

Clearing Conditions

2 Part

Settlement of Transactions

2.1 Subpart

Settlement of Futures Contracts

~~2.1.18 (deleted) Sub-Subpart~~

~~Settlement of Futures Contracts on a Notional Medium-Term Euro Jumbo Pfandbrief (Medium-Term Euro Jumbo Pfandbrief Futures)~~

~~2.1.18.1 General Provisions~~

~~The provisions of subsection 2.1.12.1 shall apply mutatis mutandis.~~

~~2.1.18.2 Daily Settlement~~

~~The provisions of subsection 2.1.12.2 shall apply mutatis mutandis.~~

~~2.1.18.3 Margin Requirements~~

~~The provisions of subsection 2.1.12.3 shall apply mutatis mutandis.~~

~~2.1.18.4 Performance~~

~~(1) A delivery obligation arising out of a short position in a medium-term Euro Jumbo Pfandbrief Futures contract may only be performed by the delivery of Jumbo Pfandbriefe designated by Eurex Clearing AG. The point of time of the delivery of Jumbo Pfandbriefe shall be determined by Eurex Clearing AG.~~

~~Delivery may only be made with Jumbo Pfandbriefe which have a remaining term of three and one-half to five years and which have a AAA rating (pursuant to subsection 2.1.18.1 paragraph (2) of the Conditions for Trading at the Eurex Exchanges). The Jumbo Pfandbriefe must have a minimum issuance volume of DM 1 billion or in the case of new issues from January 1, 1999 onwards EUR 500 million and a straight bond format. In addition thereto, the issuers must name at least three institutions as market makers for the cash market (Frankfurt Stock Exchange) in the case of issuing Jumbo Pfandbriefe.~~

~~In the case of issuing new contracts, Eurex Clearing AG may, in exceptional cases, fix anew the basket of deliverable Jumbo Pfandbriefe.~~

~~Clearing Members with open short positions must notify Eurex Clearing AG after the close of trading but before the end of the Post-Trading Period on the date that is two Exchange days before the tenth calendar day of a quarter-end month (the "Notice Day") which Jumbo Pfandbriefe they will deliver. Any prior delivery notices may be amended until the end of such Post-Trading Period. If the delivery notice is not given in a timely manner, Eurex Clearing AG will select the Jumbo Pfandbriefe to be delivered by such Clearing Member.~~

~~One day prior to the delivery day the Clearing Members must confirm to the clearing house in writing the actual availability of the Jumbo Pfandbriefe which they have notified.~~

~~(2) Eurex Clearing Börse AG will, after the end of the Post-Trading Period on the Notice Day, allocate to the Clearing Members with open long positions the Jumbo Pfandbriefe notified for delivery, using a selection procedure that ensures the neutrality of the allocation process. The Clearing Members will be informed on the next Exchange day as to which Jumbo Pfandbriefe were allocated to them and at what tender price (subsection 2.1.18.1 paragraph (2) of the Conditions for Trading at the Eurex Exchanges).~~

~~(3) Paragraphs (1) and (2) shall apply to the legal relationship between General Clearing Members or Direct Clearing Members and their Non-Clearing Members; paragraph (2) shall apply mutatis mutandis to the legal relationship between Clearing Members or Non-Clearing Members, as the case may be, and their respective customers.~~

2.1.18.5 Default in Delivery or Payment

The provisions of subsection 2.1.12.5 shall apply mutatis mutandis.

2.1.21 (deleted) Sub-Subpart

~~Settlement of Futures Contracts on a Notional Medium-Term Bond of the Swiss Confederation (GOMI Futures)~~

2.1.21.1 General Provisions

~~(1) Eurex Clearing AG shall be a contracting party to all deliveries and payments arising out of the settlement of futures contracts.~~

~~(2) Clearing Members must fulfill their delivery and payment obligations in accordance with the instructions of Eurex Clearing AG.~~

~~(3) The following shall apply to the procedures for delivery and payment pursuant to paragraph (1):~~

~~All physical deliveries and payments shall be concurrently performed between the Clearing Members on the second Exchange day after the Notice Day (subsection 2.1.21.4); physical deliveries of securities shall be made through SEGA and payments shall be made through SNB.~~

~~Each Clearing Member and Eurex Clearing AG must ensure, through appropriate instruction to SEGA or DBC, that transactions can be processed on the Exchange day on which the delivery notice is given. All Clearing Members must ensure their ability to effect deliveries and payments thereof through sufficient deposits in the securities account with SEGA or DBC and credit balances in the Clearing Member's account at SNB.~~

2.1.21.2 Daily Settlement

~~(1) For each contract, profits and losses arising out of open positions on any Exchange day will be determined at the end of the Post-Trading Period and credited to or debited from the internal cash clearing account. For open positions from the previous Exchange day, the amount to be credited or debited shall equal the difference between the daily settlement prices of the contract in question on the relevant Exchange day and the previous Exchange day. For transactions on the relevant Exchange day, the amount to be credited or debited shall equal the difference between the price at which the transaction was concluded and the daily settlement price for such Exchange day.~~

~~(2) The daily settlement price shall equal the volume-weighted average of the prices of the five last transactions, provided that no more than 15 minutes have passed since these transactions, or, if more than five transactions were entered into during the final minute of trading, the volume-weighted average of the prices of all transactions entered into during such period.~~

~~If it is not possible to determine a price pursuant to the above provisions, or if the price so determined does not reflect the true market conditions, Eurex Clearing AG shall determine the settlement price.~~

~~(3) Paragraph (1) shall apply to the legal relationship between General Clearing Members or Direct Clearing Members and the Non-Clearing Members represented by them mutatis mutandis.~~

2.1.21.3 Margin Requirements

~~(1) The basic provisions for margin requirements are set forth in subsections 1.3.1 through 1.3.5.~~

~~(2) The provisions of subsection 2.1.1.3 shall apply mutatis mutandis.~~

2.1.21.4 Performance

~~(1) A delivery obligation arising out of a short position in a GOMI futures contract may only be performed by the delivery of Swiss Government bonds as designated by Eurex Clearing AG with a remaining term of no more than 8 years less one day and no less than 3 years. In the case of bonds with an early redemption option, the first and last possible redemption dates as of the time of delivery of the contract must be between 3 and 8 years less one day. The bonds must have a minimum issue~~

volume of CHF 500 million. Clearing Members with open short positions must notify Eurex Clearing AG between the close of trading and the end of the Post-Trading Period on the day that is two Exchange days before the tenth calendar day of a quarter-end month (the "Notice Day") which bonds they will deliver. Any prior delivery notices may be amended until the end of such Post-Trading Period. If the delivery notice is not given in a timely manner, Eurex Clearing AG will select the bonds to be delivered by such Clearing Member.

One day prior to the delivery day pursuant to subsection 2.1.21.1 paragraph (3) the Clearing Members must confirm to the clearing house in writing the actual availability of the bonds which they have notified.

(2) Eurex Clearing AG will, after the end of the Post-Trading Period on the Notice Day, allocate to the Clearing Members with open long positions the bonds notified for delivery, using a selection procedure that ensures the neutrality of the allocation process. The Clearing Members will be informed on the next Exchange day as to which bonds were allocated to them and at what tender price (subsection 2.1.21.1 paragraph (2) sentence 2 of the Conditions for Trading at the Eurex Exchanges).

(3) Paragraphs (1) and (2) shall apply to the legal relationship between General Clearing Members or Direct Clearing Members and their Non-Clearing Members; paragraph (2) shall apply mutatis mutandis to the legal relationship between Clearing Members or Non-Clearing Members, as the case may be, and their respective customers.

2.1.21.5 Default in Delivery or Payment

(1) In the event that a Clearing Member which is obligated to deliver is in default and fails to deliver the bonds notified by it on the delivery day and pursuant to the instructions of Eurex Clearing AG, Eurex Clearing AG shall be entitled to take the following measures:

— Eurex Clearing AG is entitled to obtain by means of securities lending the notified bonds and deliver them to the Clearing Member which did not receive delivery in a timely manner.

— Eurex Clearing AG is entitled to designate from the basket of deliverable bonds bonds other than those notified as bonds to be delivered and to deliver such bonds to the Clearing Member which did not receive delivery in a timely manner.

In such case, the defaulting Clearing Member must deliver the bonds so notified by Eurex Clearing AG.

Eurex Clearing AG is entitled to obtain the notified bonds by means of securities lending and to deliver them to the Clearing Member which did not receive delivery in a timely manner.

— In the event that the bonds to be delivered are not delivered to Eurex Clearing AG as part of the standard transfer arrangement of DBC or SEGA by the fifth Exchange day after the delivery day, Eurex Clearing AG shall be entitled to make a replacement purchase with respect to the undelivered bonds. The replacement purchase is to be carried out through a replacement transaction on a stock exchange on the fifth Exchange day after the delivery day. Eurex Clearing AG will deliver the bonds acquired through such replacement transaction to the Clearing Member which did not receive delivery in a timely manner.

(2) Measures set forth in paragraph (1) are binding on the Clearing Member which did not receive delivery in a timely manner.

(3) Any costs arising from the measures taken in accordance with 2.1.21.5 paragraph (1) must be paid by the defaulting Clearing Member.

(4) Furthermore, Eurex Clearing AG will charge the defaulting Clearing Member a contractual penalty. The contractual penalty shall be calculated as follows:

Eurex Clearing AG is entitled to a contractual penalty from the defaulting Clearing Member until delivery is made by the defaulting Clearing Member or until a replacement purchase is made by Eurex Clearing

~~AG on the fifth Exchange day in the amount of 85 ticks per contract and calendar day. In addition, Eurex Clearing AG will charge a contractual penalty until delivery is made in an amount representing a specified percentage -- to be announced by Eurex Clearing AG in advance -- of the equivalent of the bonds to be delivered; such percentage shall be based on the money-market rates prevailing in the market.~~

~~(5) In the event that any payment is not made on the payment date, subsection 1.7.1 paragraph (4) and subsection 1.7.2 paragraph (5) shall apply mutatis mutandis.~~

~~(6) The right of Eurex Clearing AG and the Clearing Member which did not receive delivery in a timely manner to claim further damages shall remain unaffected.~~