



Eurex Clearing Resources Circulars & Mailings

Release date: 23 Dec 2019 | Eurex Clearing

No. 123/2019

Amendments to the Clearing Conditions and the Price List of Eurex Clearing AG, to the FCM Rules and Default Management Committee Rules and other related documents

Eurex Clearing Circular 123/19

1. Introduction

This circular contains information with respect to the service offering of Eurex Clearing AG (Eurex Clearing) and introduces amendments to the Clearing Conditions of Eurex Clearing AG (Clearing Conditions), the Price List of Eurex Clearing AG (Price List), the FCM Regulations of Eurex Clearing AG (FCM Regulations), the Default Management Committee Rules (DMC Rules) and other related documents with respect to the following topics:

- A. Introduction of tax provisions for Repo CCP
- B. Amendment of existing tax provisions in Lending CCP
- C. Inclusion of the Inter-Product-Spread transactions in Volume Rebate eligibility
- D. Provision of KYC Information and nomination of KYC Contact
- E. Changes to cut-off times for interest calculation in US dollar and British pound
- F. Changes to the novation criteria for documentation of original OTC IRD and XCCY transactions
- G. Amendments to the DMC Rules with regards to the DMC Assignment Phase and decommissioning of the mandatory DMC chairman and deputy election
- H. Amendments to the Clearing Conditions regarding participation in Default Management Auctions

The amendments under items A., B., C., D. and E. will become effective as of **3 February 2020**.

The amendments under item F. will become effective as of **17 February 2020**.

The amendments under items G. and H. are within the scope of Special Provisions of the Clearing Conditions and are hence subject to a consultation process (Consultation). The Consultation will end with the expiry of **23 January 2020**. The planned effective date is **2 March 2020**, depending on the outcome of the Consultation which will be communicated in a separate Eurex Clearing circular.

2. Required action

Regarding items G. and H.: The proposed changes and amendments to the DMC Rules and to the Clearing Conditions outlined in the Attachments 8 and 9 are subject to a Consultation which will end with the expiry of **23 January 2020 (Consultation Period)**.

Eurex Clearing herewith invites all Affected Customers to submit comments on the proposed changes and amendments within the Consultation Period.

3. Details

A. Introduction of tax provisions for Repo CCP

Eurex Clearing aligns the tax-related provisions in the Clearing Conditions for Repo Transactions more closely with tax-related provisions which are applied in the bilateral repo market. Among other things, it is clarified that all payments under a Repo Transaction shall be made without deduction or withholding of any Tax, and, if any tax-related deduction or withholding is required by law, the payment to the recipient shall be increased by an additional amount equalling the deduction or withholding. If Eurex Clearing is required to pay any such additional amount to the recipient, it shall be reimbursed by the respective Clearing Member or Basic Clearing Member acting as Payer in relation to Eurex Clearing. In addition, it is clarified that any amounts payable are exclusive of any Sales Tax. The provisions that are to be introduced mirror the existing provisions applicable for Securities Lending Transactions.

Furthermore, a new provision is introduced that stipulates an obligation to disclose information needed for tax purposes of the requesting party. Among other things, Eurex Clearing needs certain information from its counterparties to fulfil its requirements for the deduction and withholding of tax on payments to foreign persons under 26 CFR § 1.1441-1.

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

- Chapter IV Part 1 Number 1.4
- Chapter IV Part 2 Number 2.10
- Chapter IX Part 2 Number 2.1.8

B. Amendment of existing tax provisions in Lending CCP

Eurex Clearing introduced a new provision that stipulates an obligation to disclose information needed for tax purposes of the requesting party. Among other things, Eurex Clearing needs certain information from its counterparties to fulfil its requirements for the deduction and withholding of tax on payments to foreign persons under 26 CFR § 1.1441-1.

Further minor amendments are introduced to other tax-related provisions applicable to Securities Lending Transactions to align their wording with the newly introduced provisions for Repo Transactions (see item A. above).

To reflect the amendments, the following provisions of the Clearing Conditions will be amended, as outlined in Attachment 2:

- Chapter IX Part 1 Number 1.5

C. Inclusion of the Inter-Product-Spread transactions in Volume Rebate eligibility

Three standardised Inter-Product-Spread strategy products (IPLX, IPPL and IPS2) have been launched on 16 September 2019 (see Eurex Clearing circular 083/19). At launch, the traded volume resulting from the standardised Inter-Product-Spread strategies was considered as not eligible for Volume Rebate calculations in Interest Rate Futures.

Effective 3 February 2020, the volume resulting from the standardised Inter-Product-Spread strategies in Interest Rate Futures will be considered eligible for Volume Rebate calculations. Volume Rebate eligibility rules as described under Number 3.2.2 "Volume Rebates" of the Price List do apply.

To reflect the changes, the following provisions of the Price List will be amended, as outlined in Attachment 3:

- Section 3 Number 3.2.2.2

D. Provision of KYC Information and nomination of KYC Contact

Within the scope of legal requirements, Eurex Clearing is obliged to thoroughly verify its direct contractual counterparties (i.e. Clearing Members, Disclosed Clients With System Access) with regards to Money Laundering (KYC).

In order to improve the underlying process, Eurex Clearing will include the respective obligation into Eurex Clearing's legal framework. Direct contractual counterparties shall, without undue delay, provide all information (in particular KYC information) to Eurex Clearing, which Eurex Clearing may reasonably request at any time to comply with applicable laws, rules, regulations or orders by its competent supervisory authorities.

Direct contractual counterparties shall further appoint one dedicated employee as KYC contact for Eurex Clearing.

To reflect the changes, the following provisions will be amended, as outlined in Attachments 4 and 5:

- Chapter I Part 1 Number 2.2.5 of the Clearing Conditions
- General Terms and Conditions to the Agreement on Technical Connection to the Clearing EDP of Eurex Clearing AG (GTC to the Connection Agreement) §10 (6)

E. Changes to cut-off times for interest calculation in US dollar and British pound

In accordance with the Clearing Conditions, Eurex Clearing may determine to pay interest or to charge negative interest on Eligible Margin Assets in the form of cash actually delivered to Eurex Clearing. Such interest is calculated on the basis of collateral balance that is held with Eurex Clearing at a certain point in time (cut-off time).

Eurex Clearing will change the existing cut-off times to determine the credit balance for the interest calculation on cash balances held in USD and GBP. The reason for this amendment is feasibility of investments.

The changed cut-off times as shown in the table below will become effective as of 3 February 2020:

Deadlines to determine the credit balance for the interest calculation on the collateral pool:

British pound:

Current cut-off time	New cut-off time (as of 3 February 2020)
18:00 CET	14:00 CET

US dollar:

Current cut-off time	New cut-off time (as of 3 February 2020)
22:00 CET	20:00 CET

As of the effective date, the new cut-off times will be published on the Eurex Clearing website www.eurexclearing.com, as part of the overview of cut-off times for cash collateral deposit and withdrawal requests, under the following link:

[Collateral management > Cash collateral > Cut-off times](#)

F. Changes to the novation criteria for documentation of original OTC IRD and XCCY transactions

Eurex Clearing is planning to support all master agreement types (i.e. ISDA, DRV, AFB/FBF, EMA, "Österreichischer Rahmenvertrag für Finanztermingeschäfte", etc.) for original OTC Interest Rate Derivative Transactions and XCCY Transactions in order to allow novation of such transactions. Instead, Eurex Clearing will validate if the field on the source of specifications (i.e. the field "Contractual Definitions") applicable to the submitted transaction in the trade record submitted by the respective ATS specifies any of the following as the source of specifications applicable to the original transaction:

- the contractual definitions issued by ISDA (in particular, the 2000 ISDA Definitions and the 2006 ISDA Definitions)
- the German Master Agreement for Financial Derivatives Transactions ("Rahmenvertrag für Finanztermingeschäfte", the "DRV") or
- the AFB/FBF Master Agreement

If the field containing the source of specifications applicable to the original transaction is left blank, Eurex Clearing will accept original transactions that are submitted as based on any of the following master agreements: an ISDA Master Agreement, the 2017 ISDA/FIA Clearing Derivatives Execution Agreement, the 2006 Definitions, the DRV or the AFB/FBF Master Agreement.

The legal and technical implementation will become effective on 17 February 2020.

Member documentation will be updated with OTC Release 10.1, which is planned for June 2020.

To reflect the changes and amendments, the following provisions of the Clearing Conditions and FCM Regulations will be amended as outlined in the Attachments 6 and 7:

- Chapter VIII Part 2 Number 2.1.5.2 (1) and (2) of the Clearing Conditions
- Chapter VIII Part 4 Number 4.1.5.2 (1) of the Clearing Conditions
- Chapter II Part 2 Number 2.1.5.2 (1) and (2) of the FCM Regulations

G. Amendments to the DMC Rules with regards to the DMC Assignment Phase and decommissioning of the mandatory DMC chairman and deputy election

In line with the continuous development and improvement of the Default Management Process, Eurex Clearing decommissioned the predefined fixed DMC term and rotation process for participation in the Default Management Committee (DMC). The proposed amendments to the DMC Rules seek to provide clarifications with respect to the DMC assignment phase and predefined timelines with regards to the DMC member selection process.

Therefore, Eurex Clearing decided to:

- clarify that the DMC Assignment Phase starts with the distribution of the Assignment Phase Notice and ends with the signature of the Agreement for the Participation in the DMC
- update timelines referencing to Assignment Phase to referencing to the point in time of Assignment Phase Notice distribution
- outline that the selected Clearing Member should sign the DMC Participation Agreement without undue delay and that with the signature the DMC assignment starts
- decommission the fixed DMC Term and the predefined rotation process
- decommission the mandatory chairman and deputy chairman election process and its function
- clarify that each DMC Member Institution and the designated DMC Member is selected for an indefinite period of time until either the Participating DMC Member Institution or Eurex Clearing terminates the agreement respectively the Participating DMC Member Institution's clearing agreement with Eurex Clearing is terminated

To reflect the changes, the following provisions will be amended as outlined in Attachment 8:

- Numbers 1.3, 2.1-2.4, 2.6, 2.8, 3.1.3, 3.2-3.4 of the DMC Rules
- Agreement for the Participation in a Default Management Committee (Appendix to the DMC Rules)

H. Amendments to the Clearing Conditions regarding participation in Default Management Auctions

The Clearing Conditions require amendments due to recently implemented amendments to the Default Management Auction Rules effective 2 December 2019, in particular with respect to the options for Clearing Members (not qualifying as Mandatory Participants), Basic Clearing Members, Disclosed Direct Client, other customers of Clearing Members and Selected Auction Participants to participate in Default Management Auctions.

To reflect the changes, the following provisions will be amended as outlined in Attachment 9:

- Chapter I Part 1 Number 7.5.3 of the Clearing Conditions

Consultation with respect to the amendments proposed under items G. and H.

Pursuant to Chapter I Part 1 Number 17 of the Clearing Conditions, the proposed changes and amendments to the DMC Rules and the Clearing Conditions as outlined under items G. and H. are subject to a Consultation which will end with the expiry of **23 January 2020 (Consultation Period)**.

Eurex Clearing herewith invites all Affected Customers to submit comments on the proposed changes and amendments within the Consultation Period.

During the Consultation Period, comments on proposed changes or amendments shall be only submitted through a web-based commenting service for which a registration form is available on the Eurex Clearing website www.eurexclearing.com under the following link:

[Resources > Forms > Data Forms: Consultation Form](#)

The form has to be duly signed and returned to Eurex Clearing via e-mail to SpecialProvisions@eurexclearing.com, in order to obtain a User ID and Password together with a link for accessing the web-based commenting service.

To the extent that Eurex Clearing decides to implement any comments received during the Consultation, the so-amended version of the amendments to the website will be published after the Consultation.

The currently envisaged effective date of the changes is **2 March 2020**. However, after the Consultation Period, Eurex Clearing will issue a separate circular to announce the concrete date on which the proposed changes (as the case may be, implementing comments received during the Consultation) will come into effect.

This announcement will be made with at least 15 Business Days' notice (Regular Notification Period). However, if Eurex Clearing should receive a request for a Prolonged Notification Period from more than two Affected Customers during the Consultation Period, a Prolonged Notification Period as set out in the Clearing Conditions will be applied and Eurex Clearing will notify all affected parties accordingly.

Publication of amendments as outlined under items A., B., C., D., E. and F.

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

[Resources > Rules and Regulations](#)

The changes and amendments to the legal framework of Eurex Clearing, published in this circular under items A. - F. above, are deemed accepted by each affected contractual party of Eurex Clearing, unless the respective contractual party objects by written

notice to Eurex Clearing AG within the first ten (10) Business Days after publication. Any ordinary right of Eurex Clearing AG to terminate the respective contract (including a Clearing Agreement, if applicable) shall remain unaffected.

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

Attachments:

- 1 – Amended sections of Chapter IV Part 1 Number 1.4 and Part 2 Number 2.10 of the Clearing Conditions regarding item A.
- 2 – Amended sections of Chapter IX Part 1 Number 1.5 of the Clearing Conditions regarding item B. and Chapter IX Part 2 Number 2.1.8 of the Clearing Conditions regarding item A.
- 3 – Amended sections of Section 3 Number 3.2.2.2 of the Price List regarding item C.
- 4 – Amended sections of Chapter I Part 1 Number 2.2.5 of the Clearing Conditions regarding item D.
- 5 – Amended §10 (6) of the General Terms and Conditions to the Agreement on Technical Connection to the Clearing EDP of Eurex Clearing AG (GTC to the Connection Agreement) regarding item D.
- 6 – Amended sections of Chapter VIII Part 2 Number 2.1.5.2 (1) and (2), Chapter VIII Part 4 Number 4.1.5.2 (1) of the Clearing Conditions regarding item F.
- 7 – Amended Sections of Chapter II Part 2 Number 2.1.5.2 (1) and (2) of the FCM Regulations regarding item F.
- 8 – Amended sections of Numbers 1.3, 2.1-2.4, 2.6, 2.8,3.1.3, 3.2-3.4 of the DMC Rules and amended sections of the Agreement for the Participation in a Default Management Committee (Appendix to the DMC Rules) regarding item G.
- 9 – Amended sections of Chapter I Part 1 Number 7.5.3 of the Clearing Conditions regarding item H.

Further information

Recipients: All Clearing Members, Basic Clearing Members, all FCM Clearing Members of Eurex Clearing AG, vendors and all other affected contractual parties

Target groups: Front Office/Trading, Middle + Backoffice, IT/System Administration, Auditing/Security Coordination

Contact: client.services@eurexclearing.com

Web: www.eurexclearing.com

Authorized by: Dmitrij Senko

Further information

[Attachment 1 to Eurex Clearing circular 123/19](#)

[Attachment 2 to Eurex Clearing circular 123/19](#)

[Attachment 3 to Eurex Clearing circular 123/19](#)

[Attachment 4 to Eurex Clearing circular 123/19](#)

[Attachment 5 to Eurex Clearing circular 123/19](#)

[Attachment 6 to Eurex Clearing circular 123/19](#)

[Attachment 7 to Eurex Clearing circular 123/19](#)

[Attachment 8 to Eurex Clearing circular 123/19](#)

[Attachment 9 to Eurex Clearing circular 123/19](#)

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Chapter IV of the Clearing Conditions of Eurex Clearing AG

Clearing of Repo Transactions

As of 03.02.2020

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

[...]

Part 1 General Provisions

[...]

1.4 Tax Information Undertakings

- (1) For the purpose of this Chapter IV, "Tax Information" shall mean information required by the respective recipient to comply with the rules and regulations of tax authorities.
- (2) Upon application for a Clearing License or a Basic Clearing Member Clearing License, as the case may be, pursuant to Number 1.1, the applicant shall be required to provide Eurex Clearing AG, upon request, any Tax Information.

Further, each Clearing Member or Basic Clearing Member is obliged to inform Eurex Clearing AG without undue delay about any changes to the Tax Information previously provided to Eurex Clearing AG.
- (3) Upon request by Eurex Clearing AG, each Clearing Member or Basic Clearing Member shall provide any other Tax Information (including, inter alia, Tax Information required by Eurex Clearing to comply with its reporting requirements under 26 CFR § 1.1441-1 et seq. or any successor or replacement regulation thereto).
- (4) Upon the request of a Clearing Member or Basic Clearing Member, Eurex Clearing AG shall provide such Clearing Member or Basic Clearing Member with Tax Information relating to Eurex Clearing AG that is available to Eurex Clearing AG, provided that the provision of the Tax Information would not materially prejudice the legal or commercial position of Eurex Clearing AG.
- (5) If the identity of the original parties to an Original GC Pooling Repo Transaction or MTF Repo Transaction has been disclosed to each other, each Clearing Member or

Basic Clearing Member shall provide each corresponding Clearing Member or Basic Clearing Member (and vice versa) upon request with any Tax Information, provided that the provision of the Tax Information would not materially prejudice the legal or commercial position of the Clearing Member or Basic Clearing Member that has received such request.

[...]

Part 2 Clearing of Repo Transactions

[...]

2.10 Tax

(1) Deduction or withholding of Taxes

The parties to the Repo Transaction shall make all payments under the Repo Transaction without any deduction or withholding for or on account of any Tax unless such deduction or withholding is required by any applicable law.

If a party to a Repo Transaction that is required to make a payment (in such capacity, the "Payer") is so required to make a deduction or withholding from the payment owed by it, the Payer shall:

- (a) promptly notify the obligee of the payment obligation to which such deduction or withholding relates (the "Recipient") of such requirement;
- (b) pay or otherwise account for the full amount required to be deducted or withheld to the relevant authority;
- (c) upon written demand of the Recipient, forward to the Recipient documentation reasonably acceptable to the Recipient evidencing such payment to such authority; and
- (d) pay to the Recipient, in addition to what the Recipient is otherwise entitled to in respect of the Repo Transaction, such additional amount as is necessary to ensure that the amount actually received by the Recipient (after taking account of such withholding or deduction) is equal to the amount that the Recipient would have received had no such deduction or withholding been required.

For the purposes of this Chapter IV, "Tax" means any present or future tax, levy, impost, duty, charge, assessment or fee of any nature (including interest, penalties and additions thereto) imposed by any government or other taxing authority in respect of any transaction effected pursuant to or contemplated by, or any payment under or in respect of, the relevant Repo Transaction.

(2) Reimbursement of Eurex Clearing AG by the Clearing Member or Basic Clearing Member acting as Payer

If Eurex Clearing AG is required to pay any additional amount to the Recipient in accordance with Paragraph (1) (d) (for the purposes of this Number 2.9 the "**Eurex Clearing Gross-up Amount**"), the relevant Clearing Member or Basic Clearing Member which is acting as Payer in relation to Eurex Clearing AG shall pay to Eurex Clearing AG an amount equal to the Eurex Clearing Gross-up Amount. If the relevant Clearing Member or Basic Clearing Member acting as Payer in relation to Eurex Clearing AG is required to make any deduction or withholding in respect of the amount so payable by it, Paragraph (1) shall apply *mutatis mutandis*.

(3) Transaction Tax

If the Clearing Member or Basic Clearing Member acting as the seller (cash taker) in the Repo Transaction ("**Seller**") or Eurex Clearing AG is required to pay any amount on account of any Transaction Tax (other than any Transaction Tax that would not be chargeable but for the Clearing Member or Basic Clearing Member acting as the buyer (cash provider) in the Repo Transaction ("**Buyer**") or, as applicable, Eurex Clearing AG's failure to comply with its obligations under the Clearing Agreement) chargeable in connection with any Repo Transaction, the Seller shall notify Eurex Clearing AG, and, as applicable, Eurex Clearing AG shall notify the Buyer of such payment requirement. Upon receipt of the relevant notification, Eurex Clearing AG shall pay to the Seller or, as applicable, the Buyer shall pay to Eurex Clearing AG an amount equal to such amount payable by the Seller or Eurex Clearing AG, as the case may be. If Eurex Clearing receives any such notification from the Seller, it shall forward such notification to the Buyer and the Buyer shall, upon receipt of such notification, pay to Eurex Clearing an amount equal to the amount payable by Eurex Clearing to the Seller in accordance with the preceding sentence.

For the purposes of this Chapter IV, "**Transaction Tax**" means any transaction, stamp, transfer, registration, documentation or similar Tax.

(4) Sales Tax

All amounts payable by any party to a Repo Transaction to the other party of such Repo Transaction are exclusive of any Sales Tax chargeable on any supply to which such sums relate and an amount equal to such Sales Tax shall in each case be paid by the party making such payment on receipt of an appropriate Sales Tax invoice.

For the purposes of this Chapter IV, "**Sales Tax**" means value added tax and any other Tax of a similar nature.

(5) Retrospective changes in law

Unless otherwise agreed between the parties to the relevant Repo Transaction, amounts payable by one party to another in relation to a Repo Transaction shall be determined by reference to applicable law as at the date of the relevant payment and

no adjustment shall be made to amounts paid and no party shall have any claims or rights against any other party, as a result of:

(a) any retrospective change in applicable law which is announced or enacted after the date of the relevant payment; or

(b) any decision of a court of competent jurisdiction which is made after the date of the relevant payment (other than where such decision results from an action taken with respect to the Repo Transaction or amounts paid or payable under the Repo Transaction).

[...]

Chapter IX of the Clearing Conditions of Eurex Clearing AG

Clearing of Securities Lending Transactions

As of 03.02.2020

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED,

DELETIONS ARE CROSSED OUT.

[...]

Part 1 General Provisions

[...]

1.5 Tax Information Undertakings

(1) For the purpose of this Chapter IX, "Tax Information" shall mean information required by the respective recipient to comply with the rules and regulations of tax authorities.

~~(1)~~(2) Upon application for a Clearing License or a Specific Lender License, as the case may be, pursuant to Number 1.1, the applicant shall be required to provide Eurex Clearing AG, upon request, any Tax Information.

Further, each Clearing Member is obliged to inform Eurex Clearing AG without undue delay about any changes to the Tax Information previously provided to Eurex Clearing AG.

(3) Upon request by Eurex Clearing AG, each Clearing Member shall provide any other Tax Information (including, inter alia, Tax Information required by Eurex Clearing to comply with its reporting requirements under 26 CFR § 1.1441-1 et seq. or any successor or replacement regulation thereto).

~~(2)~~ Upon the request of a Clearing Member, Eurex Clearing AG shall provide such Clearing Member with Tax Information relating to Eurex Clearing AG that is available to Eurex Clearing AG, provided that the provision of the Tax Information would not materially prejudice the legal or commercial position of Eurex Clearing AG.

~~(3)~~ Each Borrower Clearing Member shall provide each Lender Clearing Member (and vice versa) upon request with any Tax Information.

~~"Tax Information" means such information required by the respective recipient to comply with the rules and regulations of tax authorities.~~

[...]

Part 2 Terms and Conditions of Securities Lending Transactions

[...]

2.1 General Provisions of Securities Lending Transactions

[...]

2.1.8 Tax

- (1) Deduction or withholding of ~~T~~axes

[...]

For the purposes of this Chapter IX, "Tax" means any present or future tax, levy, impost, duty, charge, assessment or fee of any nature (including interest, penalties and additions thereto) imposed by any government or other taxing authority in respect of any transaction effected pursuant to or contemplated by, or any payment under or in respect of, the relevant Securities Lending Transaction.

[...]

- (3) Reimbursement of Eurex Clearing AG by the Borrower Clearing Member

If Eurex Clearing Borrower is required to pay any additional amount to the Lender Clearing Member in accordance with Paragraph (1) (d) (for the purposes of this Number 2.1.8 the "Eurex Clearing Gross-up Amount"), the Borrower Clearing Member shall pay to Eurex Clearing Lender an amount equal to the Eurex Clearing Gross-up Amount. If the Borrower Clearing Member is required to make any deduction or withholding in respect of the amount so payable by it, Paragraph (1) shall apply *mutatis mutandis*.

[...]

- (5) Transaction Tax

[...]

For the purposes of this Chapter IX, "Transaction Tax" means any transaction, stamp, transfer, registration, documentation or similar Tax.

- (6) Sales Tax

[...]

For the purposes of this Chapter IX, "Sales Tax" means value added tax and any other Tax of a similar nature.

[...]

[...]

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

[...]

3 Transaction Fees for Derivatives Transactions (Order Book Transactions and Off-Book-Transactions on the Eurex Exchange)

[...]

3.2 Rebates

[...]

3.2.2 Volume Rebates

[...]

3.2.2.2 Volume Rebates in Futures

[...]

- (2) Transactions in Eurex Daily Futures Contracts on KOSPI 200 Derivatives and transactions in Eurex MOC on Index Futures shall not be taken into account when calculating Eligible Volume for Equity Index Futures. For the avoidance of doubt: if, following a transaction in Eurex MOC on Index Futures, a booking of the underlying Index Future has been made, the newly booked Index Future is eligible in terms of this Number 3.2.2. Here, the Eligible Transaction Fees are limited to the fee which is listed for the underlying Index Future in the execution type "order book" pursuant to Number 3.1. ~~Futures transactions resulting out of a standardised inter-product spread strategy in Interest Rate Futures shall not be taken into account when calculating Eligible Volume for Interest Rate Futures.~~

[...]

[...]

Chapter I of the Clearing Conditions of Eurex Clearing AG

General Provisions

As of 03.02.2020

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED,

DELETIONS ARE CROSSED OUT.

[...]

Part 1 General Clearing Provisions

[...]

2 Clearing Members

[...]

2.2 Certain continuing obligations of Clearing Members

[...]

2.2.5 The Clearing Member shall without undue delay provide all information to Eurex Clearing AG, which Eurex Clearing AG may reasonably request at any time to comply with applicable laws, rules, regulations or orders by its competent supervisory authorities (in particular those relating to funding of terrorist activities and money laundering – “**KYC Information**”). The Clearing Member shall appoint one of its employees as contact for Eurex Clearing AG for all matters relating to KYC Information (“**KYC Contact**”). The Clearing Member shall immediately notify Eurex Clearing AG about any changes relating to (i) the KYC Information it has previously provided to Eurex Clearing AG or (ii) the KYC Contact. The Clearing Member shall also provide without undue delay all KYC Information relating to any of its Disclosed Direct Clients or Indirect Client Market Participants, which Eurex Clearing AG may reasonably request at any time to comply with applicable laws, rules, regulations or orders by its competent supervisory authorities.

[...]

General Terms and Conditions to the
Agreement on Technical Connection to
the Clearing EDP of Eurex Clearing AG
(GTC to the Connection Agreement)

As of 03.02.2020

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED,

DELETIONS ARE CROSSED OUT.

A General Provisions

[...]

§ 10 Additional obligations of the Participant

[...]

(6) The Contractual Party shall without undue delay provide all information to Eurex Clearing, which Eurex Clearing may reasonably request at any time to comply with applicable laws, rules, regulations or orders by its competent supervisory authorities (in particular those relating to funding of terrorist activities and money laundering – “**KYC Information**”). The Contractual Party shall appoint one of its employees as contact for Eurex Clearing for all matters relating to KYC Information (“**KYC Contact**”). The Contractual Party shall immediately notify Eurex Clearing about any changes relating to (i) the KYC Information it has previously provided to Eurex Clearing or (ii) the KYC Contact.

[...]

Chapter VIII of the Clearing Conditions of Eurex Clearing AG

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

As of 17.02.2020

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

[...]

Part 2 Clearing of OTC Interest Rate Derivative Transactions

2.1 General Provisions

[...]

2.1.5 Novation Criteria and Process Regarding OTC Interest Rate Derivative Transactions

[...]

[...]

2.1.5.2 Documentation of Original OTC Transactions

(1) In the Trade Record submitted via the ATS in respect of an OTC Interest Rate Derivative Transaction, one of the following ~~master agreements may~~frameworks has to be specified as the contractual basis of an source of specifications (in particular the financial and/or pricing terms) applicable to the Original OTC Transaction:

(i) ~~the 1992 contractual definitions issued by ISDA Master Agreement or~~(in particular, the 2002-2000 ISDA Master Agreement,

~~(ii) Definitions and the 2017/2006 ISDA/FIA Cleared Derivatives Execution Agreement, Definitions),~~

~~(ii)(iii)~~ the German Master Agreement for Financial Derivatives Transactions (*Rahmenvertrag für Finanztermingeschäfte*, the “**DRV**”) or

~~(iii)(iv)~~ the AFB/FBF Master Agreement.

For an Original OTC Transaction, which has been submitted to Eurex Clearing as being based on one of the following master agreements without explicit selection of the source of specifications, Eurex Clearing will apply the following:

(i) for an Original OTC Transaction submitted as based on an ISDA Master Agreement or the 2017 ISDA/FIA Cleared Derivatives Execution Agreement, the 2006 ISDA Definitions will be considered as the source of specifications,

(ii) for an Original OTC Transaction submitted as based on the DRV, the DRV will be considered as the source of specifications,

(iii) for an Original OTC Transaction submitted as based on the AFB/FBF Master Agreement, the AFB/FBF Master Agreement will be considered as the source of specifications.

(2) Irrespective of the documentation of the Original OTC Transaction,

(i) the **“Terms for ISDA Interest Rate Derivative Transactions”** set out in Number 2.3 below shall apply to all CCP Transactions and CM-ICM Client Transactions (~~the “ISDA Interest Rate Derivative Transactions”~~) that are OTC Interest Rate Derivative Transactions which are based on Original OTC Transactions submitted via the ATS as having been entered into ~~under based on the 1992 contractual definitions issued by ISDA Master Agreement, the 2002 ISDA Master Agreement, the 2017 ISDA/FIA Cleared Derivatives Execution Agreement or the AFB/FBF Master Agreement. The~~ (the “ISDA Interest Rate Derivative Transactions”) and

(ii) the **“Terms for DRV Interest Rate Derivative Transactions”** set out in Number 2.4 below shall apply to all CCP Transactions and CM-ICM Client Transactions (~~the “DRV Interest Rate Derivative Transactions”~~) that are OTC Interest Rate Derivative Transactions which are based on Original OTC Transactions submitted via the ATS as having been entered into ~~under the DRV and which, accordingly, are designated as “DRV-based” in the applicable OTC Trade Novation Report.~~ based on the DRV (the “DRV Interest Rate Derivative Transactions”).

[...]

[...]

Part 4 Clearing of OTC XCCY Transactions

4.1 General Provisions

[...]

4.1.5 Novation Criteria and Process Regarding OTC XCCY Transactions

[...]

[...]

4.1.5.2 Documentation of Original OTC Transactions

(1) In the trade record submitted via the ATS in respect of an OTC XCCY Transactions, one of the following ~~master agreements frameworks~~ has to ~~may~~ be specified as the source of specifications (in particular the financial and/or pricing terms) applicable to the contractual basis of an Original OTC Transaction:

- (i) ~~the 1992 ISDA Master Agreement or the 2002 ISDA Master Agreement~~ contractual definitions issued by ISDA (in particular, the 2000 ISDA Definitions and the 2006 ISDA Definitions),
- (ii) ~~the 2017 ISDA/FIA Cleared Derivatives Execution Agreement,~~
- (iii) the German Master Agreement for Financial Derivatives Transactions (Rahmenvertrag für Finanztermingeschäfte) or
- ~~(iiiiv)~~ the AFB/FBF Master Agreement.

Eurex Clearing will also accept an Original OTC Transaction, which has been submitted to Eurex Clearing as being based on one of the following master agreements without explicit selection of the source of specifications:

- (i) the ISDA Master Agreement or the 2017 ISDA/FIA Cleared Derivatives Execution Agreement,
- (ii) the DRV,
- (iii) the AFB/FBF Master Agreement.

(2) Irrespective of the documentation of the Original OTC Transaction, the specific product-related terms for OTC XCCY Transactions set out in Number 4.3 below shall apply to all OTC XCCY Transactions.

[...]

[...]

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

FCM Regulations of Eurex Clearing AG

As of 17.02.2020

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED,

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[...]

Part 2 Clearing of Interest Rate Derivative Transactions

2.1 General Provisions

[...]

2.1.5 Novation Criteria and Process Regarding Interest Rate Derivative Transactions

[...]

2.1.5.2 Documentation of Original Swap Transactions

(1) In the Trade Record submitted via the ATS in respect of an OTC Interest Rate Derivative Transaction, one of the following ~~master agreements may~~frameworks has to be specified as the contractual basis of a source of specifications (in particular the financial and/or pricing terms) applicable to the Original Swap Transaction:

- (i) ~~the 1992 contractual definitions issued by ISDA Master Agreement or (in particular, the 2002-2000 ISDA Master Agreement,~~
- (ii) ~~Definitions and the 2017/2006 ISDA/FIA Cleared Derivatives Execution Agreement, Definitions),~~
- (iii) the German Master Agreement for Financial Derivatives Transactions (*Rahmenvertrag für Finanztermingeschäfte*, the “**DRV**”), or
- (iv) the AFB/BBF Master Agreement.

For an Original Swap Transaction, which has been submitted to Eurex Clearing as being based on one of the following master agreements without explicit selection of the source of specifications, Eurex Clearing will apply the following:

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FCM Regulations of Eurex Clearing AG	As of 17.02.2020
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- (i) for an Original Swap Transaction submitted as based on an ISDA Master Agreement or the 2017 ISDA/FIA Cleared Derivatives Execution Agreement, the 2006 ISDA Definitions will be considered as the source of specifications,
- (ii) for an Original Swap Transaction submitted as based on the DRV, the DRV will be considered as the source of specifications,
- (iii) for an Original Swap Transaction submitted as based on the AFB/BBF Master Agreement, the AFB/BBF Master Agreement will be considered as the source of specifications.

(2) Irrespective of the documentation of the Original Swap Transaction,

- (i) the **“Terms for ISDA Interest Rate Derivative Transactions”** set out in Number 2.3 below shall apply to all Swap Transactions that are Interest Rate Derivative Transactions (which are based on Original Swap Transactions submitted via the ATS as having been entered into ~~under based on the 1992 contractual definitions issued by ISDA Master Agreement, the 2002 ISDA Master Agreement, the 2017 ISDA/FIA Cleared Derivatives Execution Agreement or the AFB/BBF Master Agreement~~ **“(ISDA Interest Rate Derivative Transactions).The”**) and
- (ii) the **“Terms for DRV Interest Rate Derivative Transactions”** set out in Number 2.4 below shall apply to all Swap Transactions that are Interest Rate Derivative Transactions which are based on Original Swap Transactions submitted via the ATS as having been entered into ~~under the DRV and which, accordingly, are designated as “DRV-based” in the applicable Swap Trade Novation Report~~ based on the DRV (the **“DRV Interest Rate Derivative Transactions”**).

[...]

[...]

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

DEFAULT MANAGEMENT COMMITTEE RULES

1 General Provisions for Default Management Committees and Market Advisors

[...]

1.3 Definitions

[...]

~~“Assignment Phase” means a period of six months prior to the start of each DMC Term. During the Assignment Phase, Eurex Clearing AG shall determine the Eligible Clearing Members or Eligible FCM Clearing Members which shall participate in a DMC in the following DMC Term in accordance with Number 2.2. Eurex Clearing AG shall inform all Eligible Clearing Members and all Eligible FCM Clearing Members with respect to the relevant DMC about the commencement of the relevant Assignment Phase at least one month prior to the start of such Assignment Phase. In case of the establishment of a new DMC, Eurex Clearing AG may deviate from the six months period.~~

[...]

~~“DMC Composition Table” means the DMC composition table published by Eurex Clearing AG on its website (www.eurexclearing.com) detailing the exact numbers of DMC Members for each DMC and the identity of the Participating DMC Member Institutions.~~

[...]

~~“DMC Term” means the period commencing as of the time the Agreement for the Participation in a Default Management Committee has been signed and has become effective, and ending after one calendar year. Eurex Clearing AG may extend the relevant period if the DMC Matters for which a DMC Meeting (as defined in Number 3.1) has been convened may not be finalised before the relevant term would have otherwise ended.~~

[...]

~~“Required Number” means, with respect to each DMC, the required numbers of DMC Members set forth in the DMC Composition Table.~~

[...]

2 Composition of Default Management Committees

2.1 Establishment of DMCs

2.1.1 —Eurex Clearing AG will establish a DMC with respect to one or more Liquidation Groups as specified in the DMC Composition Table ~~with respect to the relevant DMC Term~~, provided that a DMC with respect to a Liquidation Group will only be established if there are at least five (5) Eligible Clearing Members and/or Eligible FCM Clearing Members.

Eurex Clearing AG may, in its discretion, decide not to establish a DMC with respect to a Liquidation Group which does not have a substantial size. However, Eurex Clearing AG will establish a DMC for any Liquidation Group if such Liquidation Group is expected to comprise at least one OTC Interest Rate Derivative Transaction (as defined in Chapter VIII Part 2 Number 2.1.1 of the Clearing Conditions), at least one OTC Currency Transaction (as defined in Chapter VIII Part 1 Paragraph (1) of the Clearing Conditions) or at least one Interest Rate Derivative Transaction (as defined in Chapter I Number 1.1.5 of the FCM Regulations).

2.1.2 Each DMC shall consist of at least two Participating DMC Member Institutions. Eurex Clearing will, with respect to each DMC, determine the required numbers of DMC Members (“Required Number”). Eurex Clearing AG will publish on its website (www.eurexclearing.com) a table specifying the exact number of DMC Members for each DMC and the identity of the Participating DMC Member Institutions (“DMC Composition Table”).

2.2 Selection of Participating DMC Member Institutions and Assignment Phase

2.2.1 Eurex Clearing AG will select the Participating DMC Member Institutions which shall participate in a DMC in accordance with Numbers 2.3 and 2.4 below.

2.2.2 Whenever a Participating DMC Member Institution needs to be selected, Eurex Clearing AG initiates the **“Assignment Phase”** by submitting a written notice to all Eligible Clearing Members and all Eligible FCM Clearing Members with respect to the relevant DMC informing on the commencement of the Assignment Phase (**“Assignment Phase Notice”**).

During the Assignment Phase, Eurex Clearing AG shall determine the Eligible Clearing Member or Eligible FCM Clearing Member which shall participate as Participating DMC Member Institution.

2.2.3 The Assignment Phase begins with the submission of the Assignment Phase Notice and ends with the signing of the Agreement for the Participation in a Default Management Committee in the form of the Appendix attached to the DMC Rules ("**DMC Participation Agreement**").

An Assignment Phase Notice is submitted (i) with respect to all Participating DMC Member Institutions when the relevant DMC is established and (ii) only with respect to the relevant Participating DMC Member Institution(s) after either Eurex Clearing AG or the relevant Participating DMC Member Institution(s) performed its termination right pursuant to Number 2.3.2.

2.3 DMC Term of the selection as Participating DMC Member Institution and Termination Rotation Process

2.3.1 Each Participating DMC Member Institution will be selected for an indefinite period of time until either the Participating DMC Member Institution or Eurex Clearing AG has exercised its termination right pursuant Number 2.3.2. ~~for two consecutive DMC Terms.~~

2.3.2 Eurex Clearing AG or the Participating DMC Member Institution may terminate the DMC Participation Agreement at any time. Such termination requires written notice to the Participating DMC Member Institution or Eurex Clearing AG, respectively, with a prior notice period of 30 calendar days.

2.3.3 This DMC Participation Agreement shall terminate automatically when all Clearing Agreements or FCM Clearing Agreements between Eurex Clearing AG and the Participating DMC Member Institution (or, where applicable, its Clearing Member/FCM Clearing Member) have been terminated.

~~At the end of the first DMC Term with respect to all Participating DMC Member Institutions of a newly established DMC, Eurex Clearing AG will replace, at its sole discretion, Participating DMC Member Institutions pursuant to Number 2.4 and in accordance with the following provisions:~~

~~(i) in case of a DMC consisting of two Participating DMC Member Institutions, Eurex Clearing AG will replace one Participating DMC Member Institution and, after each further DMC Term, one Participating DMC Member Institution;~~

~~(ii) in case of a DMC consisting of three Participating DMC Member Institutions, Eurex Clearing AG will replace one Participating DMC Member Institution and, after each further DMC Term, two Participating DMC Member Institutions; and~~

~~(iii) in case of a DMC consisting of four Participating DMC Member Institutions, Eurex Clearing AG will replace two Participating DMC Member Institutions and, after each further DMC Term, two Participating DMC Member Institutions.~~

2.3.3 Any further replacements of Participating DMC Member Institutions following the first DMC Term will be made once the relevant Participating DMC Member Institutions have served as such for two consecutive DMC Terms.

~~2.3.4 If Eurex Clearing AG is not able to select a Participating DMC Member Institution in accordance with Number 2.4 below, no rotation of the relevant Participating DMC Member Institution shall take place.~~

2.4 Guidelines for the Selection of Participating DMC Member Institutions

2.4.1 General Principles

[...]

- (i) ~~for more than one DMC in any DMC Term at the same time; and~~
- (ii) if such Eligible Clearing Member or Eligible FCM Clearing Member served as Participating DMC Member Institution with respect to this particular DMC during the last two years ~~in any of the previous two consecutive DMC Terms.~~

Without prejudice to the right of an Eligible Clearing Member or an Eligible FCM Clearing Member to volunteer to serve as Participating DMC Member Institution in more than one DMC in accordance with the selection process in Number 2.4.2 below, Eurex Clearing AG shall, if an Eligible Clearing Member or an Eligible FCM Clearing Member qualifies as Participating DMC Member Institution with respect to more than one DMC, in its discretion, ~~in accordance with the DMC Rotation Process~~ decide in which DMC such Eligible Clearing Member or Eligible FCM Clearing Member shall serve as Participating DMC Member Institution.

2.4.2 Selection Process for voluntarily participating Eligible Clearing Members and Eligible FCM Clearing Members

- (1) All Eligible Clearing Members and Eligible FCM Clearing Members which intend to volunteer as Participating DMC Member Institution shall (i) inform Eurex Clearing AG thereof at the latest prior to the end of the no later than on the first 10th Business Day after receipt of the Assignment Phase Notice of the relevant Assignment Phase and (ii) specify in which DMC they wish to participate.

[...]

- (3) Eurex Clearing AG will immediately inform each the selected Eligible Clearing Members and Eligible FCM Clearing Members of their selection as Participating DMC Member Institutions pursuant to Paragraph (2) above at the latest prior to the end of the 20th Business Day after submission of the Assignment Phase Notice, no later than one month after the start of the relevant Assignment Phase. Each selected Eligible Clearing Member or Eligible FCM Clearing Member shall sign the DMC Participation Agreement without undue delay. As of the signing of the DMC Participation Agreement by the selected Eligible Clearing Member or Eligible FCM Clearing Member and Eurex Clearing AG, the selected Eligible Clearing Member or Eligible FCM Clearing Member becomes a Participating DMC Member Institution.

[...]

2.4.3 Selection Process for non-voluntarily participating Eligible Clearing Members and Eligible FCM Clearing Members

- (1) If the selection process for a voluntary participation of Eligible Clearing Members and Eligible FCM Clearing Members pursuant to Number 2.4.2 does not result in a sufficient number of Participating DMC Member Institutions, Eurex Clearing AG will rank (whereby Eligible Clearing Members and Eligible FCM Clearing Members with higher Cleared Volumes will be ranked first) the other Eligible Clearing Members and Eligible FCM Clearing Members based on their respective Cleared Volumes in the three months preceding the relevant Assignment Phase in the relevant Liquidation Group. Eurex Clearing AG will select the Eligible Clearing Members and Eligible FCM Clearing Members ~~Participating DMC Member Institutions~~ in accordance with such ranking.
- (2) Eurex Clearing AG will inform ~~the~~ each selected Eligible Clearing Member and Eligible FCM Clearing Member ~~Participating DMC Member Institutions~~ of its ~~their~~ selection as Participating DMC Member Institution ~~in accordance with pursuant to Number 2.4.3-Paragraph (1) above at the latest prior to the end of the 20th Business Day after submission of the Assignment Phase Notice at the latest ten Business Days after the start of the relevant Assignment Phase. Subject to Paragraph (3) below, each selected Eligible Clearing Member or Eligible FCM Clearing Member shall sign the DMC Participation Agreement without undue delay. As of the signing of the DMC Participation Agreement by the selected Eligible Clearing Member or Eligible FCM Clearing Member and Eurex Clearing AG, the selected Eligible Clearing Member or Eligible FCM Clearing Member becomes a Participating DMC Member Institution.~~
- (3) ~~Such Participating DMC Member Institutions shall, subject to Paragraph (4) below, be obliged to participate in the relevant DMC and shall confirm to Eurex Clearing AG their participation in the relevant DMC at the latest ten Business Days after receiving the information regarding their selection as Participating DMC Member Institutions pursuant to Paragraph (2) above.~~
- (4) If an Eligible Clearing Member and Eligible FCM Clearing Member ~~Participating DMC Member Institution~~ selected pursuant to Number 2.4.3 Paragraph (2) above can evidence to the satisfaction of Eurex Clearing AG at the latest ten Business Days after receiving the information regarding its selection as Participating DMC Member Institution that it participates in a DMC or fulfils a similar function for the same Liquidation Group or asset class with respect to another central counterparty or exchange ~~during the proposed DMC Term~~, such Participating DMC Member Institution shall not be obliged to become a Participating DMC Member Institution ~~participate in the relevant DMC.~~

2.4.4 Further Selection Process

- (1) If a sufficient number of Participating DMC Member Institutions cannot be selected by Eurex Clearing AG in accordance with Numbers 2.4.2 and 2.4.3 above, Eurex Clearing AG will inform the DMP-coordinators (Chapter I Part 1 Number 7.5 of the

Clearing Conditions) of all Eligible Clearing Members and the DMP-coordinators (Number 4 of the FCM Default Rules) of all Eligible FCM Clearing Members which have not already been selected as Participating DMC Member Institutions pursuant to Number 2.4.2 or 2.4.3 at the latest six weeks after the submission of the Assignment Phase Notice~~start of the relevant Assignment Phase~~, and will ask all such Eligible Clearing Members and Eligible FCM Clearing Members again whether they want to volunteer as Participating DMC Member Institutions of the relevant DMC.

[...]

(4) Eurex Clearing AG will inform ~~the each selected~~ Eligible Clearing Members and the Eligible FCM Clearing Members of ~~their-its~~ selection as Participating DMC Member pursuant to Paragraph (3) above at the latest ~~three months~~ ten weeks after the ~~start~~ submission of the relevant Assignment Phase Notice. Each selected Eligible Clearing Member or Eligible FCM Clearing Member shall sign the DMC Participation Agreement without undue delay. As of the signing of the DMC Participation Agreement by the selected Eligible Clearing Member or Eligible FCM Clearing Member and Eurex Clearing AG, the selected Eligible Clearing Member or Eligible FCM Clearing Member becomes a Participating DMC Member Institution.

~~(5) If Eurex Clearing AG was able to select the Required Number of Participating DMC Member Institutions for the relevant DMC according to the DMC Composition Table, the relevant DMC shall be established.~~

~~(5) If Eurex Clearing AG was not able to select the Required Number of Participating DMC Member Institutions for the relevant DMC according to the DMC Composition Table, no DMC shall be established.~~

[...]

2.6 DMC Member Nomination

[...]

2.6.1 Each Participating DMC Member Institution shall notify Eurex Clearing AG of the identities and contact information (including names, phone numbers, e-mail addresses and CVs) of the DMC Members nominated by it by no later than ~~three months after the start of the relevant Assignment Phase~~ one month after signing the DMC Participation Agreement~~the relevant DMC Selection~~ (the "**Designation Notice**"). The relevant Participating DMC Member Institution shall evidence by adequate information to Eurex Clearing AG that its DMC Members satisfy the DMC Member Eligibility Criteria.

2.6.2 The ~~nominated~~ DMC Member is, ~~subject to Number 2.8,~~ nominated for an indefinite period of time until the DMC Member resigns, is replaced or removed from the DMC pursuant to Number 2.8~~expected to serve on the relevant DMC for two consecutive DMC Terms~~. A Participating DMC Member Institution may nominate a person as DMC Member who has already served as DMC Member for that Participating DMC Member Institution ~~on the same DMC in any previous DMC Term~~.

2.6.3 Procedures for becoming a DMC Member

[...]

- (2) Upon acceptance of a nominated DMC Member by Eurex Clearing AG, such nominated DMC Member shall, subject to Number 2.8, be a DMC Member ~~for the DMC Term~~ of the relevant DMC.

[...]

[...]

2.8 Removal of DMC Members, Suspension of DMC Membership

Any DMC Member that resigns or is replaced or removed from a DMC pursuant to these DMC Rules shall no longer be a DMC Member, ~~as the case may be,~~ and Eurex Clearing AG shall, in each case, accept a successor DMC Member ~~for the DMC Term~~ of the relevant DMC in accordance with the DMC Member Eligibility Criteria.

[...]

3 Procedures of DMCs

3.1 Convening a DMC Meeting

[...]

3.1.3 Preparation of DMC Meeting

The DMC Secretary may convene a DMC Meeting in such manner as it reasonably considers appropriate to discuss the envisaged DMC Matters taking into account the urgency of such DMC Matters. ~~The DMC Secretary may consult with the Chairman (as defined in Number 3.2.3) and/or the Deputy Chairman (as defined in Number 3.2.3) prior to convening a DMC Meeting as it deems appropriate in view of the given circumstances.~~ The DMC Secretary will prepare a meeting agenda which shall be distributed to the DMC Members ~~once the DMC Meeting has been opened by the Chairman (the "DMC Meeting Agenda")~~.

3.2 Meeting, Participation, ~~Chairman,~~ Participation Duties

[...]

~~3.2.3~~ Chairman and Deputy Chairman

~~Once all DMC Members for a respective DMC and a respective DMC Term have been appointed, these DMC Members shall, upon notification of Eurex Clearing AG, appoint a DMC Member via e-mail by Majority (as defined in Number 3.3) vote as the chairman of the DMC (the "Chairman") and as the deputy chairman who shall perform the functions of the Chairman at any DMC Meeting at which the Chairman is not present (the "Deputy~~

~~Chairman"). The appointment as Chairman and Deputy Chairman shall be valid for the DMC Term of the relevant DMC. Only a DMC Member and not a DMC Deputy may be appointed as Chairman or Deputy Chairman.~~

~~The Participating DMC Members have the right to replace the Chairman or Deputy Chairman by Majority vote, provided that such replacement does not occur in time critical situations, in particular if (i) a Termination Event or an Insolvency Termination Event with respect to a Clearing Member, (ii) a Basic Clearing Member Termination Event or a Basic Clearing Member Insolvency Termination Event with respect to a Basic Clearing Member, or (iii) a Termination Event or an Insolvency Termination Event with respect to an FCM Clearing Member has occurred.~~

~~3.2.4~~ 3.2.3 Duties of Participating DMC Members

[...]

3.3 Voting Procedure

~~Subject to Number 3.2.3, a~~ All decisions to be made by the DMC shall be made at a DMC Meeting by Majority vote of the Participating DMC Members. "**Majority**" shall mean at least 50 per cent of the Participating DMC Members. Each Participating DMC Member shall have one single vote. ~~In the event that any vote is tied, the Chairman shall have the casting vote.~~

3.4 Minutes of Meetings, Statements

[...]

3.4.2 Statements

The DMC may appoint by Majority vote one or more Participating DMC Members to prepare, on behalf of the DMC, any proposal, response, statement or other document setting out the views of the DMC with respect to any DMC Matter (a "**Statement**"). ~~The Chairman may refer the Statement to a DMC Meeting for approval by Majority vote or may, if the Chairman is satisfied that the Statement represents the views of the Majority of Participating DMC Members after circulating such Statement to the Participating DMC Members, deliver such Statement to Eurex Clearing AG, whereupon~~ Such Statement shall be incorporated into the Minutes and shall be deemed to set out the view of the DMC.

[...]

Appendix

Agreement

for the Participation in a Default Management Committee

[...]

NOW THEREFORE, the Parties agree as follows:

[...]

3 DMC Member or DMC Deputy

3.1 The Participating DMC Member Institution and Eurex Clearing AG agree, that upon acceptance by Eurex Clearing AG of the Participating DMC Member Institution's nominated employee or an employee of its Affiliate as DMC Member or DMC Deputy in accordance with the DMC Rules, the Participating DMC Member Institution is obliged to make its DMC Member or DMC Deputy available to Eurex Clearing AG ~~for the duration of the DMC Terms~~ for the participation in all DMC Meetings convened from time to time in accordance with the DMC Rules and for all other matters requested by Eurex Clearing AG in connection with the DMC Matters provided for in the DMC Rules (each such meeting or activity in respect of such other matters, a "**DMC Activity**").

[...]

6 Confidentiality

6.1 Except as expressly contemplated otherwise in this Agreement or as required by applicable law, court order, regulation or as required or requested by any regulatory, self-regulatory or supervisory authority having appropriate jurisdiction, the Participating DMC Member Institution agrees (i) not to disclose any Confidential Information (as defined below) and (ii) not to use any such Confidential Information for its own benefit

or the benefit of any third party (including, where applicable, its Clearing Member/FCM Clearing Member). The Participating DMC Member Institution's obligation under this Clause 6.1 shall continue to apply until the earlier of two years after (i) the end of the employment relationship with the DMC Member and/or the DMC Deputy nominated by the Participating DMC Member Institution or the employment relationship of its Affiliate with the DMC Member and/or the DMC Deputy and, (ii) the termination of this Agreement ~~and (iii) the DMC Term with respect to which the Confidential Information was obtained during the respective DMC Activity.~~

- 6.2 The Participating DMC Member Institution represents and warrants by way of an independent guarantee and irrespective of fault (*selbständiges, verschuldensunabhängiges Garantieverprechen*) that the DMC Member or the DMC Deputy and, if the DMC Member or the DMC Deputy is employed by an Affiliate, such Affiliate, and the Chief Compliance Officer or the Chief Compliance Officer Designee (if applicable), is obliged to keep confidentiality vis-a-vis all third parties (including, where applicable, its Clearing Member/FCM Clearing Member) with respect to Confidential Information (as defined below). The Participating DMC Member Institution undertakes to keep up this confidentiality obligation (and procures that such confidentiality obligation is kept up) until the earlier of two years after (i) the end of the employment relationship with the DMC Member, the DMC Deputy, the Chief Compliance Officer or the Chief Compliance Officer Designee (if applicable), or the employment relationship of the Affiliate with the DMC Member or the DMC Deputy and, (ii) the termination of this Agreement ~~and (iii) the DMC Term with respect to which the Confidential Information was obtained during the respective DMC Activity.~~

[...]

8 Term

- ~~8.1 This Agreement shall remain in effect until all Clearing Agreements or FCM Clearing Agreements with the Participating DMC Member Institution (or, where applicable, its Clearing Member/FCM Clearing Member), as applicable, have been terminated, in which case this Agreement will terminate at the same time.~~

- 8.12 Eurex Clearing AG and the Participating DMC Member Institution may terminate this Agreement at any time. Such termination requires a written notice to the Participating DMC Member Institution or to Eurex Clearing AG, respectively, with a prior notice period of 30 calendar days.

- ~~8.2 This Agreement shall terminate automatically at the same time when all Clearing Agreements or FCM Clearing Agreements between Eurex Clearing AG and the Participating DMC Member Institution (or, where applicable, its Clearing Member/FCM Clearing Member).~~

[...]

Chapter I of the Clearing Conditions of Eurex Clearing AG

General Provisions

As of 02.03.2020

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED,

DELETIONS ARE CROSSED OUT.

[...]

Part 1 General Clearing Provisions

[...]

7.5 Default Management Process

[...]

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

[...]

(3) General Provisions

Unless otherwise provided in Paragraphs (4) to (6), the following provisions shall apply:

[...]

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

“Mandatory Participant” means each Clearing Member (i) holding a Clearing Licence with respect to all DM Auction Transactions comprised in the relevant Auction Unit, (ii) having the necessary account structure to settle all DM Auction Transactions comprised in the relevant Auction Unit, (iii) with respect to which within 3 months prior to the relevant Termination, Basic Clearing Member Termination or FCM Clearing Member Termination Time at least one Transaction or at least one Basic Clearing Member Transaction of a Basic Clearing Member of such Clearing Member (acting as Clearing Agent) has been booked on a respective account, which corresponds to these Transaction Types comprised in the relevant Liquidation Group, and (iv) with respect to which no Termination Event or Insolvency Termination Event has occurred and is continuing.

The participation of FCM Clearing Members in DM Auctions is subject to the FCM Regulations.

~~A Clearing Member that is not a Mandatory Participant may, subject to and in accordance with the DM Auction Rules, participate in DM Auctions pursuant to Paragraph (4) that relate to OTC Interest Rate Derivative Transactions or Interest Rate Derivatives Transactions (as defined in the FCM Regulations) as a Selected Auction Participant (as defined in the FCM Default Rules) instead of an FCM Mandatory Participant (as defined in the FCM Default Rules) and on its own behalf. Such Clearing Member shall not qualify as a Mandatory Participant solely as a result of its appointment as a Selected Auction Participant. For the avoidance of doubt, the obligations that such Clearing Member may otherwise have as a Mandatory Participant shall remain unaffected.~~

~~Subject to certain restrictions as set forth in the DM Auctions Rules, (a) Disclosed Direct Clients and other customers of Clearing Members may participate in DM Auctions in accordance with the DM Auction Rules through their Clearing Members and (b) Basic Clearing Members may participate in DM Auctions (including through their Clearing Agents acting on their behalf) upon invitation by Eurex Clearing AG. The participation of a Basic Clearing Member in any DM Auction shall not affect the obligations of its Clearing Agent as a Mandatory Participant.~~

A Clearing Member that is not a Mandatory Participant, a Basic Clearing Member, a Disclosed Direct Clients or other customers of a Clearing Member may participate in DM Auctions in accordance with the DM Auction Rules.

- (iii) Each Mandatory Participant is obliged to provide one or more mandatory bids for such minimum number of Auction Units specified by Eurex Clearing AG for such Mandatory Participant during a DM Auction (each a "**Mandatory Bid**").

[...]

[...]
