if an ICM SC Porting Election Notice had been received by Eurex Clearing AG by no later than the expiry of the ICM SC Porting Election Period, but the Porting Requirements are not fulfilled in respect of such ICM SC Standard Agreement at the expiry of the ICM SC Porting Period. Upon the occurrence of such Termination Date, Numbers 11 and 13 shall apply; or
 - (iii) immediately upon the receipt by Eurex Clearing AG of a Termination Election in accordance with Number 10.3.
- 10.3 Upon the occurrence of a Termination Event or an Insolvency Termination Event with respect to the Clearing Member, Eurex Clearing AG shall (a) if a Grace Period Notice has been given, without undue delay after the time specified in the Grace Period Termination Notice, (b) if a Termination Notice has been given, without undue delay after the time specified in the Termination Notice, and (c) if an Insolvency Termination Event has occurred, without undue delay after the Termination Time, give notice to all other Clearing Members and all ICM Specified Clients of the affected Clearing Member in accordance with Number 16.1 of the General Clearing Provisions (i) of the occurrence of the Termination Event or the Insolvency Termination Event (as relevant) and (ii) that the ICM SC Porting Period commences (the "**ICM SC Porting Notice**").

Upon the occurrence of a Termination Date with respect to the Proprietary Standard Agreement (as defined in Part 2 Subpart B Number 4.1) of the Clearing Member, each ICM Specified Client may determine by giving notice to Eurex Clearing AG (the “**ICM SC Porting Election Notice**”) that it either (i) consents to the Transfer (as defined in Number 10.4) of the ICM SC Transactions under the relevant ICM SC Standard Agreement (the “**Transfer Election**”) or (ii) that it requires the Termination of the ICM SC Transactions under such ICM SC Standard Agreement (the “**Termination Election**”), in each case at the latest by 13:00 hours (Frankfurt am Main time) on the Business Day following the Termination Date with respect to the Proprietary Standard Agreement (as defined in Part 2 Subpart B Number 4.1) of the Clearing Member (the “**ICM SC Porting Election Period**”). Eurex Clearing may reject the Transfer Election of an ICM Specified Client, if such ICM Specified Client has not submitted the ICM SC Porting Election Notice together with a list of authorised signatories that are entitled to represent such ICM Specified Client.

If a Termination Election has been made with respect to an ICM SC Standard Agreement or if a Transfer Election of an ICM Specified Client has been rejected by Eurex Clearing AG in accordance with the foregoing paragraph, no Transfer of the ICM SC Transactions under such ICM SC Standard Agreement pursuant to Number 10.4 will be made. In such case, Numbers 11 and 13 apply immediately with respect to such ICM SC Standard Agreement.

- 10.4 If, at or prior to the end of the ICM SC Porting Period, Eurex Clearing AG determines that all Porting Requirements in respect of an ICM SC Standard Agreement are fulfilled, all rights and obligations under such ICM SC Standard Agreement (including all existing ICM SC Transactions) shall be transferred by way of assumption of contract (*Vertragsübernahme*), and all Redelivery Claims for Margin and Variation Margin relating thereto shall be assigned (together a “**Transfer**”), to the relevant Replacement Clearing Member, and each Clearing Member (conditionally upon becoming an Affected Clearing Member) hereby expressly and irrevocably consents to such Transfer.

“**ICM SC Porting Period**” means

- (i) if an Insolvency Termination Event has occurred, the period from the occurrence of the Insolvency Termination Event until (and including) 13:00 hours (Frankfurt am Main time) on the immediately following Business Day; and
- (ii) if any other Termination Event has occurred, the period from the publication of the ICM SC Porting Notice until (and including) 13:00 hours (Frankfurt am Main time) on the immediately following Business Day.

Eurex Clearing AG may extend the ICM SC Porting Period in order to facilitate a Transfer by giving notice to all Clearing Members and all ICM Specified Clients of the Affected Clearing Member in accordance with Number 16.1 of the General Clearing Provisions.

“**Porting Requirements**” means all of the following requirements:

- (i) a transferee Clearing Member (the “**Replacement Clearing Member**”) has agreed with Eurex Clearing AG in writing on the assumption of contract (*Vertragsübernahme*) pursuant to this Number 10.4 in form and substance satisfactory to Eurex Clearing AG;
- (ii) the Replacement Clearing Member has confirmed to Eurex Clearing AG that the relevant ICM Specified Client to which ICM SC Transactions under the relevant ICM SC Standard Agreement relate, has designated, and has taken all necessary steps to allow, the Replacement Clearing Member to act as its future Clearing Member in respect of its transactions that correspond to ICM SC Transactions under the relevant ICM SC Standard Agreement;
- (iii) the Replacement Clearing Member has (a) provided Eurex Clearing AG with sufficient Eligible Margin Assets to cover any shortfall in Margin and Variation Margin in respect of all ICM SC Transactions that are subject to the Transfer or (b) undertaken to Eurex Clearing AG to provide the relevant amount of Eligible Margin Assets without undue delay following the Transfer.

If the Porting Requirements are not satisfied by the end of the ICM SC Porting Period (or such longer period of time specified by Eurex Clearing AG in the individual case) there will be no Transfer pursuant to this Number 10.4 and Numbers 11 and 13 shall apply.

- 10.5 Each Clearing Member may designate in advance by notice to Eurex Clearing AG another Clearing Member as a potential Replacement Clearing Member for each ICM SC Standard Agreement. The Clearing Member designated as a potential Replacement Clearing Member assumes no obligation to accept a Transfer. All Porting Requirements in respect of the relevant ICM SC Standard Agreement need to be fulfilled to effect a Transfer.
- 10.6 No Transfer shall affect any other ICM SC Standard Agreement.
- 10.7 Eurex Clearing AG may provide for further or alternative procedures for the transfer of assets and positions that it deems necessary taking into account applicable laws with respect to any such transfer.
- 10.8 If a Transfer in accordance with Number 10.4 occurs in respect of an ICM SC Standard Agreement, Eligible Margin Assets in the form of Securities that constitute Margin in respect of such ICM SC Standard Agreement shall be transferred to the Replacement Clearing Member by way of a transfer of title therein, subject to the following provisions:
- (i) Each Clearing Member (conditionally upon becoming an Affected Clearing Member) hereby irrevocably authorises (*bevollmächtigt*) Eurex Clearing AG to offer to transfer to the Replacement Clearing Member, on behalf of the Affected Clearing Member, title in all such Eligible Margin Assets in the form of Securities and to issue all other statements and to take all other acts on behalf of the Affected Clearing Member that Eurex Clearing AG considers necessary or expedient to effect the transfer of such Securities to the Replacement Clearing Member.

- (ii) Any transfer of such Securities to the Replacement Clearing Member shall, subject to Paragraph (iii) below, be without prejudice of the security interest granted to Eurex Clearing AG in the relevant Securities.
- (iii) Eurex Clearing AG and the Affected Clearing Member hereby agree that, following a transfer of such Securities, the security interests held by Eurex Clearing AG in those Securities that constitute Margin shall no longer secure rights and claims of Eurex Clearing AG in respect of any other agreement with the Affected Clearing Member.

- 10.9 Eurex Clearing AG and each Clearing Member agree that, following the transfer of all Eligible Margin Assets in the form of Securities to the Replacement Clearing Member in accordance with Number 10.8, the security purpose of the security interests held by Eurex Clearing AG in such Securities shall also extend to all present and future claims under any ICM SC Transactions, any Difference Claim and any other present and future claims, in each case, of Eurex Clearing AG against the Replacement Clearing Member under the relevant ICM SC Standard Agreement with such Replacement Clearing Member.
- 10.10 If a transfer of Eligible Margin Assets in the form of Securities to the securities account of the Replacement Clearing Member is impossible or impractical due to restrictions of the securities depository bank, custodian or central securities depository used by the Replacement Clearing Member or for other reasons, each Clearing Member (conditionally upon becoming an Affected Clearing Member) hereby irrevocably authorises (*bevollmächtigt*) Eurex Clearing AG to liquidate on behalf of the Affected Clearing Member such Eligible Margin Assets in the form of Securities and to appropriate the proceeds of the realisation of such Securities, and a Redelivery Claim (in cash) of the Affected Clearing Member in the amount of the value of such proceeds shall arise in respect of the ICM SC Standard Agreement already transferred or to be transferred to the Replacement Clearing Member pursuant to Number 10.4 and such Redelivery Claim shall then be subject to the Transfer.
- 10.11 As a result of a Transfer all rights and obligations under the relevant ICM SC Standard Agreement (including all existing ICM SC Transactions) and all Redelivery Claims for Margin and Variation Margin relating thereto that have been transferred to the Replacement Clearing Member (a) will be subject to the Clearing Agreement between Eurex Clearing AG and the Replacement Clearing Member in the form appended to the Clearing Conditions as Appendix 1 and (b) will no longer be subject to any Clearing Agreement with the Affected Clearing Member.
- 10.12 Immediately following a Transfer, all rights and obligations under each transferred ICM SC Standard Agreement (including all existing ICM SC Transactions) shall initially form a separate ICM SC Standard Agreement between the Replacement Clearing Member and Eurex Clearing AG and shall not be combined with or included in another existing ICM SC Standard Agreement, all Redelivery Claims for Variation Margin will initially be allocated to such ICM SC Standard Agreement and all Redelivery Claims for Margin will be allocated to such Internal ICM SC Margin Account (relating to the Replacement

Clearing Member) as specified by the Replacement Clearing Member (which specification shall be provided in the form requested by Eurex Clearing AG).

- 10.13 Following a Transfer pursuant to Number 10.4 and a transfer of Eligible Margin Assets in the form of Securities in accordance with Number 10.8, Eurex Clearing AG shall credit to the Replacement Clearing Member (with respect to each ICM SC Standard Agreement that is subject to such Transfer), by making appropriate changes to its records, all Margin and all Variation Margin provided to it by the Affected Clearing Member in respect of the relevant ICM SC Standard Agreement and, following such allocation, such amounts or assets shall constitute Margin and Variation Margin, respectively, of the Replacement Clearing Member.
- 10.14 It is the responsibility of the Affected Clearing Member and/or the Replacement Clearing Member to enter into relevant agreements (if any) with their relevant ICM Specified Clients for granting any compensation to, or obtaining any compensation from, such ICM Specified Clients in connection with any transfers made in accordance with this Number 10.
- 10.15 During the ICM SC Porting Period
- (i) the Clearing of ICM SC Transactions under each ICM SC Standard Agreement between Eurex Clearing AG and the Affected Clearing Member shall always be suspended;
 - (ii) the Affected Clearing Member shall not be entitled to enter any orders or quotes into the systems of the Markets;
 - (iii) all Redelivery Claims of the Affected Clearing Member with respect to Margin in the form of cash and Variation Margin shall be deferred (*gestundet*);
 - (iv) all claims of the Affected Clearing Member for a release of Margin in the form of Securities shall be deferred (*gestundet*); and
 - (v) Eurex Clearing AG shall not be obliged to provide any Variation Margin to the Affected Clearing Member.

11 Consequences of a Termination

If a Termination Date has occurred with respect to a Clearing Member and an ICM SC Standard Agreement, the following provisions shall apply.

11.1 Termination of ICM SC Transactions and Redelivery Claims

All current and future primary obligations (including payment and delivery obligations) under the relevant ICM SC Standard Agreement between Eurex Clearing AG and the Affected Clearing Member arising from the related ICM SC Transactions, any Redelivery Claim with respect to Margin and Variation Margin allocated to such ICM SC Standard Agreement shall expire (*auflösende Bedingung*) as of the Termination Time and shall no longer be required to be performed by the relevant obligor. Furthermore, all due but

unsatisfied obligations in respect of Margin and Variation Margin shall expire (*auflösende Bedingung*) as of the Termination Time. The expiration affects all claims arising from ICM SC Transactions under the relevant ICM SC Standard Agreement independent of the time they came into existence or would have come into existence otherwise. These expired primary obligations and delivery obligations, respectively, are reflected by the relevant Difference Claim with respect to the relevant ICM SC Standard Agreement, subject to and in accordance with Number 7.3 of the General Clearing Provisions.

11.2 Difference Claim

A difference claim of either Eurex Clearing AG or the Affected Clearing Member, under the relevant ICM SC Standard Agreement shall become unconditional and immediately due in the Termination Currency against the respective other party as of the end of the Last Valuation Date and shall be determined in accordance with Number 7.3 of the General Clearing Provisions using the Liquidation Price Approach (each a “**Difference Claim**”).

11.3 Notification of the Difference Claim

Eurex Clearing AG shall notify the value of the Difference Claim determined by it with respect to the relevant ICM SC Standard Agreement to the Affected Clearing Member and the relevant ICM Specified Client as soon as reasonably practicable after its determination, together with reasonable detail regarding the data and information forming the basis of the determination.

11.4 Payment of Difference Claim

11.4.1 The debtor of the Difference Claim under the relevant ICM SC Standard Agreement between Eurex Clearing AG and the Affected Clearing Member shall pay the amount of the Difference Claim to the other party as soon as reasonably practicable following the notification by Eurex Clearing AG of the payable amount pursuant to Number 11.3.

11.4.2 The debtor of the Difference Claim shall not be obliged to pay any interest on the amount of the Difference Claim unless it is in default (*Verzug*) following the receipt of a payment reminder (*Mahnung*) by the other party. Default interest shall be paid on the basis of the effective overnight interest rate applicable to the currency of the Difference Claim.

11.5 Realisation of Margin

11.5.1 In case Eurex Clearing AG is, with respect to an ICM SC Standard Agreement, the creditor of the Difference Claim against the Affected Clearing Member, Eurex Clearing AG shall be entitled to realise the pledges created by the Affected Clearing Member in accordance with Number 6.3.2 as further set out in this Number 11.5.

11.5.2 Eurex Clearing AG shall enforce and realise its pledges over Eligible Margin Assets in the form of Securities booked to any Internal ICM SC Margin Account relating to such ICM SC Standard Agreement in accordance with Number 3.6. Eurex Clearing AG shall be

entitled to realise the pledges over the Securities so booked only in satisfaction of the Difference Claim relating to the relevant ICM SC Standard Agreement.

12 Set-off

12.1 Prior to a Termination Date with respect to a Clearing Member and an ICM SC Standard Agreement or a Failure to Pay Event or an Insolvency Event with respect to Eurex Clearing AG, any claims (including claims to provide cover in respect of Margin or Variation Margin) of Eurex Clearing AG or the Clearing Member under an ICM SC Standard Agreement may be set off against claims of the respective other party under the same ICM SC Standard Agreement.

12.2 Eurex Clearing AG is entitled to set off any Difference Claim it may have against the Clearing Member under an ICM SC Standard Agreement against any Difference Claim it owes to the Clearing Member under the Proprietary Standard Agreement (as defined in Part 2 Subpart B Number 4.1).

12.3 Any other set-off of claims between Eurex Clearing AG and the Clearing Member under an ICM SC Standard Agreement shall be prohibited. Subject to the segregation requirements applicable under EMIR, this does not apply to a set-off with claims which are undisputed or have been determined as legally binding.

13 Return of any balance owed by Eurex Clearing AG in respect of an ICM SC Standard Agreement after the completion of the default management process

If a Termination Date in respect of an ICM SC Standard Agreement has occurred, Eurex Clearing AG shall return any balance owed by it in respect of such ICM SC Standard Agreement following the completion of the default management process pursuant to Part 1 Number 6 and 7 (and as otherwise set out in these Clearing Conditions) with respect to the Clearing Member as follows:

13.1 Any Difference Claim in relation to such ICM SC Standard Agreement owed by Eurex Clearing AG shall be discharged by payment of the relevant amount to the relevant ICM Specified Client.

13.2 Eligible Margin Assets in the form of Securities actually delivered to Eurex Clearing AG in respect of Margin in relation to such ICM SC Standard Agreement that are not realised by Eurex Clearing AG during its default management process (the "**ICM SC Direct Return Securities**") shall be transferred by Eurex Clearing AG to the relevant ICM Specified Client.

Each Clearing Member (conditionally upon becoming an Affected Clearing Member) hereby irrevocably authorises (*bevollmächtigt*) Eurex Clearing AG to offer to transfer to the relevant ICM Specified Client, on behalf of the Affected Clearing Member, all ICM SC Direct Return Securities and to issue all other statements and to take all other acts on behalf of the Affected Clearing Member that Eurex Clearing AG considers necessary or expedient to effect the transfer of the ICM SC Direct Return Securities to the relevant ICM Specified Client.

13.3 Any payment or transfer to an ICM Specified Client pursuant to this Number 13 shall be subject to (i) receipt by Eurex Clearing AG of any information that Eurex Clearing AG requires or requests from such ICM Specified Client in order to comply with any statutory or regulatory obligations with respect to the relevant payment or transfer to such ICM Specified Client, and (ii) compliance with any statutory or regulatory obligations applicable to Eurex Clearing AG. Eurex Clearing shall not be required to make such payment or transfer to the relevant ICM Specified Client (and shall instead make such payment or transfer to the Clearing Member for the account of the relevant ICM Specified Client) if Eurex Clearing is not satisfied that such payment or transfer by Eurex Clearing AG to the ICM Specified Client would result in a final discharge of the corresponding obligations of Eurex Clearing AG vis-à-vis the Clearing Member.

14 Special Provisions relating to the CASS Rules

14.1 Clearing Members have the option to clear certain ICM SC Transactions that qualify as Eurex Transactions or OTC Interest Rate Derivative Transactions ("**ICM SC CASS Eligible Transactions**") in accordance with the CASS Rules (as defined in Part 2 Number 4). The Clearing Member shall be solely responsible, and Eurex Clearing AG does not assume any liability, for compliance with the CASS Rules.

14.2 The Clearing Member may, with respect to ICM SC Transactions, elect in the Annex to its Clearing Agreement with Eurex Clearing AG pursuant to Appendix 1 whether all or several ICM SC CASS Eligible Transactions shall be cleared in accordance with the special provisions set out in this Number 14.

14.3 The Clearing Member may designate, by notice to Eurex Clearing AG (which shall be submitted in the form requested by Eurex Clearing AG) one or several ICM SC Transaction Accounts Groups (each together with the applicable Internal ICM SC CASS Margin Account(s) pursuant to Number 14.7 and the applicable Internal ICM SC CASS Cash Account(s) pursuant to Number 14.9) to constitute (either individually or collectively) a client transaction account for the purposes of the CASS Rules (each ICM SC Transaction Accounts Group so individually designated, and all ICM SC Transaction Accounts Groups so collectively designated, a "**ICM SC CASS Client Account**"). For the avoidance of doubt, the ICM SC CASS Client Account is not a Transaction Account for the purposes of these Clearing Conditions.

14.4 Each ICM SC CASS Client Account shall be in the name of the Clearing Member. The name of an ICM SC CASS Client Account and any sub-pool designation shall be for the purposes of identification only and shall not affect the application of the Clearing Conditions to the ICM SC CASS Client Account. The name of the ICM SC CASS Client Account and any sub-pool designation shall be one to which Eurex Clearing AG has no reasonable objection.

14.5 The Clearing Member shall ensure that only ICM SC CASS Eligible Transactions executed between Eurex Clearing AG and the Clearing Member will be booked on a Transaction Account that forms part of an ICM SC CASS Client Account. Each ICM SC CASS Eligible Transaction booked on a Transaction Account that forms part of an ICM SC CASS Client Account shall qualify as an "**ICM SC CASS Transaction**".

- 14.6 Only Eligible Margin Assets in the form of Securities that have been transferred to an ICM SC CASS Pledged Securities Account shall be booked to an Internal ICM SC Margin Account that forms part of an ICM SC CASS Client Account.
- 14.7 Upon the instruction of the Clearing Member (which shall be provided in the form requested by Eurex Clearing AG), Eurex Clearing AG will, in its internal systems, establish and maintain for each Clearing Member one or more Internal ICM SC Margin Accounts with respect to Eligible Margin Assets for ICM SC CASS Transactions (each an **“Internal ICM SC CASS Margin Account”**).
- 14.8 Any Internal ICM SC CASS Margin Account may only and must relate to an ICM SC Transaction Accounts Group that forms part of an ICM SC CASS Client Account.
- 14.9 With respect to each currency accepted by it, Eurex Clearing AG shall establish and maintain, with respect to a Clearing Member
- (i) in relation to each Internal ICM SC CASS Margin Account, one internal cash account for the settlement of payment claims arising under the ICM SC CASS Transactions booked on an ICM SC Transaction Account that, as per the specification made by the Clearing Member (in the form requested by Eurex Clearing AG), relates to such Internal ICM SC CASS Margin Account (including, in particular, all daily settlement payments, option premiums and payments in respect of the related Variation Margin, but excluding Settlement Claims); and
 - (ii) one internal cash account for Settlement Claims
- (each an **“Internal ICM SC CASS Cash Account”**).
- The daily balance of each Internal ICM SC CASS Cash Account (after taking into account permitted set-offs) shall be debited or credited, as the case may be, to the relevant Clearing Member Cash Account to the extent that Eurex Clearing AG does not claim any credit balance in the account in respect of Margin or Variation Margin relating to ICM SC CASS Client Accounts.
- 14.10 One Internal ICM SC CASS Cash Account may only and must relate to one ICM SC CASS Client Account.
- 14.11 The Clearing Member may clear ICM SC Transactions and ICM SC CASS Transactions with respect to the same ICM Specified Client. In that case and in deviation from Number 3.2, two ICM SC Transaction Accounts Groups will be established with respect to the same ICM Specified Client: one ICM SC Transaction Accounts Group for the ICM SK Transaction Accounts on which ICM SC CASS Transactions relating to such ICM Specified Client are booked and one ICM SC Transaction Accounts Group for the ICM SC Transaction Accounts on which other SC-Related Transactions relating to such ICM Specified Client are booked.