

DEFAULT MANAGEMENT AUCTION RULES

1 General

- 1.1** Upon the occurrence of a Termination, as defined in the Clearing Conditions in Chapter I Part 1 Number 7 Eurex Clearing AG may in its free discretion conduct one or more DM Auctions in accordance with the Clearing Conditions of Eurex Clearing AG (the "**Clearing Conditions**").
- 1.2** Each DM Auction is governed by the rules set forth in these default management auction rules (the "**General DM Auction Rules**"), as supplemented by specific auction terms (the "**Specific Terms**"), which shall be materially in the form is annexed hereto (the General DM Auction Rules and the Specific Terms together the "**DM Auction Rules**").
- 1.3** Terms used and not otherwise defined in the DM Auction Rules shall have the meaning ascribed to them in the Clearing Conditions.

2 DM Auctions

- 2.1** DM Auctions will enable the bidders participating in accordance with the DM Auction Rules to enter into the DM Auction Transactions comprised in the relevant Auction Units (each as defined in the Clearing Conditions in Chapter I Part 1 Number 7.5.3) with Eurex Clearing AG pursuant to the Clearing Conditions at an auction price for the relevant Auction Unit determined in accordance with these DM Auction Rules (the price for an Auction Unit in each case an "**Auction Price**").
- 2.2** Eurex Clearing AG will, after consultation with the relevant DMC(s), specify in the Specific Terms for each DM Auction the relevant Auction Units, and the total number of Auction Units, to be auctioned in the relevant DM Auction.

3 Participation in DM Auctions

Participants in DM Auctions are Mandatory Participants and Selected Invitees, as further described in this Number 3.

- 3.1** Each Mandatory Participant (as defined in the Clearing Conditions in Chapter I Part 1 Number 7.5.3) shall be obliged to participate in the relevant DM Auction; each such Mandatory Participant is, upon the submission of its Bid (as defined in Number 5.2 below) with regard to a specific Auction Unit, herein referred to as a "**Participating Bidder**".
- 3.2** In addition, any entity may participate in a DM Auction upon invitation by Eurex Clearing AG if
- 3.2.1** such entity is either a Non-Clearing Member, a Registered Customer or any other customer of a Clearing Member, in each case if applicable limited to the applicable Liquidation Group(s) (each a "**Qualified Invitee**");
- 3.2.2** such Qualified Invitee has evidenced the receipt of consent from its respective Clearing Member(s) (which must qualify as a Mandatory Participant) to participate in the relevant DM Auction; and

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3.2.3 such Qualified Invitee prior to the DM Auction 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**").

Selected Invitees are only entitled to participate in DM Auctions via their relevant Clearing Members; each such Clearing Member 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.

Any 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 Eurex Clearing AG shall be entitled to subsequently suspend any Mandatory Participant or any Selected Invitee compliant with the conditions of Number 3.2 from participating in a DM Auction upon the occurrence of a serious cause related to such Mandatory 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.

4 Pre-Auction Procedures

4.1 For each DM Auction Eurex Clearing AG will provide all Mandatory Participants and all Selected Invitees (together the "**Invitees**" and each an "**Invitee**") with the Specific Terms and with any further relevant information relating to this DM Auction in accordance with Number 11. The distribution of the Specific Terms constitutes an invitation of Eurex Clearing AG to the Invitees to submit a Bid to enter into each of the DM Auction Transactions comprised in the relevant Auction Unit with Eurex Clearing AG at the Auction Price.

In addition, Eurex Clearing AG shall specify in the Specific Terms or via email for each Mandatory Participant a minimum number of Auction Units for which such individual Mandatory Participant shall bid; such number shall depend on the relative exposure of the relevant 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 with respect to the relevant Liquidation Group(s), (ii) the notional amount of Transactions held by the Mandatory Participant with respect to the relevant Liquidation Group(s) and (iii) the risks inherent in the Transactions held by the Mandatory Participant with respect to the relevant Liquidation Group(s).

4.2 The Specific Terms will contain

- (i) the Auction Units (including information regarding the DM Auction Transactions comprised therein),
- (ii) the permissible spread between the two bids to be provided in accordance with Chapter I Part 1 Number 7.5.3 Paragraph (7) of the Clearing Conditions for the

respective Auction Unit which shall equal the margin requirement for this Auction Unit,

- (iii) the auction currency,
- (iv) the scheduled auction date (the "**Auction Date**") and the commencement time, as of which the respective Bids can be submitted (the "**Commencement Time**"),
- (v) 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**"),
- (vi) the Auction Format (as defined in Number 7 below), and
- (vii) the date and time of acceptance of the winning Bids (the "**Acceptance Date**" and "**Acceptance Time**") and the date and time of settlement of the auction (the "**Settlement Date**" and the "**Settlement Time**").

4.3 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 below. Eurex Clearing AG shall inform all Participating Bidders or Representing Participating Bidders of the respective DM Auction pursuant to Number 11 about any such changes.

4.4 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 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, 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 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:

- 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 Chapter I Part 1 Number 7.5.3 paragraph (5)).
- 5.1.2** Each Mandatory Participant is permitted to provide Eurex Clearing AG with a Bid for any further Auction Unit for which it is not obliged to bid.
- 5.1.3** A Representing Participating Bidder may with respect to each Selected Invitee provide Bids for any Auction Unit in accordance with Number 3.2. Each Bid by a

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Representing Participating Bidder shall state the identity of the Selected Invitee 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 above.
- 5.2 Each (Mandatory) Bid provided in accordance with Number 5.1 is only valid if it complies with Chapter I Part 1 Number 7.5.3 Paragraph (7) 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.
- 5.3 Participating Bidders and Representing Participating Bidders 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**").
- 5.4 A Bid constitutes an offer (*Angebot*) to enter 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, a Bid shall be irrevocable.
- 5.5 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 is both a Participating Bidder and a Representing Participating Bidder 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.
- 6.3 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 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 the winning Bid, Transactions corresponding to the DM

Auction Transactions of the relevant Auction Unit will further be established between the Non-Clearing Member or Registered Customer for which the relevant Bid has been provided and its Representing Participating Bidder 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 the Participating Bidder or Representing Participating Bidder who submitted the winning Bid and/or (iii) Bids of Participating Bidders and/or Representing Participating Bidders to other Participating Bidders and/or Representing Participating Bidders.

7 Auction Format

- 7.1** The Specific Terms will specify the format of the relevant DM Auction with regard to the content of a Bid, the specific procedures of the bidding and the determination of the winning Bid (the "**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.
- 7.3** If the Specific Terms specify "Multi Unit – Pay as you bid" as the applicable Auction Format, the following applies:
- 7.3.1** All Bids shall be made in accordance with the DM Auction Rules;
- 7.3.2** each Bid provided by a Participating Bidder or Representing Participating Bidder shall relate to an Auction Unit;
- 7.3.3** the highest 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;
- 7.3.4** Eurex Clearing AG shall accept the winning Bid pursuant to Number 7.3.3 above with respect to each Auction Unit irrespective of whether Bids were submitted for all Auction Units of the respective DM Auction.

8 Settlement of Auction Price

At the Settlement Time on the Settlement Date, the payment of the Auction Price becomes due and payable and shall be paid in accordance with the daily cash clearing procedure pursuant to Chapter I Part 1 Number 1.4.1 of the Clearing Conditions.

9 Irregularities

- 9.1** All questions as to the validity, form and eligibility (including the time of receipt) of any Bid or revision thereof, will be determined by Eurex Clearing AG, which determination will be final and binding.

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- 9.2** Eurex Clearing AG reserves the absolute right to reject at any time any and all Bids that do not comply with these DM Auction Rules.
- 9.3** Eurex Clearing AG reserves the absolute right to waive any requirement under the DM Auction Rules.
- 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

By submitting a Bid in accordance with the DM Auction Rules, each Participating Bidder (for itself) and each Representing Participating Bidder (for itself and on behalf of its relevant Selected Invitee(s))

- 10.1** agrees at the time of the submission of its Bid, with Eurex Clearing AG that
- 10.1.1** it accepts the DM Auction Rules;
 - 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, or which is not made in accordance with Number 9.2; and
 - 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** acknowledges at the time of the submission of its Bid, to Eurex Clearing AG that
- 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 the DM Auction at any time in accordance with Number 4.3 hereof, and that in the event of a cancellation of the DM Auction, the Bids will be released;
 - 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;
 - 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
 - 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** represents and warrants at the time of the submission of its Bid, to Eurex Clearing AG that
- 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

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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, 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;

- 10.3.2** 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;
- 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;
- 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;
- 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;
- 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;
- 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;
- 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 such entity is incorporated 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
- 10.3.9** 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.
- 10.4** The representations and warranties pursuant to Number 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 10, 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.

12 Miscellaneous

12.1 Governing law; Place of jurisdiction

12.1.1 The rights and obligations arising out of, and in connection with, the DM Auction Rules shall be governed by the substantive laws (*Sachrecht*) excluding German private international law of the Federal Republic of Germany. Only the German version of the DM Auction Rules is legally binding.

12.1.2 Any non-contractual rights and obligations arising out of, and in connection with, the DM Auction Rules shall be governed by the substantive laws (*Sachrecht*) excluding German private international law of the Federal Republic of Germany.

12.1.3 Exclusive place of jurisdiction for all disputes arising out of, or in connection with, these DM Auction Rules is Frankfurt am Main.

12.2 Amendment of DM Auction Rules

Eurex Clearing AG reserves the right to amend the DM Auction Rules in accordance with Chapter I Part 1 Number 17.2 of the Clearing Conditions; any amendments to these DM Auction Rules shall be published in accordance with Chapter I Part 1 Number 16.1 of the Clearing Conditions.

The current version of the General DM Auction Rules is available via the internet (www.eurexclearing.com).

Form of Specific Terms for DM Auctions**[Letterhead of Eurex Clearing AG]**

To the Mandatory Participants

[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 General DM Auction Rules published as of the date hereof by Eurex Clearing AG on its website www.eurexclearing.com and constitute in conjunction with the General DM Auction Rules the 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 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 above. It will further respect to 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 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. Each Representing Participating Bidder shall procure that the Selected Invitees for which it acts as Representing Participating Bidder will comply with the foregoing obligations.

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General Information:	
Liquidation Group(s):	[_____]
DM Auction Transactions:	See attached spread sheet
Auction Units:	See attached spread sheet
Initial Margin Requirement (Number 5.2 of the General Auction Rules):	
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 [_____] Other: <i>[describe]</i>
<i>[other]</i>	[_____]
<i>[other]</i>	[_____]