

Chapter V of the Clearing Conditions of Eurex Clearing AG

Transactions Concluded at the Frankfurter Wertpapierbörse

As of 04.10.2021

AMENDMENTS ARE MARKED AS FOLLOWS:
INSERTIONS ARE UNDERLINED,
DELETIONS ARE CROSSED OUT.

[...]

Part 2 Clearing of Transactions concluded at the Frankfurter Wertpapierbörse (FWB)

[...]

2.2 Failure to Deliver

[...]

2.2.5 Pair-Off Service

In case of a failure to deliver Shares or Other Securities, a Clearing Member may request a Pair-Off in accordance with this Number 2.2.5 to avoid the initiation of a buy-in process by Eurex Clearing AG pursuant to Number 2.2.1. If

- (i) a Clearing Member is not able to deliver Shares or Other Securities on a Pair-Off Date under one or more FWB Transactions, under which such Clearing Member is acting as the seller (each a "**Sell Transaction**") and
- (ii) the Clearing Member has not received identical Shares or Other Securities on the same Pair-Off Date under one or more FWB Transactions, under which the Clearing Member is acting as a buyer (each a "**Buy Transaction**"),

the Clearing Member may request the set-off of such delivery obligations in accordance with the requirements stipulated under this Number 2.2.5 ("**Pair-Off**").

Eurex Clearing AG publishes a procedures manual on the Eurex Clearing Website) providing further information of this service ("**Pair-Off Procedures Manual**").

(1) Pair-Off Request

A Pair-Off is only initiated by Eurex Clearing AG on written request by the Clearing Member ("**Pair-Off Request**") and after written acceptance by Eurex Clearing AG.

A Pair-Off Request must be submitted to Eurex Clearing- AG by using a specific form (available on the Eurex Clearing Website - "**Pair-Off Request Form**").

In the Pair-Off Request Form, the Clearing Member shall specify

(i) all Sell Transactions and Buy Transactions (each a “**Pair-Off Transaction**”), which shall form part of such Pair-Off, and

(ii) the final result of the Pair-Off as calculated by the Clearing Member.

Eurex Clearing AG is entitled to limit the right of a Clearing Member to submit Pair-Off Requests pursuant to this Number 2.2.5 as further specified in the Pair-Off Procedures Manual.

(2) Timing

A Pair-Off Request can only be submitted, if each Sell Transaction forming part of a Pair-Off Request is not settled

(i) in case of a Sell Transaction relating to Shares, on the 4th -Business Day after the Contractual Settlement Date, or

(ii) in case of a Sell Transaction relating to Other Securities, on the 5th Business Day after the Contractual Settlement Date

(each such Business Day under (i) and (ii), a “**Pair-Off Date**”).

The Pair-Off Request Form shall be submitted on the Pair-Off Date within the timeframe as specified by Eurex Clearing- AG in the Pair-Off Procedures Manual (“**Pair-Off Period**”).

(3) Pair-Off Eligibility Requirements

A Pair-Off Request may only be accepted by Eurex Clearing- AG pursuant to Paragraph (4) below, if it meets the following requirements (“**Pair-Off Eligibility Requirements**”):

(a) each Sell Transaction included in the relevant Pair-Off Request has not been settled prior to the submission of the Pair-Off Request,

(b) each Buy Transaction combined in the relevant Pair-Off Request has not been settled prior to the submission of the Pair-Off Request,

(c) all Pair-Off Transactions included in the relevant Pair-Off Request relate to shares, securities, rights or other instruments with the same ISIN (or other securities identification number) (“**Pair-Off Securities**”).

(d) all payment obligations under all Pair-Off Transactions included in the relevant Pair-Off Request are denominated in the same currency,

(e) the relevant Pair-Off Securities are not subject to a corporate action from the Trade Date (including) until the Pair-Off Date (including),

- (f) all Pair-Off Transactions included in the relevant Pair-Off Request form part of the same Transaction Account,
- (g) the Clearing Member has designated the same Settlement Location with respect to all Pair-Off Transactions included in the relevant Pair-Off Request,
- (h) the Clearing Member has designated the same securities accounts with the relevant Settlement Location to be used for performing the delivery obligations under all Pair-Off Transactions included in the relevant Pair-Off Request, and
- (i) any other requirement Eurex Clearing- AG stipulates in the Pair-Off Procedures Manual.

For the avoidance of doubt, a FWB Transaction can only form part of a Pair-Off Request once.

(4) Verification, Acceptance or Rejection of Pair-Off Requests

A Pair-Off Request will only be exercised, if

- (i) Eurex Clearing- AG received the Pair-Off Request Form on the Pair-Off Date within the Pair-Off- Request Period,
- (ii) the Pair Off-Request meets all Pair-Off Eligibility Requirements, and
- (iii) Eurex Clearing- AG accepted the Pair-Off Request by submitting a written acceptance notice ("**Pair-Off Acceptance Notice**") prior to the acceptance cut-off time as specified in the Pair-Off Procedures Manual ("**Acceptance Cut-Off Time**").

Eurex Clearing- AG will – in its own discretion and using best efforts – accept a Pair-Off Request, if it deems itself capable of processing the Pair-Off Request. When making this determination, Eurex Clearing- AG particularly considers the point in time when the relevant Pair-Off Request was received by Eurex Clearing- AG. For the avoidance of doubt, even in case a Pair-Off Request meets all Pair-Off Eligibility Requirements and is also received within the Pair-Off Request Period, Eurex Clearing- AG is not obliged to accept such Pair-Off Request.

If Eurex Clearing- AG determines that it does not have the capability to process the relevant Pair-Off Request, Eurex Clearing- AG is entitled to reject such Pair-Off Request. Eurex Clearing- AG will inform the Clearing Member about the rejection in writing as soon as practicably possible.

(5) Consequences of an accepted Pair-Off Request

Upon acceptance of the Pair-Off Request by Eurex Clearing- AG, Eurex Clearing AG will within the processing time as specified in the Pair-Off Procedures Manual ("**Pair-Off Processing Time**"):

- (i) fully or partially set-off all delivery and payment obligations arising from all Pair-Off Transactions included in the relevant Pair-Off Request with discharging effect,
- (ii) fully or partially settle all Pair-Off Transactions forming part of the set-off under (i) in cash,
- (iii) amend or delete any settlement instruction relating to the relevant Pair-Off Transactions or enter new settlement instructions within the settlement systems of the relevant Settlement Location in accordance with the result of the set-off, and
- (iv) if the delivery obligation arising from the relevant Sell Transaction is not fully set-off, initiate a buy-in process in accordance with Number 2.2.1 with respect to such remaining delivery obligation.

The Pair-Off Acceptance Notice shall constitute the declaration of set-off. Each set-off effected pursuant to this Number 2.2.5 shall become effective upon execution within the Pair-Off Processing Time.

[...]

2.5 Transaction Netting

[...]

2.5.4 Discharge of the Delivery Obligations to be performed under the FWB Transactions resulting from Netting and Aggregation

[...]

- (2) In addition to the settlement confirmation submitted by the relevant Settlement Location to the holder of the relevant settlement account, Eurex Clearing AG will inform the Clearing Member of the settlement status of each such FWB Transaction at the end of each relevant Settlement Date by submitting a settlement report ("**Settle~~d~~ment Delivery Report**"). If the Transaction Netting has resulted in a Strange Net pursuant to Number 2.5.2 (2) (b) (i) (IV), the Settlement Delivery Report will include such Strange Net and will specify such Strange Net as "settled".
- (3) If the Settle~~d~~ment Delivery Report provides information on the (partial) settlement of the relevant FWB Transaction pursuant to Number 2.5.2 (2) and Number 2.5.2 (3), the delivery obligations arising under such FWB Transactions shall, at the point in time of the submission of the Settle~~d~~ment Delivery Report by Eurex Clearing AG, be deemed to be (partially) discharged. For the avoidance of doubt, the actual (partial) discharge of the delivery obligations arising under such FWB Transactions occurs prior to the submission of the Settle~~d~~ment Delivery Report in accordance with the settlement confirmation submitted by the relevant Settlement Location with respect to such FWB Transactions.

[...]
