

Appendix 13 to the Clearing Conditions of Eurex Clearing AG:

FX Swap Line Agreement

between Eurex Clearing AG and a Clearing Member

As of 11.07.2019

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED,

DELETIONS ARE CROSSED OUT.

[...]

5. *Exercise of Option.* ~~Eurex Clearing AG may in its sole discretion decide to exercise the Option via the Approved Trade Source System designated by Eurex Clearing AG on its website (www.eurexclearing.com) in respect of OTC FX Transactions. Eurex Clearing AG can exercise the Option up to each FX Swap Line Maximum Amount between the CLS Cut-Off Time and the CLS Processing Time on any Business Day on which (i) one or more other Clearing Members become and/or remain Late CMs and/or (ii) an Affected Clearing Member would have had to make a Relevant FX/XCCY Payment under the Terminated Transactions (as defined in Chapter I Part 1 Number 7.5) which were OTC Currency Transactions in the absence of the Termination and only as part of and during the default management process with respect to the Affected Clearing Member pursuant to Chapter I Part 1 Number 7.5 of the Clearing Conditions.~~

Eurex Clearing AG is entitled to exercise the Option with respect to each currency of the Currency Pairs and an FX/XCCY Failure to Pay (or a Relevant FX/XCCY Payment which an Affected Clearing Member would have had to make a under the Terminated Transactions which were OTC Currency Transactions in the absence of the Termination) multiple times for as long as the Clearing Member holds its OTC Currency Products Clearing License and subject to compliance with all of the following conditions, with respect to each of USD and GBP:

- (i) The aggregate Gap Currency Amounts payable by the Clearing Member (in its capacity as FX Hedge Counterparty) as a result of such exercise(s) on the date of such exercise may not exceed the lower of

(A) the applicable FX Swap Line Maximum Amount outstanding with respect to the Clearing Member, and

(B) the Total Pay-Out Amount of the Clearing Member.

(ii) The aggregate amount of the Gap Currency Amounts with respect to outstanding FX Hedging Transactions payable by the Clearing Member (in its capacity as FX Hedge Counterparty) may not exceed the Overall FX Swap Line Limit with respect to the Clearing Member.

~~but only to the extent that the then relevant outstanding FX Swap Line Maximum Amount is not exceeded by such further exercise(s) of the Option. The relevant outstanding FX Swap Line Maximum Amount will be reduced by the amount of each FX Hedging Transaction resulting from the exercise of the Option and re-increased by such amount if and when the relevant FX Hedging Transaction is fully settled. A Corresponding EUR/USD FX Hedging Transaction shall not count towards the FX Swap Line Maximum Amount with respect to USD.~~

~~As at the date on which this Agreement is first entered into by the Parties, the FX Swap Line Maximum Amount for FX Hedging Transaction(s) with respect to USD is USD 250,000,000.00 and the FX Swap Line Maximum Amount for FX Hedging Transaction(s) with respect to GBP is GBP 100,000,000.00. Each FX Swap Line Maximum Amount may be adjusted by the Clearing Member subject to and in accordance with Chapter VIII Part 3 Number 3.4.3.1 Paragraph (2) and Chapter VIII Part 4 Number 4.5 (including, without limitation, the then applicable FX Swap Line Maximum Amount Floor and FX Swap Line Maximum Amount Cap) can be amended in accordance with the procedure set out in Chapter I Part 1 Numbers 17.2 and 17.3 of the Clearing Conditions (and in particular the consultation process set out therein).~~

6. *Trade Record.* The following terms will be set out in the trade record relating to the relevant FX Hedging Transaction – where relevant, a Gap Currency Amount GBP/USD FX Hedging Transaction and a Corresponding EUR/USD FX Hedging Transaction – transmitted by Eurex Clearing AG to the relevant Clearing Member in the course of exercising the Option pursuant to Clause 0 above:
- (i) ~~the Gap Currency A Swap Amount~~ or, in the case of a Corresponding EUR/USD FX Hedging Transaction, the amount equivalent to the Non-Gap Currency B Swap Amount (which Eurex Clearing AG is required to pay under the Gap Currency A Swap Amount GBP/USD FX Hedging Transaction);
 - (ii) ~~the Non-Gap Currency B Swap Amount~~ or, in the case of a Corresponding EUR/USD FX Hedging Transaction, the EUR Amount (in each case at the applicable FX Swap Line FX Rate); ~~and~~
 - (iii) ~~the FX Swap Line Exercise Day;~~
 - (iv) the FX Hedging Transaction Far Leg Due Date;
 - (v) the FX Swap Line Near Leg FX Rate; and

(vi) the FX Swap Line Far Leg FX Rate.

7. *Conclusion of an FX Hedging Transaction.* By virtue of Eurex Clearing AG unilaterally exercising its right under the Option in accordance with the provisions set out in Clause 0 above, an FX Hedging Transaction (where relevant, a Gap Currency Amount GBP/USD FX Hedging Transaction and a Corresponding EUR/USD FX Hedging Transaction) shall become effective between Eurex Clearing AG and the Clearing Member (in its capacity as FX Hedge Counterparty). Unless otherwise provided for in this Agreement, the terms and conditions of Chapter I and of Chapter VIII of the Clearing Conditions shall apply to each FX Hedging Transaction as if it was a Transaction.

8. *Payment Obligations under an FX Hedging Transaction.* ~~Subject to the relevant FX Swap Line Maximum Amount applicable to the FX Hedge Counterparty, u~~Under each near leg of an FX Hedging Transaction Eurex Clearing AG shall receive from the Clearing Member (in its capacity as ~~the~~ FX Hedge Counterparty) the ~~Currency A Swap~~Gap Currency Amount. The payments under the near leg of the FX Hedging Transaction are due and payable on the FX Swap Line Exercise Day within two hours of Eurex Clearing AG exercising its Option or by such other time as notified by Eurex Clearing AG to the Clearing Member (in its capacity as FX Hedge Counterparty). In return for the receipt of the ~~Currency A Swap~~Gap Currency Amount, Eurex Clearing AG shall pay to the Clearing Member (in its capacity as FX Hedge Counterparty) the ~~Currency B Swap~~Non-Gap Currency Amount as set out in the trade record relating to the relevant FX Hedging Transaction.

Under the far leg of the FX Hedging Transaction, Eurex Clearing AG shall pay to the ~~relevant~~ Clearing Member (in its capacity as FX Hedge Counterparty) the ~~Currency A Swap~~Non-Gap Currency Amount in return for the payment by ~~that the~~ Clearing Member (in its capacity as FX Hedge Counterparty) of the ~~Currency B Gap Currency Swap~~ Amount. The payments under the far leg of the FX Hedging Transaction are due and payable on the FX Hedging Transaction Far Leg Due Date Business Day ~~immediately following the FX Swap Line Exercise Day~~ by such time as notified by Eurex Clearing AG to the Clearing Member (in its capacity as FX Hedge Counterparty).

If the ~~Currency A Swap~~Gap Currency Amount under an FX Hedging Transaction is denominated in GBP, Eurex Clearing AG shall also have the right to enter into a Corresponding EUR/USD FX Hedging Transaction at the same time and with the same Clearing Member (in its capacity as FX Hedge Counterparty) as with respect to the Gap Currency A Swap Amount GBP/USD FX Hedging Transaction. Under the near leg of the Corresponding EUR/USD FX Hedging Transaction Eurex Clearing AG shall receive an amount equivalent to the Non-Gap Currency B Swap Amount (which Eurex Clearing AG is required to pay under the Currency A Swap Gap Currency Amount GBP/USD FX Hedging Transaction) in return for the payment by Eurex Clearing AG to ~~that the~~ Clearing Member (in its capacity as FX Hedge Counterparty) of the EUR Amount. Under the far leg of that Corresponding EUR/USD FX Hedging Transaction, the Clearing Member (in its capacity as FX Hedge Counterparty) pays to

Eurex Clearing AG the EUR Amount in return for the payment by Eurex Clearing AG to the Clearing Member (in its capacity as FX Hedge Counterparty) of an amount in the currency denomination of the Non-Gap Currency Amount (of the Gap Currency Amount GBP/USD FX Hedging Transaction), which equals the product of (x) the figure of the EUR Amount (without regard to its currency denomination) and (y) the applicable FX Swap Line Far Leg FX Rate. Under the far leg of that Corresponding EUR/USD FX Hedging Transaction Eurex Clearing AG shall pay to that FX Hedge Counterparty an amount equivalent to the Currency B Swap Amount (under the Currency A Swap Amount GBP/USD FX Hedging Transaction) in return for the payment by that FX Hedge Counterparty of the EUR Amount.

8. ~~*Obligation to pay FX Hedging Transaction Spread Amount.* In addition to the payment obligations set out in Clause 8 above, Eurex Clearing AG is obliged to pay to the FX Hedge Counterparty the relevant FX Hedging Transaction Spread Amount with respect to an FX Hedging Transaction. If Eurex Clearing AG enters into a Currency A Swap Amount GBP/USD FX Hedging Transaction it shall, however, only be obliged to pay an FX Hedging Transaction Spread Amount with respect to the Currency A Swap Amount GBP/USD FX Hedging Transaction but not with respect to the Corresponding EUR/USD FX Hedging Transaction.~~

9. ~~*Payments.* Any payments to be made by an the Clearing Member (in its capacity as FX Hedge Counterparty) to Eurex Clearing AG under an FX Hedging Transaction (following, where applicable, a netting in accordance with Chapter VIII of the Clearing Conditions) shall be made directly to the relevant CLS Central Bank Account through the CLS CCP Service.~~

Any payments to be made by Eurex Clearing AG to the Clearing Member (in its capacity as FX Hedge Counterparty) under an FX Hedging Transaction shall be made directly to the relevant Currency Products Cash Account of the FX Hedge Counterparty Clearing Member through the CLS CCP Service.

The payments to be made by the Clearing Member (in its capacity as FX Hedge Counterparty) under the near leg of an FX Hedging Transaction shall be made – with respect to each currency of the Currency Pairs – on a net basis. This shall not apply with respect to (i) any payments in the relevant currency to be made by Eurex Clearing AG under the near leg of any FX Hedging Transaction with the Clearing Member (in its capacity as FX Hedge Counterparty) and (ii) any payments to be made by any party under the far leg of any FX Hedging Transaction with the Clearing Member (in its capacity as FX Hedge Counterparty), provided, however, that in the case of (i) above, payments in the relevant currency to be made by Eurex Clearing AG under the near leg of any Gap Currency Amount GBP/USD FX Hedging Transaction with the Clearing Member (in its capacity as FX Hedge Counterparty) shall also be made on a net basis (as specified in Chapter VIII of the Clearing Conditions). ~~The payments under the far leg of an FX Hedging Transaction shall be made – with respect to each currency of the Currency Pairs – on a net basis in relation to any payment made through the CLS CPP Service pursuant to Chapter VIII~~

~~Part 3 and Part 4 of the Clearing Conditions which is also specified to be made on a net basis.~~

Subject to the provisions of this Agreement, the discharge provisions set out in Chapter VIII Part 3 Number 3.2.2 of the Clearing Conditions apply with respect to FX Hedging Transactions. ~~The FX Hedging Transaction Spread Amount is not payable through the CLS CCP Service.~~

10. *Acknowledgement by Clearing Member.* The Clearing Member acknowledges that:

[...]

- (ii) if the CLS CCP Service becomes unavailable for settlement for any reason (including, but not limited to, in an insolvency of CLS Bank), (x) the Clearing Member will – in the circumstances set out in Chapter VIII Part 3 Number 3.2.2.3 and Chapter VIII Part 4 Number 4.2.2.3 in connection with Part 3 Number 3.2.2.3 of the Clearing Conditions – be required to discharge its payment obligation by making the relevant payment outside the CLS CCP Service to an account notified to it by Eurex Clearing AG for such purpose despite the fact that the Clearing Member may have already made a payment through the CLS CCP Service to the relevant CLS Central Bank Account and/or (y) the Clearing Member will – in the circumstances set out in Chapter VIII Part 3 Number 3.98 Paragraphs (2) and (3) and Chapter VIII Part 4 Number 4.132 Paragraphs (2) and (3) of the Clearing Conditions – be required to indemnify Eurex Clearing AG by paying an amount equivalent to the relevant Prefunding Amount or Late Payment Amount, respectively, to an account notified to it by Eurex Clearing AG for such purpose despite the fact that the Clearing Member has already paid the Prefunding Amount or Late Payment Amount, respectively, to Eurex Clearing AG;
- (iii) without prejudice to the consequences of any non-compliance with the USD Limits and/or the GBP Limits that are set out in Chapter VIII Part 3 and Part 4, it is under no obligation to submit Original OTC Transactions for Clearing which result in exceeding the USD Maximum Limits Amount (and/or the GBP Maximum Limits Amount) (as applicable to it from time to time) on any Settlement Date and that it may reduce its portfolio size in order to avoid exceeding the USD Maximum Amount Limits (and/or GBP Maximum Limits Amount) (as applicable to it from time to time);
- (iv) if certain pay-out cash flows of the Clearing Member in USD or GBP on a Settlement Date exceed certain thresholds (as set out in Chapter VIII Part 3 Number 3.3 and Chapter VIII Part 4 Number 4.4 in connection with Part 3 Number 3.3) it is obliged to pay the relevant Pay-Out Limit Breach Contractual Penalty;
- (iv) to the extent Eurex Clearing AG is unable to source the Unavailable FX/XCCY Currency Amount through the exercise of its option(s) as set out in Chapter VIII Part 3 Number 3.43.3.1 and Chapter VIII Part 4 Number 4.54 in connection with Part 3 Number 3.43.3.1 of the Clearing Conditions, Eurex Clearing AG shall be

entitled to discharge its payment obligation with respect to the Unavailable FX/XCCY Currency Amount by paying a corresponding amount in the Available Currency as further set out in Chapter VIII Part 3 Number 3.43.3.2 and Chapter VIII Part 4 Number 4.45 in connection with Part 3 Number 3.34.3.2 of the Clearing Conditions;

- (vi) in the case of Extraordinary Circumstances, Eurex Clearing AG shall be entitled to postpone its and all other Clearing Members' respective payment obligations under the relevant OTC Currency Transactions due for settlement on the relevant Settlement Date until the next Relevant Currency Pair Business Day immediately following such Settlement Date as further set out in Chapter VIII Part 3 Number 3.34.3.3 and Chapter VIII Part 4 Number 4.54 in connection with Chapter VIII Part 3 Number 3.34.3.3 of the Clearing Conditions;
- (vii) it shall pay the Prefunding Amount Investment Loss Shortage Amount or Late Payment Amount Investment Loss Shortage Amount (which can be an amount up to the relevant Prefunding Amount or Late Payment Amount, respectively) in the circumstances set out in Chapter VIII Part 3 Number 3.45.1 and Chapter VIII Part 4 Number 4.65 in connection with Part 3 Number 3.45.1 of the Clearing Conditions;
- (viii) it shall pay the FX/XCCY Failure to Pay Costs if, *inter alia*, it fails to pay the relevant Investment Loss Shortage Amount in full by the relevant Investment Loss Shortage Cut-Off Time;
- (viii) the payment obligations of Eurex Clearing AG under the Deferred Payment shall be reduced by an amount equal to the Corresponding Pay-In Amount Investment Loss Shortage Amount pursuant to Chapter VIII Part 3 Number 3.45.2 Paragraph (1) and Chapter VIII Part 4 Number 4.65 in connection with Part 3 Number 3.45.2 Paragraph (1) of the Clearing Conditions; and
- (ix) Eurex Clearing AG is entitled to claim compensation from the Clearing Member for any Prefunding Amount Clearing Member-Related Investment Loss, Late Payment Amount Clearing Member-Related Investment Loss and Corresponding Pay-In Amount Clearing Member-Related Investment Loss, in each case as further set out in Chapter I Part 1 Number 3.4.6 of the Clearing Conditions (which may also be the case if an Investment Loss occurs with respect to an Investment Party which is unrelated to the actual holding of Prefunding Amounts, Late Payment Amounts or Corresponding Pay-In Amounts, respectively).

11. No Set-off. Without prejudice to the provisions of Clause 9 and Chapter VIII of the Clearing Conditions that relate to payments to be made on a net basis, ~~the set-off provisions set out in Chapter I Part 1 Number 1.3 of the Clearing Conditions shall not apply to any claims of Eurex Clearing AG or of the Clearing Member (in its capacity as FX Hedge Counterparty) arising under the near leg of an FX Hedging Transaction.~~

12. *Margin Requirements/Settlement-to-Market.* The basic provisions for the margin requirements set forth in Chapter I Part 1 Number 3 of the Clearing Conditions together with Chapter I Part 2 Subpart A Numbers 6-4 and 7-5 of the Clearing Conditions shall not apply to the near leg of an FX Hedging Transaction.

As regards the far leg of an FX Hedging Transaction, (i) the basic provisions for the margin requirements set forth in Chapter I Part 1 Number 3 and Chapter I Part 2 Subpart A Number 4 of the Clearing Conditions and (ii) unless an STM Election has been made by the Clearing Member, Chapter VIII Part 3 Number 3.1.67 Paragraphs (2) to (4) and (6) of the Clearing Conditions shall apply *mutatis mutandis*. If an STM Election has been made by the Clearing Member, its FX Hedging Transactions shall be STM FX Transactions.

13. *Failure to pay.* If a Clearing Member (in its capacity as FX Hedge Counterparty) fails to perform its payment obligations under one or more FX Hedging Transactions, the provisions in Chapter I Part 1 Number 7.2.1 of the Clearing Conditions shall not apply. Instead the Clearing Member is obliged to pay the FX Swap Line Contractual Penalty to Eurex Clearing AG, provided that the FX Swap Line Contractual Penalty is only payable once with respect to the same FX Hedging Transaction. The FX Swap Line Contractual Penalty applies regardless of any actual damages incurred by Eurex Clearing AG. The right of Eurex Clearing AG to claim further damages shall remain unaffected. The amount of the FX Swap Line Contractual Penalty – as determined by Eurex Clearing AG – is the equivalent in the relevant Clearing Currency of 40 basis points of the payment due under the relevant leg of the relevant FX Hedging Transaction, with a minimum of EUR 2,500.00, CHF 3,000.00 or GBP 2,000.00, as applicable, and a maximum of EUR 10,000,000.00, CHF 12,000,000.00 or GBP 8,000,000.00, as applicable. The amount of the FX Swap Line Contractual Penalty can be amended in accordance with the procedure set out in Chapter I Part 1 Number 17.2 of the Clearing Conditions.

[...]
