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Clearing Agent (acting on behalf of the ~~Basic Clearing Member~~ ISA Direct Clearing Member) may require a further exemption from the Net Processing method and block the set-off of Settlement Claims from certain sell Transactions in which case Eurex Clearing AG may assign Settlement Claims from buy Transactions to such Settlement Claims from sell Transactions. Such blocked Settlement Claims from sell Transactions and assigned Settlement Claims from buy Transactions shall neither be subject to a set-off nor be fulfilled before the blocking of such Settlement Claims from sell Transactions is released by the Clearing Member or the Clearing Agent (acting on behalf of the ~~Basic Clearing Member~~ ISA Direct Clearing Member).

[...]

1.4 Settlement of Transactions

[...]

1.4.1 Cash Clearing

- (1) In order to make cash payments in EUR, the Clearing Member or, with respect to the Clearing of ~~Basic Clearing Member Transaction~~ ISA Direct Transactions, the Clearing Agent or the ~~Basic Clearing Member~~ ISA Direct Clearing Member is obliged to instruct the bank of its relevant RTGS Account or relevant euroSIC Account to honour the transfer instructions (*Lastschriften*) received from Eurex Clearing AG.
- (2) In order to make cash payments in CHF, the Clearing Member or, with respect to the Clearing of ~~Basic Clearing Member Transaction~~ ISA Direct Transactions, the Clearing Agent or the ~~Basic Clearing Member~~ ISA Direct Clearing Member is obliged to instruct the Swiss National Bank ("**SNB**") to honour the transfer instructions (*Lastschriften*) received from Eurex Clearing AG with respect to its SIC Account (as defined in Number 2.1.2 Paragraph (4) (b) (bb)).

[...]

- (5) In order to make cash payments in respect of Margin in currencies other than a Clearing Currency accepted by Eurex Clearing AG, the Clearing Member or, with respect to the Clearing of ~~Basic Clearing Member Transaction~~ ISA Direct Transactions, the Clearing Agent or the ~~Basic Clearing Member~~ ISA Direct Clearing Member shall transfer the relevant cash amounts to the account of Eurex Clearing AG as notified to the Clearing Member, the Clearing Agent or the ~~Basic Clearing Member~~ ISA Direct Clearing Member (as applicable) from time to time by the date specified by Eurex Clearing AG with respect to the relevant currency. The Clearing Member, the Clearing Agent or the ~~Basic Clearing Member~~ ISA Direct Clearing Member (as applicable) may instruct its Settlement Bank with respect to the relevant currency account, to honour the transfer instructions (*Lastschriften*) received from Eurex Clearing AG with respect to such account.

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- (6) In order to make payments in respect of Eurex-Fees (as defined in Number 5.1), the Clearing Member or, with respect to the Clearing of Basic Clearing Member Transactions, the Clearing Agent or the Basic Clearing Member may by way of derogation from Paragraphs (1) and (2) also instruct its bank for the relevant currency to honour the transfer instructions (Lastschriften) received from Eurex Clearing AG.
- (7) [...]
- (8) The debit instructions provided by the ~~Basic Clearing Member~~ ISA Direct Clearing Member in accordance with this Number 1.4.1 and relating to one or more ~~Basic Clearing Member Clearing License~~ ISA Direct Clearing License(s) may only be revoked by the ~~Basic Clearing Member~~ ISA Direct Clearing Member if the ~~Basic Clearing Member~~ ISA Direct Clearing Member also terminates such ~~Basic Clearing Member Clearing License~~ ISA Direct Clearing License(s). If the ~~Basic Clearing Member~~ ISA Direct Clearing Member has declared such revocation and termination, such revocation of debit instructions and the termination of the related ~~Basic Clearing Member Clearing License~~ ISA Direct Clearing License(s) shall only become effective after all ~~Basic Clearing Member Transaction~~ ISA Direct Transactions of the ~~Basic Clearing Member~~ ISA Direct Clearing Member of the relevant Transaction Type(s) have been cancelled, closed or fulfilled. If an ~~Basic Clearing Member Clearing License~~ ISA Direct Clearing License ends for any other reasons, all related debit instructions shall terminate and such termination shall become effective in accordance with the foregoing sentence.
- (9) The debit instructions provided by the Clearing Agent in accordance with this Number 1.4.1 may only be revoked by the Clearing Agent (i) if the Clearing Agent also terminates its General Clearing License or (ii) in accordance with Subpart A Number 3.8 (and, where applicable, Subpart B Number 2.3) of the Basic Clearing Member Provisions ISA Direct Provisions. If the Clearing Agent has declared such revocation and termination pursuant to item (i) above, such revocation of debit instructions and the termination of its General Clearing License shall only become effective after all ~~Basic Clearing Member Transaction~~ ISA Direct Transactions of each of its ~~Basic Clearing Member~~ ISA Direct Clearing Members have been cancelled, closed or fulfilled. If the General Clearing License of the Clearing Agent ends for any other reasons, all related debit instructions shall terminate and such termination shall become effective in accordance with the foregoing sentence.

1.4.2 Settlement of Transactions in Securities

- (1) The Clearing Members or the ~~Basic Clearing Member~~ ISA Direct Clearing Members (acting through their Clearing Agent, as applicable) shall fulfil the relevant delivery and payment obligations resulting from Transactions in accordance with the instructions of Eurex Clearing AG.
- (2) Each Clearing Member, ~~Basic Clearing Member~~ ISA Direct Clearing Member or Clearing Agent (acting on its behalf) and Eurex Clearing AG shall ensure, through appropriate instructions to the securities depository bank, the custodian or the

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central securities depository recognised by Eurex Clearing AG (each a “**Settlement Location**”), that Transactions can be processed at the time specified in the relevant Special Clearing Provisions, on the delivery days agreed, respectively.

- (i) The Clearing Member, ~~Basic Clearing Member~~ ISA Direct Clearing Member or the Clearing Agent (acting on behalf of the ~~Basic Clearing Member~~ ISA Direct Clearing Member) shall provide Eurex Clearing AG with the appropriate power of attorney (or, as applicable, sub-power of attorney) for use vis-à-vis the respective Settlement Location, to give, release and transmit all delivery instructions and to supplement, change or cancel the delivery instructions as required for the timely and correct fulfilment of its delivery and payment obligations against Eurex Clearing AG. The same applies with regard to the corresponding payment instructions.
 - (ii) If the Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member (or, as applicable, the Clearing Agent) makes use of a settlement institution pursuant to Number 2.1.2 (7), the Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member (or, as applicable, the Clearing Agent) shall ensure that the appointed settlement institution grants the appropriate power of attorney (or, as applicable, sub-power of attorney) in accordance with Number 2.1.2 (5) (e) and Number 1.4.2 (2) (i).
- (3) All transfers in Securities (including WP Credits) shall be made versus payment (*Zug um Zug*), unless not regulated otherwise in the Special Clearing Conditions. Each such payment shall be made between the transferor Clearing Member, transferor ~~Basic Clearing Member~~ ISA Direct Clearing Member or transferor Clearing Agent (acting on behalf of the ~~Basic Clearing Member~~ ISA Direct Clearing Member) and Eurex Clearing AG and, accordingly, between Eurex Clearing AG and the transferee Clearing Member, transferee ~~Basic Clearing Member~~ ISA Direct Clearing Member or transferee Clearing Agent (acting on behalf of the ~~Basic Clearing Member~~ ISA Direct Clearing Member).
- (4) Each transfer of ownership in Securities (other than WP Credits) shall be made in accordance with the relevant applicable laws and the relevant market practice.
- (a) The Clearing Member, the ~~Basic Clearing Member~~ ISA Direct Clearing Member or the Clearing Agent (acting on behalf of the ~~Basic Clearing Member~~ ISA Direct Clearing Member) hereby irrevocably authorises Eurex Clearing AG to (i) issue and receive all declarations that are necessary or expedient for the transfer of ownership in Securities and (ii) issue and receive all other statements and to take all other actions that are necessary or expedient to effect the transfer of ownership in Securities.

[...]

(d) [...]

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(aa) The Clearing Member, the ~~Basic Clearing Member~~ ISA Direct Clearing Member and the Clearing Agent (acting on behalf of the ~~Basic Clearing Member~~ ISA Direct Clearing Member) hereby releases Eurex Clearing AG from the restrictions of § 181 of the German Civil Code (*Bürgerliches Gesetzbuch*) with respect to all declarations of intent (*Willenserklärungen*), other statements or actions that are necessary or expedient to effect the transfer of ownership in Securities.

[...]

- (5) The transfer of WP Credits via Clearstream Banking AG is subject to the following provisions and Paragraphs (7):
- (a) With regard to the legal position underlying the WP Credits transferred to Eurex Clearing AG, Eurex Clearing AG shall for a limited period of time act as fiduciary owner in favour of the acquiring Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member in order to transfer the legal position underlying the WP Credits to the Clearing Member or the ~~Basic Clearing Member~~ ISA Direct Clearing Member to whom delivery is to be made.
 - (b) Based on instructions in the systems of Clearstream Banking AG issued by Eurex Clearing AG, the transfer of WP Credits is effected by (i) a debit entry in the custody account of the transferor Clearing Member, ~~Basic Clearing Member~~ ISA Direct Clearing Member or Clearing Agent (acting on behalf of the ~~Basic Clearing Member~~ ISA Direct Clearing Member) held with Clearstream Banking AG and a credit entry in the custody account of Eurex Clearing AG held with Clearstream Banking AG and (ii) a debit entry in the such custody account of Eurex Clearing AG and a credit entry in the custody account of the transferee Clearing Member, ~~Basic Clearing Member~~ ISA Direct Clearing Member or Clearing Agent (acting on behalf of the ~~Basic Clearing Member~~ ISA Direct Clearing Member) held with Clearstream Banking AG.
 - (c) With respect to the power of attorney the Clearing Member, ~~Basic Clearing Member~~ ISA Direct Clearing Member or the Clearing Agent (acting on behalf of the ~~Basic Clearing Member~~ ISA Direct Clearing Member) granted in favour of Eurex Clearing AG pursuant to Paragraph (2) above, the Clearing Member, ~~Basic Clearing Member~~ ISA Direct Clearing Member or Clearing Agent (acting on behalf of the ~~Basic Clearing Member~~ ISA Direct Clearing Member) hereby releases Eurex Clearing AG from the restrictions of § 181 of the German Civil Code (*Bürgerliches Gesetzbuch*).
- (6) Any authorisations granted by the Clearing Member, the ~~Basic Clearing Member~~ ISA Direct Clearing Member or the Clearing Agent (acting on behalf of the ~~Basic Clearing Member~~ ISA Direct Clearing Member) in accordance with this Number 1.4.2 and relating to one or more Clearing License(s) may only be revoked by the Clearing Member, the ~~Basic Clearing Member~~ ISA Direct Clearing Member or the Clearing Agent, if the Clearing Member or the ~~Basic Clearing Member~~ ISA Direct Clearing Member also terminates such Clearing License(s). If the Clearing Member or the

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~~Basic Clearing Member~~ ISA Direct Clearing Member has declared such revocation and termination, such revocation of authorisations and such termination of the related Clearing License(s) shall only become effective after all Transactions of the Clearing Member or all ~~Basic Clearing Member Transaction~~ ISA Direct Transactions of the ~~Basic Clearing Member~~ ISA Direct Clearing Member of the relevant Transaction Type(s) have been cancelled, closed or fulfilled. If a Clearing License ends for any other reasons, all related authorisations shall terminate and such termination shall become effective in accordance with the foregoing sentence.

[...]

(8) [...]

Once a settlement instruction has been submitted to the relevant Settlement Location by Eurex Clearing AG, the Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member (or, as applicable, the Clearing Agent) shall only be entitled to change settlement instructions relating to a delivery obligation in the systems of the relevant Settlement Location by setting, either in full or partially, such settlement instruction on "hold" or "release" ("**Hold-/Release-Status**"). The Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member (or, as applicable, the Clearing Agent) shall not change the settlement instruction in any other way. In case of a securities account of a settlement institution pursuant to Number 2.1.2 (7) of the General Clearing Conditions, the Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member (or, as applicable, the Clearing Agent) shall ensure that the settlement institution does only make changes to the relevant settlement instruction relating to the Hold-/Release Status.

(9) Special Provisions regarding Repo Transactions

(a) [...]

The Gross Delivery Management includes two release methods:

- (i) Under the "**Positive Procedure**", -the delivery obligations under all Transactions is set on "hold" -and the Clearing Member or the ~~Basic Clearing Member~~ ISA Direct Clearing Member (or the Clearing Agent acting on its behalf) is required to release the delivery obligation under an individual Transactions, if such delivery obligation shall be settled. The release of parts of a Transaction is permissible.
- (ii) Under the "**Negative Procedure**", the delivery obligations under all Transactions is set on "release" and the Clearing Member or the ~~Basic Clearing Member~~ ISA Direct Clearing Member (or the Clearing Agent acting on its behalf) is required to set the delivery obligation under an individual Transactions on "hold", if such delivery obligation shall not be settled. A Transaction can partially be set on hold.

In connection with the use of the Gross Delivery Management, Clearing Members, Clearing Agents (acting on behalf of their ~~Basic Clearing Member~~ ISA

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Direct Clearing Members) or third parties designated by the Clearing Member shall receive individual transaction data from Eurex Clearing AG.

(b) With ~~respect~~respect to the fulfilment of delivery and payment obligations arising from ~~Repo~~ Transactions with regard to German Securities, Paragraph (4) shall not be applicable and the following provisions as well as to Paragraph (7) (unless otherwise provided in the relevant Special Clearing Provisions) shall apply:

(aa) Unless otherwise provided for in the relevant Special Clearing Provisions, Eurex Clearing AG hereby acts as intermediary (*Besitzmittler*) of the Clearing Members or the ~~Basic Clearing Member~~ISA Direct Clearing Members obliged to deliver in order to transfer such Securities to the Clearing Members or the ~~Basic Clearing Member~~ISA Direct Clearing Members to whom delivery is to be made. The physical deliveries shall be carried out via a Settlement Location; the payment shall be effected via the respective account determined by the Settlement Location.

(bb) The transfer of ownership shall be carried out when the following prerequisites have been fulfilled:

(A) the Settlement Location included in the Securities transfer has, where required, carried out all bookings with regard to the Transactions having been set off or netted or not having been set off or netted by Eurex Clearing AG from the custody account of Eurex Clearing AG with the Settlement Location to the custody accounts of the Clearing Members or ~~Basic Clearing Member~~ISA Direct Clearing Members (or the Clearing Agent acting on their behalf) to whom delivery is to be made with the Settlement Location; and

[...]

(C) the Clearing Members or, in respect of ISA Direct Clearing Member Transactions, the Clearing Agent(s) (acting on behalf of ~~their~~the respective ~~Basic Clearing Member~~ISA Direct Clearing Member) and or the Basic Clearing Member~~ISA Direct Clearing Member(s)~~ have been provided with the actual settlement delivery report (*Ist-Lieferreport*) by Eurex Clearing AG, such report specifying the single transactions that have actually been delivered.

[...]

1.4.3 Right of appropriation and authorisation to pledge securities

(1) Right of appropriation with regard to Securities held in collective safe custody (*Girosammelverwahrung*)

(a) Each Clearing Member or ~~Basic Clearing Member~~ISA Direct Clearing Member (or the Clearing Agent acting on behalf of such ~~Basic Clearing Member~~ISA

Direct Clearing Member) authorises Eurex Clearing AG to fully or partially acquire at any time the Securities held in collective safe custody (*Girosammelverwahrung*) which have been delivered by such Clearing Member or such ~~Basic Clearing Member~~ ISA Direct Clearing Member (or the Clearing Agent acting on behalf of such ~~Basic Clearing Member~~ ISA Direct Clearing Member) versus payment of the acquisition price on an account of Eurex Clearing AG at the Settlement Location in order to fulfil Transactions, respectively to transfer such acquisition right to third parties for security purposes. The right of appropriation of Eurex Clearing AG or of the third party it was transferred to expires either with the transfer of title in favour of the Clearing Member or the ~~Basic Clearing Member~~ ISA Direct Clearing Member (or the Clearing Agent acting on behalf of the ~~Basic Clearing Member~~ ISA Direct Clearing Member) to whom delivery is to be made or in case Eurex Clearing AG exercises the appropriation right. The delivery of Securities pursuant to Sentence 1 of this Sub-Paragraph (a) occurs either in the course of the regular clearing process for Markets cleared by Eurex Clearing AG or, upon special instruction of Eurex Clearing AG, on an account of Eurex Clearing AG concurrently (*Zug um Zug*) versus payment of the purchase price in case of a default of the Clearing Member or the ~~Basic Clearing Member~~ ISA Direct Clearing Member to whom delivery is to be made.

- (b) In case Eurex Clearing AG or a third party to which the right of appropriation was partially or fully transferred exercises the right of appropriation, the Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member obliged to deliver waives its claim of re-delivery of Securities of the same kind and nominal amount against Eurex Clearing AG under the condition that Eurex Clearing AG pays the purchase price to the delivering Clearing Member or the ~~Basic Clearing Member~~ ISA Direct Clearing Member (or the Clearing Agent acting on behalf of the ~~Basic Clearing Member~~ ISA Direct Clearing Member) concurrently (*Zug um Zug*) with the delivery of the Securities pursuant to Number 1.4.3 Paragraph (1) (a) in favour of an account of Eurex Clearing AG.

(2) Authorisation to pledge securities to a Settlement Location

The Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member (or Clearing Agent acting on behalf of the ~~Basic Clearing Member~~ ISA Direct Clearing Member) authorises Eurex Clearing AG to pledge to a Settlement Location the Securities delivered by the Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member (or the Clearing Agent acting on behalf of the ~~Basic Clearing Member~~ ISA Direct Clearing Member)-. Sentence 1 shall apply *mutatis mutandis* for the Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member (or Clearing Agent acting on behalf of the ~~Basic Clearing Member~~ ISA Direct Clearing Member) to whom delivery is to be made.

- (3) If, at any time, a Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member to whom delivery of Securities is to be made under a Transaction fails to perform when due any of its payment obligations towards Eurex Clearing AG for the

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delivery of these Securities (for the purpose of this Number 1.4.3 Paragraph (3) a “**Settlement Payment Default**”), Eurex Clearing AG shall, notwithstanding that a settlement of the Transaction may still be technically possible on the same settlement day, be entitled to refuse the settlement of the relevant Transaction with such Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member

[...]

For this purpose, Eurex Clearing AG shall be entitled to dispose of the Securities that the Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member obliged to deliver has transferred to the custody account of Eurex Clearing AG with the relevant Settlement Location (and which have not yet been transferred to the Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member to whom delivery was scheduled to be made), if

- (i) Eurex Clearing AG has discharged the related payment obligations owed by Eurex Clearing AG to the Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member obliged to deliver and
- (ii) Eurex Clearing AG has due to the Settlement Payment Default refused to settle the related Transaction and deliver Securities to the Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member to whom delivery of Securities was scheduled to be made on the relevant settlement day.

The Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member that is in Settlement Payment Default shall bear the costs arising from such Settlement Payment Default, including but not limited to any costs of Eurex Clearing AG to hedge or manage liquidity risks or any other risks that Eurex Clearing AG may be exposed to with respect to the Settlement Payment Default.

For the avoidance of doubt, the foregoing shall neither

- (i) release the Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member that is in Settlement Payment Default from any of its obligations under the relevant Transaction, nor

[...]

1.4.4 Buy-In Right, Buy-In Auction and Penalties

(1) [...]

- (a) The Special Clearing Provisions may provide that in the event of a failure by a Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member under a Transaction to deliver Securities to Eurex Clearing AG on the applicable delivery date, Eurex Clearing AG shall be entitled at the cost of the defaulting Clearing Member or the defaulting ~~Basic Clearing Member~~ ISA Direct Clearing Member to ~~initiate~~ initiate a buy-in process whereby Eurex Clearing AG attempts to ~~acquire~~ acquire the relevant Securities from a third party. For this purpose,

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Eurex Clearing AG may, subject to and in accordance with the Special Clearing Provisions (i) directly purchase the Securities from a third party, (ii) appoint a third party buy-in agent to ~~acquire~~ acquire the Securities for Eurex Clearing AG and/or (iii) conduct an auction in accordance with the auction terms ("**Auction Terms**") published by Eurex Clearing AG on the Eurex Clearing Website. The Auction Terms shall form part of these Clearing Conditions. Eurex Clearing AG shall inform the Clearing Member when it attempts to execute a buy-in and the Clearing Member shall not be entitled to deliver the relevant Securities to Eurex Clearing AG during such time. The same applies to the extent the buy-in has been successfully executed by Eurex Clearing AG.

Where Eurex Clearing AG appoints a third party buy-in agent to ~~acquire~~ acquire the Securities for Eurex Clearing AG, the rules of the buy-in agent may foresee maximum buy-in prices and these may be different from the maximum prices Eurex Clearing AG would accept when it conducts an auction pursuant to the buy-in auction rules. The Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member having ~~failed~~ failed to deliver the relevant Securities to Eurex Clearing AG on the applicable delivery date, shall reimburse Eurex Clearing AG for the costs charged by the buy-in agent in relation to the buy-in process. Such obligation is in addition to any charges that may apply in relation to a buy-in in accordance with the Clearing Conditions, provided that any such additional charges shall be subject to a maximum amount of EUR 3,000, (or in case charges are calculated in CHF, USD or GBP, an amount of CHF 4,200, USD 4,200 or GBP 2,700, respectively).

- (b) In addition, contractual penalties may apply with respect to the failure by a Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member under a Transaction to deliver Securities (other than CSDR Penalty In-Scope Securities) to Eurex Clearing AG on the applicable delivery date.

[...]

- (c) Without prejudice to the provisions of the Special Clearing Provisions, Eurex Clearing AG shall be entitled to enter into a replacement purchase pursuant to Paragraph (1) above in case a Clearing Member or an ~~Basic Clearing Member~~ ISA Direct Clearing Member fails under a Transaction to deliver Securities to Eurex Clearing AG on the applicable delivery date, causing the inability of Eurex Clearing AG to fulfill its due delivery obligation towards another Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member and Eurex Clearing AG has received a Second Notification pursuant to Number 9.3.3 (3) of these General Clearing Provisions from the respective Clearing Member or Clearing Agent (acting on behalf of the ~~Basic Clearing Member~~ ISA Direct Clearing Member). The respective rules of the Special Clearing Provisions regarding costs and a potential cash settlement shall apply accordingly.

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(2) [...]

If

- (A) a Clearing Member, an ~~an Basic Clearing Member~~ ISA Direct Clearing Member or an ~~holder of a Specific Repo License~~ ISA Direct Light License Holder fails to deliver, in whole or in part, CSDR Penalty In-Scope Securities to Eurex Clearing AG in respect of a Transaction on the day that is the Intended Settlement Date for such delivery due to a settlement fail at the relevant CSD attributable to the delivery obligation of such Clearing Member, ~~Basic Clearing Member~~ ISA Direct Clearing Member or ~~holder of a Specific Repo License~~ ISA Direct Light License Holder (other than as a result of circumstances referred to in (B)); or
- (B) a delivery of CSDR Penalty In-Scope Securities by Eurex Clearing AG to a Clearing Member, an ~~an Basic Clearing Member~~ ISA Direct Clearing Member or an ~~holder of a Specific Repo License~~ ISA Direct Light License Holder cannot be settled on the Intended Settlement Date in whole or in part for other reasons attributable to such Clearing Member, ~~Basic Clearing Member~~ ISA Direct Clearing Member or ~~holder of a Specific Repo License~~ ISA Direct Light License Holder or the relevant CSD participant to whose account the delivery is to be made (e.g., because a delivery instruction providing for delivery versus payment cannot be matched due to a lack of corresponding cash),

Eurex Clearing AG will charge penalties from such Clearing Member, ~~Basic Clearing Member~~ ISA Direct Clearing Member or ~~holder of a Specific Repo License~~ ISA Direct Light License Holder in accordance with Article 7(2) of the CSD Regulation in conjunction with Article 19 of CSDR Delegated Regulation II, subject to the following specifications:

- (a) Eurex Clearing AG will charge penalties from the relevant Clearing Members, ~~Basic Clearing Member~~ ISA Direct Clearing Members or ~~holders of a Specific Repo License~~ ISA Direct Light License Holders on the basis of the information and data on settlement fails provided, as well as the penalties calculated, by the relevant CSD in respect of the relevant failing participants at the level of the CSD. Eurex Clearing AG may rely on, and will not verify, any such information from, and penalty calculations by, the CSD.

[...]

- (c) On the basis of the data received from the relevant CSD (and on a per-CSD basis) as part of the monthly reporting Eurex Clearing AG will, in its reasonable discretion (*billiges Ermessen*),
 - (A) attribute the delivery instructions, to which the settlement fails in the relevant calendar month related, to Clearing Members, ~~Basic Clearing Member~~ ISA Direct Clearing Members and ~~holders of a Specific Repo License~~ ISA Direct Light License Holders;

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- (B) calculate the penalty amounts that are payable to Eurex Clearing AG by such Clearing Members, ~~Basic Clearing Member~~ ISA Direct Clearing Members or ~~holders of a Specific Repo License~~ ISA Direct Light License Holders in respect of the relevant calendar month (such calculation will, if relevant, take into account that penalties cannot be charged to a Clearing Member, ~~Basic Clearing Member~~ ISA Direct Clearing Member or ~~holder of a Specific Repo License~~ ISA Direct Light License Holder against whom insolvency proceedings have been opened (as referred to in Article 7(12) of the CSDR); and
- (C) determine the amounts payable to Clearing Members, ~~Basic Clearing Member~~ ISA Direct Clearing Members or ~~holders of a Specific Repo License~~ ISA Direct Light License Holders that are affected by the relevant settlement fails as distributions of penalties in accordance with Article 19(c) of CSDR Delegated Regulation II.
- (d) On the basis of the amounts calculated in accordance with lit. (c) (B) and (C) Eurex Clearing AG will determine, for each Clearing Member, ~~Basic Clearing Member~~ ISA Direct Clearing Member and ~~holder of a Specific Repo License~~ ISA Direct Light License Holder to which a settlement fail is attributed or that is affected by a settlement fail, a monthly net amount (per currency) that – subject to the following provisions – is payable to, or receivable by, such Clearing Member, ~~Basic Clearing Member~~ ISA Direct Clearing Member or ~~holder of a Specific Repo License~~ ISA Direct Light License Holder.
- (e) If the aggregate amount that would be payable by Eurex Clearing AG to Clearing Members, ~~Basic Clearing Member~~ ISA Direct Clearing Members and ~~holders of a Specific Repo License~~ ISA Direct Light License Holders pursuant to lit. (d) (in the relevant currency)
- (A) is higher than the aggregate amount that is payable to Eurex Clearing AG by Clearing Members, ~~Basic Clearing Member~~ ISA Direct Clearing Members and ~~holders of a Specific Repo License~~ ISA Direct Light License Holders with respect to a given calendar month (in the same currency) pursuant to lit. (d) (the fraction of the aggregate amount that is so payable to Eurex Clearing AG and the aggregate amount that would be so payable by Eurex Clearing AG, the "**Distribution Reduction Factor**"), Eurex Clearing AG will apply a reduction to the amounts payable by Eurex Clearing AG to Clearing Members, ~~Basic Clearing Member~~ ISA Direct Clearing Members and ~~holders of a Specific Repo License~~ ISA Direct Light License Holders pursuant to lit. (d) by multiplying each such amount with the Distribution Reduction Factor;
- (B) is lower than the aggregate amount that is payable to Eurex Clearing AG by Clearing Members, ~~Basic Clearing Member~~ ISA Direct Clearing Members and ~~holders of a Specific Repo License~~ ISA Direct Light License Holders with respect to a given calendar month (in the same currency)

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pursuant to lit. (d) (the fraction of the aggregate amount that is so payable to Eurex Clearing AG and the aggregate amount that would be so payable by Eurex Clearing AG, the "**Distribution Increase Factor**"), Eurex Clearing AG will apply an increase to the amounts payable by Eurex Clearing AG to Clearing Members, ~~Basic Clearing Member~~ ISA Direct Clearing Members and ~~holders of a Specific Repo License~~ ISA Direct Light License Holders pursuant to lit. (d) by multiplying each such amount with the Distribution Increase Factor.

- (f) Eurex Clearing AG will charge and pay any such amounts per currency monthly on the third Business Day after receipt from all relevant CSDs of the related CSD Monthly Reports. Upon the request of a Clearing Member, ~~Basic Clearing Member~~ ISA Direct Clearing Member or ~~holder of a Specific Repo License~~ ISA Direct Light License Holder, Eurex Clearing AG will convert the relevant amount payable or receivable by such Clearing Member, ~~Basic Clearing Member~~ ISA Direct Clearing Member or ~~holder of a Specific Repo License~~ ISA Direct Light License Holder in a given currency into the specified billing currency of such Clearing Member, ~~Basic Clearing Member~~ ISA Direct Clearing Member or ~~holder of a Specific Repo License~~ ISA Direct Light License Holder using a conversion rate determined by Eurex Clearing AG in its reasonable discretion (*billiges Ermessen*).
- (g) Eurex Clearing AG will submit reports to the Clearing Members ~~and~~ Basic Clearing Member ISA Direct Clearing Members and ~~holders of a Specific Repo License~~ (i) on each Business Day setting out the penalties calculated at the CSD level and (ii) monthly on the first Business Day after receipt from all relevant CSDs of the related CSD Monthly Reports setting out the net amounts payable or receivable in accordance with lit. (d) to (f).
- (h) If, following a distribution to Clearing Members, ~~Basic Clearing Member~~ ISA Direct Clearing Members or ~~holders of a Specific Repo License~~ ISA Direct Light License Holders in accordance with lit. (c)(C) and (d) or following the submission of a report by Eurex Clearing AG on a distribution, Eurex Clearing AG becomes aware of circumstances affecting the calculation of such distributions, Eurex Clearing AG may correct such calculations.
- (i) If and to the extent that a Clearing Member, ~~Basic Clearing Member~~ ISA Direct Clearing Member or ~~holder of a Specific Repo License~~ ISA Direct Light License Holder fails to pay any amount in a given currency to Eurex Clearing AG in accordance with lit. (d) to (f), the aggregate amount payable by Eurex Clearing AG to Clearing Members, ~~Basic Clearing Member~~ ISA Direct Clearing Members and ~~holders of a Specific Repo License~~ ISA Direct Light License Holders in with lit. (d) to (f) will be reduced on a pro rata basis (by applying lit. (e)(A) *mutatis mutandis*) and the relevant Clearing Member, ~~Basic Clearing Member~~ ISA Direct Clearing Member or ~~holder of a Specific Repo License~~ ISA Direct Light License Holder that has already received amounts not reflecting such reduction shall repay such reduction to Eurex Clearing AG.

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(j) [...]

1.4.5 FX Disruption

If an FX Disruption Event has occurred and is continuing, and

- (i) a payment by Eurex Clearing AG to a Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member is or becomes due in a currency other than Euro and
- (ii) Eurex Clearing AG is unable (in whole or in part) to source the required amount in the relevant currency at a rate of exchange that Eurex Clearing AG deems reasonable (such currency the “**Unavailable Currency**”),

then Eurex Clearing AG shall, after having considered potential alternative measures (if any) available to it, be entitled to discharge the relevant payment obligation owed by it in the Unavailable Currency by paying to the Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member a corresponding amount in Euro.

[...]

An FX Disruption Event may even occur if only a single Clearing Member, a single ~~Basic Clearing Member~~ ISA Direct Clearing Member (e.g. in case of a default) or a group of Clearing Members or ~~Basic Clearing Member~~ ISA Direct Clearing Members is/are affected, provided that any of the events or circumstances described in (a) to (c) exist. The default of a Clearing Member or an ~~Basic Clearing Member~~ ISA Direct Clearing Member does not per se constitute an FX Disruption Event.

[...]

1.6 Additionally Monitored Risks and Risk Mitigating Measures

[...]

1.6.1 General Rules

- (1) Eurex Clearing AG monitors and, when necessary, mitigates the following risks that Eurex Clearing AG is exposed to in relation to the Clearing Member or the ~~Basic Clearing Member~~ ISA Direct Clearing Member, including its Clearing Agent; the assessment will take into account risks resulting from an entity acting in more than one capacity under the Clearing Conditions:
 - (a) the potential loss which Eurex Clearing AG may suffer if a Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member fails to fulfil its contractual obligations under its Transactions (“**Credit Risk**”),
 - (b) the potential loss which Eurex Clearing AG may suffer during the default management process, due to insufficient diversification in respect of the Eligible Margin Assets provided by the Clearing Member and/or the Basic Clearing Member ISA Direct Clearing Member (including, without limitation, Eligible

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Margin Assets provided by a Clearing Member that also acts as an Indemnifying Clearing Agent and/or by any of its ISA Direct Indemnified Clearing Members) or in respect of the instruments underlying the Clearing Member's Transactions and/or the ~~Basic Clearing Member~~ ISA Direct Clearing Member's ~~Basic Clearing Member Transaction~~ ISA Direct Transactions (including, without limitation, instruments underlying Transactions of a Clearing Member that also acts as an Indemnifying Clearing Agent and/or instruments underlying Transactions of any of its ISA Direct Indemnified Clearing Members) ("**Concentration Risk**"), and

- (c) the potential loss which Eurex Clearing AG may suffer during the default management process, due to an unfavourable interrelatedness between the Clearing Member's or ~~Basic Clearing Member~~ ISA Direct Clearing Member's creditworthiness, the value of the Eligible Margin Assets provided by the Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member and the notional exposure arising from the Clearing Member's Transactions or the ~~Basic Clearing Member~~ ISA Direct Clearing Member's ~~Basic Clearing Member Transaction~~ ISA Direct Transactions ("**Wrong Way Risk**", together with the Credit Risk and the Concentration Risk, the "**Additionally Monitored Risks**").
- (2) Eurex Clearing AG determines dedicated thresholds or limits for each of the Additionally Monitored Risks. The Clearing Member and the ~~Basic Clearing Member~~ ISA Direct Clearing Member are required to comply with these thresholds and limits at all times.

[...]

- (4) Eurex Clearing AG conducts an internal assessment of the creditworthiness of the Clearing Member and the ~~Basic Clearing Member~~ ISA Direct Clearing Member (taking into account, where applicable the aggregate value of the assets under management with respect to an ~~Basic Clearing Member~~ ISA Direct Clearing Member). Based on this assessment, Eurex Clearing AG classifies the Clearing Member and the ~~Basic Clearing Member~~ ISA Direct Clearing Member into one of multiple pre-defined classification levels (the "**Clearing Member Classification**"). Eurex Clearing AG performs such Clearing Member Classification (i) prior to the granting of a Clearing Licence or an ~~Basic Clearing Member Clearing License~~ ISA Direct Clearing License, (ii) at least once annually, and (iii) on an ad-hoc basis when it is deemed necessary. Eurex Clearing AG notifies the Clearing Member or the ~~Basic Clearing Member~~ ISA Direct Clearing Member, as relevant, about the Clearing Member Classification and any changes thereof.
- (5) Eurex Clearing AG conducts an internal assessment of the creditworthiness of each country, which is (i) the home country of any Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member, or (ii) the home country of an issuer of securities that qualify as Eligible Margin Assets or (iii) the home country of an issuer of instruments qualifying as underlyings of Transactions. Based on this assessment, Eurex Clearing AG classifies such countries into one of multiple pre-defined classification levels (the "**Country Classification**"). Eurex Clearing AG reviews each

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Country Classification on a regular basis and on an ad-hoc basis when it is deemed necessary.

[...]

1.6.2 Assessment and Mitigation of Credit Risk

- (1) Based on the Clearing Member Classification, Eurex Clearing AG is entitled to define one or more Credit Risk thresholds for the Clearing Member and the ~~Basic Clearing Member~~ ISA Direct Clearing Member ("**Credit Risk Thresholds**"). Eurex Clearing AG reviews each Credit Risk Threshold on a regular basis and on an ad-hoc basis when it is deemed necessary. Eurex Clearing AG notifies the Clearing Member and the ~~Basic Clearing Member~~ ISA Direct Clearing Member about all Credit Risk Thresholds, and any changes thereof.
- (2) Credit Risk Thresholds can be defined as maximum margin requirement or as maximum notional exposure arising from the Clearing Member's Transactions and/or the Basic Clearing Member/ISA Direct Clearing Member's Basic Clearing Member Transaction/ISA Direct Transactions (including, without limitation, Transactions of the ISA Direct Indemnified Clearing Members in respect of which the Clearing Member acts as an Indemnifying Clearing Agent), ~~in each case under the relevant Standard Agreement.~~
- (3) In case the Clearing Member or the ~~Basic Clearing Member~~ ISA Direct Clearing Member breaches any Credit Risk Threshold, applicable at that point in time, Eurex Clearing AG is entitled to take the following mitigation measures:
 - (a) Eurex Clearing AG will notify the Clearing Member or the ~~Basic Clearing Member~~ ISA Direct Clearing Member (as well as its Clearing Agent) about the breach of the relevant Credit Risk Threshold and will request the reduction of the relevant margin requirement or notional exposure, as the case may be, within a reasonable period of time and in an amount which is necessary to remedy the relevant breach.
 - (b) In case the Clearing Member or the ~~Basic Clearing Member~~ ISA Direct Clearing Member does not remedy the breach of the relevant Credit Risk Threshold within the reasonable period of time pursuant to (a), Eurex Clearing AG is entitled to demand the provision of Supplementary Margin in accordance with Number 3.5.

1.6.3 Assessment and Mitigation of Concentration Risk

- (1) Eurex Clearing AG defines Concentration Risk limits for any Eligible Margin Assets in the form of Securities ("**Concentration Risk Limits**").

[...]

- (c) In case the Clearing Member (including in its capacity as a Clearing Agent) or the ~~Basic Clearing Member~~ ISA Direct Clearing Member breaches any

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Concentration Risk Limit applicable at that point in time, Eurex Clearing AG is entitled to take the following mitigating measures:

- (i) ~~Eurex Clearing AG will notify the Clearing Member or the Basic Clearing Member~~ ISA Direct Clearing Member (as well as its Clearing Agent) about the breach ~~by such Clearing Member or such ISA Direct Clearing Member, as relevant,~~ of the relevant Concentration Risk Limit and will request the replacement of Eligible Margin Assets in the form of Securities by other Eligible Margin Assets ("**New Eligible Margin Assets**") within a reasonable period of time and in an amount which is necessary to remedy the relevant breach. The **New Eligible Margin Assets** shall be provided pursuant to the terms of the relevant Standard Agreement. Subject to the actual delivery of the New Eligible Margin Assets, the Redelivery or release of the replaced Eligible Margin Assets shall be effected pursuant to the terms of the applicable Standard Agreement.
 - (ii) ~~In case the Clearing Member or Basic Clearing Member~~ ISA Direct Clearing Member does not remedy the breach of the relevant Concentration Risk Limit, within the reasonable period of time pursuant to (i), Eurex Clearing AG is entitled to demand the provision of Supplementary Margin in accordance with Number 3.5.
- (2) Notwithstanding Paragraph (1), Eurex Clearing AG defines Concentration Risk thresholds in relation to (i) Eligible Margin Assets in the form of Securities and (ii) the notional exposure arising from the instruments underlying the Clearing Member's Transactions or the ~~Basic Clearing Member~~ ISA Direct Clearing Member's Basic Clearing Member Transaction ISA Direct Transactions ("**Concentration Risk Thresholds**").
- [...]
- (c) Eurex Clearing AG will publish the Concentration Risk Thresholds, and any changes thereof, on the Eurex Clearing Website.
 - (d) In case the Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member breaches a Concentration Risk Threshold, applicable at that point in time, Eurex Clearing AG is entitled to take the following mitigating measures:
 - (i) Eurex Clearing AG will notify the Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member (as well as its Clearing Agent) about the breach of the relevant Concentration Risk Threshold and will request (i) the reduction of the relevant notional exposure or (ii) the replacement of Eligible Margin Assets in the form of Securities by New Eligible Margin Assets within a reasonable period of time and to the extent necessary to remedy the relevant breach. The provisions under Number 1.6.3 (1) (c) (i) Sentence 2 and 3 shall apply accordingly.

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- (ii) In case the Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member does not remedy the breach of the relevant Concentration Risk Threshold within the reasonable period of time pursuant to (i), Eurex Clearing AG is entitled to demand the provision of Supplementary Margin in accordance with Number 3.5.

1.6.4 Assessment and Mitigation of Wrong Way Risk

- (1) Eurex Clearing AG defines Wrong Way Risk thresholds in relation to (i) Eligible Margin Assets in the form of Securities and (ii) the notional exposure arising from the instruments underlying the Clearing Member's Transactions or the ~~Basic Clearing Member~~ ISA Direct Clearing Member's Basic Clearing Member Transaction ISA Direct Transactions ("**Wrong Way Risk Thresholds**").

[...]

- (5) In case the Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member breaches any Wrong Way Risk Threshold applicable at that point in time, Eurex Clearing AG is entitled to take the following mitigating measures:

- (a) Eurex Clearing AG will notify the Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member (as well as its Clearing Agent) about the breach of the relevant Wrong Way Risk Threshold and will request (i) the reduction of the relevant notional exposure, or (ii) the replacement of Eligible Margin Assets in the form of Securities by New Eligible Margin Assets within a reasonable period of time and to the extent necessary to remedy the relevant breach. The provisions under Number 1.6.3 (1) (c) (i) Sentence 2 and 3 shall apply accordingly.
- (b) In case the Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member does not remedy the breach of the relevant Wrong Way Risk Threshold within the reasonable period of time pursuant to (a), Eurex Clearing AG is entitled to demand the provision of Supplementary Margin in accordance with Number 3.5.

1.7 Representations and Undertakings with respect to Clearing Agreements

- 1.7.1 At the time it enters into a Clearing Agreement, each Clearing Member, Clearing Agent and ~~Basic Clearing Member~~ ISA Direct Clearing Member and each ~~holder of a Specific Repo License~~ ISA Direct Light License Holder, severally but not jointly, represents and warrants with respect to itself by way of an independent guarantee and irrespective of fault (*selbstständiges, verschuldensunabhängiges Garantieverprechen*) to Eurex Clearing AG that:

[...]

- (i) no event has occurred or circumstance arisen with respect to it which would (whether or not with the giving of notice and/or the passage of time and/or the fulfilment of any other requirement) constitute a Termination Event or Insolvency

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Termination Event (or, with respect to the ~~Basic Clearing Member~~ ISA Direct Clearing Member, an ~~Basic Clearing Member Termination~~ ISA Direct Clearing Member Termination Event or an ~~Basic Clearing Member Insolvency Termination Event~~ ISA Direct Clearing Member Insolvency Termination Event) under the Clearing Agreement.

[...]

- 1.7.2 At the time it enters into the Clearing Agreement, each Clearing Member, Clearing Agent and ~~Basic Clearing Member~~ ISA Direct Clearing Member (as relevant) further represents and warrants by way of an independent guarantee and irrespective of fault (*selbständiges, verschuldensunabhängiges Garantieverprechen*) to Eurex Clearing AG that it is entitled to pledge, or, as relevant, transfer full legal and beneficial ownership of, all assets (including, without limitation, all Eligible Margin Assets or Securities) to be so pledged or so transferred by it pursuant to the Clearing Agreement, free from any liens, encumbrances, charges or other rights or claims and upon any such transfer, the transferee will receive all right, title and interest in the relevant assets free and clear of any such liens, encumbrances, charges or other rights and claims, arising, including pursuant to applicable regulation or under any statutory or other trust (save, with respect to ECM CASS Transactions (as defined in Part 2 Subpart D Number 2) or ISA CASS Transactions (as defined in Part 4 Number 14), for any statutory trust under the Client Assets Sourcebook).

[...]

- 1.7.4 Each Clearing Member, each Clearing Agent and each ~~Basic Clearing Member~~ ISA Direct Clearing Member agrees with Eurex Clearing AG that it will repeat the representations set out in Number 1.7.1 to 1.7.2, to the extent that they are relevant to it, to Eurex Clearing AG with regard to the facts and circumstances then existing whenever the relevant Clearing Agreement is amended or it (or, in the case of a Clearing Agent, any of its ~~Basic Clearing Member~~ ISA Direct Clearing Members) enters into a Transaction, transfers Margin or Variation Margin or delivers Eligible Margin Assets in respect thereof or delivers assets equivalent to such Eligible Margin Assets.

- 1.7.5 Eurex Clearing AG represents and warrants by way of an independent guarantee and irrespective of fault (*selbständiges, verschuldensunabhängiges Garantieverprechen*) to the relevant Clearing Member, Clearing Agent and ~~Basic Clearing Member~~ ISA Direct Clearing Member, at the time it enters into the Clearing Agreement:

[...]

- 1.7.6 Eurex Clearing AG shall promptly inform the Clearing Member or the Clearing Agent and the ~~Basic Clearing Member~~ ISA Direct Clearing Member if Eurex Clearing AG becomes aware that any representation or warranty in Number 1.7.5 ceases to be true. Each Clearing Member, Clearing Agent, ~~Basic Clearing Member~~ ISA Direct Clearing Member and holder of a ~~Specific Repo License~~ ISA Direct Light License Holder shall promptly inform Eurex Clearing AG if it becomes aware that any of its representations or warranties in this Number 1.7 ceases to be true.

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[...]

1.8 No Clearing of OTC Interest Rate Derivative Transactions for U.S. Persons

[...]

1.8.3 In relation to OTC Interest Rate Derivative Transactions, the Clearing Agent represents and warrants by way of an independent guarantee and irrespective of fault (*selbständiges, verschuldensunabhängiges Garantieverprechen*) to Eurex Clearing AG that, at the time it enters into an ~~an Basic Clearing Member Clearing Agreement~~ ISA Direct Clearing Agreement, it reasonably believes that it does not fall within any of the U.S. Person Categories and believes in good faith that it would not otherwise be deemed to be a **“U.S. person”** under the Interpretive Guidance (the **“CA OTC U.S. Person Representation”**); the Clearing Agent repeats such representation each time when any of its ~~Basic Clearing Member~~ ISA Direct Clearing Members enters into an OTC Interest Rate Derivative Transaction. Number 7.2.1 (2) shall apply accordingly.

1.8.4 The Clearing Agent shall promptly inform Eurex Clearing AG (i) if it becomes aware that its CA OTC U.S. Person Representation ceases to be true or (ii) if the relevant ~~Basic Clearing Member~~ ISA Direct Clearing Member has informed the Clearing Agent that the relevant ~~Basic Clearing Member OTC U.S. Person Representation~~ ISA Direct OTC U.S. Person Representation has ceased to be true or in any other case in which the Clearing Agent becomes aware that the relevant ~~Basic Clearing Member OTC U.S. Person Representation~~ ISA Direct OTC U.S. Person Representation has ceased to be true.

1.8.5 In relation to OTC Interest Rate Derivative Transactions, the ~~Basic Clearing Member~~ ISA Direct Clearing Member represents and warrants by way of an independent guarantee and irrespective of fault (*selbständiges, verschuldensunabhängiges Garantieverprechen*) to Eurex Clearing AG that at the time it enters into an ~~an Basic Clearing Member Clearing Agreement~~ ISA Direct Clearing Agreement, it reasonably believes that it does not fall within any of the U.S. Person Categories and believes in good faith that it would not otherwise be deemed to be a **“U.S. person”** under the Interpretive Guidance (the **“Basic Clearing Member OTC U.S. Person Representation”** ISA Direct OTC U.S. Person Representation); the ~~Basic Clearing Member~~ ISA Direct Clearing Member repeats such representations at each time when it directly or through its Clearing Agent submits an Original OTC Transaction for clearing to Eurex Clearing AG. The ~~Basic Clearing Member~~ ISA Direct Clearing Member shall promptly inform Eurex Clearing AG if it becomes aware that the ~~Basic Clearing Member OTC U.S. Person Representation~~ ISA Direct OTC U.S. Person Representation ceases to be true.

[...]

1.9.3 In relation to FX Options contracts, the Clearing Agent represents and warrants by way of an independent guarantee and irrespective of fault (*selbständiges, verschuldensunabhängiges Garantieverprechen*) to Eurex Clearing AG that, at the time it enters into an ~~an Basic Clearing Member Clearing Agreement~~ ISA Direct Clearing Agreement, it reasonably believes that it does not fall within any of the U.S. Person

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Categories and believes in good faith that it would not otherwise be deemed to be a “**U.S. person**” under the Interpretive Guidance (the “**CA FX U.S. Person Representation**”); the Clearing Agent repeats such representations at each time when the Clearing Agent enters an order or quote into the trading systems in relation to an FX Options contract. Number 7.2.1 (2) shall apply accordingly.

1.9.4 The Clearing Agent shall promptly inform Eurex Clearing AG (i) if it becomes aware that the CA FX U.S. Person Representation ceases to be true or (ii) if the relevant ~~Basic Clearing Member~~ SA Direct Clearing Member has informed the Clearing Agent that the relevant CA FX U.S. Person Representation (as defined in Number 1.9.3) has ceased to be true or in any other case in which the Clearing Agent becomes aware that the relevant CA FX U.S. Person Representation has ceased to be true.

1.9.5 In relation to FX Options contracts, each of the ~~Basic Clearing Member~~ SA Direct Clearing Members represents and warrants by way of an independent guarantee and irrespective of fault (*selbständiges, verschuldensunabhängiges Garantieverprechen*) to Eurex Clearing AG that at the time it enters into a Clearing Agreement, it reasonably believes that it does not fall within any of the U.S. Person Categories and believes in good faith that it would not otherwise be deemed to be a “**U.S. person**” under the Interpretive Guidance (the “**Basic Clearing Member FX U.S. Person Representation**” SA Direct FX U.S. Person Representation); the ~~Basic Clearing Member~~ SA Direct Clearing Member repeats such representations at each time when it enters directly or through its Clearing Agent an order or quote into the trading systems. The ~~Basic Clearing Member~~ SA Direct Clearing Member shall promptly inform Eurex Clearing AG if it becomes aware that the ~~Basic Clearing Member FX U.S. Person Representation~~ SA Direct FX U.S. Person Representation ceases to be true.

[...]

2 Clearing Members

2.1 Clearing License

2.1.1 Granting of Clearing License

[...]

(3) A Clearing License will be granted upon the conclusion of, or an amendment to this effect to, a Clearing Agreement for the relevant Transaction Type. ~~For holders of a respective Clearing License (including Clearing Agents) and Basic Clearing Members this~~ This Chapter I and the Chapter for the relevant Transaction Types as well as any references in such Chapter to other Chapters or Annexes of the Clearing Conditions, shall be applicable to each holder of a respective Clearing License.

(4) As specified in the relevant Clearing Agreement, a Clearing License is issued either as a general clearing license (a “**General Clearing License**”) or a direct clearing license (a “**Direct Clearing License**”). Unless otherwise provided in the relevant

Special Clearing Provisions, a General Clearing License entitles the holder thereof (a **“General Clearing Member”**) (i) to clear Own Transactions, Client-Related Transactions or, in respect of OTC IRS U.S. Clearing Members, Own Transactions and (ii) to participate in the Clearing of ~~Basic Clearing Member Transaction~~ ISA Direct Transactions as a Clearing Agent subject to further requirements as set out in the ~~Basic Clearing Member Provisions~~ ISA Direct Provisions. A Direct Clearing License entitles the holder thereof (a **“Direct Clearing Member”**) to clear Own Transactions, Client-Related Transactions (in the case of DC-Related Transactions limited to Transactions relating to DC Market Participants, and in the case of Transactions relating to Indirect Client Market Participants limited to Indirect Client Market Participants, affiliated with it (as determined by Eurex Clearing AG and notified to the Clearing Members)). The Direct Clearing Member shall be obliged to inform Eurex Clearing AG promptly in the event that they cease to meet such prerequisites.

[...]

2.1.2 General Prerequisites for Clearing Licenses

(1) A Clearing License for a Transaction Type may only be granted to an applicant if such applicant meets the general prerequisites pursuant to Paragraphs (2) to (6) below and the special prerequisites set forth in Chapters II–VIII for the relevant Transaction Type. This Number 2.1.2 shall (i), unless otherwise provided in Part 6 ~~Subpart A Number 2 or Part 6 Subpart B Number 1~~, not apply to applicants for an ~~Basic Clearing Member Clearing License~~ ISA Direct Clearing License, and (ii), unless otherwise provided in Part 3 Number 3.1 of Chapter IV, not apply to applicants for an ISA Direct Light License.

(2) Personal prerequisites

(a) Subject to Number 2.1.3 below, a Clearing License may only be granted to:

[...]

(bb) a Swiss institution: an undertaking domiciled in Switzerland

[...]

(cc) an EU branch: a branch domiciled in a member state of the EU

[...]

[...]

(ff) a third country branch: a branch not falling within one of the categories pursuant to Paragraphs (cc) or (dd) above, provided that

[...]

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(iii) if the branch is domiciled in the EU or Switzerland and the main office is domiciled outside the EU or Switzerland, such branch complies with the conditions set forth in Paragraph (2) (a) (aa) or (bb), the main office meets the conditions set forth in Paragraph (2) (a) (ee), and the branch and the institution comply with the conditions set forth in Paragraph (2) (b) below;ⁱ

(gg) certain other regulated entities: with respect to a Direct Clearing License for the Clearing of Own Transactions only, an applicant that

(i) [...]

(ii) is domiciled in a country outside of the EU or Switzerland and whose functions correspond to those described under paragraph (i) above and which is supervised in its country of domicile according to standards equivalent to the applicable regulatory standards of the EU as determined by Eurex Clearing AG; or

[...]

(3) The applicant for a Clearing License must

[...]

(a) In case an applicant applies for multiple Clearing Licenses covering multiple Transaction Types, the required own funds or equivalent regulatory capital are calculated as follows:

The own funds or equivalent regulatory capital required for multiple Clearing Licenses is the sum of the own funds or equivalent regulatory capital required for each Clearing Licence.

[...]

2.1.4 Rejection and Termination of Clearing Licenses

(1) Eurex Clearing AG may reject to grant a Clearing License^{see}, if Eurex Clearing AG, based on its evaluation, determines that this is necessary to avoid or mitigate risks for Eurex Clearing AG. In respect of the evaluation pursuant to Sentence 1 Eurex Clearing AG will take the following criteria into account: (i) credit ratings by generally accepted rating agencies relating to the applicant, (ii) Eurex Clearing AG's credit ratings relating to the applicant, (iii) market indications relating to the applicant (e.g. share price and CDS spreads), (iv) a state guarantee or state support relating to the applicant, and (v) the type of Clearing License^{see} applied for.

[...]

2.2 Certain continuing obligations of Clearing Members

[...]

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2.2.2 Each Clearing Member (including in its capacity as Clearing Agent) shall – in accordance with any mandatory laws applicable to it – promptly inform Eurex Clearing AG if it is no longer in compliance with any of the prerequisites for any Clearing License granted to it or if any other circumstances prevail, which might render any of these prerequisites no longer satisfied or if a Termination Event or Insolvency Termination Event (as defined in Number 7.2) has occurred.

[...]

2.2.4 Each Clearing Member (including in its capacity as Clearing Agent) shall promptly notify Eurex Clearing AG if it is unable to fulfil any obligations (if applicable) under a Transaction or any other obligations under a Standard Agreement or Clearing Agreement, including its obligations to deliver Margin or Variation Margin.

[...]

2.3 **Specific Provisions and additional continuing Obligations for OTC IRS U.S. Clearing Members**

[...]

2.3.1 **Special prerequisites and provisions for OTC IRS U.S. Clearing Members**

(1) A Clearing Licensee for the participation in the Clearing as an OTC IRS U.S. Clearing Member may only be granted to an entity that is legally organised and has its principal place of business in the United States of America (or any state thereof) and only with respect to the Clearing of OTC Interest Rate Derivative Transactions.

[...]

2.4 **Specific Provisions ~~and additional continuing Obligations~~ for Clearing Agents and ~~Basic Clearing Member~~ ISA Direct Clearing Members**

The Clearing Agent must hold a General Clearing License and meet the general and special prerequisites for each Transaction Type that the ~~Basic Clearing Member~~ ISA Direct Clearing Member intends to clear. The Clearing Agent (in such capacity) shall comply with the obligations of Clearing Members set out in Number 2.2.

2.4.1 **Special prerequisites ~~and provisions for~~ in respect of Basic Clearing Member ISA Direct Clearing Members**

(1) Eurex Clearing AG retains the right to reject a Clearing Agent for a given ~~Basic Clearing Member~~ ISA Direct Clearing Member in order to prevent and control adverse risk constellations in accordance with Eurex Clearing AG's risk management policy.

(2) With respect to each applicant for an ~~Basic Clearing License~~ ISA Direct Clearing License, the applicant shall procure that the following accounts are available (as applicable):

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(a) Securities Accounts:

(aa) With respect to the Clearing of Transactions for ~~Basic Clearing Member~~ISA Direct Clearing Members and for purposes of granting pledges over the Securities that shall form part of the ~~Basic Clearing Member Margin~~ISA Direct Margin to Eurex Clearing AG in accordance with the ~~Basic Clearing Member Provisions~~ISA Direct Provisions:

- (A) one securities account or sub-account of the Clearing Agent (including any subset of securities booked on an account and identified by a specific customer identifier of the relevant ~~Basic Clearing Member~~ISA Direct Clearing Member pursuant to Subpart A Number 5.5 of the ~~Basic Clearing Member Provisions~~ISA Direct Provisions) in relation to such ~~Basic Clearing Member~~ISA Direct Clearing Member with Clearstream Banking AG, Clearstream Banking S.A. or with SIX SIS AG, to which the pledges with respect to ~~Basic Clearing Member Margin~~ISA Direct Margin in accordance with the ~~Basic Clearing Member Provisions~~ISA Direct Provisions relate;
- (B) one securities account or sub-account of the ~~Basic Clearing Member~~ISA Direct Clearing Member with Clearstream Banking AG, Clearstream Banking S.A. or with SIX SIS AG, to which the pledges with respect to ~~Basic Clearing Member Margin~~ISA Direct Margin in accordance with the ~~Basic Clearing Member Provisions~~ISA Direct Provisions relate;
- (C) one securities account or sub-account of a third party acceptable to Eurex Clearing AG ("**Third Party Account Holder**") with Clearstream Banking S.A., to which the pledges with respect to ~~Basic Clearing Member Margin~~ISA Direct Margin in accordance with the ~~Basic Clearing Member Provisions~~ISA Direct Provisions relate; and/or
- (D) such other securities account or sub-account as may be agreed between the applicant and Eurex Clearing AG

(each such account, sub-account or subset identified by a common identifier, an "~~Basic Clearing Member Pledged Securities Account~~ISA Direct Pledged Securities Account"), unless the ~~Basic Clearing Member Margin~~ISA Direct Margin shall be provided by using an Accepted Collateral Management System.

[...]

(bb) No securities accounts pursuant to Paragraph (2) (a) (aa) shall be required if ~~Basic Clearing Member Margin~~ISA Direct Margin is only provided in the form of cash.

(b) Cash Accounts:

(aa) for cash payments in Euro: an RTGS Account held by the Clearing Agent or the ~~Basic Clearing Member~~ ISA Direct Clearing Member in respect of payments relating to the ~~Basic Clearing Member Transaction~~ ISA Direct Transactions of the ~~Basic Clearing Member~~ ISA Direct Clearing Member; and

(bb) for cash payments in CHF: a SIC Account held by the Clearing Agent or the ~~Basic Clearing Member~~ ISA Direct Clearing Member in respect of payments relating to the ~~Basic Clearing Member Transaction~~ ISA Direct Transactions of the ~~Basic Clearing Member~~ ISA Direct Clearing Member. In case the Clearing Agent (if the Clearing Agent is the holder of the relevant account) or the ~~Basic Clearing Member~~ ISA Direct Clearing Member (if the ~~Basic Clearing Member~~ ISA Direct Clearing Member is the holder of the relevant account) is located outside of Switzerland and without a branch in Switzerland and provided CHF has not been chosen as a Clearing Currency for the ~~Basic Clearing Member~~ ISA Direct Clearing Member, the SIC Account may be substituted with an account with a correspondent bank recognised by Eurex Clearing AG; and/or

(cc) such other cash account as may be agreed between the applicant and Eurex Clearing AG

(the "~~Basic Clearing Member Cash Account~~ ISA Direct Cash Accounts").

Eurex Clearing AG may, upon written request from the ~~Basic Clearing Member~~ ISA Direct Clearing Member (including via its Clearing Agent), allow the use of the required cash accounts pursuant to this Paragraph (2) (b) of a correspondent bank recognised by Eurex Clearing AG.

(3) A Clearing Member that intends to act as an Indemnifying Clearing Agent pursuant to Subpart B of the ISA Direct Provisions shall procure that (i) for payments of any Applicable Indemnity Payment Amount in Euro, an RTGS Account held by it and (ii) for payments of any Applicable Indemnity Payment Amount in CHF, a SIC Account held by it are available.

2.4.2 Additional continuing obligations for Clearing Agents

A Clearing Agent shall be obliged (to the extent permitted by applicable law) to provide Eurex Clearing AG with any information that Eurex Clearing AG may reasonably require in relation to the clearing services provided by the Clearing Agent to its ~~Basic Clearing Member~~ ISA Direct Clearing Members (excluding the content of any bilateral agreement entered into between the Clearing Agent and the relevant ~~Basic Clearing Member~~ ISA Direct Clearing Member pursuant to Subpart A Number 4.1.5 of the ~~Basic Clearing Member Provisions~~ ISA Direct Provisions).

[...]