



[Eurex Clearing](#) [Resources](#) [Circulars & Mailings](#)

Release date: 06 Nov 2019 | Eurex Clearing

No. 103/2019

Clarification and further amendments to the Default Management (DM) Auction Rules - End of Consultation

Eurex Clearing Circular 103/2019

1. Introduction

As announced and further explained in Eurex Clearing circular 089/19, Eurex Clearing AG proposed the following changes and amendments to the Default Management Auction Rules regarding the following topic and conducted a Consultation under the Clearing Conditions:

- Clarification and further amendments to the Default Management (DM) Auction Rules

Eurex Clearing received comments that led to further changes as described under point 3. below.

The changes and amendments as notified in topic F. of the above-mentioned Eurex Clearing circular and as further outlined under 3. below will come into effect on **2 December 2019**.

2. Action required

Clearing Members, Basic Clearing Members, FCM Clearing Members, Disclosed Direct Clients of Eurex Clearing AG, vendors and all other affected contractual parties should take the amendments to the Default Management Auction Rules into account.

3. Details

Please refer to Eurex Clearing circular 089/19, topic F., for details of the initial changes and amendments to the Default Management Auction Rules.

The further changes based on comments received during the consultation process are as follows:

- Clarification regarding consideration of criteria to be fulfilled during the auction invitee selection process,
- Clarification of definition of Participating Bidder,
- Editorial changes.

All of the above changes to the Default Management Auction Rules are consolidated in Attachment 1 and will become effective on 2 December 2019.

Please also see Attachment 2, which, for transparency reasons, highlights only the further changes due to comments received during the consultation period of the Default Management Auction Rules.

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

[Resources > Rules and Regulations > Clearing Conditions](#)

11/6/2019

Eurex Clearing - Clarification and further amendments to the Default Management (DM) Auction Rules - End of Consultation

The changes and amendments to the legal framework of Eurex Clearing AG published by this circular are deemed accepted by each affected contractual party of Eurex Clearing AG, 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:

- Attachment 1: Amended sections of Number 1, 3-7, 9-12 of the DM Auction Rules and affected related forms (consolidated version of amendments pre and post consultation period)
- Attachment 2: Amended sections of Number 3.3.1, 3.4.2, 3.6.1, 3.6.4, 4.1, 5.1.6, 5.4, 5.5 (amendments post consultation period)

Recipients: All Clearing Members, Basic Clearing Members, Disclosed Direct Clients of Eurex Clearing AG, FCM Clearing Members, 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

Related circular: [Eurex Clearing Circular 089/19](#)

Authorized by: Heike Eckert

Further information

[Attachment 1 to Eurex Clearing circular 103/19](#)

[Attachment 2 to Eurex Clearing circular 103/19](#)

[Navigate to Eurex News](#)

© Eurex Clearing AG

THE DEFAULT MANAGEMENT AUCTION RULES

WILL BE AMENDED.

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED,

DELETIONS ARE CROSSED OUT.

DEFAULT MANAGEMENT AUCTION RULES

1 General

1.1 Upon the occurrence of a Termination or Basic Clearing Member Termination, as defined in the Clearing Conditions in Chapter I Part 1 Number 7 and Part 6 Number 10.4, respectively, or upon the occurrence of an FCM Clearing Member Termination ~~or an FCM Client Termination (both~~ (as defined in the FCM Regulations) and if it is deemed appropriate by Eurex Clearing AG in consultation with the relevant DMC, Eurex Clearing AG may conduct one or more DM Auction(s) or one or more DM Bonds Auction(s) in accordance with the Clearing Conditions of Eurex Clearing AG, as amended from time to time (the "**Clearing Conditions**") and the FCM Default Rules.

1.2 Each DM Auction is governed by the rules set forth in these default management auction rules (the "**General DM Auction Rules**"), ~~as~~ which are supplemented by specific auction terms (the "**Specific Terms**"), ~~which shall be materially in the form as annexed hereto (~~ the General DM Auction Rules and the Specific Terms together the "**DM Auction Rules**"). Unless otherwise stated in such provisions, the DM Auction Rules shall apply *mutatis mutandis* to DM Bonds Auctions, provided that, in such case, any reference in such provisions to the DM Auction shall be read as a reference to DM Bonds Auctions.

[...]

1.4 All DM Auctions will be conducted by Eurex Clearing AG via the auction tool as defined and applied by Eurex Clearing AG (the "**Auction Tool**"). All participants in DM Auctions will be granted access to such Auction Tool. In case Eurex Clearing AG is not able to provide access to the Auction Tool due to technical problems or any other reasons, all DM Auctions will be conducted by Eurex Clearing AG via e-mail.

[...]

3 Participation in DM Auctions

Participants in DM Auctions are ~~Mandatory Participants, FCM Mandatory Participants, Selected Invitees and Selected Auction Participants,~~

- (i) Mandatory Participants and FCM Mandatory Participants,
- (ii) Clearing Member Participants,
- (iii) Clearing Agent Participants, acting on behalf and in the name of the relevant Basic Clearing Member,
- (iv) Client Participants, acting on behalf of and in the name of the relevant Clearing Member or FCM Clearing Member,
- (v) Bidding Agents, acting on behalf of and in the name of the relevant Mandatory Participant, and
- (vi) Selected Auction Participants,

as further described in this Number 3.

3.1 **Mandatory Participants and FCM Mandatory Participants**

Each Mandatory Participant (as defined in the Clearing Conditions in Chapter I Part 1 Number 7.5.3) and each FCM Mandatory Participant (as defined in Number 4.3.3 Paragraph (2) of the FCM Default Rules) shall be obliged to participate in the relevant DM Auction.

3.2 ~~In addition, any entity may participate in a DM Auction upon invitation by Eurex Clearing AG if~~ **Clearing Member Participants**

3.2.1 ~~In addition, such entity is either~~

- (i) ~~a each Clearing Member or an FCM Clearing Member which does not qualify as a Mandatory Participant or FCM Mandatory Participant with respect to the relevant DM Auction, (ii) a Basic Clearing Member, or (iii) a Disclosed Direct Client, an FCM Client or any other customer of a Clearing Member, in each case, if applicable, limited to the applicable Liquidation Group(s) (each a "Qualified Invitee"); or~~
- (ii) each Basic Clearing Member

may participate in a DM Auction upon invitation by Eurex Clearing AG (each a "Clearing Member Participant").

3.2.2 ~~such Qualified Invitee (except for Clearing Members and FCM Clearing Members pursuant to Number 3.2.1 (i) and Basic Clearing Members pursuant to Number 3.2.1 (ii)) has evidenced the receipt of consent from its respective Clearing Member (which must qualify as a Mandatory Participant) or its respective FCM Clearing Member (which must qualify as an FCM Mandatory Participant) to participate in the relevant DM Auction;~~

~~and~~The Clearing Member Participant shall be granted direct access to the Auction Tool by Eurex Clearing AG. When submitting a Bid in a DM Auction, the Clearing Member Participant submits the Bids in its own name for its own account and such Bid therefore constitutes a Bid by the Clearing Member Participant and only binds such Clearing Member Participant vis-à-vis Eurex Clearing AG.

~~3.2.3 prior to the DM Auction such Qualified Invitee represents, warrants and undertakes vis-à-vis Eurex Clearing AG in writing to comply at all times with the requirements and obligations set forth in Number 10.1, 10.2 and 10.3 below~~

~~(each a “Selected Invitee”).~~

~~Each Mandatory Participant that participates in a DM Auction in accordance with Number 3.1, each Clearing Member, FCM Clearing Member or Basic Clearing Member that participates in a DM Auction in accordance with this Number 3.2 and each Selected Auction Participant (as defined in Number 4.3.3 Paragraph (2) of the FCM Default Rules) is, upon the submission of its Bid with regard to a specific Auction Unit, herein referred to as a “Participating Bidder”.~~

~~Selected Invitees (except for Clearing Members and FCM Clearing Members pursuant to Number 3.2.1 (i) and Basic Clearing Members pursuant to Number 3.2.1 (ii)) are only entitled to participate in DM Auctions via their relevant Clearing Member and FCM Clearing Member, as applicable; each such Clearing Member and FCM Clearing Member, as applicable, is, upon the submission of a Bid for a Selected Invitee with regard to a specific Auction Unit, herein referred to as a “Representing Participating Bidder”). The submission of a Bid by a Representing Participating Bidder constitutes a Bid by such Representing Participating Bidder and only binds such Representing Participating Bidder vis-à-vis Eurex Clearing AG.~~

~~Pursuant to Number 3.2.1, a Basic Clearing Member may participate in the relevant DM Auction directly or through its Clearing Agent. The Clearing Agent does not qualify as Representing Participating Bidder but acts on behalf and in the name of the Basic Clearing Member. For the avoidance of doubt, the submission of a Bid by the Clearing Agent acting on behalf and in the name of such Basic Clearing Member therefore constitutes a Bid by the Basic Clearing Member and only binds the Basic Clearing Member vis-à-vis Eurex Clearing AG. Any Basic Clearing Member that is a Participating Bidder may make such information about Bids available to its Clearing Agent, as is necessary for the Clearing Agent to act on behalf of the Basic Clearing Member in any DM Auction.~~

~~Any Mandatory Participant or FCM Mandatory Participant may disclose the Specific Terms and/or any additional information with respect to any DM Auction only to Selected Invitees invited by Eurex Clearing AG to participate in the respective DM Auction.~~

3.3 Clearing Agent Participant

Eurex Clearing AG shall be entitled to subsequently suspend any Mandatory Participant, any FCM Mandatory Participant, any Selected Auction Participant or any Selected Invitee that is compliant with the conditions of Number 3.2 from participating in a DM Auction upon the occurrence of a serious cause (*aus wichtigem Grund*) related to such Mandatory Participant, FCM Mandatory Participant, Selected Auction Participant or Selected Invitee, as the case may be. If a Representing Participating Bidder has been suspended, the Selected Invitee represented by it shall also be suspended.

If the relevant DM Auction Transactions qualify as OTC Interest Rate Derivative Transactions (as defined in the Clearing Conditions in Chapter VIII Part 2), Interest Rate Derivative Transactions (as defined in Chapter I Number 1.1.5 of the FCM Regulations) or OTC Currency Transactions (as defined in the Clearing Conditions in Chapter VIII Part 1), Eurex Clearing AG may release a Mandatory Participant or an FCM Mandatory Participant from its obligation to participate in any relevant DM Auction if

- (i) within 3 months prior to the relevant Termination, Basic Clearing Member Termination, FCM Clearing Member Termination or FCM Client Termination less than ten (10) OTC Interest Rate Derivative Transactions or Interest Rate Derivative Transactions in the relevant currency have been booked on the Mandatory Participant's or FCM Mandatory Participant's respective accounts (aggregated, if the Mandatory Participant acts as Clearing Agent for one or more Basic Clearing Members, with the OTC Interest Rate Derivative Transactions (if any) that have been booked on the accounts of its Basic Clearing Members), or
- (ii) within 3 months prior to the relevant Termination, Basic Clearing Member Termination, FCM Clearing Member Termination or FCM Client Termination (a) the average sum of the Mandatory Participant's or FCM Mandatory Participant's Initial Margin requirement (aggregated, if the Mandatory Participant acts as Clearing Agent for one or more Basic Clearing Members, with the Initial Margin requirement for all its Basic Clearing Members) with respect to the Relevant Liquidation Group and in the relevant currency is less than 0.5 per cent of the sum of all Clearing Members', FCM Clearing Members' and Basic Clearing Members' Initial Margin requirement with respect to the Relevant Liquidation Group and in the relevant currency, and (b) (A) with respect to OTC Interest Rate Derivative Transactions and Interest Rate Derivative Transactions, the average aggregate notional amount resulting from the Mandatory Participant's or FCM Mandatory Participant's OTC Interest Rate Derivative Transactions or Interest Rate Derivative Transactions (aggregated, if the Mandatory Participant acts as Clearing Agent for one or more Basic Clearing Members, with the OTC Interest Rate Derivative Transactions (if any) of its Basic Clearing Members) or (B) with respect to OTC Currency Transactions, the average aggregate notional amount resulting from the Mandatory Participant's OTC Currency Transactions, in each case, with respect to the Relevant Liquidation Group and in the relevant currency is less than 0.5 per cent of the aggregate notional amount, in the case of OTC Interest Rate Derivative Transactions or Interest Rate Derivative Transactions, of all Clearing Members', FCM Clearing Members' and Basic Clearing Members' OTC Interest Rate Derivative Transactions and Interest Rate Derivative Transactions or, in the case of OTC Currency Transactions, the aggregate notional

amount of all Clearing Members' OTC Currency Transactions, in each case, with respect to the Relevant Liquidation Group and in the relevant currency, or

(iii) upon occurrence of a serious cause (*aus wichtigem Grund*) related to such Mandatory Participant or FCM Mandatory Participant.

3.3.1 A Clearing Agent of an Basic Clearing Member ("**Clearing Agent Participant**"), may also participate in a DM Auction upon invitation by Eurex Clearing AG. The Basic Clearing Member shall inform Eurex Clearing AG about the appointment of a Clearing Agent Participant by submitting the form for the appointment of the Clearing Agent Participant attached to these DM Auction Rules ("**Clearing Agent Participant Appointment Form**"). In the Clearing Agent Participant Appointment Form, the Basic Clearing Member shall provide the contact details of at least one contact person at the Clearing Agent Participant for any inquiries Eurex Clearing AG may have with respect to participation of the Clearing Agent Participant in the DM Auctions. Such contact person shall be available without interruptions during regular business hours and has sufficient German or English language skills.

3.3.2 The Clearing Agent Participant shall be granted direct access to the Auction Tool by Eurex Clearing AG. By submitting the Clearing Agent Participant Appointment Form, the Basic Clearing Member authorises the Clearing Agent Participant to submit Bids on behalf and in the name of the Basic Clearing Member. The Basic Clearing Member acknowledges that each Bid submitted by a Clearing Agent Participant therefore constitutes a Bid by the Basic Clearing Member and only binds the Basic Clearing Member vis-à-vis Eurex Clearing AG.

3.4 **Client Participant**

3.4.1 A Disclosed Direct Client or any other customer of a Clearing Member or an FCM Client of an FCM Clearing Member (each a "**Client Participant**"), may also participate in a DM Auction upon invitation by Eurex Clearing AG. The Clearing Member or FCM Clearing Member shall inform Eurex Clearing AG about the appointment of a Client Participant by submitting the form for the appointment of a Client Participant attached to these DM Auction Rules ("**Client Participant Appointment Form**"). In the Client Participant Appointment Form, the Clearing Member or FCM Clearing Member shall provide the contact details of at least one contact person at the Client Participant for any inquiries Eurex Clearing AG may have with respect to participation of the Client Participant in the DM Auctions and who shall be available without interruptions during regular business hours and has sufficient German or English language skills.

3.4.2 The Client Participant shall be granted direct access to the Auction Tool by Eurex Clearing AG. For the avoidance of doubt, a Client Participant can participate in DM Auctions alongside its Clearing Member or FCM Clearing Member. By submitting the Client Participant Appointment Form, the Clearing Member or FCM Clearing Member authorises the Client Participant to submit Bids on behalf and in the name of the Clearing Member or FCM Clearing Member. The Clearing Member or FCM Clearing Member acknowledges that each Bid submitted by a Client Participant therefore constitutes a Bid

by the Clearing Member or FCM Clearing Member and only binds such Clearing Member or FCM Clearing Member vis-à-vis Eurex Clearing AG.

3.53.4 **Bidding Agent**

A Mandatory Participant may appoint a third party or an Affiliate as its agent which shall participate in DM Auctions on behalf and in the name of the Mandatory Participant ("**Bidding Agent**"). The Bidding Agent shall not be allowed to appoint another third party as its agent with respect to the obligation of the Mandatory Participant to participate in the DM Auctions. Unless otherwise provided in the following provisions, Chapter I Part 1 Number 15.2 of the Clearing Conditions shall apply accordingly.

3.5.13.4.1 The Mandatory Participant shall inform Eurex Clearing AG about ~~its intention to appoint~~ the appointment of a Bidding Agent by submitting the form for the appointment of the Bidding Agent attached to these General DM Auction Rules ("**Bidding Agent Appointment Form**"). The Mandatory Participant may choose to appoint the relevant Bidding Agent with respect to all or specific Liquidation Groups as specified in the Bidding Agent Appointment Form. ~~The participation in the DM Auctions by the Bidding Agent shall only be commenced upon fulfilment of the following requirements:~~

- ~~(1) the Mandatory Participant has provided Eurex Clearing AG with~~ In the Bidding Agent Appointment Form, ~~and~~
- ~~(2) Eurex Clearing AG has confirmed receipt of the Bidding Agent Appointment Form in writing and specified the date by which the appointment of the Bidding Agent shall become effective.~~

3.4.2 ~~The Mandatory Participant~~ the Mandatory Participant shall provide to ~~Eurex Clearing AG~~ the contact details of at least one contact person at the Bidding Agent for any inquiries Eurex Clearing AG may have with respect to the participation of the Bidding Agent in the DM Auctions and who shall be available without interruptions during regular business hours and has sufficient German or English language skills.

3.5.23.4.3 The Bidding Agent ~~can~~ shall be granted direct access to the Auction Tool by Eurex Clearing AG upon the request of the Mandatory Participant. ~~In such case, when~~ By submitting the Bidding Agent provides Bid(s) to ~~Eurex Clearing AG via the Auction Tool, Appointment Form,~~ the Mandatory Participant authorises the Bidding Agent is ~~acting to submit Bids~~ on behalf and in the name of the Mandatory Participant. The submission of a Bid ~~The Mandatory Participant acknowledges that each Bid submitted by the Bidding Agent acting on behalf and in the name of such Mandatory Participant therefore constitutes a Bid by the Mandatory Participant and only binds the Mandatory Participant vis-à-vis Eurex Clearing AG. When providing a Bid on behalf and in the name of the Mandatory Participant, the Bidding Agent will clearly specify that the relevant Bid is provided with respect to the relevant Mandatory Participant.~~

3.5.33.4.4 If the Mandatory Participant appoints an Affiliate as its Bidding Agent, the Mandatory Participant shall disclose such connection to Eurex Clearing AG in the Bidding Agent

Appointment Form. "**Affiliate**" means, in respect of a Mandatory Participant, any undertaking which is or becomes (i) a subsidiary undertaking or parent undertaking of such Mandatory Participant or (ii) a subsidiary undertaking of a parent undertaking of such Mandatory Participant.

~~3.4.5~~ ~~Any 3.5.4~~ For the avoidance of doubt, the status of the Clearing Member as Mandatory Participant ~~may disclose the Specific Terms and/or any additional information with respect to~~ does not change due to any DM Auction to its the appointment of a Bidding Agent, as is necessary for. If the Bidding Agent to act on behalf of the does not submit a Sufficient Bid or does not submit a Bid during the relevant DM Auction, the Mandatory Participant in any DM Auction, shall be subject to the applicable consequences under Chapter I Part 1 Number 7.5.3 of the Clearing Conditions.

~~3.5.5~~ ~~3.4.6~~ Eurex Clearing AG may at any time exercise its veto right with respect to the appointment of a Bidding Agent under the conditions set out pursuant to Chapter I Part 1 Number 15.2 of the Clearing Conditions.

~~3.6.3~~ ~~5~~ **Selected Auction Participant**

~~A~~ ~~A~~ Mandatory Participant or an FCM Mandatory Participant may select and appoint a Clearing Member as a ~~Selected Auction Participant~~ selected auction participant to participate in DM Auctions instead of such ~~Mandatory Participant or FCM Mandatory Participant~~ and on such appointed Clearing Member's own behalf, ("**Selected Auction Participant**"), subject to the following provisions:

~~3.6.13~~ ~~5.4~~ Such Clearing Member shall only become a Selected Auction Participant if and when the following requirements are met:

- (1) the ~~Mandatory Participant or~~ FCM Mandatory Participant has submitted to Eurex Clearing AG a completed form for the appointment of the Selected Auction Participant in the form as attached to these General DM Auction Rules ("**Selected Auction Participant Appointment Form**");
- (2) the Clearing Member holds a ~~Clearing License (pursuant to the Clearing Conditions) for OTC Interest Rate Derivative Transactions;~~ the same Clearing Licenses as the Mandatory Participant or FCM Mandatory Participant;
- (3) no Termination Event and no Insolvency Termination Event have occurred and are continuing with respect to such Clearing Member; and
- (4) the Clearing Member has confirmed acceptance of its appointment as the Selected Auction Participant by countersigning the Selected Auction Participant Appointment Form; ~~and~~
- (5) ~~Eurex Clearing AG has confirmed to both the FCM Mandatory Participant and the Clearing Member (i) the receipt and completeness of the Selected Auction Participant Appointment Form and (ii) the receipt of the appointed Clearing Member's acceptance in writing, and, in such confirmation, Eurex Clearing AG has~~

~~specified a date by which the appointment of the Selected Auction Participant shall become effective.~~

~~3.5.2 Unless otherwise provided for in this Number 3.5, the provisions on outsourcing set out in Chapter I Number 14.2 of the FCM Regulations shall apply *mutatis mutandis*.~~

~~3.6.23-5.3~~ The Selected Auction Participant shall be granted direct access to the Auction Tool by Eurex Clearing AG. When the Selected Auction Participant provides a Bid to Eurex Clearing AG via the Auction Tool, the Selected Auction Participant is acting on its own behalf and in its own name. Each Bid by the Selected Auction Participant constitutes a Bid by the Selected Auction Participant and only binds the Selected Auction Participant vis-à-vis Eurex Clearing AG.

~~3.6.33-5.4~~ If the Mandatory Participant or FCM Mandatory Participant appoints an Affiliate as its Selected Auction Participant, the Mandatory Participant or FCM Mandatory Participant shall disclose such connection to Eurex Clearing AG in the Selected Auction Participant Appointment Form. Number 3.4.45.3 sentence 2 applies *mutatis mutandis*.

~~3.6.43-5.5~~ ~~The~~The Mandatory Participant or FCM Mandatory Participant may terminate the appointment of a Selected Auction Participant by notice to Eurex Clearing AG (with a copy to the Selected Auction Participant). Such termination shall only become effective with respect to a DM Auction if it is received by Eurex Clearing AG by no later than five Business Days before the DM Auction is conducted. In addition, the appointment of a Selected Auction Participant shall automatically terminate if a Termination Event or an Insolvency Termination Event occurs with respect to the Selected Auction Participant. The Mandatory Participant or ~~FCM Clearing Member~~Mandatory Participant may appoint a new Selected Auction Participant in accordance with, ~~and subject to, the FCM Default Rules and these General DM Auction Rules~~ this Number 3.6.

~~3.6.5~~ For the avoidance of doubt, the status of the Clearing Member as Mandatory Participant or of the FCM Clearing Member as FCM Mandatory Participant does not change due to the appointment of a Selected Auction Participant. If the Selected Auction Participant does not submit a Bid at all or does not submit a sufficient Bid during the relevant DM Auction in accordance with the relevant provisions under the Clearing Conditions or FCM Regulations, the Mandatory Participant or FCM Mandatory Participant shall be subject to the applicable consequences under Chapter I Part 1 Number 7.5.3 of the Clearing Conditions or Number 4.3.3 Paragraph (4) of the FCM Default Rules.

~~3.6.63-5.6~~ Unless otherwise provided for in this Number 3.6, the provisions on outsourcing set out in Chapter I Part 1 Number 15.2 of the Clearing Conditions or Chapter I Number 14.2 of the FCM Regulations shall apply *mutatis mutandis*. Eurex Clearing AG may at any time exercise a veto right with respect to the appointment of a Selected Auction Participant under the conditions set out in to Chapter I Part 1 Number 15.2 of the Clearing Conditions or Chapter I Number 14.2 of the FCM Regulations (applied *mutatis mutandis*).

3.7 Suspension and Release

3.7.1 Eurex Clearing AG shall be entitled to subsequently suspend any Mandatory Participant, FCM Mandatory Participant, Clearing Member Participant, Clearing Agent Participant, Client Participant, Bidding Agent and Selected Auction Participant from participating in a DM Auction upon the occurrence of a serious cause (*aus wichtigem Grund*) with respect to such participant. If a Clearing Member or FCM Clearing Member has been suspended, its Client Participants and its Bidding Agent (if any) shall also be suspended.

3.7.2 If the relevant DM Auction Transactions qualify as OTC Interest Rate Derivative Transactions, Interest Rate Derivative Transactions (as defined in Chapter I Number 1.1.5 of the FCM Regulations) or OTC Currency Transactions, Eurex Clearing AG may release a Mandatory Participant or an FCM Mandatory Participant from its obligation to participate in any relevant DM Auction if

(i) within 3 months prior to the relevant Termination, Basic Clearing Member Termination or FCM Clearing Member Termination less than ten (10) OTC Interest Rate Derivative Transactions or Interest Rate Derivative Transactions in the relevant currency have been booked on the Mandatory Participant's or FCM Mandatory Participant's respective accounts (aggregated, if the Mandatory Participant acts as Clearing Agent Participant for one or more Basic Clearing Members, with the OTC Interest Rate Derivative Transactions (if any) that have been booked on the accounts of its Basic Clearing Members), or

(ii) within 3 months prior to the relevant Termination, Basic Clearing Member Termination or FCM Clearing Member Termination (a) the average sum of the Mandatory Participant's or FCM Mandatory Participant's Initial Margin requirement (aggregated, if the Mandatory Participant acts as Clearing Agent for one or more Basic Clearing Members, with the Initial Margin requirement for all its Basic Clearing Members) with respect to the Relevant Liquidation Group and in the relevant currency is less than 0.5 per cent of the sum of all Clearing Members', FCM Clearing Members' and Basic Clearing Members' Initial Margin requirement with respect to the Relevant Liquidation Group and in the relevant currency, and (b) (A) with respect to OTC Interest Rate Derivative Transactions and Interest Rate Derivative Transactions, the average aggregate notional amount resulting from the Mandatory Participant's or FCM Mandatory Participant's OTC Interest Rate Derivative Transactions or Interest Rate Derivative Transactions (aggregated, if the Mandatory Participant acts as Clearing Agent Participant for one or more Basic Clearing Members, with the OTC Interest Rate Derivative Transactions (if any) of its Basic Clearing Members) or (B) with respect to OTC Currency Transactions, the average aggregate notional amount resulting from the Mandatory Participant's OTC Currency Transactions, in each case, with respect to the Relevant Liquidation Group and in the relevant currency is less than 0.5 per cent of the aggregate notional amount, in the case of OTC Interest Rate Derivative Transactions or Interest Rate Derivative Transactions, of all Clearing Members', FCM Clearing Members' and Basic Clearing Members' OTC Interest Rate Derivative Transactions and Interest Rate Derivative Transactions or, in the case of OTC Currency Transactions, the aggregate notional amount of all Clearing Members' OTC Currency Transactions, in each case, with respect to the Relevant Liquidation Group and in the relevant currency, or

(iii) upon occurrence of a serious cause (*aus wichtigem Grund*) related to such Mandatory Participant or FCM Mandatory Participant.

4 Pre-Auction Procedures

4.1 ~~For~~ Invitees

With respect to each DM Auction, Eurex Clearing AG will provide invite all or some

- (i) Mandatory Participants, and FCM Mandatory Participants, Representing Participating Bidders,
- (ii) Clearing Member Participants,
- (iii) Client Participants,
- (iv) Clearing Agent Participants,
- (v) Bidding Agents, and
- (vi) Selected Auction Participants and Selected Invitees (together the "Invitees" and (each an "Invitee") with to participate in the relevant DM Auction by providing to each Invitee the Specific Terms and with any further relevant information relating to this DM Auction in accordance with Number 11. The distribution of via the Specific Terms constitutes an invitation of Auction Tool or via e-mail.

Eurex Clearing AG is entitled to select the Invitees with respect to submit a Bid to enter into each of the DM Auction Transactions comprised in considering, inter alia,

- (i) the interests of the relevant Auction Unit with Eurex Clearing AG at Invitee (and the Clearing Member, FCM Clearing Member or Basic Clearing Member for which the Invitee is acting (if applicable)),
- (ii) the Auction Price, Transaction Types entered into by the Invitee (and the Clearing Member, FCM Clearing Member or Basic Clearing Member for which the Invitee is acting (if applicable)) within 3 months prior to the Termination, Basic Clearing Member Termination or FCM Clearing Member Termination, or
- (iii) the Initial Margin requirement of the Invitee (and the Clearing Member, FCM Clearing Member or Basic Clearing Member for which the Invitee is acting (if applicable)) with respect to the Relevant Liquidation Group within within 3 months prior to the Termination, Basic Clearing Member Termination or FCM Clearing Member Termination.

4.2 Minimum Number of Auction Units

~~In addition~~With respect to each Invitee, Eurex Clearing AG shall specify in the Specific Terms ~~or via email for each Mandatory Participant and each FCM Mandatory Participant~~ a minimum number of Auction Units for which such ~~individual Mandatory Participant or such individual FCM Mandatory Participant (or its Selected Auction Participant)~~Invitee shall bid; such number ("**Minimum Auction Units Number**"). The Minimum Auction Units Number shall depend on the relative exposure of the relevant Mandatory Participant or FCM Mandatory Participant with respect to the relevant Liquidation Group(s), in particular with regard to

- (i) ___ the number of Transactions held by the Mandatory Participant or the FCM Mandatory Participant (aggregated, if the Mandatory Participant acts as Clearing Agent Participant for one or more Basic Clearing Members, with the Transactions (if any) of its Basic Clearing Members) with respect to the relevant Liquidation Group(s),
- (ii) ___ the notional amount of Transactions held by the Mandatory Participant or FCM Mandatory Participant (aggregated, if the Mandatory Participant acts as Clearing Agent Participant for one or more Basic Clearing Members, with the Transactions (if any) of its Basic Clearing Members) with respect to the relevant Liquidation Group(s) and
- (iii) ___ the risks inherent in the Transactions held by the Mandatory Participant or FCM Mandatory Participant (and, if the Mandatory Participant acts as Clearing Agent Participant for one or more Basic Clearing Members, the Transactions (if any) of its Basic Clearing Members) with respect to the relevant Liquidation Group(s).

4.3 Specific Terms

4.3.14-2 The Specific Terms ~~will~~ contain

- (i) the Minimum Auction Units ~~((not excluding the singular)-)Number~~ (including information regarding the DM Auction Transactions comprised therein),

[...]

- (vi) the scheduled expiration time by which the respective Bids have to be submitted pursuant to Number 5 by the relevant Participating Bidder ~~and/or Representing Participating Bidder~~ (the "**Expiration Time**"),

[...]

4.3.24-3 Eurex Clearing AG is entitled at any time prior to the Expiration Time to change the Auction Date, Commencement Time, Expiration Time, the Auction Format, or the bidding procedures pursuant to Number 5, or to cancel a DM Auction, in each case by notice pursuant to Number 11, provided that Eurex Clearing AG shall reasonably extend the Expiration Time to allow for the exercise of the revocation right pursuant to Number ~~4.4~~ 4.3.3 below. Eurex Clearing AG shall inform all ~~Participating Bidders or Representing Participating Bidders~~Invitees of the respective DM Auction pursuant to Number 11 about any such changes.

4.3.34.4 If Eurex Clearing AG amends the Specific Terms or any provisions of the General DM Auction Rules prior to the Expiration Time of a DM Auction and such amendment is, in the reasonable opinion of Eurex Clearing AG, materially prejudicial to any ~~Participating Bidder and/or Representing Participating Bidder~~ Invitee that has already submitted its Bid(s) before such amendment was announced and became effective, then such ~~Participating Bidder or Representing Participating Bidder may revoke its Bid(s) in accordance with this Number 4.4.~~ Invitee may revoke its Bid(s), provided that a revocation of the respective Bid(s) will only become effective if received by Eurex Clearing AG prior to the Expiration Time (as amended). Any extension, cancellation, or re-opening of a DM Auction shall be deemed not to be materially prejudicial so that ~~a Participating Bidder and/or Representing Participating Bidder~~ an Invitee may not revoke its Bid in case of any such change.

5 Bidding Procedures

5.1 ~~With respect to each DM Auction the following principles shall apply:~~ **General Principles**

5.1.1 Each Mandatory Participant is obliged to provide Eurex Clearing AG with its Mandatory Bid(s) (as defined in ~~the Clearing Conditions in~~ under Chapter I Part 1 Number 7.5.3 Paragraph (3) (iiii)) ~~Clearing Conditions~~ for the Minimum Auction Unit Number under each DM Auction to which it was invited by Eurex Clearing AG.

5.1.2 Each FCM Mandatory Participant is obliged to provide Eurex Clearing AG with its Mandatory Bid(s) (as defined in Number 4.3.3 Paragraph (3) of the FCM Default Rules) ~~or, if a Selected Auction Participant has validly been appointed with respect to such FCM Mandatory Participant, to ensure that such Selected Auction Participant submits the relevant number of Selected Auction Participant Sufficient Bids (as defined in Number 4.3.3 Paragraph (2) of the FCM Default Rules) for the relevant Auction Units for~~ the Minimum Auction Unit Number under each DM Auction to which it was invited by Eurex Clearing AG.

5.1.35.1.2 Each Mandatory Participant and each FCM Mandatory Participant is permitted to provide Eurex Clearing AG with a Bid for any further Auction Unit, ~~if applicable,~~ for which it is not obliged to bid under each DM Auction to which it was invited by Eurex Clearing AG.

5.1.45.1.3 ~~A Representing Participating Bidder or a~~ Clearing Member Participant may provide Bids for the relevant Auction Units under each DM Auction to which it was invited by Eurex Clearing AG.

5.1.5 ~~A Clearing Agent~~ Participant acting in the name and on behalf of a Basic Clearing Member may with respect to ~~each Selected Invitee~~ such Basic Clearing Member provide Bids for ~~any~~ the relevant Auction Unit ~~in accordance with Number 3.2.~~ Units under each DM Auction to which it was invited by Eurex Clearing AG. Each Bid by a ~~Representing Participating Bidder and each Bid by a~~ Clearing Agent Participant acting on behalf and in the name of a Basic Clearing Member shall state the identity of the ~~Selected Invitee~~ Basic Clearing Member for which the Bid is provided.

- ~~5.1.4~~ Each Bid submitted by a Representing Participating Bidder with respect to a Selected Invitee shall be taken into account when determining whether such Representing Participating Bidder has fulfilled its obligations as a Mandatory Participant in accordance with Number 5.1.1.
- ~~5.1.6~~~~5.1.5~~ A Selected Auction Participant that is also a Mandatory Participant shall, when submitting a Bid, specify to Eurex Clearing AG whether such Bid is provided in its capacity as a Selected Auction Participant or as a Mandatory Participant. Each Bid submitted by a Selected Auction Participant constitutes an offer (*Angebot*) in accordance with Number 5.4 to enter into the relevant DM Auction Transactions on such Selected Auction Participant's behalf only. If a Selected Auction Participant has validly been appointed by a Mandatory Participant or FCM Mandatory Participant, the Selected Auction Participant may provide Bids for the relevant Auction Units under each DM Auction to which it was invited by Eurex Clearing AG. Each Bid by a Selected Auction Participant shall state the identity of the Mandatory Participant or FCM Mandatory Participant with respect to which it acts as Selected Auction Participant.
- 5.1.7 In case of a Client Participant acting in the name and on behalf of its Clearing Member or FCM Clearing Member, the relevant Clearing Member or FCM Clearing Member acknowledges that the Client Participant may for the account of and in the name of such Clearing Member or FCM Clearing Member provide Bids for the relevant Auction Units under each DM Auction to which the Client Participant was invited by Eurex Clearing AG. The relevant Clearing Member or FCM Clearing Member has to ensure that the relevant Client Participant state the identity of the Clearing Member or FCM Clearing Member for which the Bid is provided.
- 5.1.8 If a Bidding Agent (which is not a Clearing Member) has validly been appointed by a Mandatory Participant, the relevant Mandatory Participant acknowledges that the Bidding Agent may for the account of and in the name of such Bidding Agent provide Bids for the relevant Auction Units under each DM Auction to which the Bidding Agent was invited by Eurex Clearing AG. The Mandatory Participant has to ensure that the Bidding Agent states the identity of the Mandatory Participant for which the Bid is provided.
- 5.1.9 A Bidding Agent (which is a Clearing Member), may provide Bids for the relevant Auction Units under each DM Auction to which it was invited by Eurex Clearing AG. Each Bid by a Bidding Agent (which is a Clearing Member) shall state the identity of the Mandatory Participant for which the Bid is provided.
- 5.1.10 If a Clearing Agent Participant, Bidding Agent or Selected Auction Participant is also a Mandatory Participant with respect to the same DM Auction, each Bid submitted by a Clearing Agent Participant, Bidding Agent or Selected Auction Participant constitutes an offer (*Angebot*) in accordance with Number 5.4 provided in the capacity as Clearing Agent Participant, Bidding Agent or Selected Auction Participant and not in the capacity as Mandatory Participant.
- 5.25.1.4 Each Bid submitted by a Bidding Agent, Client Participant or Selected Auction Participant shall be taken into account when determining whether the relevant Clearing Member or

FCM Clearing Member has fulfilled its obligations as a Mandatory Participant or FCM Mandatory Participant in accordance with Number 5.1.1 or 5.1.2.

5.35-2 Each (Mandatory) Bid (other than a Bid provided by an FCM Clearing Member) provided in accordance with Number 5.1 is only valid if it complies with Chapter I Part 1 Number 7.5.3 Paragraph (3) (iv) of the Clearing Conditions. Bids which are not valid are deemed not to have been provided and will not be accepted by Eurex Clearing AG.

5.45-3 ~~Participating Bidders and Representing Participating Bidders~~ All Mandatory Participants, FCM Mandatory Participants, Clearing Member Participants, Clearing Agent Participants, Bidding Agents (which are Clearing Members) and Selected Auction Participants shall submit their offered price for each Auction Unit in accordance with the Auction Format (each a “**Bid**”) in accordance with Number 7 from, and including, the relevant Commencement Time to, and including, the relevant Expiration Time (the “**Bidding Period**”).

In case a Bidding Agent (which is not a Clearing Member) provides Bids for the account of and in the name of a Mandatory Participant, the Mandatory Participant shall ensure that the Bidding Agent submits its Bids in accordance with Number 7 within the Bidding Period.

In case a Client Participant provides Bids for the account of and in the name of a Clearing Member or FCM Clearing Member, the Clearing Member or FCM Clearing Member shall ensure that the Client Participant submits its Bids in accordance with Number 7 within the Bidding Period.

5.55-4 A Bid (other than a Bid by ~~an~~ FCM Clearing Member) constitutes an offer (*Angebot*) to (a) enter into, pursuant to the Clearing Conditions, the DM Auction Transactions comprised in the relevant Auction Unit (as referred to in the Bid in accordance with the Auction Format) with Eurex Clearing AG at the Auction Price or (b) purchase the bonds underlying the relevant Bonds Auction Unit at the Auction Price by

(i) if the Bid was submitted by a Mandatory Participant or FCM Mandatory Participant, such Mandatory Participant or FCM Mandatory Participant,

(ii) if the Bid was submitted by a Clearing Member Participant, the relevant Clearing Member Participant,

(iii) if the Bid was submitted by a Clearing Agent Participant, the relevant Basic Clearing Member,

(iv) if the Bid was submitted by a Bidding Agent, the relevant Mandatory Participant,

(v) if the Bid was submitted by a Client Participant, the relevant Clearing Member or FCM Clearing Member of such Client Participant, or

(vi) if the Bid was submitted by a Selected Auction Participant, such Selected Auction Participant

(such Mandatory Participant, FCM Mandatory Participant, Clearing Member Participant, Basic Clearing Member, Clearing Member, FCM Clearing Member or Selected Auction Participant, each being a "Participating Bidder").

~~A Bid by an FCM Clearing Member constitutes an offer, to enter, pursuant to the FCM Regulations, into the DM Auction Transactions comprised in the relevant Auction Unit (as referred to in the Bid in accordance with the Auction Format) with Eurex Clearing AG at the Auction Price.~~

Subject to Number ~~4.4~~, 4.3.3, a Bid shall be irrevocable.

5.65.5 Bids may be positive or negative. If the Bid is positive, the ~~Participating Bidder or Representing Participating Bidder~~ will be required to pay the Auction Price to Eurex Clearing AG. If the Bid is negative, Eurex Clearing AG will be required to pay the Auction Price to the respective Participating Bidder ~~or Representing Participating Bidder.~~

~~5.6.~~ Bids for different Auction Units as well as Bids for the same Auction Unit by a Clearing Member which acts in more than one of the following capacities:

- ~~(i) Participating Bidder,~~
- ~~(ii) Representing Participating Bidder,~~
- ~~(iii) Clearing Agent acting on behalf and in the name of a Basic Clearing Member, and/or~~
- ~~(iv) Selected Auction Participant~~

~~may be different.~~

6 Determination of the Winning Bid and the Auction Price

6.1 After the Expiration Time, Eurex Clearing AG will determine the winning Bid for each Auction Unit in accordance with the Auction Format specified in the Specific Terms ~~and will inform the winning Participating Bidder or Representing Participating Bidder on the Acceptance Date and at the Acceptance Time about the acceptance of the respective Bid in accordance with Number 11.~~

~~6.2~~ If two or more ~~Participating Bidders and/or Representing Participating Bidders~~ enter the same Bid for the same Auction Unit, the winning Bid shall be the Bid that was received first by Eurex Clearing AG.

6.26.3 Upon acceptance of the winning Bid for an Auction Unit by Eurex Clearing AG, the DM Auction Transactions of such Auction Unit shall be established under the Clearing Conditions or the FCM Regulations ~~(as applicable in accordance with Number 5.4)~~ at the Settlement Time on the Settlement Date against payment of the Auction Price for such Auction Unit in accordance with the standard practices of Eurex Clearing AG between the ~~Participating Bidder or Representing Participating Bidder and Eurex Clearing AG. If a Representing Participating Bidder submitted and~~

- (i) if the winning Bid was submitted by a Mandatory Participant or FCM Mandatory Participant, such Mandatory Participant or FCM Mandatory Participant,
- (ii) if the winning Bid was submitted by a Bidding Agent, the relevant Mandatory Participant,
- (iii) if the winning Bid was submitted by a Clearing Member Participant, such Clearing Member Participant,
- (iv) if the winning Bid was submitted by a Client Participant, the relevant Clearing Member or FCM Clearing Member of such Client Participant,
- (v) if the winning Bid was submitted by a Selected Auction Participant, such Selected Auction Participant,
- (vi) if the winning Bid was submitted by a Clearing Agent Participant, the relevant Basic Clearing Member.

If a Client Participant submitted the winning Bid and such Client Participant qualifies as ICM Client which clears under the ICM-ECD Provisions, Transactions corresponding to the DM Auction Transactions of the relevant Auction Unit will further be established (subject to and in accordance with the ICM-ECD Provisions) between the Disclosed Direct Client for which the relevant Bid has been provided and its Representing Participating Bidder at the same time, provided that the Representing Participating Bidder, the relevant Disclosed Direct Client and Eurex Clearing AG have entered into an ICM Clearing Agreement for ICM-ECD such ICM Client and its Clearing Member at the same time.

~~6.4 — Eurex Clearing AG shall inform all Participating Bidders and/or Representing Participating Bidders as soon as practically feasible on whether their Bid(s) qualified as winning Bid(s) with respect to each Auction Unit in accordance with Number 11.~~

~~6.5 — Eurex Clearing AG shall not disclose (i) the identity of the Participating Bidder or Representing Participating Bidder that submitted the winning Bid for an Auction Unit and/or (ii) the Auction Price for any Auction Unit of a DM Auction, to any party other than (A) the Participating Bidder or Representing Participating Bidder who submitted the winning Bid and (B) if a Selected Auction Participant submitted the winning Bid, to the relevant FCM Mandatory Participant that has appointed such Selected Auction Participant and/or (iii) Bids of Participating Bidders and/or Representing Participating Bidders to other Participating Bidders and/or Representing Participating Bidders.~~

In all other cases in which a Client Participant submitted the winning Bid, such Client Participant and its Clearing Member or FCM Clearing Member are free to agree on the establishment of transactions corresponding to the DM Auction Transactions under their client clearing documentation.

~~6.36-6 Upon acceptance of the winning Bid for a Bonds Auction Unit by Eurex Clearing AG, the bonds underlying such Bonds Auction Unit shall be sold to the Participating Bidder or Representing Participating Bidder that submitted the winning Bid~~

- (i) if the winning Bid was submitted by a Mandatory Participant, such Mandatory Participant,
- (ii) if the winning Bid was submitted by a Bidding Agent, the relevant Mandatory Participant,
- (iii) if the winning Bid was submitted by a Clearing Member Participant, the Clearing Member Participant,
- (iv) if the winning Bid was submitted by a Client Participant, the relevant Clearing Member of such Client Participant,
- (v) if the winning Bid was submitted by a Clearing Agent Participant, the relevant Basic Clearing Member, or
- (vi) if the winning Bid was submitted by a Selected Auction Participant, the Selected auction Participant,

at the Settlement Time on the Settlement Date against payment of the Auction Price for such Bonds Auction Unit in accordance with the standard practices of Eurex Clearing AG.

6.4 Eurex Clearing AG shall inform all Participating Bidders and, in case the Bid was submitted by a Client Participant, Clearing Agent Participant or Bidding Agent, also such Client Participant, Clearing Agent Participant or Bidding Agent on the Acceptance Date and at the Acceptance Time on whether their Bid(s) qualified as winning Bid with respect to each Auction Unit in accordance with Number 11.

6.5 Eurex Clearing AG shall not disclose

- (i) the identity of the Participating Bidder that submitted the winning Bid for an Auction Unit;
- (ii) the winning Bids for any Auction Unit of a DM Auction, to any party other than (A) the Participating Bidder which submitted the winning Bid and (B) if a Client Participant, Clearing Agent Participant, Bidding Agent, or Selected Auction Participant submitted the winning Bid, to the relevant Clearing Member or FCM Clearing Member; and
- (iii) any Bids of Participating Bidders to other Participating Bidders.

7 Auction Format

[...]

7.2 When conducting a DM Auction in accordance with these DM Auction Rules, Eurex Clearing AG shall, unless stated otherwise in the Specific Terms, apply the Auction Format of a **"Multi Unit – Pay as you bid"** ~~as described in Number 7.3.~~ Notwithstanding the provisions in Sentence 1, if at least one of the relevant DM Auction Transactions

qualifies as OTC Interest Rate Derivative Transaction, Interest Rate Derivative Transaction or OTC Currency Transaction, Eurex Clearing AG shall generally conduct separate DM Auctions per currency or Currency Pair, respectively and shall apply the Auction Format of a **“Single Unit – Pay as you bid”** ~~as described in Number 7.4.1.~~

7.3 If the Specific Terms specify “Multi Unit – Pay as you bid” as the applicable Auction Format, the following applies:

~~(i)7.3.1~~ All Bids shall be made in accordance with the DM Auction Rules;

~~(ii)7.3.2~~ each Bid provided by a Participating Bidder or ~~Representing Participating Bidder~~ shall relate to an Auction Unit;

~~(iii)7.3.3~~ the ~~highest~~most favourable valid Bid shall be the winning Bid with respect to each Auction Unit and such ~~highest~~ Bid shall be the Auction Price for the respective Auction Unit;

~~(iv)7.3.4~~ Eurex Clearing AG shall accept the winning Bid pursuant to ~~Number 7.3.3(iii)~~ above with respect to each Auction Unit irrespective of whether Bids were submitted for all Auction Units of the respective DM Auction.

7.4 If the Specific Terms specify “Single Unit – Pay as you bid” as the applicable Auction Format, the following applies:

~~(i)7.4.1~~ All Bids shall be made in accordance with the DM Auction Rules;

~~(ii)7.4.2~~ each Bid provided by a Participating Bidder or ~~Representing Participating Bidder~~ shall relate to the Auction Unit;

~~(iii)7.4.3~~ the ~~highest~~most favourable valid Bid shall be the winning Bid with respect to the Auction Unit and such ~~highest~~ Bid shall be the Auction Price for the Auction Unit;

~~(iv)7.4.4~~ Eurex Clearing AG shall accept the winning Bid pursuant to ~~Number 7.4.3(iii)~~ above with respect to the Auction Unit.

[...]

9 Irregularities

[...]

9.4 Eurex Clearing AG shall be under no duty to give notice to Participating Bidders ~~and/or Representing Participating Bidders~~ of any irregularities in Bids.

10 Representations, Warranties and Undertakings

~~10.1~~ Each Participating Bidder (for itself) and each ~~Representing Participating Bidder (for itself and on behalf of its relevant Selected Invitee(s))~~

~~10.1~~ agrees with Eurex Clearing AG (and repeats this agreement with Eurex Clearing AG at any time it submits a Bid or its Client Participant, Clearing Agent Participant or Bidding Agent submits a Bid on its behalf and in its name) that

~~(i)10.1.1~~ it accepts the DM Auction Rules;

~~(ii)10.1.2~~ it accepts that Eurex Clearing AG is under no obligation to accept a Bid which does not comply with Number ~~7.3.3~~ 7.3 (iii) or Number ~~7.4.3~~ (iii), or which is not made in accordance with Number ~~9.2~~ 9.2; and

~~(iii)10.1.3~~ it shall indemnify on an after tax basis Eurex Clearing AG against all and any losses, costs, claims, liabilities, expenses, charges, actions or demands which Eurex Clearing AG may incur or which may be made against Eurex Clearing AG as a result of any breach of any of the DM Auction Rules of, or any of the acknowledgements, representations, warranties and/or undertakings given pursuant to, the DM Auction Rules (including any Bid thereunder) by it;

10.2 Each Participating Bidder acknowledges to Eurex Clearing AG (and repeats this acknowledgement to Eurex Clearing AG at any time it submits a Bid or its Client Participant, Clearing Agent Participant or Bidding Agent submits a Bid on its behalf and in its name) that

~~(i)10.2.1~~ it understands that Eurex Clearing AG may, at its own discretion, extend, re-open, amend or waive any condition of, or cancel a DM Auction at any time in accordance with Number ~~4.3~~ 4.3.2 hereof, and that in the event of a cancellation of the DM Auction, the Bids will be released;

~~(ii)10.2.2~~ it understands that acceptance by Eurex Clearing AG of a submitted Bid will constitute a binding contract regarding the entering into the DM Auction Transactions comprised in the relevant Auction Unit;

~~(iii)10.2.3~~ that Eurex Clearing AG will rely upon the truth and accuracy of the foregoing and the following acknowledgments, agreements, representations, warranties and undertakings; and

~~(iv)10.2.4~~ that a margin requirement with respect to the respective DM Auction Transactions comprised in the relevant Auction Unit may become due at the relevant Settlement Time; ~~and~~

10.3 Each Participating Bidder represents and warrants and undertakes to Eurex Clearing AG (and repeats this representation, warranty and undertaking to Eurex Clearing AG at any time it submits a Bid or its Client Participant, Clearing Agent Participant or Bidding Agent submits a Bid on its behalf and in its name) that

~~(i) 10.3.1~~ it will keep confidential and will not disclose directly or indirectly the Specific Terms or any other information regarding the relevant DM Auction, including any information with respect to the DM Auction Transactions ~~or the Auction Units, unless permitted to do so in accordance with Number 3.2 above, that it respects to be permitted to use any such information solely for the purpose of evaluating the relevant Auction Unit and that it will, unless it has provided the winning Bid in accordance with Number 7.3.3 or Number 7.4.3, immediately delete and destroy such information after the respective Expiration Time and will promptly certify to Eurex Clearing AG in writing that such deletion has been completed;~~ the Auction Units or any Bids it submitted in the relevant DM Auction to any third party;

~~10.3.2 unless permitted to do so in accordance with Number 3.2, it has not made and will not make available any information about Bids to, or discuss any Bids with, any other Participating Bidder and Representing Participating Bidder;~~

~~(ii)~~ it will ensure that its Bidding Agent (which is not a Clearing Member) and its Client Participants (if any) will keep confidential and will not disclose directly or indirectly the Specific Terms or any other information regarding the relevant DM Auction, including any information with respect to the DM Auction Transactions, the Auction Units or any Bids it submitted in the relevant DM Auction to any third party;

~~(iii) 10.3.3~~ it has neither taken, nor omitted to take, any action in breach of the DM Auction Rules or which will or may result in Eurex Clearing AG or any other person acting in breach of the legal or regulatory requirements of any jurisdiction in connection with a Bid;

~~(iv) 10.3.4~~ it does not engage in any trading activity which could have an impact on the value of any DM Auction Transaction or Auction Unit;

~~(v) 10.3.5~~ no order has been made or applied for or resolution passed for the suspension of payments or dissolution, termination of existence, liquidation, winding-up, bankruptcy, insolvency, judicial management or curatorship;

~~(vi) 10.3.6~~ no moratorium in respect of all or any debts or a composition or an arrangement with creditors or any similar proceeding or arrangement by which its assets are submitted to the control of its creditors is ordered, declared or applied for;

~~(vii) 10.3.7~~ no liquidator, trustee, administrator, receiver or similar officer has been appointed in respect of it or in respect of all or a substantial part of its assets;

~~(viii) 10.3.8~~ it is able to pay its debts as and when they fall due, will not become unable to pay its debts as a consequence of entering into the DM Auction Transactions and, where it is incorporated or established in Germany, is not imminent illiquid (*drohend zahlungsunfähig*) in the meaning of Sec. 18 of the German Insolvency Code (*Insolvenzordnung*) ("**InsO**"), is not illiquid (*zahlungsunfähig*) in the meaning of Sec. 17 InsO and is not over-indebted (*überschuldet*) in the meaning of Sec. 19 InsO; and

~~(ix)4.3.9~~ no event has occurred or circumstance arisen with respect to it, which might (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 an Insolvency Termination Event, Basic Clearing Member Termination Event or Basic Clearing Member Insolvency Termination Event, as applicable.

10.4 The representations and warranties pursuant to Number ~~10.3~~ 10.3 shall be repeated by each ~~Participating Bidder and Representing~~ Participating Bidder on the Settlement Date.

10.5 If a ~~Participating Bidder or Representing~~ Participating Bidder is unable to give the agreements, acknowledgements, representations and warranties set out in this Number 0, such Participating Bidder ~~or Representing Participating Bidder~~ shall notify Eurex Clearing AG without undue delay informing Eurex Clearing AG about the relevant circumstances.

11 Publication and Notices

All notices and publications by Eurex Clearing AG and all notices by a Participating Bidder ~~or Representing Participating Bidder~~ pursuant to or related with the DM Auction Rules shall be made via the ~~auction tool as defined and applied by Eurex Clearing AG (the "Auction Tool").~~ In addition, Eurex Clearing AG may provide notices and publications pursuant to or related with the DM Auction Rules by email, or via e-mail.

12 Miscellaneous

[...]

12.2 Amendment of DM Auction Rules

[...]

The current version of the General DM Auction Rules is available ~~via~~ on the internet Eurex Clearing AG website (www.eurexclearing.com).

Clearing Agent Participant Appointment Form

[Letterhead of the Basic Clearing Member]

Member ID: [•]

Eurex Clearing AG
CCP Risk Management Department, Default Management Section
60485 Frankfurt/Main
Germany

Appointment of a Clearing Agent Participant

Pursuant to Number 3.3.1 of the DM Auction Rules, we hereby appoint our Clearing Agent as our Clearing Agent Participant for the participation in the DM Auctions:

Company name of Clearing Agent Participant

Street / No

Zipcode / City

Country

The following staff member of the Bidding Agent Participant will be available during regular business hours for any inquiries relating to the participation in DM Auctions by the Bidding Agent:

Name

Telephone

E-Mail

Fax

Default Management Auction Rules

Eurex04.03e

As of 02.12.2019

Page 2

By submitting this Clearing Agent Participant Appointment Form, we authorise the Clearing Agent Participant to submit Bids on our behalf and in our name. We acknowledge that each Bid submitted by the Clearing Agent Participant therefore constitutes a Bid by us and shall only bind us vis-à-vis Eurex Clearing AG.

Terms not defined in this form shall have the meaning given to them in the Default Management Auction Rules or the Clearing Conditions.

Date

Place

Signature of an authorized signatory at the Basic Clearing Member with name in capital letters plus Company Stamp (or print name if no Company Stamp available)

Date

Place

Signature of an authorized signatory at the Basic Clearing Member with name in capital letters plus Company Stamp (or print name if no Company Stamp available)

Client Participant Appointment Form

[Letterhead of the Clearing Member or FCM Clearing Member]

Member ID: [•]

Eurex Clearing AG
CCP Risk Management Department, Default Management Section
60485 Frankfurt/Main
Germany

Appointment of a Client Participant

Pursuant to Number 3.4.1 of the DM Auction Rules, we hereby appoint the following company as Client Participant for the participation in the DM Auctions:

Company name of Client Participant

Street / No

Zipcode / City

Country

The following staff member of the Client Participant will be available during regular business hours for any inquiries relating to the participation in DM Auctions by the Client Participant:

Name

Telephone

E-Mail

Fax

Default Management Auction Rules

Eurex04.03e

As of 02.12.2019

Page 4

By submitting this Client Participant Appointment Form, we authorise the Client Participant to submit Bids on our behalf and in our name. We acknowledges that each Bid submitted by the Client Participant therefore constitutes a Bid by us and shall only bind us vis-à-vis Eurex Clearing AG.

Terms not defined in this form shall have the meaning given to them in the Default Management Auction Rules or the Clearing Conditions.

Date

Place

Signature of an authorized signatory at the Clearing Member/FCM Clearing Member with name in capital letters plus Company Stamp (or print name if no Company Stamp available)

Date

Place

Signature of an authorized signatory at the Clearing Member/FCM Clearing Member with name in capital letters plus Company Stamp (or print name if no Company Stamp available)

Form of Specific Terms for DM Auctions

~~[Letterhead of Eurex Clearing AG]~~

To

~~all Mandatory Participants,
all FCM Mandatory Participants,
all Representing Participating Bidders,
all Selected Auction Participants, and
all Selected Invitees~~

[Date]

SPECIFIC TERMS FOR DM AUCTIONS

You have been invited by Eurex Clearing AG to participate in a DM Auction (as further described by the details below).

These Specific Terms must be read in conjunction with the Default Management Auction Rules published by Eurex Clearing AG on its website www.eurexclearing.com. These Specific Terms in conjunction with the General DM Auction Rules constitute the applicable DM Auction Rules for this DM Auction. In case of any differences between the General DM Auction Rules and these Specific Terms, these Specific Terms shall prevail.

Each Mandatory Participant, FCM Mandatory Participant, Representing Participating Bidder, Selected Auction Participant and Selected Invitee will keep confidential and will not disclose directly or indirectly the Specific Terms or any other information regarding the relevant DM Auction, including any information with respect to the DM Auction Transactions or the Auction Units set forth therein, unless permitted to do so in accordance with Number 3.2 of the General DM Auction Rules. It will only be permitted to use any such information solely for the purpose of evaluating the relevant Auction Unit and it will, unless it has provided the winning Bid in accordance with Number 7.3.3 or Number 7.4.3 of the General DM Auction Rules, immediately delete and destroy such information after the respective Expiration Time and will promptly certify to Eurex Clearing AG in writing that such deletion has been completed.

Capitalised terms used in this letter but not defined herein shall have the same meaning given to them in the Default Management Auction Rules or the Clearing Conditions of Eurex Clearing AG.

General Information:

Liquidation Group(s):	[_____]
DM Auction Transactions:	See attached spread sheet
Auction Units:	See attached spread sheet
Maximum Spread Value, if applicable:	
Auction Currency:	

Auction Timetable:

Auction Date:	[_____]
Commencement Time:	[_____]
Expiration Time:	[_____]
Acceptance Date and Acceptance Time:	[_____]
Announcement Time:	[_____]
Settlement Date and Settlement Time:	[_____]

Bidding and Auction Procedure Details:

Auction Format:	[_____] Multi Unit – Pay as you bid [_____] Single Unit – Pay as you bid [_____] Other: <i>[describe]</i>
<i>[other]</i>	[_____]
<i>[other]</i>	[_____]

Bidding Agent Appointment Form

[Letterhead of the Mandatory Participant]

Member ID: [*]

Eurex Clearing AG
CCP Risk Management Department, Default Management Section
60485 Frankfurt/Main
Germany

Appointment of a Bidding Agent

Pursuant to Number 3.5~~4~~.4 of the ~~Default Management~~ DM Auction Rules, we hereby appoint the following company as our Bidding Agent for the participation in the DM Auctions:

Company name

Street / No

Zipcode / City

Country

We are an Affiliate (as defined under Number 3.5~~3~~.4 of the Default Management Auction Rules) of the Bidding Agent:

Yes,

No.

[...]

Contact Person at the Bidding Agent

The following staff member of the Bidding Agent will be available during regular business hours for any inquiries relating to the participation in DM Auctions by the Bidding Agent and have sufficient German and/or English language skills:

Name

Telephone

E-Mail

Fax

~~Additionally, we confirm that the Bidding Agent has adequate resources and expertise with respect to the participation in DM Auctions and the participation in DM Auctions is performed in accordance with the requirements stipulated under Number 3.4 of Default Management Auction Rules.~~

By submitting the Bidding Agent Appointment Form, we authorise the Bidding Agent to submit Bids on our behalf and in our name. We acknowledge that each Bid submitted by the Bidding Agent therefore constitutes a Bid by us, which only binds us vis-à-vis Eurex Clearing AG.

Terms not defined in this form shall have the meaning given to them in the Default Management Auction Rules or the Clearing Conditions.

[...]

Selected Auction Participant Appointment Form

[Letterhead of the Mandatory Participant or FCM Mandatory Participant]

Member ID: [*]

Eurex Clearing AG
CCP Risk Management Department, Default Management Section
60485 Frankfurt/Main
Germany

Appointment of a Selected Auction Participant

Pursuant to Number 3.5~~6~~ of the Default Management Auction Rules, we hereby appoint the following company as our Selected Auction Participant for the participation in DM Auctions:

[...]

We are an Affiliate (as defined in Number 3.5~~34~~.4 of the Default Management Auction Rules) of the Selected Auction Participant:

[...]

Contact Person at the Selected Auction Participant

The following staff member of the Selected Auction Participant will be available during regular business hours for any inquiries relating to the participation in DM Auctions by the Selected Auction Participant and has sufficient German and/or English language skills:

[...]

Additionally, we confirm that the Selected Auction Participant has adequate resources and expertise with respect to the participation in DM Auctions and the participation in DM Auctions is performed in accordance with the requirements stipulated under Number ~~3.5~~ 3.6 of the Default Management Auction Rules.

Terms not defined in this form shall have the meaning given to them in the Default Management Auction Rules, or the FCM Default Rules (as defined in the Default Management Auction Rules).

Acknowledgements

(1) By signing this Selected Auction Participant Appointment Form, the Selected Auction Participant acknowledges to Eurex Clearing AG ~~that when:~~

- **When providing a Bid under a DM Auction to Eurex Clearing AG via the Auction Tool, the Selected Auction Participant is acting on its own behalf and in its own name.**
- **The Selected Auction Participant further acknowledges that each Bid by the Selected Auction Participant constitutes a Bid by the Selected Auction Participant and only binds the Selected Auction Participant vis-à-vis Eurex Clearing AG.**

(2) By signing this Selected Auction Participant Appointment Form, the Mandatory Participant acknowledges to Eurex Clearing AG that its status as Mandatory Participant does not change due to the appointment of a Selected Auction Participant:

- **If the Selected Auction Participant does not submit a Bid at all or the Bid does not comply with the requirements under Chapter I Part 1 Number 7.5.3 of the Clearing Conditions, the Mandatory Participant may be subject to a contractual penalty or a prior realization of its Contributions to the Default Fund.**

(3) By signing this Selected Auction Participant Appointment Form, the FCM Mandatory Participant acknowledges to Eurex Clearing AG that its status as FCM Mandatory Participant does not change due to the appointment of a Selected Auction Participant:

- **If the Selected Auction Participant does not submit a Selected Auction Participant Sufficient Bid (as defined in Number 4.3.3 Paragraph (2) of the FCM Default Rules) during the relevant DM Auction, the FCM Mandatory Participant shall be subject to a contractual penalty or a prior realization of its FCM Contributions to the Default Fund in accordance with Number 4.3.3 Paragraph (4) of the FCM Default Rules.**
- **If the Selected Auction Participant does not submit a Bid during the relevant DM Auction in accordance with the DM Auction Rules during such DM Auction, the FCM Mandatory Participant shall be subject to a contractual penalty in accordance with Number 4.3.3 Paragraph (4) of the FCM Default Rules.**

~~Terms not defined in this form shall have the meaning given to them in the Default Management Auction Rules, or the FCM Default Rules (as defined in the Default Management Auction Rules).~~

Date

Place

Signature of an authorized signatory at the Mandatory Participant or FCM Mandatory Participant with name in capital letters plus Company Stamp (or print name if no Company Stamp available)

Date	Place	Signature of an authorized signatory at the <u>Mandatory Participant or FCM Mandatory Participant</u> with name in capital letters plus Company Stamp (or print name if no Company Stamp available)
------	-------	---

Date	Place	Signature of an authorized signatory at the <u>FCM Mandatory Selected Auction Participant</u> with name in capital letters plus Company Stamp (or print name if no Company Stamp available)
------	-------	---

Date	Place	Signature of an authorized signatory at the <u>FCM Mandatory Selected Auction Participant</u> with name in capital letters plus Company Stamp (or print name if no Company Stamp available)
------	-------	---

THE DEFAULT MANAGEMENT AUCTION RULES

WILL BE AMENDED.

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED,

DELETIONS ARE CROSSED OUT.

DEFAULT MANAGEMENT AUCTION RULES

[...]

3.3.1 A Clearing Agent of an Basic Clearing Member ("**Clearing Agent Participant**"), may also participate in a DM Auction upon invitation by Eurex Clearing AG. The Basic Clearing Member shall inform Eurex Clearing AG about the appointment of a ~~Clearing~~Clearing Agent Participant by submitting the form for the appointment of the Clearing Agent Participant attached to these DM Auction Rules ("**Clearing Agent Participant Appointment Form**"). In the Clearing Agent Participant Appointment Form, the Basic Clearing Member shall provide the contact details of at least one contact person at the Clearing Agent Participant for any inquiries Eurex Clearing AG may have with respect to participation of the Clearing Agent Participant in the DM Auctions. Such contact person shall be available without interruptions during regular business hours and has sufficient German or English language skills.

[...]

3.4.2 The Client Participant shall be granted direct access to the Auction Tool by Eurex Clearing AG. For the avoidance of doubt, a Client Participant can participate in DM Auctions alongside its Clearing Member or FCM Clearing Member. By submitting the Client Participant Appointment Form, the Clearing Member or FCM Clearing Member authorises the Client Participant to submit Bids on behalf and in the name of the Clearing Member or FCM Clearing Member. The Clearing Member or FCM Clearing Member acknowledges that each Bid submitted by an Client Participant therefore constitutes a Bid by the Clearing Member or FCM Clearing Member and only binds such Clearing Member or FCM Clearing Member vis-à-vis Eurex Clearing AG.

[...]

3.6.1 Such Clearing Member shall only become a Selected Auction Participant if and when the following requirements are met:

- (1) the Mandatory Participant or FCM Mandatory Participant has submitted to Eurex Clearing AG a completed form for the appointment of the Selected Auction Participant in the form as attached to these General DM Auction Rules ("**Selected Auction Participant Appointment Form**");
- (2) the Clearing Member holds the same Clearing Licenses ~~than~~as the Mandatory Participant or FCM Mandatory Participant;
- (3) no Termination Event and no Insolvency Termination Event have occurred and are continuing with respect to such Clearing Member; and
- (4) the Clearing Member has confirmed acceptance of its appointment as the Selected Auction Participant by countersigning the Selected Auction Participant Appointment Form.

[...]

3.6.4 The Mandatory Participant or FCM Mandatory Participant may terminate the appointment of a Selected Auction Participant by notice to Eurex Clearing AG (with a copy to the Selected Auction Participant). Such termination shall only become effective with respect to a DM Auction if it is received by Eurex Clearing AG by no later than five Business Days before the DM Auction is conducted. In addition, the appointment of a Selected Auction Participant shall automatically terminate if a Termination Event or an Insolvency Termination Event occurs with respect to the Selected Auction Participant. The Mandatory Participant or FCM Mandatory Participant may appoint a new Selected Auction Participant in accordance with this Number 3.56.

4 Pre-Auction Procedures

4.1 Invitees

With respect to each DM Auction, Eurex Clearing AG will invite all or some

- (i) Mandatory Participants and FCM Mandatory Participants,
- (ii) Clearing Member Participants,
- (iii) Client Participants,
- (iv) Clearing Agent Participants,
- (v) Bidding Agents, and

(vi) Selected Auction Participants

(each an “**Invitee**”) to participate in the relevant DM Auction by providing to each Invitee the Specific Terms and any further relevant information relating to this DM Auction via the Auction Tool or via e-mail.

Eurex Clearing AG is entitled to select the Invitees with respect to each DM Auction considering, inter alia,

- (i) the interests of the relevant Invitee (and the Clearing Member, FCM Clearing Member or Basic Clearing Member for which the Invitee is acting (if applicable)) ~~Participating Bidder~~,
- (ii) the Transaction Types entered into by the ~~Participating Bidder~~ Invitee (and the Clearing Member, FCM Clearing Member or Basic Clearing Member for which the Invitee is acting (if applicable)) within 3 months prior to the Termination, Basic Clearing Member Termination or FCM Clearing Member Termination, or
- (iii) the ~~Participating Bidder's~~ Initial Margin requirement of the Invitee (and the Clearing Member, FCM Clearing Member or Basic Clearing Member for which the Invitee is acting (if applicable)) with respect to the Relevant Liquidation Group within ~~with~~ 3 months prior to the Termination, Basic Clearing Member Termination or FCM Clearing Member Termination.

5 Bidding Procedures

[...]

- 5.1.6 If a Selected Auction Participant has validly been appointed by a Mandatory Participant or FCM Mandatory Participant, the Selected Auction Participant may provide Bids for the relevant Auction Units under each DM Auction to which it was invited by Eurex Clearing AG. Each Bid by a Selected Auction Participant shall state the identity of the Mandatory Participant or FCM Mandatory Participant with ~~respect~~ respect to which it acts as Selected Auction Participant.

[...]

- 5.4 All Mandatory Participants, FCM Mandatory Participants, Clearing Member Participants, Clearing Agent Participants, Bidding Agents (which are Clearing Members) and Selected Auction Participants shall submit their offered price for each Auction Unit in accordance with the Auction Format (each a “**Bid**”) in accordance with Number 7 from, and including, the relevant Commencement Time to, and including, the relevant Expiration Time (the “**Bidding Period**”).

In case of a Bidding Agent (which is not a Clearing Member) provides Bids for the account of and in the name of a Mandatory Participant, the Mandatory Participant shall ensure that the Bidding Agent submits its Bids in accordance with Number 7 within the Bidding Period.

In case a Client Participant provides Bids for the account of and in the name of a Clearing Member or FCM Clearing Member, the Clearing Member or FCM Clearing Member shall ensure that the Client Participant submits its Bids in accordance with Number 7 within the Bidding Period.

[...]

5.5 A Bid (other than a Bid by a FCM Clearing Member) constitutes an offer (*Angebot*) to (a) enter into the DM Auction Transactions comprised in the relevant Auction Unit at the Auction Price or (b) purchase the bonds underlying the relevant Bonds Auction Unit at the Auction Price by

- (i) if the Bid was submitted by a Mandatory Participant or FCM Mandatory Participant, such Mandatory Participant or FCM Mandatory Participant,
- (ii) if the Bid was submitted by a Clearing Member Participant, the relevant Clearing Member Participant,
- (iii) if the Bid was submitted by a Clearing Agent Participant, the relevant Basic Clearing Member,
- (iv) if the Bid was submitted by a Bidding Agent, the relevant Mandatory Participant,
- (v) if the Bid was submitted by a Client Participant, the relevant Clearing Member or FCM Clearing Member of such Client Participant, or
- (vi) if the Bid was submitted by a Selected Auction Participant, such Selected Auction Participant

(such Mandatory Participant, FCM Mandatory Participant, Clearing Member Participant, Basic Clearing Member, Clearing Member, FCM Clearing Member or Selected Auction Participant, each being a "**Participating Bidder**").

Subject to Number 4.34.3, a Bid shall be irrevocable.

[...]
