
FCM Regulations of Eurex Clearing AG – Chapter II – is being newly introduced.

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

FCM Regulations of Eurex Clearing AG

As of 17.09.2018

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Chapter II Preamble	

Preamble

This Chapter II forms an integral part of the FCM Clearing Conditions, including the FCM Regulations, of Eurex Clearing AG.

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Part 1 General Provisions

- (1) Eurex Clearing AG offers the Clearing and settlement of certain Swap Transactions to FCM Clearing Members. Currently, it offers Clearing and settlement services with respect to Swap Transactions that are Interest Rate Derivative Transactions, as defined in Chapter I Number 1.1.5. As provided in Chapter I Number 1.1.5, Eurex Clearing may designate transaction types for other asset classes as Swap Transaction Types for which it will provide Clearing and settlement services to FCM Clearing Members.
- (2) Terms and expressions that are defined in Chapter I and used in this Chapter II have the meaning assigned to them in Chapter I. Other defined terms used in this Chapter II are defined herein. Any reference to Chapter I or Chapter II shall be construed as a reference to Chapter I or Chapter II, respectively, of the FCM Regulations, unless stated otherwise.

1.1 FCM Clearing License

1.1.1 Granting of the FCM Clearing License

In order to participate in the Clearing of Interest Rate Derivative Transactions, an FCM Clearing License for such Swap Transaction Type is required. Eurex Clearing AG may grant the FCM Clearing License upon written application. Eurex Clearing AG may restrict the FCM Clearing License granted to a particular FCM Clearing Member to certain product groups within the scope of the relevant Swap Transaction Type.

1.1.2 Prerequisites of the FCM Clearing License

The prerequisites for the granting of an Interest Rate Derivatives Clearing License are set out in Part 2. These prerequisites are in addition to the general prerequisites for obtaining an FCM Clearing License that are set out in Chapter I Number 2.2.

1.2 Conclusion of Transactions

Swap Transactions pursuant to this Chapter II are concluded by way of novation. The following provisions apply to the novation of an Original Swap Transaction for which at least one counterparty is an FCM Clearing Member or an FCM Client, for which the resulting Swap Transaction is to be booked on an FCM Clearing Member Own Transaction Account or an FCM Client Transaction Account, as applicable. These provisions likewise apply to Swap Transactions in connection with certain post-trade events, as further specified in Number 1.2.6. In circumstances in which a Non-FCM Clearing Member (as defined in Chapter I Number 1.2.1) or a client of a Non-FCM Clearing Member is the counterparty of the Original Swap Transaction, for purposes of this Chapter II, as used in relation to such Non-FCM Clearing Member, the term “**Original Swap Transaction**” means an Original OTC Transaction as defined in Chapter I Part 1 Number 1.2.2 Paragraph (2) of the Clearing Conditions, and “**Swap Transaction**” means

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a CCP Transaction as defined in Chapter VIII Part 1 Number 1.2.1 Paragraph (7) of the Clearing Conditions.

1.2.1 Novation of Original Swap Transactions

- (1) The trade record of the relevant Original Swap Transaction has to be transmitted to Eurex Clearing AG via an Approved Trade Source System.
- (2) Whenever the trade record of an Original Swap Transaction, including, as the case may be, a Credit Limit Token, is transmitted to Eurex Clearing AG via an ATS (such record hereinafter referred to as a **“Trade Record”**), and
 - (a) if (i) a party to the Original Swap Transaction is an FCM Clearing Member holding the relevant FCM Clearing License; or
 - (ii) an FCM Client is a party to the Original Swap Transaction, the relevant FCM Clearing Member holding the relevant FCM Clearing License, which has been designated as the FCM Clearing Member for such FCM Client in the Trade Record, has accepted the Original Swap Transaction for Clearing, which acceptance (aa) may be granted in the form of a credit limit token signifying the FCM Clearing Member’s pre-approved credit limit for the FCM Client that is included in the Trade Record submitted via the ATS (the **“Credit Limit Token”**), or (bb) may otherwise be granted in the systems of Eurex Clearing AG; and
 - (b) Eurex Clearing AG accepts such Original Swap Transaction for Clearing by making a Swap Trade Novation Report available to the FCM Clearing Member electronically via its system,

a Swap Transaction will be concluded in accordance with Chapter I Number 1.3.3 Paragraph (1) and as further specified with respect to Interest Rate Derivative Transactions in Part 2.

If one side of the Original Swap Transaction will be cleared by a Non-FCM Clearing Member, Eurex Clearing AG will conclude the relevant Swap Transaction for such Non-FCM Clearing Member in accordance with the applicable provisions of the Clearing Conditions.

- (3) Any acceptance of the Original Swap Transaction by Eurex Clearing AG for inclusion in the Clearing and the related novation pursuant to Chapter I Number 1.3.3 Paragraph (1) will be subject to the novation criteria pursuant to Number 1.2.3 and will be based on the Trade Record, including, as the case may be, a Credit Limit Token, provided by the ATS on behalf of the parties to the Original Swap Transaction. Eurex Clearing AG relies on the accuracy of the data set out in the Trade Record, including, as the case may be, a Credit Limit Token, and is neither able nor obliged to verify whether the Trade Record received properly reflects the terms of the Original Swap Transaction entered into by the relevant parties.
- (4) Under the Swap Transactions created upon novation, each relevant FCM Clearing Member has, in economic terms, the same economic role (e.g. as floating rate payer

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or as fixed rate payer, respectively) as such FCM Clearing Member (or, in the case of an FCM Clearing Member acting as agent on behalf of its FCM Client, as such FCM Client) had under the Original Swap Transaction.

- (5) For the purposes of this Chapter II,
- (a) **“Approved Trade Source System”** or **“ATS”** means a provider of trade information to be appointed by each of the parties to an Original Swap Transaction, and recognized by Eurex Clearing AG, for the purpose of transmitting Trade Records for Clearing with Eurex Clearing AG, as published on the website of Eurex Clearing AG (www.eurexclearing.com).
 - (b) **“Swap Trade Daily Summary Report”** means a report that lists events occurring after the original novation which will be made available to FCM Clearing Members electronically via Eurex Clearing AG's system on each Business Day. The last Swap Trade Daily Summary Report will be made available at or around 11:00 p.m. (Frankfurt am Main time).
 - (c) **“Swap Trade Novation Report”** means a report produced by Eurex Clearing AG on the basis of the Trade Records transmitted via the relevant ATS which specifies the Original Swap Transactions to be novated into the respective Swap Transactions.

1.2.2 Legal Effectiveness of the Novation of Original Swap Transactions

The novation becomes legally effective at the point of time when Eurex Clearing AG accepts the relevant Original Swap Transaction for Clearing by making the relevant Swap Trade Novation Report available to the FCM Clearing Member electronically via Eurex Clearing AG's system.

1.2.3 Novation Criteria for the Novation of Original Swap Transactions

- (1) Eurex Clearing AG will accept an Original Swap Transaction for inclusion in the Clearing in accordance with the novation process if all of the following novation criteria are fulfilled:
- (a) A Trade Record of the Original Swap Transaction must be transmitted to the system of Eurex Clearing AG via an ATS and the Original Swap Transaction was either
 - (aa) entered into between two FCM Clearing Members or an FCM Clearing Member and a Non-FCM Clearing Member, in each case holding the relevant FCM Clearing License or Clearing License, on the basis of the specifications made in such Trade Record, or
 - (bb) if either party is an FCM Client, accepted by the relevant FCM Clearing Member (or FCM Clearing Members, if applicable) as provided for in Number 1.2.1 Paragraph (2) (a) (ii), or

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- (cc) if a party is a client of a Non-FCM Clearing Member, accepted by the relevant Non-FCM Clearing Member as provided for in the applicable provisions of the Clearing Conditions.
- (b) The Trade Record must specify in respect of the relevant Original Swap Transaction that it is to be cleared by Eurex Clearing AG and, in addition, if a party to the Original Swap Transaction is an FCM Client or a client of a Non-FCM Clearing Member, such FCM Clearing Member or Non-FCM Clearing Member must hold the relevant FCM Clearing License or Clearing License.
- (c) (i) The Trade Record is transmitted to Eurex Clearing AG in a format which allows Eurex Clearing AG to import the relevant data in its system, as communicated by Eurex Clearing AG and (ii) no information required with respect to the terms of the relevant Interest Rate Derivative Transaction as set out in Part 2 is missing.
- (d) No Termination Date has occurred with respect to the FCM Clearing Member(s) or, if applicable, Non-FCM Clearing Member through which the two sides of the Original Swap Transaction are to be cleared.
- (e) The Original Swap Transaction that is transmitted to the system of Eurex Clearing AG in order to be novated into an Interest Rate Derivative Transaction must be of a product type recognized by Eurex Clearing AG as published on its website (www.eurexclearing.com) and provided for in Part 2 (the "**Product Type**").
- (f) The FCM Clearing Member and, if applicable, the Non-FCM Clearing Member clearing the other side, must have delivered Eligible Margin Assets to Eurex Clearing AG, (i) as required pursuant to Chapter I Number 3.2, 5.2, 6.4.3 or 6.5.4, as applicable, in the case of the FCM Clearing Member, and (ii) if applicable, as required pursuant to relevant provisions in the Clearing Conditions in the case of a Non-FCM Clearing Member, in each case to cover the calculated risks resulting from the Swap Transactions.
- (g) If a Non-FCM Clearing Member is clearing the other side, it has complied with any scheduled intraday margin calls as set out in relevant provisions of the Clearing Conditions.
- (h) If the Swap Transaction being cleared is an Interest Rate Derivatives Transaction, all applicable additional novation criteria set forth in Part 2 are fulfilled.
- (2) If a novation criterion is not fulfilled but the relevant Swap Trade Novation Report has nevertheless been made available via the system of Eurex Clearing AG and, accordingly, novation is effective, Eurex Clearing AG is entitled to terminate the Swap Transactions by notifying the relevant FCM Clearing Member(s) or Non-FCM Clearing Member in writing (including by fax or e-mail), provided that neither of the two Swap Transactions created upon novation of the Original Swap Transaction was subject to (i) any netting or accumulation pursuant to Part 2 Number 2.6, (ii) a

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transfer pursuant to Part 2 Number 2.7, or (iii) a trade amendment pursuant to Part 2 Number 2.7.

1.2.4 Specific Provisions with respect to the Conclusion of Swap Transactions

- (1) If the FCM Clearing Member (i) authorizes Eurex Clearing AG to capture and maintain records vis-à-vis any ATS, and (ii) confirms that it has appointed the relevant ATS to receive trade communications and generate and send trade communications to Eurex Clearing AG for the FCM Clearing Member, Eurex Clearing AG may rely on such trade communications.
- (2) The FCM Clearing Member agrees that upon acceptance of an Original Swap Transaction for inclusion in the Clearing by Eurex Clearing AG based on a Trade Record of an Original Swap Transaction (including, as the case may be, a Credit Limit Token) submitted by the ATS to Eurex Clearing AG on behalf of the FCM Clearing Member pursuant to Number 1.2.1, a Swap Transaction will be concluded between Eurex Clearing AG and the FCM Clearing Member (for the FCM Clearing Member's FCM Clearing Member Own Transaction Account or an FCM Client Transaction Account of one of its FCM Clients, as applicable) on terms based on the Trade Record pursuant to Number 1.2.1. The FCM Clearing Member agrees that it is legally bound with respect to its obligations under the FCM Clearing Conditions with respect to each such Swap Transaction at the time of the conclusion of such Swap Transaction. The FCM Clearing Member acknowledges that when a Non-FCM Clearing Member is to clear the other side of the Original Swap Transaction, Eurex Clearing AG will determine its acceptance of the Original Swap Transaction for inclusion in the Clearing for the FCM Clearing Member, in conjunction with its determination whether to accept the Original Swap Transaction for inclusion in the Clearing for the Non-FCM Clearing Member pursuant to Chapter I Part 1 Number 1.2.2 Paragraph (2) of the Clearing Conditions.
- (3) The FCM Clearing Member should check without undue delay all notices and reports received from Eurex Clearing AG with regard to the correct conclusion of Transactions and inform Eurex Clearing AG of any mistakes, errors, omissions, deviations or irregularities in such notice or report in writing (including by fax) without undue delay, but in any case by no later than 9:00 a.m. (Frankfurt am Main time) on the next Business Day of when it became aware of or reasonably should have become aware of such mistakes, errors, omissions, deviations or irregularities.
- (4) The FCM Clearing Member acknowledges that Eurex Clearing AG does not assume any liability vis-à-vis such FCM Clearing Member in respect of inaccuracies in the Trade Record submitted to Eurex Clearing AG.

1.2.5 Daily Novation Process for Original Swap Transactions

- (1) The novation and clearing process will be carried out on each Business Day ("**Daily Novation**") for each Original Swap Transaction which has been submitted to Eurex Clearing AG via an ATS and which fulfils the applicable novation criteria. The novation process will be performed pursuant to the following paragraphs.

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- (2) Original Swap Transactions that are to be included in the Clearing by way of Daily Novation may be submitted to Eurex Clearing AG at any point in time. On each Business Day between 8:00 a.m. (Frankfurt am Main time) and 9:59 p.m. (Frankfurt am Main time) Eurex Clearing AG processes and accepts or rejects Original Swap Transactions submitted to it for Clearing as quickly as would be technologically practicable, if fully automated systems were used. Eurex Clearing AG ensures that it will accept or reject each Original Swap Transaction submitted to Eurex Clearing AG for Clearing through an FCM Clearing Member in accordance with the time frames required under CFTC Regulation 39.12(b) (7). Original Swap Transactions which are submitted to Eurex Clearing AG at any other time will be processed and accepted or rejected at the beginning of the next Business Day. Original Swap Transactions submitted to Eurex Clearing AG at 10:00 p.m. (Frankfurt am Main time) may be processed and accepted or rejected on that or the next Business Day.

Original Swap Transactions which (i) have a minimum remaining term of one Business Day between the day of submission and the settlement of the near leg or the termination date and (ii) are not included in the Daily Novation on the Business Day on which they were submitted to Eurex Clearing AG via an ATS will be rejected for Clearing.

- (3) As a result of the novation process, all Original Swap Transactions which fulfil all novation criteria will be accepted for Clearing and all Original Swap Transactions which do not fulfil all novation criteria, including the requirement to provide sufficient Eligible Margin Assets in time according to Part 1 Number 1.2.3 Paragraph (1) (f), will be rejected.
- (4) If an Original Swap Transaction has been accepted for Clearing, a Swap Trade Novation Report will be made available to the relevant FCM Clearing Member(s) electronically via Eurex Clearing AG's system. The last Swap Trade Novation Report will be made available at the end of a Business Day at or around 11:00 p.m. CET. Such last Swap Trade Novation Report summarizes all novations of the respective Business Day.
- (5) Upon rejection of an Original Swap Transaction for Clearing, Eurex Clearing AG will inform the respective FCM Clearing Member(s) of such non-acceptance as quickly as technologically practicable.
- (6) An FCM Clearing Member may subsequently cancel the submission with respect to any Swap Transaction intended to be transferred pursuant to Part 2 Number 2.7 or to be terminated pursuant to Part 2 Number 2.8, provided that (i) the cancellation request is entered by the FCM Clearing Member into the system of, and received by, Eurex Clearing AG and (ii) the other FCM Clearing Member or Non-FCM Clearing Member that was to be involved in such transfer or termination has given its prior consent in the system of Eurex Clearing AG to cancel the request.

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1.2.6 Specific Provisions with respect to the Novation of Swap Transactions resulting out of Post-Trade Events

- (1) Number 1.2 shall apply *mutatis mutandis* to the novation in connection with post-trade events pursuant to Part 2 Number 2.5 - 2.8 (in addition to the requirements set out in Part 2 Number 2.5 - 2.8, respectively), in each case (i) if a Swap Transaction shall be subject to such novation or shall result from such novation and (ii) unless explicitly stated otherwise.
- (2) If a post-trade event pursuant to Part 2 Number 2.7 would lead to a novation resulting in a Swap Transaction, and all novation criteria are fulfilled except for the requirement to provide sufficient Eligible Margin Assets, the submission for novation will be pending and will remain included in the daily novation process until the end of the relevant Business Day. At the end of each Business Day, all such pending submissions for novations which do not fulfil all novation criteria, including the requirement to provide sufficient Eligible Margin Assets, will be rejected. For the avoidance of doubt, this shall mean that the relevant Swap Transaction existing prior to such intended post-trade event will remain in place and no novation pursuant to the relevant post-trade event will take place.

1.3 Tax Gross-up Obligations of FCM Clearing Members

If an FCM Clearing Member is obliged by law to deduct or withhold a tax amount or other fiscal charge from a payment which it is to make, it shall pay to Eurex Clearing AG such additional amounts as are necessary to ensure that Eurex Clearing AG receives the full amount to which it would have been entitled at the time of such payment if no deduction or withholding were required. If an FCM Clearing Member is obliged to pay such additional amounts pursuant to Sentence 1, the FCM Clearing Member shall not be entitled to terminate a Swap Transaction due to such obligation.

1.4 Emergency Resolutions

- (1) The Executive Board of Eurex Clearing AG may adopt a resolution in response to Extraordinary Market Conditions ("**Emergency Resolution**") which shall supersede and supplant all resolutions or provisions of this Chapter II that are contrary to or inconsistent with the Emergency Resolution, except for this provision. In urgent matters such decision may also be taken by a senior officer generally appointed by the Executive Board of Eurex Clearing AG for such purposes, if the decision by such officer is afterwards approved by the Executive Board of Eurex Clearing AG.

"**Extraordinary Market Conditions**" are, as determined by Eurex Clearing AG,

- (a) events or circumstances which affect or may affect the orderly Clearing, the orderly settlement and liquidation of any cleared transactions or the existence or orderly functioning of the clearing process;
- (b) other market disruptions which render impossible or impracticable the orderly determination of closing prices or settlement prices; or

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- (c) events or circumstances which establish non-tolerable insecurity, volatility or risks with regard to cleared transactions or the Clearing which may negatively impact on the financial or commodities markets relevant for the Clearing, which, in each case, render it impractical for Eurex Clearing AG to continue to operate the Clearing in accordance with the FCM Clearing Conditions or the Clearing Conditions while sufficiently managing its risks.

Extraordinary Market Conditions may even occur if only a single FCM Clearing Member or Non-FCM Clearing Member (e.g. in case of a default) or a group of FCM Clearing Members or Non-FCM Clearing Members is/are affected, provided that any of the events or circumstances described in (a) to (c) exist. The default of an FCM Clearing Member or a Non-FCM Clearing Member does not per se constitute Extraordinary Market Conditions.

- (2) Except as otherwise determined in an Emergency Resolution or in connection with a corresponding action due to Extraordinary Market Conditions, the powers exercised by Eurex Clearing AG under this Number 1.4 shall be in addition to and not in derogation of the powers granted to Eurex Clearing AG elsewhere in the FCM Clearing Conditions.
- (3) Eurex Clearing AG will consult with the EMIR Risk Committee before any Emergency Resolution is adopted if such prior consultation is possible taking account of the circumstances of the relevant case and in accordance with the principle of good faith and if this would not constitute a breach of law or of requirements set out in an order of a court of competent jurisdiction or stipulated by a competent governmental, quasi-governmental, or regulatory body. Otherwise, the EMIR Risk Committee will be consulted after the Emergency Resolution was adopted. In this case, a decision of the Executive Board of Eurex Clearing AG or the designated Member(s) of the Executive Board of Eurex Clearing AG has to be obtained before an Emergency Resolution will be implemented and the decision may not be taken by a senior officer generally appointed by the Executive Board of Eurex Clearing AG.

1.5 Certain Definitions

In this Chapter II:

- (1) “**Bloomberg Screen**” means, when used in connection with any designated page, the display page so designated on the Bloomberg service, or any successor display page that has been officially designated by the sponsor of the original page or, if the sponsor has not officially designated a successor display page, the successor display page designated by the relevant information vendor or provider (if different from the sponsor).
- (2) “**Calculation Agent**” means Eurex Clearing AG.
- (3) “**EONIA**” is a reference rate equal to the overnight rate as calculated by the European Central Bank and appearing on the Reuters Screen EONIA Page in respect of the relevant day.

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- (4) “**FEDFUND**” is a reference rate equal to the rate set forth in H.15(519) in respect of the relevant day under the caption “EFFECT”, as such rate is displayed on the Reuters Screen FEDFUNDS1 Page. If such rate does not appear on the Reuters Screen FEDFUNDS1 Page, in respect of the relevant day, the rate for that day will be the rate displayed on the Reuters Screen FEDFUNDS1 Page in respect of the first preceding New York Banking Day.
- (5) “**ISDA**” means the International Swaps and Derivatives Association, Inc.
- (6) “**London Banking Day**”, “**Zurich Banking Day**”, “**New York Banking Day**”, “**Frankfurt Banking Day**”, “**Paris Banking Day**”, “**Madrid Banking Day**”, “**Brussels Banking Day**”, “**Milan Banking Day**”, “**Tokyo Banking Day**”, “**Copenhagen Banking Day**”, “**Stockholm Banking Day**”, “**Oslo Banking Day**” and “**Warsaw Banking Day**” means, in respect of the relevant city, any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in that city.
- (7) “**Reuters Screen**” means, when used in connection with any designated page and any Floating Rate, the display page so designated on the Reuters service, or any successor display page that has been officially designated by the sponsor of the original page or, if the sponsor has not officially designated a successor display page, the successor display page designated by the relevant information vendor or provider (if different from the sponsor).
- (8) “**SONIA**” is a reference rate equal to the overnight rate as calculated by the Wholesale Markets Brokers’ Association and appearing on the Reuters Screen SONIA Page in respect of the relevant day.
- (9) “**TARGET Settlement Day**” means a day on which TARGET2 (the Trans-European Automated Real-time Gross settlement Express Transfer system) is open.

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Part 2 Clearing of Interest Rate Derivative Transactions

2.1 General Provisions

2.1.1 Applicable General Provisions

The general provisions of Part 1 apply to all Interest Rate Derivative Transactions to be cleared by Eurex Clearing AG, except where deviating or supplementary provisions for Interest Rate Derivative Transactions are set out in this Part 2.

2.1.2 Consultation of FCM Clearing Members

- (1) On the basis of the relevant specific novation criteria set out in Number 2.1.5.1 below, Eurex Clearing AG determines the Product Types of Interest Rate Derivative Transactions that may be cleared by an FCM Clearing Member for the FCM Clearing Member's FCM Clearing Member Own Transaction Account or for the FCM Client Transaction Account of an FCM Client of the FCM Clearing Member and publishes the relevant Product Types on its website (www.eurexclearing.com).

The determination will be based upon a review of at least the following factors:
 (i) trading volume; (ii) liquidity; (iii) availability of reliable prices; (iv) ability of Eurex Clearing AG and the relevant FCM Clearing Members to gain access to the relevant market for purposes of creating, liquidating, transferring, auctioning, and/or allocating positions; (v) Eurex Clearing AG's capability to measure risk for setting appropriate margin requirements; and (vi) any unusual risk characteristics of a product.

FCM Clearing Members may not clear any Interest Rate Derivative Transactions which are not determined to be eligible for Clearing pursuant to this Number 2.1.2 Paragraph (1).

- (2) Where a Trade Record containing an Interest Rate Derivative Transaction which falls within a Product Type recognized by Eurex Clearing AG pursuant to Paragraph (1) provides for any additional terms which are not contemplated in Numbers 2.2 to 2.4 below, such as e.g. optional or mandatory early termination provisions, such additional terms will not be included in the Swap Trade Novation Report and will not become part of the terms applicable to a Swap Transaction. Eurex Clearing AG will not store or record any data relating to such additional provisions.

2.1.3 License for the Clearing of Interest Rate Derivatives Transactions

The FCM Clearing License granted for the Clearing of Interest Rate Derivative Transactions (the "**Interest Rate Derivatives Clearing License**") entitles the relevant FCM Clearing Member to clear Interest Rate Derivative Transactions that are Own Transactions or that are FCM Client Transactions, in the latter case in accordance with either the LSOC without Excess Model or LSOC with Excess Model, as provided in Chapter I Number 6. "**Interest Rate Derivatives Clearing License**", when used in

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relation to a Non-FCM Clearing Member, means a clearing license granted to a Non-FCM Clearing Member of the type described as an Interest Rate Derivatives Clearing License in Chapter VIII Number 2.1.3 of the Clearing Conditions.

The relevant FCM Clearing Member may elect that its FCM Clearing License covering Interest Rate Derivative Transactions shall be restricted to the Clearing of Interest Rate Derivative Transactions in only some or one of the currencies referred to in Number 2.1.3.1.

2.1.3.1 Requirements for the Granting of an Interest Rate Derivatives Clearing License

The general requirements for obtaining an FCM Clearing License set out in Chapter I Number 2 shall apply subject to the provisions set out in this Chapter II. In addition, the applicant applying for an Interest Rate Derivatives Clearing License shall meet the following requirements:

- (1) the applicant is a participant in an ATS;
- (2) confirmation that a license agreement is concluded between the applicant and Swaps Monitor Publications, Inc., New York, for the usage of data to determine the relevant Business Day;
- (3) in addition to the cash accounts required pursuant to Chapter I Number 2.2.10, if the Interest Rate Derivatives Clearing License of the relevant FCM Clearing Member covers Interest Rate Derivative Transactions in USD, a bank cash account in USD;
- (4) if the Interest Rate Derivatives Clearing License of the relevant FCM Clearing Member covers Interest Rate Derivative Transactions in GBP, a bank cash account for GBP;
- (5) if the Interest Rate Derivatives Clearing License of the relevant FCM Clearing Member covers Interest Rate Derivative Transactions in JPY, a bank cash account for JPY;
- (6) if the Interest Rate Derivatives Clearing License of the relevant FCM Clearing Member covers Interest Rate Derivative Transactions in DKK, a bank cash account for DKK;
- (7) if the Interest Rate Derivatives Clearing License of the relevant FCM Clearing Member covers Interest Rate Derivative Transactions in SEK, a bank cash account for SEK;
- (8) if the Interest Rate Derivatives Clearing License of the relevant FCM Clearing Member covers Interest Rate Derivative Transactions in NOK, a bank cash account for NOK;
- (9) if the Interest Rate Derivatives Clearing License of the relevant FCM Clearing Member covers Interest Rate Derivative Transactions in PLN, a bank cash account for PLN;

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- (10) in the Interest Rate Derivatives Clearing License of the relevant FCM Clearing Member covers Interest Rate Derivative Transactions in CHF, a bank cash account for CHF;
- (11) if the Interest Rate Derivatives Clearing License of the relevant FCM Clearing Member covers Interest Rate Derivative Transactions in EUR, a bank cash account for EUR; and
- (12) evidence that each of the bank cash accounts pursuant to Paragraph (c) to (k) above is established with a bank recognized by Eurex Clearing AG.

2.1.4 Variation Settlement; Settled to Market

- (1) All Interest Rate Derivative Transactions for the FCM Clearing Member's FCM Clearing Member Own Transaction Account or the FCM Client Transaction Account for an FCM Client of the FCM Clearing Member are settled to market, in which the Variation Settlement owed or owing on an Interest Rate Derivative Transaction is determined pursuant to Number 2.2.1 Paragraph (5),
- (2) For the avoidance of doubt, in the case of the occurrence of an FCM Clearing Member Termination Time with respect to the FCM Clearing Member or a Failure to Pay Event or an Insolvency Event with respect to Eurex Clearing AG, the additional primary payment obligations set out in Number 2.2.1 Paragraph (5) shall be taken into account when determining the Liquidation Price of the relevant Interest Rate Derivative Transaction.

2.1.5 Novation Criteria and Process Regarding Interest Rate Derivative Transactions

With regard to the novation of Interest Rate Derivative Transactions, the specific novation criteria set out in the following provisions shall apply in addition to the novation criteria pursuant to Part 1 Number 1.2.3.

2.1.5.1 Specific Novation Criteria

The following specific novation criteria must be fulfilled for Interest Rate Derivative Transactions (based on the Trade Record transmitted to Eurex Clearing AG via the ATS):

- (1) Categories of Interest Rate Derivative Transactions

The Interest Rate Derivative Transactions must be (i) an interest rate swap (including "basis" swaps and zero coupon swaps) ("IRS"), (ii) an overnight index swap ("OIS"), (iii) a forward rate agreement ("FRA"), or (iv) a ZCIS and, in each case, a Product Type recognized by Eurex Clearing AG;

- (2) Currencies

The currency must be (i) EUR, USD, GBP, CHF, DKK, SEK, NOK, PLN or JPY for IRS and FRA, (ii) EUR, USD, GBP, CHF or JPY for OIS or (iii) EUR or GBP for ZCIS and the relevant currency must be covered by the FCM Clearing License of the

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relevant FCM Clearing Member(s) and, if applicable, by the Clearing License of the Non-FCM Clearing Member;

The payments of both parties must be made in the same currency and the floating amounts must be denominated in the same currency as the notional amount;

(3) Payment types

The payments by the parties must be of either of the following types:

- (a) Fixed rate or fixed amount (in each case including zero coupon payments) versus floating rate (including zero coupon payments);
- (b) (in case of IRS only) floating rate versus floating rate (in each case including zero coupon payments); or
- (c) (in case of ZCIS only) zero coupon annually compounding fixed rate versus the performance of the corresponding inflation index.

Payments of any amounts due under IRS, ZCIS or OIS (other than fees) must be in arrears (and not prior to or at the beginning of a calculation period).

Fees or other payments are defined at contract conclusion. The fees must be in trade currency.

- (a) For IRS, OIS and FRA, in case of a termination, fees are settled one day after the termination date for EUR, USD, GBP, CHF and PLN and two days after the termination date for DKK, SEK, NOK and JPY. In case of maturity, fees are settled on the maturity date.
- (b) For ZCIS, in case of a termination, fees are settled one day after the termination date. In case of maturity, fees are settled on the maturity date.

In case of forward starting transactions, additional payments are also allowed before the transaction start date.

(4) Maximum remaining term

The remaining term of the Interest Rate Derivative Transaction from the date of novation to the termination date must be

- (a) in case of IRS, no more than 50 years and 10 Business Days for Original Swap Transactions in EUR, USD and GBP and no more than 30 years and 10 Business Days for Original Swap Transactions in CHF, DKK, SEK, NOK and JPY and no more than 10 years and 10 Business Days for Original Swap Transactions in PLN,
- (b) in case of OIS, no more than 30 years and 10 Business Days for Original Swap Transactions in EUR, USD, GBP, CHF and JPY,

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- (c) in case of FRA, no more than 36 months and 10 Business Days for Original Swap Transactions in EUR, USD, GBP, CHF, SEK and JPY and no more than 24 months and 10 Business Days for Original Swap Transactions in DKK, NOK and PLN, and
- (d) in case of ZCIS, no more than 30 years and 10 Business Days for transactions in EUR (indexes HICPxT and FRCPI) and no more than 50 years and 10 Business Days for transactions in GBP (index UK-RPI).

(5) Minimum remaining term

In case of IRS, OIS and ZCIS, the minimum period between the date of novation and the termination date must be at least one Business Day for EUR, GBP, USD, PLN and CHF and two Business Days for DKK, SEK, NOK and JPY.

In case of FRA which are settled in advance or in arrears, the minimum period between the date of novation and the payment date must be at least one Business Day for EUR, GBP, USD, PLN and CHF and two Business Days for DKK, SEK, NOK and JPY.

(6) Minimum term

In case of ZCIS, the minimum period between the start date and the maturity date must be at least 28 calendar days.

(7) Shortened or extended calculation period (stub period)

In case of IRS and OIS, any non-standard shortened or extended calculation period ("**Interest Rate Stub Period**"), if any, must meet the following criteria:

- (a) a short or long first calculation period ("**Interest Rate Front Stub Period**") and a short or long last calculation period ("**Interest Rate Back Stub Period**") may be specified for IRS and OIS, provided that:
 - (aa) For floating rate versus floating rate basis swaps and for OIS, the combination of an Interest Rate Front Stub Period and an Interest Rate Back Stub Period on a leg is not eligible. If both legs have an Interest Rate Stub Period, these have to be of the same type, i.e. both Interest Rate Front Stub Periods or both Interest Rate Back Stub Periods;
 - (bb) For fixed rate versus floating rate IRS, up to two Interest Rate Stub Periods (Interest Rate Front Stub Periods and/or Interest Rate Back Stub Periods) per leg are eligible, whereby the following conditions have to be fulfilled: (i) If both legs have an Interest Rate Stub Period, these have to be of the same type, i.e. both Interest Rate Front Stub Periods or both Interest Rate Back Stub Periods. (ii) If a leg has both an Interest Rate Front Stub Period and an Interest Rate Back Stub Period, then the other leg must have also both an Interest Rate Front Stub Period and an Interest Rate Back Stub Period.

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- (cc) Interest Rate Stub Periods must not be specified for Interest Rate Derivative Transactions with (i) payments of floating amounts which are calculated on a compounding basis (except OIS) as set out in Paragraph 17 below, or (ii) zero coupon payments.
- (b) The minimum period length of short Interest Rate Stub Periods is one day. The maximum period length for long Interest Rate Stub Periods for both, fixed rate payments under IRS in any eligible currency, and OIS is not restricted. The maximum period length for long Interest Rate Stub Periods is one year and one month for floating rate payments under IRS in EUR or GBP. For floating rate payments under IRS in CHF, USD, DKK, NOK, PLN and JPY, the maximum length for long Interest Rate Stub Periods is seven months and for floating rate payments under IRS in SEK the maximum length for long Interest Rate Stub Periods is six months.
- (c) For IRS floating payments, the floating rates for Interest Rate Stub Periods must be specified in the Trade Record submitted via the ATS as follows:
- (aa) in case of an Interest Rate Front Stub Period, the applicable first fixed floating rate for the Interest Rate Stub Period is specified as such; or
- (bb) a floating rate index tenor is specified, which is used for the fixing in respect of the Interest Rate Stub Period. The following tenors (W = week(s), M = month(s), Y = year) are eligible: in case the currency is EUR: 1W, 2W, 1M, 2M, 3M, 6M, 9M, 1Y; in case the currency is GBP: 1W, 1M, 2M, 3M, 6M, 1Y; in case the currency is USD, CHF or JPY: 1W, 1M, 2M, 3M, 6M. Only neighboring tenors of the Interest Rate Stub Period length are allowed (e.g. 2M or 3M for Interest Rate Stub Period length 2M+1W). In case the currency is DKK, SEK, NOK or PLN, only subcase (aa) is accepted; or
- (cc) linear interpolation is specified, i.e. the floating rate for the relevant Interest Rate Stub Period is to be interpolated linearly between two specified rate index tenors. The interpolation tenors must be the two neighbours of the Interest Rate Stub Period length (e.g. 2M and 3M for Interest Rate Stub Period length 2M+1W). The eligible tenors are the same as for method (bb). In case the currency is DKK, SEK, NOK or PLN, only subcase (aa) is accepted; or
- (dd) a floating rate index tenor is specified, which is used for the fixing in respect of the Interest Rate Stub Period. The following tenors (W = week(s), M = month(s), Y = year) are eligible: in case the currency is EUR 3W, 4M, 5M, 7M, 8M, 10M, 11M; in case the currency is GBP: 2W, 4M, 5M, 7M, 8M, 9M, 10M, 11M; in case the currency is USD, CHF or JPY: 2W, 4M, 5M, 7M. In this case, a linear interpolation as laid out in subcase (cc) will be applicable.

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(8) Floating rate indices

The floating rate index (Floating Rate Option or base rate) must be one of the following:

- (a) EUR-EURIBOR-Reuters
- (b) GBP-LIBOR-BBA
- (c) USD-LIBOR-BBA
- (d) CHF-LIBOR-BBA
- (e) JPY-LIBOR- BBA
- (f) USD-Federal Funds-H.15-OIS
- (g) JPY-TONA-OIS-COMPOUND
- (h) GBP-SONIA-COMPOUND
- (i) EUR-EONIA-OIS-Compound
- (j) NOK-6m NIBOR
- (k) SEK-3m STIBOR
- (l) DKK-6m CIBOR
- (m) PLN-6m WIBOR
- (n) CHF-SARON-OIS-COMPOUND

where:

For Paragraphs (a) – (e) and (j) – (m), the payment is between the period end date and the second Business Day following the period end date. The fixing for Paragraphs (a) – (e) and (k) – (n) is between ten Business Days prior to the period start date and the period start date;

for Paragraphs (h), (i) and (n), the payment is between the period end date and the second Business Day following the period end date;

for Paragraphs (f) and (g), payment is on the first or second Business Day following the period end date;

- (o) Non-revised Eurozone Harmonised Indices of Consumer Prices excluding Tobacco (“**HICPxT**”) (ZCIS in trade currency EUR);
- (p) Non-revised French Inflation Consumer Price Index excluding Tobacco (“**FRCPix**”) (ZCIS in trade currency EUR);
- (q) Non-revised UK Retail Price Index (“**UK RPI**”) (ZCIS in trade currency GBP).

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(9) Fixed rates

Fixed rates for IRS, OIS, ZCIS and FRA can have any value specified by up to 8 decimal points and may be less than zero, equal to zero or greater than zero;

(10) Fixed rate and floating rate spread schedules

IRS (but not ZCIS, OIS or FRA) may have a fixed rate and a floating rate spread schedule, i.e. a fixed rate or floating rate spread may vary across the calculation periods relative to their value in the relevant preceding calculation period provided that any such change to the fixed rate or the floating rate spread may only occur at the start of the relevant calculation period and must be pre-determined and specified in the Trade Record submitted via the ATS. Fixed rate or floating rate spread schedules are not eligible for zero coupon payments or payments made on a compounding basis;

(11) Calculation periods

The calculation period(s) for payment(s) of floating amounts under the relevant Interest Rate Derivative Transaction (other than OIS or an Interest Rate Derivative Transaction in CHF, USD or JPY) must be one month, three months, six months or twelve months and the calculation period(s) for payment(s) of floating amounts under an Interest Rate Derivative Transaction in CHF, USD or JPY must be one month, three months or six months (in all cases except for Interest Rate Stub Periods, zero coupon payments and payments on a compounding basis). For SEK three months, for DKK, NOK or PLN six months are supported. Where the relevant Interest Rate Derivative Transaction is an OIS, floating amounts must be payable monthly, quarterly, semi-annually, annually or at maturity (except for Interest Rate Stub Periods). For ZCIS, only zero coupon payments are supported.

If a payment date for a fixed or floating rate payment is adjusted in accordance with any applicable business day convention, the number of days in the relevant calculation period may either be adjusted to the new payment date or remain unadjusted, which is to be specified in the Trade Record submitted via the ATS.

Except for ZCIS and FRA, the start and end dates can be different for each swap leg.

(12) Notional amount

The minimum notional amount must be (i) 0.01 for EUR, USD, GBP, DKK, SEK, NOK, PLN or CHF or (ii) 1.00 for JPY.

Except for ZCIS and FRA the notional amounts can be different for each swap leg and may vary across the calculation periods relative to their value in the relevant preceding calculation period. The changes in notional can only take place at the start of the calculation periods and must be pre-determined and specified in the Trade Record submitted via the ATS. Changes in the notional amount across calculation periods may not be specified for ZCIS, OIS nor for IRS with swap legs under which

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amounts are payable on a compounding basis or in the form of a zero coupon payment:

The terms of the Interest Rate Derivative Transaction must not provide for an exchange of notional amounts.

(13) Day count conventions

The day count convention(s) applicable to the Interest Rate Derivative Transaction (excluding ZCIS) must be one of the following (based on the 2006 ISDA Definitions or the 2000 ISDA Definitions, as specified in the Trade Record transmitted via the ATS): 30/360, 30E/360, 30E/360 (ISDA), Act/360, Act/Act (ISDA), Act/365 (ISDA), Act/Act (ICMA), Act/Act (ISMA) or Act/365 (Fixed).

The day count convention applicable to ZCIS must be 1/1.

(14) Business Days

For purposes of defining the applicable Business Day, details of the relevant financial/business centre(s) or terms, which must be TARGET (EUTA), New York (USNY), London (GBLO), Frankfurt (DEFR), Paris (FRPA), Madrid (ESMA), Brussels (BEBR), Milan (ITMI), Tokyo (JPTO), Copenhagen (DKCO), Stockholm (SEST), Oslo (NOOS), Warsaw (PLWA) or Zurich (CHZU) must be provided;

(15) Business Day Convention

The business day convention must be one of the following: (i) Following, (ii) Modified Following, or (iii) Preceding;

(16) Special eligibility criteria for FRA

In case of FRA, no spread is specified, the FRA Amount is either payable on the effective date as a discounted amount or on the termination date, the discount rate and discount rate day count fraction (if applicable) are not defined separately from the floating rate and floating rate day count fraction and the calculation period is no longer than one year, Interest Rate Stub Periods are not permitted;

(17) Compounding

The floating leg (incl. spread) of an IRS can be subject to **Compounding** (also referred to as “**straight compounding**” if **Flat Compounding** is not specified as applicable) or **Flat Compounding**, each as defined in Number 2.2.4 below. Only standard monthly, quarterly, semi-annual and, in case of EUR and GBP only, annual floating rate indices can be referenced for payments made on a “**straight**” Compounding or Flat Compounding basis, i.e. no Interest Rate Stub Periods may be specified for such Interest Rate Derivative Transactions;

For the fixed leg, neither “**straight**” Compounding nor Flat Compounding may be selected in the ATS. However, a fixed rate can be specified under the zero coupon option which would result in one fixed payment at swap maturity for the fixed leg only

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applying the provided fixed rate subject to the applicable terms of calculation such as business day conventions and day count fractions. Alternatively, a lump sum can be entered manually that would be paid unadjusted on the last payment date of the relevant zero coupon swap.

For zero coupon swaps the first Reset Date of the floating leg(s) should not be prior to 01 January 2005.

(18) Caps, floors, collars

Interest Rate Derivative Transactions where the floating rate is subject to a cap, floor or a collar are not eligible.

(19) Start date

IRS, OIS and FRA may be spot starting, forward starting or starting in the past (backloading). ZCIS may only be spot starting and starting in the past.

(20) Break Clauses

Break clauses are not eligible for Interest Rate Derivative Transactions. If Original Swap Transactions containing break clauses are submitted to Eurex Clearing AG for clearing, such break clauses will not be recognized in course of the novation.

2.1.5.2 Documentation of Original Swap Transactions

- (1) In the Trade Record, one of the following master agreements may be specified as the contractual basis of an Original Swap Transaction:
 - (a) the 1992 or 2002 ISDA Master Agreement,
 - (b) the German Master Agreement for Financial Derivatives Transactions (*Rahmenvertrag für Finanztermingeschäfte*, the “**DRV**”), or
 - (c) the AFB/FBF Master Agreement.
- (2) Irrespective of the documentation of the Original Swap Transaction, the “**Terms for ISDA Interest Rate Derivative Transactions**” set out in Number 2.3 below shall apply to all Swap Transactions that are Interest Rate Derivative Transactions (which are based on Original Swap Transactions submitted via the ATS as having been entered into under the ISDA Master Agreement or the AFB/FBF Master Agreement “**ISDA Interest Rate Derivative Transactions**”). The “**Terms for DRV Interest Rate Derivative Transactions**” set out in Number 2.4 below shall apply to all Swap Transactions that are Interest Rate Derivative Transactions which are based on Original Swap Transactions submitted via the ATS as having been entered into under the DRV and which, accordingly, are designated as “**DRV-based**” in the applicable Swap Trade Novation Report (the “**DRV Interest Rate Derivative Transactions**”).

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- (3) By entering into the relevant FCM Clearing Agreement, the FCM Clearing Member declares vis-à-vis Eurex Clearing AG that it has received a copy of the 2006 ISDA Definitions, as published by ISDA, and any supplements issued thereto as of the date of such FCM Clearing Agreement. The FCM Clearing Member further agrees to the passing on to ISDA of their company name and their company address in the context of the delivery to it of the documents referred to in the foregoing paragraph.

2.1.5.3 Bulk Backloading of Original Swap Transactions

- (1) An Original Swap Transaction that has a Trade Date which falls more than ten Business Days prior to the date of submission to Eurex Clearing AG will be considered as a backloaded trade ("**Bulk Backloaded Original Swap Transaction**").
- (2) The novation and clearing process for Bulk Backloaded Original Swap Transactions which have been submitted to Eurex Clearing AG via an ATS will be carried out on each Business Day. The novation process will be performed pursuant to the following paragraphs.
- (3) Bulk Backloaded Original Swap Transactions that are to be included in the Clearing by way of novation may be submitted to Eurex Clearing AG at any point in time. Bulk Backloaded Original Swap Transactions which are submitted prior to 3:00 p.m. (Frankfurt am Main time) on a Business Day and which fulfil all applicable novation criteria will be included in the novation process on such Business Day.
- (4) The novation process for Bulk Backloaded Original Swap Transactions which are submitted after 3:00 p.m. (Frankfurt am Main time) on a Business Day will be carried out on the next Business Day.
- (5) At 3:00 p.m. and 5:00 p.m. (each Frankfurt am Main time) on each Business Day, Eurex Clearing AG will make available to the FCM Clearing Member a preliminary report indicating the Bulk Backloading Original Swap Transactions which have been received for Clearing and which fulfil the novation criteria pursuant to Number 2.1.5.1 and the Margin Requirement as well as any shortage in actually delivered Eligible Margin Assets.
- (6) A Bulk Backloaded Original Swap Transaction which, on the day of submission, fulfils all novation criteria shall be novated on that Business Day. The novation will become effective when the respective Swap Trade Novation Report will be made available intraday at around 5:30 p.m. (Frankfurt am Main time) and at the end of a Business Day at or around 11:00 p.m. (Frankfurt am Main time).
- (7) If, at the end of the day of submission, a Bulk Backloaded Original Swap Transaction fulfils all novation criteria except the requirement to provide sufficient Eligible Margin Assets, it will be pending. On the next Business Day at or around 9:00 a.m. and 5:00 p.m. (Frankfurt am Main time) further backloading cycles will take place and it will be checked whether a Bulk Backloaded Original Swap Transaction fulfils all novation criteria. If so, it shall be novated. The novation will become effective when the respective Swap Trade Novation Report will be made available intraday at

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around 9:30 a.m. or 5:30 p.m. (Frankfurt am Main time), respectively, and at the end of a Business Day after the end of day processing of the respective Business Day has been completed. If, at the end of that day, a Bulk Backloaded Original Swap Transaction fulfils all novation criteria except the requirement to provide sufficient Eligible Margin Assets, it will be pending and on each consecutive Business Day, this Number 2.1.5.3 Paragraph (7) shall apply *mutatis mutandis*.

- (8) An FCM Clearing Member may subsequently cancel the submission with respect to any Bulk Backloading Original Swap Transaction submitted to Eurex Clearing AG via an ATS and intended to be novated by the latest by 5:00 p.m. (Frankfurt am Main time) on a Business Day, provided that
- (a) the cancellation request is entered by the FCM Clearing Member into the system of, and received by, Eurex Clearing AG, and
 - (b) the other FCM Clearing Member or Non-FCM Clearing Member (as applicable) that is a party to the relevant Swap Transaction has given its prior consent in the system of Eurex Clearing AG to such request to cancel.

2.1.6 Daily Evaluation Price

Eurex Clearing AG determines the daily evaluation price on the basis of (i) the fixings published on the Reuters Screen page as defined for the relevant floating rate in Number 2.2.5 Paragraph (1) below and (ii) the raw market quotes underlying the discount and forecast curve provided by a recognized third party provider, in each case as of the day of the determination of the daily evaluation price (each such day a "Reset Date" for the purposes of Number 2.2.5 Paragraph (1)). Where no information on the relevant rates is available on the relevant screen page, Eurex Clearing AG will determine the daily evaluation price based on quotes obtained from major banks in accordance with Number 2.2.5 Paragraph (5) below.

2.1.7 Margin Requirements

Swap Transactions that are Interest Rate Derivatives are subject to margining as provided in Chapter I Number 3 and, as applicable, Chapter I Number 5 or Number 6.

2.1.8 Calculation Agent

The Calculation Agent shall calculate the fixed and floating amounts (including the determination of the applicable floating rate/base rate) as well as any close-out amounts or cash settlement amounts that (a) are payable upon termination or novation of Swap Transactions and (b) are to be determined by the Calculation Agent pursuant to this Part 2. To the extent calculations, determinations or other actions have to be made or taken under the 2006 ISDA Definitions, Section 4.14 of the 2006 ISDA Definitions shall apply provided that any notices to be given by Eurex Clearing AG in its capacity as Calculation Agent will be made available by Eurex Clearing AG in its system. For the avoidance of doubt, in its capacity as Calculation Agent, the liability of Eurex Clearing AG shall be restricted in accordance with the provisions set out in Chapter I Number 13.1.2.

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2.2 General product-related terms for Interest Rate Derivative Transactions

The following general product-related terms shall apply to the Interest Rate Derivative Transactions provided for in Number 2.3 and 2.4.

2.2.1 Payment Obligations

- (1) The relevant FCM Clearing Member, acting for its FCM Clearing Member Own Transaction Account or the FCM Client Transaction Account of an FCM Client, and Eurex Clearing AG shall pay either Fixed Amounts or Floating Amounts and, if applicable, any initial amount payable under the relevant Swap Transaction, as provided for in Number 2.3 and 2.4.
- (2) Payments of Fixed Amounts or Floating Amounts due on the next scheduled payment date after the date on which novation of the relevant Original Swap Transaction has taken place shall be effected in accordance with the FCM Clearing Conditions for the entire calculation period. This also applies if part of the calculation period has already elapsed at the day of novation.
- (3) Payments under the relevant Interest Rate Derivative Transaction will not be owed under the relevant Swap Transaction and are not subject to these FCM Clearing Conditions in case these payments (i) are in EUR, USD, GBP, CHF, DKK, NOK, SEK, PLN or JPY and were due on or before the day of novation or (ii) are in DKK, NOK, SEK or JPY and will become due on the next Business Day following the day of novation.
- (4) If after adjustment in accordance with the applicable business day conventions, payments of Fixed Amounts or Floating Amounts become due on a payment date which is not a TARGET Settlement Day, such payments shall become payable on the next TARGET Settlement Day. For the period from (and including) the scheduled payment date until (and excluding) the next following TARGET Settlement Day, interest will be payable by the relevant fixed rate payer or floating rate payer on the relevant Fixed Amount or Floating Amount payable at a rate equal to EONIA (in case of Euro payments), SONIA (in case of GBP payments), FED FUNDS (in case of USD payments), TOIS (in case of CHF payments), NOWA (in case of NOK payments), POLONIA (in case of PLN payments), the T/N -Rate (published by the Danish National Bank) (in case of DKK payments), STIBOR T/N (in case of SEK payments) or TONAR (in case of JPY payments).
- (5) The following additional primary payment obligations apply:
 - (a) The FCM Clearing Member or Eurex Clearing AG, as the case may be, shall pay a Variation Settlement Amount on each Business Day (i) from (and including) the date of novation pursuant to Part 1 Number 1.2.2 or the date of novation pursuant to Number 2.5.2, the date of novation pursuant to Number 2.6.2 or the date of novation pursuant to Number 2.7 in connection with a transfer of FCM Client Transactions under Chapter I Number 1.3.3 Paragraph (3), as relevant, (ii) to (and including) the earlier of the "Termination Date" of the Swap Transaction (as specified in the relevant Swap Trade

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Novation Report), the date of the cancellation pursuant to Number 2.6.2, the date of the release from the obligations under the Original Swap Transaction pursuant to Number 2.7 in connection with Chapter I Number 1.3.3 Paragraph (3) or the date of a termination pursuant to Numbers 2.5 or 2.8, as relevant (the relevant date under (ii) is the “**Last Variation Settlement Amount Payment Date**”).

“**Variation Settlement Amount**” means an amount which shall equal the profit or loss amount determined with respect to an outstanding Interest Rate Derivative Transaction on the relevant Business Day on the basis of the daily evaluation price (pursuant to Number 2.1.6) as follows: For Interest Rate Derivative Transactions concluded on the relevant Business Day, the relevant profit or loss amount shall be the difference between zero and the daily evaluation price for such Business Day. For each outstanding Interest Rate Derivative Transaction concluded prior to the relevant Business Day, the relevant profit or loss amount shall be the difference between the daily evaluation prices of the Interest Rate Derivative Transaction on the relevant Business Day and the previous Business Day. On the Last Variation Settlement Amount Payment Date, the relevant profit or loss amount shall be the difference between the daily evaluation price of the Interest Rate Derivative Transaction of the previous Business Day and zero. Additionally, the Variation Settlement Amount includes two correction terms for considering the time delay between its calculation and settlement. For this purpose, the coupon payments and transaction fees on the current Business Day are added and the coupon payments and transaction fees on the next Business Day (second next Business Day for DKK, NOK, SEK and JPY) of the respective currency are subtracted.

- (b) A Price Alignment Amount shall be payable by the FCM Clearing Member or Eurex Clearing AG, as the case may be, together with the Variation Settlement Amount.

“**Price Alignment Amount**” or “**PAA**” means the overnight interest paid or received on the cumulative Variation Settlement Amounts over the lifetime of the Interest Rate Derivatives Transaction. The cumulative Variation Settlement Amounts of the previous Business Day correspond to the value of the Interest Rate Derivatives Transaction on the previous Business Day.

If the overnight interest rates are positive and, from the FCM Clearing Member's perspective, the value of the Interest Rate Derivative Transaction is positive, Eurex Clearing AG will charge the Price Alignment Amount to the FCM Clearing Member. If the overnight interest rates are positive and, from the FCM Clearing Member's perspective, the value of the Interest Rate Derivative Transaction is negative, Eurex Clearing AG will credit the Price Alignment Amount to the FCM Clearing Member. In case of negative overnight interest rates, Eurex Clearing AG will credit the Price Alignment Amount to the FCM Clearing Member if, from the FCM Clearing Member's perspective, the value of the Interest Rate Derivative Transaction is positive and will charge the Price

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Alignment Amount to the FCM Clearing Member if, from the FCM Clearing Member's perspective, the value of the Interest Rate Derivative Transaction is negative.

PAA shall be calculated and payable for each currency on each Business Day with respect to each Interest Rate Derivative Transaction in accordance with the following formulas.

For EUR, GBP, PLN and CHF, PAA is defined as:

$$PAA(T) = - MtM_exCF(T - 1) * ONR(T, T+1) * YF(T, T+1),$$

where:

"MtM_exCF(T-1) = MtM (T-1) – CF (T)" is the present value of the previous Business Day excluding today's cash flows from coupons or fees

"ONR (T, T+1)" is the overnight rate valid from today to the next Business Day and

"YF (T, T+1)" the year fraction from today to the next Business Day using the daycount convention of the corresponding overnight index.

For USD, the OIS rate valid from T to T+1 is published not before T+1. Therefore, a modified definition of PAA is required:

$$PAA (T) = - MtM_exCF(T-1) * ONR (T-1, T) * YF (T, T+1)$$

The equation above is also applied with respect to GBP FRAs with settlement in advance, where the Variation Settlement Amount and the PAA are instructed intraday before the SONIA overnight rate is available.

For T+2 currencies (JPY, DKK, SEK, and NOK) the Variation Settlement Amount is settled on T+2 (in contrast to EUR, USD, GBP, CHF and PLN where the Variation Settlement Amount is settled on T+1). Thus, PAA for T+2 currencies is defined as:

$$PAA (T) = - MtM_exCF(T-2) * ONR(T, T+1) * YF(T, T+1),$$

with

$$MtM_exCF(T-2) = MtM(T-2) - CF(T-1) - CF(T).$$

The relevant indices are

- (aa) In case the currency is EUR, then EONIA;
- (bb) In case the currency is USD, then FED FUNDS;
- (cc) In case the currency is GBP, then SONIA;
- (dd) In case the currency is CHF, then SARON;

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- (ee) In case the currency is JPY, then TONAR;
 - (ff) In case the currency is DKK, then T/N (published by Danish National Bank);
 - (gg) In case the currency is SEK, then STIBOR T/N;
 - (hh) In case the currency is NOK, then NOWA (Norwegian Overnight Weighted Average);
 - (ii) In case the currency is PLN, then POLONIA (Polish Overnight Index Average).
- (6) Eurex Clearing AG may discharge its payment obligations by way of payment netting in accordance with Chapter I Number 1.3.4.

2.2.2 References to Market Standard Interest Rate Derivatives Documentation

- (1) Notwithstanding any selection of the 2000 ISDA Definitions or 2006 ISDA Definitions in the data to be transmitted via the ATS and subject to Number 2.2.6 (Day Count *Conventions*) below, (a) the 2006 ISDA Definitions, as published by ISDA, shall apply to all Swap Transactions that are ISDA Interest Rate Derivative Transactions and (b) the 2000 ISDA Definitions or 2006 ISDA Definitions shall not apply to DRV Interest Rate Derivative Transactions except that (i) the definitions relating to compounding set forth in Section 6.3 of the 2006 ISDA Definitions, which are referenced in the last sub-paragraph of Number 2.2.4 Paragraph (1) below, and (ii) Section 8.3 of the 2006 ISDA Definitions relating to Linear Interpolation, which is referenced in Number 2.2.4 Paragraph (4) below shall also apply to DRV Interest Rate Derivative Transactions.
- (2) All terms defined in the 2006 ISDA Definitions which are used in this Chapter II shall have the meaning given to them in the 2006 ISDA Definitions unless otherwise defined herein. In the event of any inconsistency between the 2006 ISDA Definitions on the one hand and the FCM Clearing Conditions on the other hand, the FCM Clearing Conditions shall prevail.
- (3) For the purposes of this Part 2, references in the 2006 ISDA Definitions to a "Swap Transaction" shall be deemed to be references to a Swap Transaction (as defined in Chapter I Number 1.1.1) that is an Interest Rate Derivative Transaction. Any reference in the 2006 ISDA Definitions to a "Confirmation" shall be a reference to the FCM Clearing Conditions in conjunction with the relevant Swap Trade Novation Report.
- (4) The terms and provisions of the 2006 ISDA Definitions shall be interpreted in accordance with international market practice for Interest Rate Derivative Transactions and shall be given the same meaning as they would in English or New York law-governed Interest Rate derivative transactions entered into on the basis of documentation published by ISDA, provided, however, that in the case of any conflict or inconsistency between the two, the English law governed version shall prevail.

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2.2.3 Calculation of Fixed Amount

Eurex Clearing AG will calculate a fixed amount payable by a party on a Payment Date (the “**Fixed Amount**”) as either:

- (a) if in the Swap Trade Novation Report an amount is specified as the Fixed Amount payable by that party for that Payment Date or for the related Calculation Period, such amount; or
- (b) if an amount is not specified in the Swap Trade Novation Report as the Fixed Amount and if such amount is not otherwise determined as provided in the Swap Trade Event Report, an amount calculated on the basis of the following formula for that Payment Date or for the related Calculation Period:

Fixed Amount = Notional Amount x Fixed Rate x Fixed Rate Day Count Fraction.

or in case of ZCIS as:

Fixed Amount = Notional Amount x $((1 + \text{Fixed Rate})^{\text{Term}} - 1)$

- (c) If the Fixed Amount payable by a party on a Payment Date is negative, the Amount payable by that party on that Payment Date will be deemed to be zero and the other party is obliged to pay to that party the absolute value of the negative Amount as calculated, in addition to any amounts otherwise payable by the other party for the related Calculation Period.

2.2.4 Calculation of Floating Amount

(1) Eurex Clearing AG will calculate the floating amount payable by a party on a Payment Date (the “**Floating Amount**”) as follows:

- (a) if neither Compounding nor Flat Compounding is applicable, an amount calculated for that Payment Date or the related Calculation Period on the basis of the following formula:

Floating Amount = Notional Amount x Floating Rate (+/- Spread) x Floating Rate Day Count Fraction.

- (b) if “**Compounding**” is specified as applicable and “**Flat Compounding**” is not specified as applicable, an amount equal to the sum of the Compounding Period Amounts for each of the Compounding Periods in the related Calculation Period;
- (c) if “**Flat Compounding**” is specified as applicable, an amount equal to the sum of the Basic Compounding Period Amounts for each of the Compounding Periods in the related Calculation Period plus the sum of the Additional Compounding Period Amounts for each such Compounding Period.

The terms “**Compounding Period**”, “**Compounding Date**”, “**Compounding Period Amount**”, “**Adjusted Calculation Amount**”, “**Basic Compounding Period Amount**”, “**Additional Compounding Period Amount**” and “**Flat Compounding**”

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Amount” shall have the meaning given to them in Section 6.3 of the 2006 ISDA Definitions (which section shall also apply to DRV Interest Rate Derivative Transactions).

- (2) If the Floating Amount payable by a party on a Payment Date is a negative number (either due to a quoted negative Floating Rate or by operation of a negative Spread that is added to the Floating Rate) and if **“Compounding”** or **“Flat Compounding”** is not specified for that Interest Rate Derivative Transaction, then the Floating Amount payable by that party on that Payment Date will be deemed to be zero and the other party will pay to that party the absolute value of the negative Floating Amount as calculated, in addition to any amounts otherwise payable by the other party for the related Calculation Period.
- (3) If either **“Compounding”** or **“Flat Compounding”** is specified in the Swap Trade Event Report to be applicable to that Interest Rate Derivative Transaction and the Compounding Period Amount, the Basic Compounding Period Amount or the Additional Compounding Period Amount is a negative number (either due to a quoted negative Floating Rate or by operation of a negative Spread that is added to the Floating Rate), then the Floating Amount for the Calculation Period in which that Compounding Period or those Compounding Periods occur will be either the sum of all Compounding Period Amounts or the sum of all the Basic Compounding Period Amounts and all the Additional Compounding Period Amounts in that Calculation Period (whether positive or negative).

If such sum is positive, then the Floating Rate Payer with respect to the Floating Amount so calculated (such party is referred to in the next sentence as the **“scheduled payer”**) will pay that Floating Amount to the other party (such party is referred to in the next sentence as the **“scheduled payee”**). If such sum is negative, the Floating Amount payable by the scheduled payer will be deemed to be zero, and the scheduled payee will, in turn, pay to the scheduled payer the absolute value of the negative Floating Amount as calculated.

- (4) The floating payment amount of ZCIS is calculated as:

Floating Amount = Notional Amount x (inflation index value at maturity / start inflation index value - 1).

The specified fixing lag and index interpolation method must be considered.

2.2.5 Rates for calculating the Floating Amount

- (1) The applicable Relevant Rate (in case of ISDA Interest Rate Derivative Transactions) or Base Rate (in case of DRV Interest Rate Derivative Transactions) applied by Eurex Clearing AG in calculating Floating Amounts will be set out in the Swap Trade Novation Report on the basis of the floating rate index specified in the Trade Record transmitted to Eurex Clearing AG via the ATS whereby:
- (a) **“EUR-EURIBOR-Reuters”** means that the rate for a Reset Date will be the rate for Euro deposits for a period of the Designated Maturity which appears on the

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Reuters Screen EURIBOR01 Page as of 11:00 a.m., Brussels time. If a corrected rate is delivered till 3:00 p.m. Brussels time, then this rate will be used.

- (b) **“GBP-LIBOR-BBA”** means that the rate for a Reset Date will be the rate for deposits in GBP for a period of the Designated Maturity which appears on the Reuters Screen LIBOR01 Page as of 11:00 a.m., London time.
- (c) **“USD-LIBOR-BBA”** means that the rate for a Reset Date will be the rate for deposits in USD for a period of the Designated Maturity which appears on the Reuters Screen LIBOR01 Page as of 11:00 a.m., London time.
- (d) **“CHF-LIBOR-BBA”** means that the rate for a Reset Date will be the rate for deposits in Swiss Francs for a period of the Designated Maturity which appears on the Reuters Screen LIBOR01 Page as of 11:00 a.m., London time.
- (e) **“JPY-LIBOR-BBA”** means that the rate for a Reset Date will be the rate for deposits in Japanese Yen for a period of the Designated Maturity which appears on the Reuters Screen 3750 Page as of 11:00 a.m., London time.
- (f) **“DKK-CIBOR-DKNA13”** and **“DKK-CIBOR2-DKNA13”** means that the rate for a Reset Date will be the rate for deposits in Danish Krone for a period of the Designated Maturity which appears on the Reuters Screen DKNA13 Page as of 11:00 a.m., Copenhagen time.

For the avoidance of doubt, DKK-CIBOR and CIBOR2 differ only by the reset lag, the fixings themselves are identical for both indexes.

- (g) **“NOK-NIBOR-NIBR”** means that the rate for a Reset Date will be the rate for deposits in Norwegian Krone for a period of the Designated Maturity which appears on the Reuters Screen NIBR Page as of 12:00 noon, Oslo time.

If such rate does not appear on the Reuters Screen NIBR Page, the rate for that Reset Date will be determined as if the parties had specified “NOK-NIBOR Reference Banks” as the applicable Floating Rate Option.

“NOK-NIBOR-OIBOR” means that the rate for a Reset Date will be the rate for deposits in Norwegian Krone for a period of the Designated Maturity which appears on the Reuters Screen OIBOR= Page as of 12:00 noon, Oslo time. If such rate does not appear on the Reuters Screen OIBOR= Page, the rate for that Reset Date will be determined as if the parties had specified “NOK-NIBOR-Reference Banks” as the applicable Floating Rate Option.

Note that IRS transactions on “NOK-NIBOR-NIBR” are automatically converted to “NOK-NIBOR-OIBOR” when novated for clearing.

- (h) **“PLN-WIBOR-WIBO”** means that the rate for a Reset Date will be the offered rate for deposits in Polish Zloty for a period of the Designated Maturity which appears on the Reuters Screen WIBOR Page as of 11:00 a.m., Warsaw time.

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If such rate does not appear on the Reuters Screen WIBOR Page, the rate for that Reset Date will be determined as if the parties had specified "PLNWIBOR-Reference Banks" as the applicable Floating Rate Option.

- (i) "**SEK-STIBOR-SIDE**" means that the rate for a Reset Date will be the rate for deposits in Swedish Krona for a period of the Designated Maturity which appears on the Reuters Screen SIDE Page under the caption "FIXINGS" as of 11:00 a.m., Stockholm time.

If such rate does not appear on the Reuters Screen SIDE Page, the rate for that Reset Date will be determined as if the parties had specified "SEK-STIBOR-Reference Banks" as the applicable Floating Rate Option.

- (j) "**CHF-SARON-OIS-COMPOUND**", "**USD-Federal Funds-H.15-OIS-COMPOUND**", "**GBP-SONIA-COMPOUND**", "**EUR-EONIA-OIS-Compound**", "**JPY-TONA-OIS-COMPOUND**" will be calculated as set out in Number 2.2.7 below.
- (k) "**HICPxT**" means the non-revised Eurozone Harmonised Index of Consumer Prices excluding Tobacco or relevant Successor Index, measuring the rate of inflation in the European Monetary Union excluding tobacco, expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.
- (l) "**FRCPIx**" means the non-revised French Inflation Consumer Price Index excluding Tobacco or relevant Successor Index, measuring the rate of inflation in France excluding tobacco expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.
- (m) "**UK RPI**" means the non-revised UK Retail Price Index or relevant Successor Index, measuring the all items rate of inflation in the United Kingdom expressed as an index and published by the relevant Index Sponsor. The first publication or announcement of a level of such index for a Reference Month shall be final and conclusive and later revisions to the level for such Reference Month will not be used in any calculations.
- (n) Fallback index level: In case one of the rates under items (a) to (i) above is not published by the relevant body at the respective usual time, Eurex Clearing AG sets the rate used for the calculation of floating amounts in its reasonable discretion.
- (o) Successor index: In case a floating rate index is discontinued to be published by the relevant body, Eurex Clearing AG sets a successor index in its reasonable discretion taking into account relevant guidance notes of ISDA.

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- (2) “**Reset Date**” means, for an Interest Rate Derivative Transaction or a party, each day specified as such in the Swap Trade Novation Report for the Interest Rate Derivative Transaction or that party, subject to adjustment in accordance with the applicable business day convention specified in the Swap Trade Novation Report, in each case on the basis of the data relating to reset dates as transmitted to Eurex Clearing AG via the ATS. If an adjustment in accordance with that business day convention would cause a Reset Date to fall on the Payment Date in respect of the Calculation Period to which that Reset Date relates, the Reset Date shall be the first Business Day preceding the date on which the Reset Date would have fallen without any adjustment.
- (3) “**Designated Maturity**” means, in respect of an Interest Rate Derivative Transaction or a party, the period of time specified as index tenor in the Swap Trade Novation Report on the basis of the index tenor data transmitted to Eurex Clearing AG via the ATS.
- (4) If “**Linear Interpolation**” is specified as applicable with respect to a Calculation Period or Compounding Period, the Relevant Rate for a Reset Date shall be determined in accordance with Section 8.3 of the 2006 ISDA Definitions which shall apply to both ISDA Interest Rate Derivative Transactions and DRV Interest Rate Derivative Transactions, whereby the Calculation Agent will make such determination in accordance with market practice based on the **Best Practice Statement Linear Interpolation** published by ISDA on 19 December 2009.

If a floating rate is to be determined with respect to an Interest Rate Stub Period and “**Linear Interpolation**” is not specified as applicable with respect to such determination, the floating rate for such Interest Rate Stub Period shall be determined pursuant to Number 2.1.5.1 Paragraph (7) (c) (aa), (bb) or (dd), as applicable.

- (5) Where the Relevant Rate (in case of ISDA Interest Rate Derivative Transactions) or Base Rate (in case of DRV Interest Rate Derivative Transactions) is not available on the relevant screen page, Eurex Clearing AG determines the applicable rate in its reasonable discretion on the basis of the arithmetic mean of the rates at which deposits (in the relevant contractual currency, with an equivalent maturity and in the same, or approximately the same, notional amount) are offered by at least four major banks to prime banks in the relevant interbank market at approximately the time at which the relevant rate should have been available on the applicable screen.

2.2.6 Day Count Conventions

The following day count fraction conventions may be specified in the Swap Trade Novation Report based on the Trade Record transmitted via the ATS for determining the applicable day count fraction:

- (1) 30/360, which shall have the meaning given to “**30/360**” in the 2006 ISDA Definitions and, for DRV Interest Derivative Transactions, in Number 2.4 Paragraph (6) (e) below.

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- (2) 30E*/360, which shall have the meaning given to “**30E/360**” in the 2006 ISDA Definitions and, for DRV Interest Derivative Transactions, in Number 2.4 Paragraph (6) (e) below.
- (3) 30E/360, which shall have the meaning given to “**30E/360 (ISDA)**” in the 2006 ISDA Definitions and, for DRV Interest Derivative Transactions, in Number 2.4 Paragraph (6) (e) below and which will be specified in the Swap Trade Novation Report if, in the Trade Record transmitted via the ATS, “**30E/360**” and “**2000 ISDA**” or “**30E/360.ISDA**” and “**2006 ISDA**” are selected.
- (4) Act/360, which shall have the meaning given to “**Act/360**” in the 2006 ISDA Definitions and, for DRV Interest Derivative Transactions, in Number 2.4 Paragraph (6) (a) below.
- (5) Act/365, which shall have the meaning given to “**Act/365 (Fixed)**” in the 2006 ISDA Definitions and, for DRV Interest Derivative Transactions, in Number 2.4 Paragraph (6) (b) below.
- (6) Act/365I, which shall have the meaning given to “**Act/Act (ISDA)**” in the 2006 ISDA Definitions and, for DRV Interest Rate Derivative Transactions, in Number 2.4 Paragraph (6) (c) below and which, for the avoidance of doubt, will also be specified in the Swap Trade Novation Report if in the Trade Record transmitted via the ATS “**Act/365.ISDA**” and “**2000 ISDA**” are selected.
- (7) ActB/ActB, which shall have the meaning given to “**Act/Act (ICMA)**” in the 2006 ISDA Definitions and, for DRV Interest Rate Derivative Transactions, in Number 2.4 Paragraph (6) (d) below and which, for the avoidance of doubt, will also be specified in the Swap Trade Novation Report if in the Trade Record transmitted via the ATS “**Act/Act.ISMA**” and “**2000 ISDA**” are selected.
- (8) 1/1, which is the standard day count convention for ZCIS and which shall have the meaning given to “1/1” in the 2006 ISDA Definitions.

2.2.7 OIS Rate Calculation

The applicable Floating Rate for overnight interest rate swaps (OIS) pursuant to Number 2.3.4 or 2.4.2 below will be calculated in accordance with the following paragraphs of Section 7.1 of the 2006 ISDA Definitions:

“**EUR-EONIA-OIS-COMPOUND**” means that the rate for a Reset Date, calculated in accordance with the formula set forth below in this subparagraph, will be the rate of return of a daily compound interest investment (it being understood that the reference rate for the calculation of interest is the arithmetic mean of the daily rates of the day-to-day Euro-zone interbank euro money market).

“**EURO-EONIA-OIS-COMPOUND**” will be calculated as follows, and the resulting percentage will be rounded, if necessary, in accordance with the method set forth in Section 8.1(a) of the 2006 ISDA Definitions or, in the case of DRV Interest Rate

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Derivative Transactions, Number 2.4 Paragraph (3) below, but to the nearest one ten-thousandth of a percentage point (0.0001 per cent):

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{EONIA_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

“**d₀**”, for any Calculation Period, is the number of TARGET Settlement Days in the relevant Calculation Period;

“**i**” is a series of whole numbers from one to **d₀**, each representing the relevant TARGET Settlement Days in chronological order from, and including, the first TARGET Settlement Day in the relevant Calculation Period;

“**EONIA_i**”; for any day “**i**” in the relevant Calculation Period, is a reference rate equal to the overnight rate as calculated by the European Central Bank and appearing on the Reuters Screen EONIA Page in respect of that day;

“**n_i**”, is the number of calendar days in the relevant Calculation Period on which the rate is EONIA_i; and

“**d**” is the number of calendar days in the relevant Calculation Period.

“**GBP-SONIA-COMPOUND**” means that the rate for a Reset Date calculated in accordance with the formula set forth below in this subparagraph, will be the rate of return of a daily compound interest investment (it being understood that the reference rate for the calculation of interest is the Sterling daily overnight reference rate).

“**GBP-SONIA-COMPOUND**” will be calculated as follows, and the resulting percentage will be rounded, is necessary, in accordance with the method set forth in Section 8.1(a) of the 2006 ISDA Definitions or, in the case of DRV Interest Rate Derivative Transactions, Number 2.4 Paragraph (3) below, but to the nearest one ten-thousandth of a percentage point (0.0001 per cent):

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{SONIA_i \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

“**d₀**”, for any Calculation Period, is the number of London Banking Days in the relevant Calculation Period;

“**i**” is a series of whole numbers from one to **d₀**, each representing the relevant London Banking Days in chronological order from, and including, the first London Banking Day in the relevant Calculation Period;

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“**SONIA_i**”; for any day “**i**” in the relevant Calculation Period, is a reference rate equal to the daily Sterling Overnight Index Average (SONIA) rate as provided by the administrator of SONIA to, and published by, authorized distributors of the rate as of 09:00 a.m., London time, on the London Banking Day immediately following that day”**i**”.

“**n_i**”, is the number of calendar days in the relevant Calculation Period on which the rate is SONIA_i; and

“**d**” is the number of calendar days in the relevant Calculation Period.

Interest Rate Derivative Transactions on “**GBP-WMBA-SONIA-COMPOUND**” are automatically converted to “**GBP-SONIA-COMPOUND**” when novated for clearing.

“**CHF-SARON-OIS-COMPOUND**” means that the rate for a Reset Date, calculated in accordance with the formula set forth below in this subparagraph, will be the rate of return of a daily compound interest investment (it being understood that the reference rate for the calculation of interest is the Swiss Franc Repo daily overnight reference rate).

“**CHF-SARON-OIS-COMPOUND**” will be calculated as follows, and the resulting percentage will be rounded, if necessary, in accordance with the method set forth in Section 8.1 (a) of the Supplement number 51 to the 2006 ISDA Definitions or, in the case of DRV Interest Rate Derivative Transactions, Number 2.4 Paragraph (3) below, but to the nearest on ten-thousandth of a percentage point (0.0001 per cent):

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{SARON_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

“**d₀**”, for any Calculation Period, is the number of Zurich Banking Days in the relevant Calculation Period;

“**i**” is a series of whole numbers from one to **d₀**, each representing the relevant Zurich Banking Days in chronological order from, and including, the first Zurich Banking Day in the relevant Calculation Period;

“**TOIS_i**”; for any day “**i**” in the relevant Calculation Period, is a reference rate equal to the rate for overnight repo transactions in Swiss Francs which appears on the Thomson Reuters Screen SARON.S under the heading ‘CLSFIX’ at or after 6:00 p.m., Zurich time, in respect of that day or, if such rate does not appear on the Thomson Reuters Screen SARON.S by 8 p.m. on such day, the rate for that day will be determined by Eurex Clearing AG.

“**n_i**”, is the number of calendar days in the relevant Calculation Period on which the rate is SARON_i; and

“**d**” is the number of calendar days in the relevant Calculation Period.

“**USD-Federal Funds-H.15-OIS-COMPOUND**” means that the rate for the Reset Date, calculated in accordance with the formula set forth below in this subparagraph, will be the

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rate of return of a daily compound interest investment (it being understood that the reference rate for the calculation of interest is the daily effective federal funds rate determined by the Federal Reserve as the weighted average of the rates on brokered trades).

“**USD-Federal Funds-H.15-OIS-COMPOUND**” will be calculated as follows, and the resulting percentage will be rounded, if necessary, in accordance with the method set forth in Section 8.1(a) of the 2006 ISDA Definitions or, in the case of DRV Interest Rate Derivative Transactions, Number 2.4 Paragraph (3) below:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{FEDFUND_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

“**d₀**” for any Calculation Period is the number of New York Banking Days in the relevant Calculation Period;

“**i**” is a series of whole numbers from one to **d₀**, each representing the relevant New York Banking Days in chronological order from, and including, the first New York Banking Day in the relevant Calculation Period;

“**FEDFUND_i**”; for any day “**i**” in the relevant Calculation Period, is a reference rate equal to the rate set forth in H.15(519) in respect of that day under the caption “**EFFECT**”, as such rate is displayed on the Reuters Screen FEDFUNDS1 Page. If such rate does not appear on the Reuters Screen FEDFUNDS1 Page, in respect of any day “**i**”, the rate for that day will be the rate displayed on the Reuters Screen FEDFUNDS1 Page in respect of the first preceding New York Banking Day;

“**n_i**” is the number of calendar days in the relevant Calculation Period on which the rate is FEDFUND_i; and

“**d**” is the number of calendar days in the relevant Calculation Period.

“**JPY-TONA-OIS-COMPOUND**” means that the rate for a Reset Date, calculated in accordance with the formula set forth below, will be the rate of return of a daily compound interest investment, (it being understood that the reference rate for the calculation of interest is the arithmetic mean of the daily rates of the day-to-day interbank JPY market in Tokyo).

“**JPY-TONA-OIS-COMPOUND**” will be calculated as follows and the resulting percentage will be rounded, if necessary, in accordance with the method set forth in Section 8.1(a) of the 2006 ISDA Definitions, or in case of DRV Interest Rate Transaction, Number 2.4 Paragraph (3) below:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{TONA_i \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

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“**d₀**” for any calculation period is the number of Tokyo Banking Days in the relevant Calculation Period; and

“**i**” is a series of whole numbers from one to **d₀**, each representing the relevant Tokyo Banking Days in chronological order from, and including, the first Tokyo Banking Day in the relevant Calculation Period;

“**TONA_i**”, for any day “**i**” in the relevant Calculation Period, is a reference rate equal to the Tokyo OverNight Average rate (TONA) as published by the Bank of Japan on the Reuters Screen TONAT Page as of approximately 10:00 a.m., Tokyo time, on the Tokyo Banking Day next following that day “**i**”. If such rate does not appear on Reuters Screen TONAT in respect of any day “**i**”, the rate for that day will be the rate displayed on the Reuters Screen TONAT Page in respect of the first preceding Tokyo Banking Day;

“**n_i**” is the number of calendar days in the relevant Calculation Period on which the rate is **TONA_i**; and

“**d**” is the number of calendar days in the relevant Calculation Period.

2.3 Terms for ISDA Interest Rate Derivative Transactions

The product-related terms set out below and the expressions defined in the 2006 ISDA Definitions are specified in the relevant Swap Trade Novation Report on the basis of the Trade Record transmitted via the ATS.

2.3.1 General terms for ISDA Interest Rate Swaps or Forward Rate Agreements

In the case of ISDA Interest Rate Derivative Transactions that are interest rate swaps (each an “**ISDA Interest Rate Swap**”) or forward rate agreements (each an “**ISDA Forward Rate Agreement**”), the 2006 ISDA Definitions and, on their basis, the following general terms shall apply:

- (1) Notional Amount as specified in the Swap Trade Novation Report under “**calculation period amount**” (in the case of a Swap Transaction involving one currency only), which, in case of variable Notional Amounts, can be set out in a notional schedule
- (2) Trade Date
- (3) Effective Date
- (4) Termination Date (subject to adjustment in accordance with any applicable business day convention)
- (5) Business Days
- (6) business day convention
- (7) Only in case of interest rate swaps: Initial payments/fees
 - Payer of the initial payments/fees, if any

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- Amount of the initial payments/fees (specify zero, if none)
- Payment date for the initial payment.

2.3.2 Terms for ISDA Fixed Rate-Floating Rate Swaps

In addition to the general terms for ISDA Interest Rate Swaps, the following product-specific terms, which are specified in, or may be derived from, the relevant Swap Trade Novation Report shall apply to ISDA Interest Rate Swaps that are fixed rate-floating rate swaps:

(1) Fixed Amounts:

- (a) Fixed Rate Payer
- (b) Fixed Rate Payer Payment Dates (subject to adjustment in accordance with any applicable business day convention)
- (c) either:
 - (aa) Fixed Amount (which may be a lump sum payable under a zero coupon swap, if applicable), or
 - (bb) Fixed Rate (which may be a zero coupon, if applicable) and Fixed Rate Day Count Fraction, or
 - (cc) a Fixed Rate Payer schedule in which the Fixed Rates applicable to the relevant Calculation Periods are specified.

(2) Floating Amounts:

- (a) Floating Rate Payer
- (b) Floating Rate Payer Payment Dates (subject to adjustment in accordance with any applicable business day convention)
- (c) Floating Rate for initial Calculation Period, if applicable
- (d) Floating Rate Option
- (e) Designated Maturity
- (f) Spread (if the Spread is variable it can be set out in a Spread schedule)
- (g) Floating Rate Day Count Fraction
- (h) Reset Dates
- (i) Compounding (“**straight**”) or Flat Compounding, if applicable
- (j) if Compounding (“**straight**”) or Flat Compounding is applicable: Compounding Dates.

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2.3.3 Terms for ISDA Floating Rate-Floating Rate Swaps

In addition to the general provisions for ISDA Interest Rate Swaps, the following product-specific terms, which are specified in, or may be derived from, the relevant Swap Trade Novation Report, shall apply to ISDA Interest Rate Swaps that are floating rate-floating rate swaps (“**basis**” swaps):

(1) Floating Rate Payer 1:

- (a) Floating Rate Payer Payment Dates (subject to adjustment in accordance with any applicable business day convention)
- (b) Floating Rate for initial Calculation Period, if applicable
- (c) Floating Rate Option
- (d) Designated Maturity
- (e) Spread (if the Spread is variable it can be set out in a Spread schedule)
- (f) Floating Rate Day Count Fraction
- (g) Reset Dates
- (h) Compounding (“**straight**”) or Flat Compounding, if applicable
- (i) if Compounding (“**straight**”) or Flat Compounding is applicable: Compounding Dates.

(2) Floating Rate Payer 2:

- (a) Floating Rate Payer Payment Dates (subject to adjustment in accordance with any applicable business day convention)
- (b) Floating Rate for initial Calculation Period, if applicable
- (c) Floating Rate Option
- (d) Designated Maturity
- (e) Spread (if the Spread is variable it can be set out in a Spread schedule)
- (f) Floating Rate Day Count Fraction
- (g) Reset Dates
- (h) Compounding (“**straight**”) or Flat Compounding, if applicable
- (i) if Compounding (“**straight**”) or Flat Compounding is applicable: Compounding Dates.

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2.3.4 Terms for ISDA Overnight Interest Rate Swap Transactions

In addition to the general terms for ISDA Interest Rate Swaps, the following product-specific terms, which are specified in, or may be derived from, the relevant Swap Trade Novation Report, shall apply to ISDA Interest Rate Swaps that are overnight interest rate-swap transactions:

- (1) Fixed Amounts:
 - (a) Fixed Rate Payer
 - (b) Fixed Rate Payer Payment Dates or Period End Dates, if Delayed Payment or Early Payment applies (subject to adjustment in accordance with any applicable business day convention)
 - (c) Fixed Rate and Fixed Rate Day Count Fraction
- (2) Floating Amounts:
 - (a) Floating Rate Payer
 - (b) Floating Rate Payer Payment Dates or Period End Dates, if Delayed Payment or Early Payment applies (subject to adjustment in accordance with any applicable business day convention)
 - (c) Floating Rate for initial Calculation Period, if applicable
 - (d) Floating Rate Option
 - (e) Reset Dates being the last day of each Calculation Period (subject to adjustment in accordance with any applicable business day convention)
 - (f) Compounding (“**straight**”) or Flat Compounding shall not be applicable.

2.3.5 Terms for ISDA Forward Rate Agreements

In addition to the general provisions for ISDA Forward Rate Agreements, the following product-specific terms shall apply to ISDA Forward Rate Agreements:

- (1) Fixed Rate Payer
- (2) Fixed Rate
- (3) Floating Rate Payer
- (4) Payment Date being the Effective Date or the Termination Date as specified in the Swap Trade Novation Report (subject to adjustment in accordance with any applicable business day convention)
- (5) Floating Rate Option
- (6) Designated Maturity

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- (7) Spread: none
- (8) Floating Rate Day Count Fraction
- (9) Reset Date (subject to adjustment in accordance with any applicable business day convention)
- (10) FRA Discounting: Applicable if the FRA Amount is payable on the Effective Date and not applicable if the FRA Amount is payable on the Termination Date
- (11) Identical financial centres for fixings and payments.

2.3.6 Terms for ISDA Zero Coupon Inflation Swaps

In addition to the general terms for ISDA Interest Rate Swaps, the following product-specific terms, which are specified in, or may be derived from, the relevant Swap Trade Novation Report shall apply to ISDA Zero Coupon Inflation Swaps:

- (1) Fixed Amounts:
 - (a) Fixed Rate Payer
 - (b) Fixed Rate Payer Payment Date (subject to adjustment in accordance with any applicable business day convention)
 - (c) Fixed Rate (zero coupon) and Fixed Rate Day Count Fraction, or
- (2) Floating Amounts:
 - (a) Floating Rate Payer
 - (b) Floating Rate Payer Payment Date (subject to adjustment in accordance with any applicable business day convention)
 - (c) Initial Inflation Index Level, if applicable
 - (d) Inflation Index Name
 - (e) Floating Rate Day Count Fraction
 - (f) Inflation Index Fixing Lag
 - (g) Inflation Index Interpolation Method

2.4 Terms for DRV Interest Rate Derivative Transactions

The product-related terms for DRV Interest Rate Derivative Transactions set out below are specified in the relevant Swap Trade Novation Report on the basis of the Trade Record transmitted via the ATS.

The following definitions and general provisions shall apply to DRV Interest Rate Derivative Transactions:

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- (1) If a Due Date is not a Business Day, each payment shall be made and any other obligation shall be performed under the relevant Interest Rate Derivative Transaction as follows (the “**Business Day Convention**”), as specified in the Swap Trade Novation Report:
 - (a) on the immediately preceding Business Day (“**Preceding**”); or
 - (b) on the immediately following Business Day (“**Following**”); or
 - (c) on the immediately following Business Day unless that day falls in the next calendar month, in which case the relevant payment or other performance is to be made on the immediately preceding Business Day (“**Modified Following**”).
- (2) “**Business Day**” means any day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the place(s) specified in the Swap Trade Novation Report or, if EUTA is specified in the Swap Trade Novation Report, a TARGET Settlement Day.
- (3) Any Base Rate (as defined below) will be rounded (*kaufmännisch gerundet*), if necessary, to the nearest 1/100000 of a percentage point.
- (4) The “**Fixed Rate**” (*Festsatz*) shall be the rate, expressed as a decimal, that is specified as fixed rate in the Swap Trade Novation Report.
- (5) The “**Floating Rate**” (*Variabler Satz*) shall be a rate expressed as a decimal equal to:
 - (a) the floating rate specified as such in the Swap Trade Novation Report (the “**Base Rate**”) or,
 - (b) in case of DRV Interest Rate Derivative Transactions in the form of forward rate agreements, the rate determined as follows:
 - (aa) for payments by the Seller, the Base Rate minus the Forward Rate (*Terminsatz*); and
 - (bb) for payments by the Buyer, the Forward Rate minus the Base Rate.
- (6) “**Day Count Fraction**” (*Zinstagesquotient*) means any of the following:
 - (a) If “**Act/360**” is specified in the Swap Trade Novation Report, the actual number of days in the Calculation Period in respect of which payment is being made divided by 360.
 - (b) If “**Act/365 (Fixed)**” is specified in the Swap Trade Novation Report, the actual number of days in the Calculation Period in respect of which payment is being made divided by 365.
 - (c) If “**Act/Act (ISDA)**” applies pursuant to Number 2.2.6, the actual number of days in the Calculation Period in respect of which payment is being made

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divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365).

- (d) If “**Act/Act (ICMA)**” applies pursuant to Number 2.2.6, a fraction equal to “**number of days accrued/number of days in year**”, as such terms are used in Rule 251 of the statutes, by-laws, rules and recommendations of the International Capital Markets Association (the “**ICMA Rule Book**”), calculated in accordance with Rule 251 of the ICMA Rule Book as applied to non US Dollars denominated straight and convertible bonds issued after December 31, 1998, as though the interest coupon on a bond were being calculated for a coupon period corresponding to the Calculation Period in respect of which payment is being made.
- (e) If “**30/360**” or “**30E/360**” or “**30E/360 (ISDA)**” applies pursuant to Number 2.2.6, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

Day Count Fraction = $\{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)\}$ divided by 360

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” is:

(aa) in case of 30/360 and 30E/360, the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; or

(bb) in case of 30E/360 (ISDA), the first calendar day, expressed as a number, of the Calculation Period, unless (A) that day is the last day of February or (B) such number would be 31, in which case D₁ will be 30; and

“**D₂**” is:

(aa) in case of 30/360, the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such

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number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;
or

(bb) in case of 30E/360, the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30; or

(cc) in case of 30E/360 (ISDA), the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (A) that day is the last day of February but not the Termination Date (*Enddatum*) or (B) such number would be 31, in which case D_2 will be 30.

- (7) “**Calculation Period**” (*Berechnungszeitraum*) means the period from, and including, the Effective Date (*Anfangsdatum*) or a Payment Date (*Zahlungstermin*) to, but excluding, the next following Payment Date or the Termination Date (*Enddatum*). “**Payment Date**” means a day on which a payment actually is to be made after, if necessary, an adjustment was made pursuant to Paragraph (1) above. “**Due Date**” means the scheduled payment date without such an adjustment.
- (8) The terms and related definitions of DRV Interest Rate Derivative Transactions shall be interpreted in accordance with international market practice for Interest Rate Derivative Transactions and shall be given the same meaning as they would in German law-governed Interest Rate derivative transactions entered into on the basis of documentation published by Association of German Banks (*Bundesverband deutscher Banken e.V., Berlin*).

2.4.1 General terms for DRV Interest Rate Swaps

In the case of DRV Interest Rate Derivative Transactions that are interest rate swaps according to the relevant Swap Trade Novation Report (each a “**DRV Interest Rate Swap**”), the fixed rate payer (*Zahler der Festbeträge*) (if any) shall pay the Fixed Amounts (*Festbeträge*) on the fixed rate payer payment date (*Fälligkeitstag für Festbeträge*) and the relevant floating rate payer (*Zahler der variablen Beträge*) shall pay the Floating Amounts on the floating rate payer payment date (*Fälligkeitstag für variable Beträge*), each such amount being payable in the contractual currency.

In this context, the following general terms to be derived from the Swap Trade Novation Report shall apply:

- (1) Notional amount (*Bezugsbetrag*) as specified in the Swap Trade Novation Report under “**calculation period amount**” (the “**Notional Amount**”), which, in case of variable notional amounts, can be set out in a notional schedule.
- (2) Contractual currency (*Vertragswährung*), which shall be the currency of the Notional Amount.
- (3) Trade Date (*Abschlussdatum*)
- (4) Effective Date (*Anfangsdatum*)

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- (5) Termination Date (*Enddatum*)
- (6) If applicable: the Business Day Convention with respect to the Termination Date and any other due date.

2.4.2 Terms for Fixed Rate-Floating Rate DRV Interest Rate Swaps

In addition to the general terms for DRV Interest Rate Swaps, the following product-specific terms, which are specified in, or may be derived from, the relevant Swap Trade Novation Report, shall apply to fixed rate-floating rate DRV Interest Rate Swaps (including OIS):

- (1) Fixed rate payer (*Zahler der Festbeträge*)
- (2) either
 - (a) Fixed Rate (*Festsatz*), which may be a zero coupon (if applicable) and Fixed Rate Day Count Fraction (*Quotient für Festbeträge*); or
 - (b) in case of IRS other than OIS, fixed amount (which may be a lump sum payable under a zero coupon swap, if applicable); or
 - (c) in case of fixed rates that may change across the Calculation Periods, a fixed rate payer schedule in which the fixed rates applicable to the relevant Calculation Periods are specified.
- (3) Fixed rate payer payment dates (*Fälligkeitstage für Festbeträge*)
- (4) Business Day for fixed rate payments
- (5) Floating rate payer (*Zahler der variablen Beträge*)
- (6) Base Rate (*Basis-Satz*)
- (7) Spread (if the Spread is variable it can be set out in a Spread schedule)
- (8) Floating rate payer payment dates (*Fälligkeitstage für variable Zahlungen*)
- (9) Floating Rate Day Count Fraction (*Zinstagesquotient für variable Beträge*)
- (10) Business Day for floating rate payments
- (11) Compounding (“**straight**”) or Flat Compounding, if applicable
- (12) if Compounding (“**straight**”) or Flat Compounding is applicable: Compounding Dates.

2.4.3 Terms for Floating Rate-Floating Rate DRV Interest Rate Swaps

In addition to the general terms for DRV Interest Rate Swaps, the following product-specific terms, which are specified in, or may be derived from, the relevant Swap Trade Novation Report, shall apply to floating rate-floating rate swaps (“**basis**” swaps):

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- (1) Floating rate payer 1 (*Zahler der variablen Beträge 1*):
- (a) Base Rate (*Basis-Satz*)
 - (b) Spread (if the Spread is variable it can be set out in a Spread schedule)
 - (c) Floating rate payer Payment Dates (*Fälligkeitstage für variable Zahlungen*)
 - (d) Floating Rate Day Count Fraction (*Zinstagesquotient für variable Beträge*)
 - (e) Business Day for floating rate payments
 - (f) Compounding ("**straight**") or Flat Compounding, if applicable
 - (g) if Compounding ("**straight**") or Flat Compounding is applicable:
Compounding Dates.
- (2) Floating rate payer 2 (*Zahler der variablen Beträge 2*):
- (a) Base Rate (*Basis-Satz*)
 - (b) Spread (if the Spread is variable it can be set out in a Spread schedule)
 - (c) Floating rate payer Payment Dates (*Fälligkeitstage für variable Zahlungen*)
 - (d) Floating Rate Day Count Fraction (*Zinstagesquotient für variable Beträge*)
 - (e) Business Day for floating rate payments
 - (f) Compounding ("**straight**") or Flat Compounding, if applicable
 - (g) if Compounding ("**straight**") or Flat Compounding is applicable:
Compounding Dates.

2.4.4 Terms for DRV Forward Rate-Agreements

The following product-specific terms, which are specified in, or may be derived from, the relevant Swap Trade Novation Report shall apply to forward rate agreements that are DRV Interest Rate Derivative Transactions:

- (1) Notional amount (*Bezugsbetrag*) as specified in the Swap Trade Novation Report under "**calculation period amount**" (the "**Notional Amount**")
- (2) Contractual currency (*Vertragswährung*), which shall be the currency of the Notional Amount.
- (3) Trade Date (*Abschlussdatum*)
- (4) Effective Date (*Anfangsdatum*)
- (5) Termination Date (*Enddatum*)

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- (6) If applicable: the Business Day Convention with respect to the Termination Date and any other due date.
- (7) Payment obligations: On the Due Date for the FRA Amount (*Fälligkeitstag für den FRA-Ausgleichsbetrag*), the payer of the FRA Amount shall pay the FRA Amount (*FRA-Ausgleichsbetrag*) to the other party.

- (8) Provisions relating to the payment of the Floating Amount (the “**FRA Amount**”):

Payer of the FRA Amount: the party specified as floating rate payer (“**Seller**”) if the Base Rate is greater than the Forward Rate;

or

the party specified as fixed rate payer (“**Buyer**”) if the Base Rate is less than the Forward Rate.

Forward Rate (*Terminsatz*): the rate, expressed as a decimal, that is specified as fixed rate in the Swap Trade Novation Report (the “**Forward Rate**”).

Base Rate (*Basis-Satz*)

Spread: none

Due Date for the FRA Amount: the Effective Date (on which the FRA Amount shall be paid in one payment) or the Termination Date, as applicable.

Calculation of the FRA Amount: The FRA Amount shall be calculated as a Floating Amount in accordance with Number 2.2.4 Paragraph (1) provided that: (i) the Floating Rate shall be determined pursuant to Number 2.4 Paragraph (5) (b);

and

(ii) in case the Due Date of the FRA Amount is the Effective Date the Floating Amount shall be discounted by dividing it by an amount determined in accordance with the following formula (in case of a Calculation Period not longer than one year):

$$1 + (RM \times D/B)$$

Where:

“**RM**” means the Base Rate for the relevant Calculation Period;

“**D/B**” means the Floating Rate Day Count Fraction.

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Floating Rate Day Count Fraction (*Zinstagesquotient für variable Beträge*)

Business Day.

2.5 Interest Rate Derivatives Multilateral Compression

- (1) Eurex Clearing AG may from time to time agree with one or more FCM Clearing Members and Non-FCM Clearing Members on the termination of Swap Transactions that are Interest Rate Derivative Transactions and their subsequent replacement with other Swap Transactions whose combined notional value is less than that of the terminated Swap Transactions (an “**Interest Rate Derivatives Multilateral Compression**”). Interest Rate Derivatives Multilateral Compression may only include Swap Transactions that are Own Transactions.
- (2) Interest Rate Derivatives Multilateral Compression takes place by way of novation on the terms of a proposal of TriOptima AB (Accepted Unwind Proposal) and as of the time when TriOptima AB receives the respective clearing confirmation from Eurex Clearing AG (Eurex Clearing Confirmation) (the “**Interest Rate Derivatives Compression Time**”).

2.5.1 Interest Rate Derivatives Compression Run

- (1) The process leading to an Interest Rate Derivatives Multilateral Compression (an “**Interest Rate Derivatives Compression Run**”) is operated by a third party compression services provider appointed by Eurex Clearing AG (an “**Interest Rate Derivatives CSP**”) and carried out on the basis of documentation as agreed between Eurex Clearing AG, the relevant Interest Rate Derivatives CSP and the FCM Clearing Members and Non-FCM Clearing Members participating in the Interest Rate Derivatives Compression Run (the “**Interest Rate Derivatives Compression Documentation**”).
- (2) Participation by an FCM Clearing Member in an Interest Rate Derivatives Compression Run presupposes that the FCM Clearing Member:
 - (a) is a party to the Interest Rate Derivatives Compression Documentation up to and including the Interest Rate Derivatives Compression Time;
 - (b) is eligible to participate in the Interest Rate Derivatives Compression Run according to the requirements determined by Eurex Clearing AG and those set out in the Interest Rate Derivatives Compression Documentation; and
 - (c) has nominated those Swap Transactions which it wishes to make available for Interest Rate Derivatives Multilateral Compression in accordance with the Interest Rate Derivatives Compression Documentation.
- (3) In relation to each Interest Rate Derivatives Compression Run, Eurex Clearing AG will instruct the Interest Rate Derivatives CSP according to the Interest Rate Derivatives Compression Documentation to:

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- (a) notify FCM Clearing Members meeting the criteria under Paragraph (2) of the timing and procedure for the Interest Rate Derivatives Compression Run;
 - (b) produce a statement as to the proposed set of terminating Swap Transactions and the proposed set of resulting Swap Transactions to which each participating FCM Clearing Member is or will become party to (the “**Interest Rate Derivatives Compression Proposal**”); and
 - (c) communicate such Interest Rate Derivatives Compression Proposal to each participating FCM Clearing Member for acceptance in the manner contemplated in the Interest Rate Derivatives Compression Documentation.
- (4) Eurex Clearing AG reserves the right to determine in its sole discretion whether Swap Transactions proposed for inclusion in an Interest Rate Derivatives Compression Run may be so included.
 - (5) Eurex Clearing AG may disclose details of any Swap Transaction to be included in an Interest Rate Derivatives Compression Run and related information in respect of participating FCM Clearing Members to the Interest Rate Derivatives CSP in order to facilitate the Interest Rate Derivatives Compression Run.
 - (6) In order to facilitate the Interest Rate Derivatives Compression Run, Eurex Clearing AG may lock Swap Transactions which are included in an Interest Rate Derivatives Compression Run for such processing as described in Numbers 2.6 to 2.8 (Trade Netting and Accumulation, Transfer of Swap Transactions and Account Transfer and Termination).
 - (7) The Interest Rate Derivatives CSP will provide information on termination fees related to an Interest Rate Derivatives Compression Run to Eurex Clearing AG on trade level per FCM Clearing Member. Number 2.1.5.1 Paragraph (3) applies *mutatis mutandis* to such termination fees.

2.5.2 Acceptance of Interest Rate Derivatives Compression Proposal

- (1) Interest Rate Derivatives Multilateral Compression shall take place in accordance with the terms of an Interest Rate Derivatives Compression Proposal which has been accepted by all participating FCM Clearing Members and Non-FCM Clearing Members in the manner and by the time specified in the Interest Rate Derivatives Compression Documentation. The Interest Rate Derivatives CSP’s confirmation to Eurex Clearing AG that an FCM Clearing Member has accepted the Interest Rate Derivatives Compression Proposal shall constitute a binding offer by such FCM Clearing Member to Eurex Clearing AG for the novation of Swap Transactions as set out in the Interest Rate Derivatives Compression Proposal.
- (2) Subsequent to an FCM Clearing Member’s acceptance of an Interest Rate Derivatives Compression Proposal but prior to the Interest Rate Derivatives Compression Time, Eurex Clearing AG may require the FCM Clearing Member to provide additional Eligible Margin Assets in relation to the Swap Transactions that will result from the Interest Rate Derivatives Multilateral Compression. For such

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purpose, Part 1 Number 1.2.3 Paragraph (1) Clause 6 applies *mutatis mutandis*, provided that instead of Original Swap Transactions and Swap Transactions the proposed set of terminating Swap Transactions and the proposed set of resulting Swap Transactions pursuant to Number 2.5 shall be relevant. Eurex Clearing AG will require such Eligible Margin Assets in addition to the Margin Requirement required pursuant to Chapter I Number 3.2, 5.2, 6.4.3 or 6.5.4, as applicable, and this Chapter II Part 1 Number 1.2.3 Paragraph (1) (f).

- (3) The acceptance of an Interest Rate Derivatives Compression Proposal by the participating FCM Clearing Members shall not bind or require Eurex Clearing AG to carry out the Interest Rate Derivatives Multilateral Compression. At any time prior to the Interest Rate Derivatives Compression Time, Eurex Clearing AG may in its sole discretion decide to reject the Interest Rate Derivatives Compression Proposal and/or to end the Interest Rate Derivatives Compression Run. In particular, Eurex Clearing AG may reject an Interest Rate Derivatives Compression Proposal if:
- (a) an FCM Clearing Member or Non-FCM Clearing Member which has accepted an Interest Rate Derivatives Compression Proposal is not eligible to participate in the Interest Rate Derivatives Compression Run;
 - (b) any Swap Transaction included in the Interest Rate Derivatives Compression Proposal as a terminating or resulting Transaction is not eligible for Multilateral Interest Rate Derivatives Compression or for inclusion in Clearing;
 - (c) any FCM Clearing Member or Non-FCM Clearing Member due to participate in the Interest Rate Derivatives Compression Run rejects the Interest Rate Derivatives Compression Proposal or does not provide the required Eligible Margin Assets; or
 - (d) the cash flow flat check performed by Eurex Clearing AG yields that the ingoing and outgoing payments in respect of the Swap Transactions resulting from the Interest Rate Derivatives Compression Run would not offset within the applicable tolerance parameters.

2.6 Trade Netting and Accumulation

- (1) Eurex Clearing AG may agree with an FCM Clearing Member, acting for its FCM Clearing Member Own Transaction Account or the FCM Client Transaction Account of an FCM Client of the FCM Clearing Member upon the mutual cancellation (“**netting**”) and the accumulation of Swap Transactions that are Interest Rate Derivative Transactions, provided that the relevant Swap Transactions are within the same FCM Clearing Member Own Transaction Account or the same FCM Client Transaction Account. In this case, the netting and accumulation shall be carried out on the basis of the following provisions agreed upon by Eurex Clearing AG and the FCM Clearing Member, including when acting as agent on behalf of the relevant FCM Client. Such agreement may be terminated by the FCM Clearing Member, including when acting as agent on behalf of the relevant FCM Client, with the effect on the Business Day following the receipt of the termination notice by Eurex Clearing AG.

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- (2) Eurex Clearing AG is not obliged to verify whether the netting or accumulation instructions given by the FCM Clearing Member in respect of an FCM Client Transaction Account for an FCM Client of the FCM Clearing Member is valid or consistent with the FCM Clearing Member's contractual arrangements with such FCM Client.

2.6.1 Inclusion of Swap Transactions in the Netting and Accumulation Process

- (1) All Swap Transactions that are Interest Rate Derivative Transactions are eligible for netting provided that:
- (a) the relevant Interest Rate Trade Criteria are identical; and
 - (b) Swap Transactions booked on an FCM Clearing Member's FCM Clearing Member Own Transaction Account may not be netted with Swap Transactions booked on an FCM Client Transaction Account and vice versa; and
 - (c) Swap Transactions booked on an FCM Client Transaction Account may not be netted with Swap Transactions booked on another FCM Client Transaction Account.

"Interest Rate Trade Criteria" means the commercial terms of the relevant Swap Transactions, in particular:

- (a) with respect to IRS, ZCIS and OIS:
 - (aa) the following basic criteria:

Product type, currency, floating rate or inflation index and rate index tenor, termination date, all future payment dates, current applicable floating rate that has been fixed, fixed rate (except for rate blending), day count convention (for each of the relevant fixed and/or floating rate payment obligations of each party), reset date, business day convention; and
 - (bb) the following additional criteria, as applicable:
 - (A) with respect to Interest Rate Stub Periods that have not expired:

stub period start date, stub period length, type of Interest Rate Stub Period, stub index tenors, manually provided first fixed floating rate;
 - (B) for floating rate swaps that have a schedule structure (including floating rate swaps with a variable notional amount, as applicable):

schedule structure (bullet/schedule), relative change of notional for each payment period (if applicable), future notional/floating rate/spread schedule start date for each forward period, future spread value for each forward period, future coupon rate for each forward period;

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(C) for IRS to which Compounding (“**straight**”) or Flat Compounding applies:

Compounding method, compounding spread, compounding frequency;

(b) with respect to FRA:

Product type, currency, rate index, rate index tenor, maturity date, payment date, current applicable floating rate, fixed rate (except for rate blending), day count convention, discount method, reset date, business day convention.

- (2) With respect to the eligibility of Swap Transactions that are Interest Rate Derivative Transactions for accumulation, Paragraph (1) shall apply *mutatis mutandis*.
- (3) Swap Transaction will be netted and/or accumulated, if the Swap Transactions have been designated for netting and/or accumulation, as the case may be, by the FCM Clearing Member, including when acting as agent on behalf of the relevant FCM Client, in the system of Eurex Clearing AG (“**Interest Rate Optional Netting**”). Such designation shall be submitted no later than by 10:00 p.m. (Frankfurt am Main time) on the relevant Business Day.
- (4) Instead of Interest Rate Optional Netting, an FCM Clearing Member may select
 - (i) that all Own Transactions are netted or accumulated, as the case may be, at the end of each Business Day and
 - (ii) that all FCM Client Transactions in an FCM Client Transaction Account are netted or accumulated, as the case may be, at the end of each Business Day.

2.6.2 Netting and Accumulation Procedure

- (1) The Swap Transactions selected for netting shall be netted with each other to the maximum extent possible on each netting level for the relevant FCM Clearing Member Own Transaction Account or FCM Client Transaction Account. Upon closing of the netting, all Swap Transactions that were netted are cancelled.

The remaining Swap Transactions for which there is no counterposition with which they can be netted may be accumulated and novated to one or more Swap Transaction(s) of the same Product Type with the aggregate notional amount of the accumulated Swap Transactions. The Swap Transactions existing before the accumulation that were accumulated shall be cancelled.

- (2) The Swap Transactions to be accumulated shall be novated to one or more Swap Transaction(s) of the same Product Type with the aggregate notional amount of the accumulated Swap Transactions. The Swap Transactions existing before the accumulation that were accumulated shall be cancelled.
- (3) If the Swap Transactions subject to netting or accumulation are all ISDA Interest Rate Derivative Transactions only, the remaining Swap Transactions for which there is no counterposition with which they can be netted will be novated to ISDA Interest Rate Derivative Transactions.

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If the Swap Transactions subject to netting or accumulation are all DRV Interest Rate Derivative Transactions only, the remaining Swap Transactions for which there is no counterposition with which they can be netted will be novated to DRV Interest Rate Derivative Transactions.

If the Swap Transactions subject to netting or accumulation are both ISDA Interest Rate Derivative Transactions and DRV Interest Rate Derivative Transactions, the remaining Swap Transactions for which there is no counterposition with which they can be netted will be novated to ISDA Interest Rate Derivative Transactions, provided that if in the case of Netting Level 1 and 2 and netting of one ISDA Interest Rate Derivative Transaction with one DRV Interest Rate Derivative Transaction the DRV Interest Rate Derivative Transaction has a higher notional amount such remaining Swap Transactions will be novated to a DRV Interest Rate Derivate Transaction.

“Netting Levels” are rule sets to be selected by the FCM Clearing Member for each FCM Clearing Member Own Transaction Account or FCM Client Transaction Sub-Account, respectively, defining to which degree Trade Criteria must match, where a higher level improves the netting efficiency by requiring a lower degree of matching Trade Criteria.

- (4) The netting or, if applicable, the accumulation of the Swap Transactions will become effective when the Swap Trade Daily Summary Report, in which such event is included, is made available to the FCM Clearing Members, including when acting as agent on behalf of the relevant FCM Client.

2.7 Transfer of Swap Transactions, Account Transfer and Trade Amendment

- (1) A Swap Transaction may be (i) transferred in accordance with Paragraphs (2) to (4) and Numbers 2.7.1 and 2.7.2 below or (ii) amended in accordance with Number 2.7.4.
- (2) The transfer of a Swap Transaction will be performed against payment of a cash settlement amount calculated by Eurex Clearing AG on the basis of the daily evaluation price (as set out in Number 2.1.6). Furthermore, the relevant FCM Clearing Member(s) or Non-FCM Clearing Member may specify in the system of Eurex Clearing AG an additional amount payable by the transferring FCM Clearing Member or Non-FCM Clearing Member in connection with the transfer. All amounts payable under this Paragraph (2) will be settled via Eurex Clearing AG.
- (3) Any novation through which a transfer pursuant to Number 2.7.1 is to be made shall take effect when a respective Swap Trade Daily Summary Report is made available to the relevant FCM Clearing Member(s) or Non-FCM Clearing Member electronically via Eurex Clearing AG's system.
- (4) For the avoidance of doubt, Eurex Clearing AG is not obliged to verify whether the transfer or account transfer instructions were given by the relevant FCM Client to the FCM Clearing Member making the transfer request on the FCM Client's behalf.

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2.7.1 Transfer of a Swap Transaction to another FCM Clearing Member or Non-FCM Clearing Member (Trade Transfer)

- (1) Upon request of an FCM Clearing Member or Non-FCM Clearing Member, including when acting as agent on behalf of the relevant FCM Client of an FCM Clearing Member, entered into the system of Eurex Clearing AG, a Swap Transaction may be transferred from an FCM Clearing Member or Non-FCM Clearing Member to another FCM Clearing Member or Non-FCM Clearing Member holding the required Interest Rate Derivatives Clearing License.
- (2) Any transfer or partial transfer of an FCM Client Transaction may be effected pursuant to Chapter I Number 1.3.3. Paragraph (3) and is subject to Chapter II Part 2 Number 2.7.3.

2.7.2 Account Management or Account Transfers

- (1) An FCM Clearing Member, including when acting as agent on behalf of a relevant FCM Client, may book Swap Transactions to or from any of its transaction accounts in accordance with this Number 2.7.2. Any such transfer relating to FCM Client Transactions may be effected pursuant to Chapter I Number 1.3.3 Paragraph (3) and is subject to Number 2.7.3.
- (2) Such bookings may also be made with respect to part of a Swap Transaction except for an Interest Rate Derivative Transaction with a notional, fixed rate or floating rate spread schedule in which case only the entire Swap Transaction may be booked in accordance with Paragraph 1.
- (3) Upon request of an FCM Clearing Member, including when acting as agent on behalf of the relevant FCM Client, Eurex Clearing AG may book
 - (a) an Own Transaction from any FCM Clearing Member Own Transaction Account to an FCM Client Transaction Account,
 - (b) an FCM Client Transaction from an FCM Client Transaction Account to its FCM Clearing Member Own Transaction Account, or
 - (c) an FCM Client Transaction from an FCM Client Transaction Account to another FCM Client Transaction Account of another FCM Client of the FCM Clearing Member.

2.7.3 Specific Provisions for Transfer of an FCM Client Transaction

Eurex Clearing AG will transfer an FCM Client Transaction under Chapter I Number 1.3.3 Paragraph (3) at the request of an FCM Clearing Member made on behalf of the FCM Clearing Member's FCM Client, subject to the following:

- (1) By submitting the request, the transferring FCM Clearing Member is deemed to represent to Eurex Clearing AG that it is acting at the request of the FCM Client for the relevant FCM Client Transaction Account out of which the FCM Client Transaction will be transferred.

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- (2) By submitting the request, the transferring FCM Clearing Member is deemed to represent to Eurex Clearing AG that the FCM Client on whose behalf it is acting is not in default to the FCM Clearing Member, and that it will hold appropriate margin in its internal account for the FCM Client to cover any positions remaining in such account following the transfer.
- (3) The Clearing Member that will receive the FCM Client Transactions that is the subject of the transfer has consented to the transfer.
- (4) By consenting to the transfer, the receiving Clearing Member is deemed to represent to Eurex Clearing AG that it will hold appropriate margin in its relevant internal account to cover the positions being transferred to it.
- (5) If an FCM Client Transaction is subject to a partial transfer, Eurex Clearing AG will first split the transaction into two FCM Client Transactions, one in the amount that is subject to the partial transfer and the other in the amount of the portion that is not being transferred.

Subject to the foregoing conditions, the FCM Client Transaction being transferred will be transferred by way of assumption of contract, without close out and rebooking of the transaction.

2.7.4 Trade Amendment

An FCM Clearing Member, including when acting as agent on behalf of the relevant FCM Client, may, by means of an entry in Eurex Clearing AG's system, split Swap Transactions and assign new customer references to the new Swap Transactions resulting from the trade split provided that such new Swap Transactions are booked in the same FCM Clearing Member Own Transaction Account or FCM Client Transaction Account as the Swap Transaction that existed before the trade split was made. As a result, new Swap Transactions will be established with an aggregate nominal amount being equal to the nominal amount of the Swap Transaction that was split.

2.8 Early Termination

- (1) An FCM Clearing Member, including when acting as agent on behalf of the relevant FCM Client, may, with the consent of Eurex Clearing AG, early terminate a Swap Transaction that is an Interest Rate Derivative Transaction in accordance with this Number 2.8.
- (2) Any early termination pursuant to this Number 2.8 shall take effect when a respective Swap Trade Daily Summary Report is made available to the relevant FCM Clearing Members or Non-FCM Clearing Member via Eurex Clearing AG's system.
- (3) Without prejudice to the early termination provisions set out in this Number 2.8 and any termination rights an FCM Clearing Member may have pursuant to Chapter I, FCM Clearing Members have no right to exercise any early termination option under any Swap Transaction and no mandatory early termination shall apply to a Swap

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Transaction. This paragraph shall not restrict the parties to agree on a bilateral basis that one party shall have a right to demand from the other party its consent to a termination of Swap Transactions.

- (4) With respect to the early termination of FCM Client Transactions, Eurex Clearing AG is not obliged to verify whether the termination instructions were given by the relevant FCM Client to the FCM Clearing Member.

2.8.1 Conversion of FCM Client Transactions into Own Transactions

- (1) In accordance with Chapter I Number 10, an FCM Clearing Member may convert an FCM Client Transaction into an Own Transaction of the FCM Clearing Member. Such conversion may also be effected with respect to part of an FCM Client Transaction except for an Interest Rate Derivative Transaction with a notional, fixed rate or floating rate spread schedule in which case only the entire FCM Client Transaction may be converted.
- (2) A Swap Transaction converted into an Own Transaction pursuant to Paragraph (1) will be credited to the FCM Clearing Member Own Transaction Account.

2.8.2 Termination of Own Transactions and FCM Client Transactions

A Swap Transaction constituting an Own Transaction or FCM Client Transaction of the FCM Clearing Member may only be terminated if the following requirements are met:

- (1) if the Swap Transaction is terminated together with a Swap Transaction between Eurex Clearing AG and another FCM Clearing Member or Non-FCM Clearing Member that was concluded as an Own Transaction, FCM Client Transaction or client-related transaction and which has corresponding terms,
- (2) against the payment of a cash settlement amount calculated by Eurex Clearing AG on the basis of the daily evaluation price (as set out in Number 2.1.6), and
- (3) provided that:
- (a) Eurex Clearing AG and the FCM Clearing Member and the other FCM Clearing Member or Non-FCM Clearing Member have given their consent to such termination;
 - (b) the FCM Clearing Member and the other FCM Clearing Member or Non-FCM Clearing Member were a party to the Original Swap Transaction; and
 - (c) none of the two Swap Transactions created upon novation of the Original Swap Transaction was subject to (i) any netting or accumulation pursuant to Number 2.6 or (ii) a transfer or trade amendment pursuant to Number 2.7.

If the FCM Clearing Member and the other FCM Clearing Member or Non-FCM Clearing Member have given their consent to the termination request in accordance with Number 2.8.2 Paragraph (3) (a), they may cancel such a request as long as the risk check performed by Eurex Clearing AG has not yet been successfully completed.

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A termination pursuant to this Number 2.8.2 may also be effected with respect to part of a Swap Transaction except for an Interest Rate Derivative Transaction with a notional, fixed rate or floating rate spread schedule in which case only the entire Swap Transaction may be terminated.

All amounts payable under this Number 2.8.2 will be settled via Eurex Clearing AG.

2.9 Use of Data provided by Eurex Clearing AG

An FCM Clearing Member may not use any data provided to it by Eurex Clearing AG in connection with the determination of the daily evaluation price or the determination of the relevant Business Day without the prior consent of Eurex Clearing AG, save for the purposes of fulfilling its own obligations vis-à-vis its FCM Clients relating to corresponding interest rate derivative transactions or in order to comply with an obligation vis-à-vis a competent regulatory authority.