part of eex group

Clearing Conditions of European Commodity Clearing AG

Publication Date: 24.08.2026

Date of Application: 07.09.2026

Leipzig, Germany

Release 070a

The English version is for informal use only. Only the German version is legally binding.

Table of Contents

Preamble **8**

1. Definition of Terms **9**

2. License for Participation in Clearing on ECC and Parties involved in ECC Clearing **23**

2.1 Clearing Member 23
2.1.1 Clearing License 23
2.1.2 General Preconditions for an Institution Clearing Member 23
2.1.3 General Preconditions for a DCP Clearing Member 26
2.1.4 Product-specific Preconditions for a Clearing Member 28
2.1.5 Specific Requirements for US-Clearing Members 29
2.1.5.1 Specific Preconditions for US-Clearing Members 29
2.1.5.2 Additional continuing Obligations for US-Clearing Members 29
2.1.6 Notification Requirements and Right to Audit 30
2.1.7 Non-transferability 31
2.1.8 Termination and Suspension of the Clearing License 32
2.1.9 Restrictions of the Clearing License 33
2.1.10 Back-up Institution Clearing Member 34
2.2 Non-Clearing Member 34
2.2.1 Preconditions for the Participation of a Non-Clearing Member in Clearing of a Product 34
2.2.2 Termination of the NCM Agreement 34
2.2.3 Suspension from Trading 36
2.2.4 Notification Requirements 36
2.3 Clients 36
2.4 Indirect Clients 37
2.4.1 General Requirements 37
2.4.2 Accounts for Indirect Clients 37
2.4.3 Obligations of the Institution Clearing Member 37
2.5 Trading Participants 38

© European Commodity Clearing AG – part of eex group

2.5.1 Precondition for Approval as a Trading Participant 38
2.5.2 Revocation of Approval as a Trading Participant 38
2.5.3 Suspension of Approval as a Trading Participant 39
2.6 Market Coupling Counterparty 40
2.7 Cooperation with Clearing Entities for Spot Market Transactions 41
2.7.1 Scope of the Cooperation 41
2.7.2 ECC's Duty to assume Liability / Default of the Clearing Entity 41
2.8 Inclusion of Products 41
2.9 Auctioneer for Guarantees of Origin 42
2.10 nEHS Seller 42
2.11 Access to the Clearing System 42
2.12 Disciplinary Procedures 42

3. General Provisions 44
3.1 Legal Relationships of the Parties involved in Clearing 44
3.1.1 Rights and Obligations of the Clearing Member 44
3.1.2 Limits and other special Agreements 47
3.1.2.1 Limits and other special Agreements between Institution Clearing Members and Non-Clearing Members 47
3.1.2.2 Limits for Clearing Members 48
3.1.2.3 Limits for Non-Clearing Members 49
3.1.3 Rights and Obligations of the Non-Clearing Member 49
3.1.4 Change of Institution Clearing Member and Position Transfer 50
3.1.5 Change of Institution Clearing Member with accelerated Position Transfer 51
3.1.6 Transfer of Collateral upon the Change of the Institution Clearing Member 51
3.1.7 Rights and Obligations of the Trading Participant 53
3.2 Clearing of Registered Transactions 54
3.3 General Clearing Provisions 55
3.3.1 Conclusion of Transactions 55
3.3.2 Contractual Obligations arising from Derivatives Market Transactions 56
3.3.3 Contractual Obligations arising from Spot Market Transactions 56
3.3.4 Settlement of PXE Spot Market Transactions 57
3.3.5 Physical Settlement of Transactions - Central Delivery Point 58
3.3.6 Formation of net Receivable and/or Payable and Compression 60
3.3.7 Business Days, Trading Days, Business Hours and Time Specifications 62
3.3.8 Objections 62
3.3.9 Assignment 62
3.3.10 Fulfilment of Payment Obligations 63
3.3.11 Emergency Measures 64
3.3.12 Liability 65
3.4 Margins Requirements and Collateral 68
3.4.1 Obligation to furnish Collateral and Parallel Claim 68
3.4.2 Margin Requirement 69
3.4.3 Margins for Spot Market Transactions 70
3.4.3.1 Margin Requirements for Institution Clearing Members 70
3.4.3.2 Margin Requirements for DCP Clearing Members 71

© European Commodity Clearing AG – part of eex group

3.4.4 Margins for Derivatives Market Transactions 71
3.4.5 Supplementary Margins 72
3.4.6 Collateral in Cash 73
3.4.6.1 General Requirements, Currencies, Utilisation of Cash Collateral, Release of Cash Collateral and Parallel Claim 73
3.4.6.2 Allocation of Commercial Bank Losses and Investment Losses 75
3.4.7 Collateral in Securities and Book-entry Security 77
3.4.8 Collateral in the case of Individual Segregation 79
3.4.9 Collateral in Cash in the case of Individual Segregation 82
3.4.10 Collateral in Securities in the case of Individual Segregation 82
3.4.11 Pledges in the case of Individual Segregation 83
3.4.12 Trading Participant Collateral in Shares in Collective Holdings of Registry Based Products (except for Emission Rights kept in the Collateral Registry Account) and in Trading Participant Cash Collateral 86
3.4.13 Trading Participant Collateral in Emission Rights held in the Collateral Registry Account 89
3.4.14 Trading Participant Bank Guarantees as Trading Participant Collateral 91
3.5 Accounts 92
3.5.1 Types of Position Accounts 92
3.5.2 Proprietary Position Accounts 92
3.5.3 Agent Position Accounts 92
3.5.4 Market Maker Position Accounts 93
3.5.5 Account Keeping 93
3.5.6 Clearing Accounts 95
3.5.7 Collateral Clearing Account 96
3.5.8 Cash Collateral Account for Trading Participant Cash Collateral 99
3.5.9 Internal Inventory Accounts for Registry Based Products 100
3.6 Fees and Price List 101
3.7 Default Fund 101
3.7.1 Default Fund 101
3.7.2 Dedicated Own Resources of ECC 101
3.7.3 Second Skin in the Game 101
3.7.4 Utilisation of the Default Fund 102
3.7.5 Replenishment of the Default Fund Contributions 104
3.7.6 Default Fund Contributions in case of Termination of the Clearing Membership 104
3.8 Default 104
3.8.1 Occurrence of Default 104
3.8.2 Technical Default 105
3.8.3 Other Measures in Case of Default 106
3.9 Termination and Close-out Netting Provisions 107
3.9.1 Termination in the Relationship between Clearing Member and ECC 107
3.9.2 Termination in the Relationship between Non-Clearing Member and Institution Clearing Member 109
3.10 Legal Consequences upon Termination 110
3.10.1 Transfers of Positions and Collateral, Closing-out and Utilisation of Collateral 110
3.10.2 Utilisation of Collateral 112

© European Commodity Clearing AG – part of eex group

3.10.3 Transfer and Return of unused Collateral 113
3.11 Default Management Auctions 117
3.11.1 Participation in the Default Management Auction 117
3.11.2 Special Provisions for the Mandatory Auction 117
3.11.3 Execution of the Default Management Auction 118
3.11.4 Submission of Bids 119
3.11.5 Acceptance of Bids 119
3.11.6 Registration and Settlement of the Trades 120
3.11.7 Minimum Bid Size 120
3.11.8 Allocation of Positions after Default Management Auctions 121
3.11.9 Cash Settlement 121

4. Settlement of Transactions 123
4.1 Daily Settlement of Future Contracts – Variation Margin 123
4.2 Daily Settlement of Grid-bound Energy Futures during the Delivery Period – Variation Margin 123
4.3 Daily Settlement of Option Premium 124
4.3.1 Premium Style Option 124
4.3.2 Future Style Option 124
4.4 Settlement of Options on Futures 124
4.4.1 Procedure in Case the Option is exercised 124
4.4.2 Particularities in the Settlement of the assigned Futures Position 125
4.5 Financial Settlement of Financial Futures 125
4.5.1 Financial Settlement 125
4.5.2 Settlement of Grid-bound Energy futures with a Delivery Period of one Month or more (Cascading) 126
4.5.3 Payments 126
4.6 Financial Settlement of physically settled Transactions 126
4.7 Treatment of Value Added Tax 129
4.7.1 Value Added Tax on Delivery or Transfer of Rights or other Services in Case of negative Prices (Spot Market, physically settled Derivatives Market Transactions) 129
4.7.2 Value Added Tax on Derivatives Markets Transactions and other Services in Payment Transactions 129
4.8 Physical Settlement of Grid-bound Energy Transactions 130
4.8.1 General Information 130
4.8.2 Delivery and Acceptance of Delivery 130
4.8.3 Special Provisions for Market Coupling Contracts 131
4.8.3.1 General Information 131
4.8.3.2 Settlement of Market Coupling Contracts 131
4.8.3.3 Settlement of Market Coupling Clearing Transactions 132
4.8.4 Deviations in the physical Settlement of Grid-bound Energy Transactions 132
4.8.4.1 Deviations, ECC Measures and Trading Participants' Duties to cooperate 132
4.8.4.2 Settlement Principles in the Event of Deviations 134
4.8.4.3 Allocation of Remaining Damages and Remaining Revenues 135
4.9 Physical Settlement of Transactions in Registry Based Products 136
4.9.1 General Information 136

© European Commodity Clearing AG – part of eex group

4.9.2 Delivery and Acceptance of Delivery of Emission Rights 136
4.9.3 Delivery and Acceptance of Delivery of Capacity Guarantees 137
4.9.4 Special Provisions regarding Default of Registry Based Products 138
4.10 Physical Settlement of Transactions in Guarantees of Origin 140
4.11 Physical Settlement of nEHS Transactions 141

5. Special Provision regarding the Primary Auctions of Allowances 143
5.1 Participation in Clearing on ECC for Primary Auctions 143
5.1.1 Participation as a Bidder 143
5.1.2 Participation as Institution Clearing Member of a Bidder 144
5.1.3 Participation as Auctioneer 144
5.1.3.1 Preconditions for Participation in Clearing as Auctioneer 144
5.1.3.2 Scope of Admission as Auctioneer; Applicable Rules 145
5.2 Settlement of Disputes and Liability 146
5.3 Settlement Finality 146
5.4 Clearing and Settlement of Primary Auctions of Allowances 147
5.4.1 Transfer of Allowances to be auctioned 147
5.4.2 Conclusion of a Transaction 148
5.4.3 Contractual Obligations arising from Transactions in Primary Auctions 148
5.4.4 Principles of the Settlement of the Transactions and Reports 148
5.4.5 Financial Settlement (Payment and Transfer of the Auction Proceeds) 148
5.4.5.1 Transactions of Bidders 148
5.4.5.2 Transactions of Auctioneers 148
5.4.6 Treatment of the Transactions in Terms of Value Added Tax 149
5.4.7 Delivery of the auctioned Allowances to the successful Bidders 149

6. Final Provisions 152
6.1 Sovereign Acts 152
6.2 General Provisions in accordance with the Regulation (EU) 2021/23 (“CCPRRR”) 152
6.2.1 Recognition of Recovery and Resolution Measures 152
6.2.2 Recovery Planning 152
6.2.3 Resolution Measures of the Resolution Authority 153
6.2.3.1 General Provisions 153
6.2.3.2 Termination and Close-Out 153
6.2.3.3 Loss allocation 154
6.2.3.4 Resolution Cash Call 154
6.3 Forwarding of Information 155
6.3.1 Forwarding of Information regarding Clearing Members, Non-Clearing Members and/or Clients to third Parties 155
6.3.2 Forwarding of Information regarding Clearing Members and/or Non-Clearing Members to supervisory and regulatory authorities 156
6.3.3 Reporting of Derivatives Market Transactions according to Article 9 EMIR 156
6.3.4 Exclusion of commercial use of Data 156
6.4 Data Protection / Obligation to pass on Data Protection Declarations 156
6.5 Miscellaneous 157
6.6 Applicable Law, Legal Venue 157
6.7 Amendments and Supplements 157

© European Commodity Clearing AG – part of eex group

7. System Agreement 158
7.1 Payment System within the meaning of the SFD 158
7.1.1 System 158
7.1.2 Transfer Orders 159
7.1.3 System Collateral 159
7.1.4 Obligation of a Settlement Bank 159
7.1.5 System Agreement 159
7.2 Time of the Submission and irrevocability of Transfer Orders 160
7.3 Time of Entry into the System and irrevocability of Transfer Orders and Finality of Transfers in relation to Primary Auctions of Allowances 160

© European Commodity Clearing AG – part of eex group

Preamble

The European Commodity Clearing AG (“ECC”) with registered offices in Leipzig, Germany is a central counterparty according to § 1 paragraph 31 German Banking Act (Kreditwesengesetz – “KWG”) in conjunction with Article 2 No. 1 Regulation (EU) 648/2012 (“EMIR”) (“CCP”) and operates a system for collateralisation and settlement of the Transactions concluded or registered on the Markets approved by it. Furthermore, ECC is a designated payment system in accordance with Article 10 Directive 98/26/EC (“Settlement Finality Directive” - "SFD”).

ECC provides Clearing Services for Markets on which various products are traded. An overview of the licensed Markets and the Products which can be traded there is available at https://www.ecc.de/en/clearing/partner-exchanges-and-products.

The settlement and the collateralisation of the Transactions shall be carried out subject to these Clearing Conditions. The rules and regulations of the respective Markets shall apply as supplements hereto. The Clearing Conditions shall be binding for all Clearing Members and Non-Clearing Members in the respectively valid version.

Physical settlement of all Transactions for which ECC has assumed clearing is provided through a Settlement Entity, which is directly bound by these Clearing Conditions in the relationship to ECC and the Trading Participants as a result of commissioning by ECC. The physical settlement of Transactions in Emission Rights is effected by ECC acting as Settlement Entity.

In as far as the Clearing Conditions are part of a contract concluded between a Clearing Member and ECC or of a contract concluded between a Settlement Bank and ECC, the provisions regarding the payment system in chapter 7, the provisions in chapter 6 as well as all provisions and definitions of terms in these Clearing Conditions referring to Institution Clearing Members or Settlement Banks as participants in the system together form an independent contractual agreement (“System Agreement”). The entirety of these System Agreements constitutes a formal agreement within the meaning of Article 2 lit. a) SFD which forms a system within the meaning of the SFD.

© European Commodity Clearing AG – part of eex group

1. Definition of Terms

Allowances	Allowances within the meaning of Article 3 lit. a) Directive 2003/87/EC.
Auction Collateral Delivery Account	Auction Collateral Delivery account for Allowances in accordance with Article 13 Commission Delegated Regulation (EU) 2019/1122 (“Registry Regulation”).
Auction Format	Determines whether Auction Units of one or several identically composed of Positions of one or several Products are offered in a Default Management Auction.
Auction of Guarantees of Origin	Auctioning or selling of Guarantees of Origin on the Spot Market.
Auction Unit	Means the composition of one unit or several identically composed units of Positions of one or several Products into Auction Units that are offered in a Default Management Auction.
Auctioneer	1. Any public or private entity appointed by a (Member) State to auction Allowances on its behalf pursuant to Article 22 paragraph 1 Commission Delegated Regulation (EU) 2023/2830 (“Auctioning Regulation”) with a mandate to auction Allowances and receive and disburse the auction proceeds on behalf of the (Member) State appointing it pursuant to Article 23 paragraph 1 lit. a) to c) Auctioning Regulation or 2. the European Investment Bank (“EIB”) for any fund or facility it is mandated to represent in accordance with Article 24 of the Auctioning Regulation or Directive 2003/87/EC or 3. the European Commission for any fund or facility it is mandated to represent in accordance with Article 24 of the Auctioning Regulation or Directive 2003/87/EC.
Auctioneer for Guarantees of Origin	Any legal entity who is entitled to sell Guarantees of Origin.
Balancing Agreement	~~All contractual agreements between the Transmission System Operator and the Trading Participant as well as between the Transmission System Operator and ECC or the Settlement Entity respectively regarding the settlement of Grid-bound Energy deliveries.~~Concluded contract between the balancing responsible party and the Transmission System Operator regarding the management, settlement and accounting of balancing groups.

© European Commodity Clearing AG – part of eex group

Batch Processing	Process of ECC on every Business Day for settlement, position administration as well as calculation and booking of margins for all Transactions for which ECC has taken over clearing.
Book-entry Securities	All credits for securities held on a fiduciary basis abroad (so-called "*Gutschriften in Wertpapierrechnung"* or "*WR Credits"*).
Business Day	The days from Monday to Friday with the exception of those days which are marked as days that are not Business Days in the calendar published by ECC on the ECC website.
Business Hours	From 1:00 a.m. Central European Time (CET) or 2:00 ~~7:30~~ a.m. Central European Summer Time (CEST)[1] until 7:00 p.m.[2] on every Business Day.
Capacity Guarantee	An intangible, tradable, fungible, and transferable certificate according to Article L. 335-1 f. des Code de l'énergie and the décret n° 2012-1405 created by the French national Transmission System Operator and issued to an electricity producer for a given calendar year on the producible capacity of its generating plants.
Cash Collateral Account	Internal inventory account in which Trading Participants' cash collateral is booked by ECC in accordance with section 3.5.8.
CBF	"Clearstream Banking AG". Effective 26 September 2025, Clearstream Banking AG has changed its business name to "Clearstream Europe AG" (hereinafter also referred to as "CEU"). References to "Clearstream Banking AG" or "CBF" – also as part of defined terms – in other documents (in particular any previously signed Collateral Agreement CM14) shall be understood as reference to "Clearstream Europe AG" or "CEU", respectively, within the meaning of these Clearing Conditions.
CEU	"Clearstream Europe AG".
CEU Pledged-Securities Account	Any securities account of an Institution Clearing Member at CEU for the deposit of securities collateral for General Segregated Participants.
Clearing	Task of a central counterparty, in particular position keeping and financial and physical settlement of Transactions as well as collateralisation of Transactions.

[1] Both time specifications always correspond to 8:00 a.m. Singapore Time (SGT).
[2] According to section 3.3.7 paragraph 2 all time specifications in these Clearing Conditions refer to the CET or CEST applicable at ECC´s registered office.

© European Commodity Clearing AG – part of eex group

Clearing Broker	Institution Clearing Member which enables a Clearing Broker Client to access a Market without being admitted as a Participant on this Market itself. Clearing Broker Clients must be approved as Non-Clearing Members and Trading Participants by ECC.
Clearing Broker Client	Non-Clearing Member that gets access to a Market via its Institution Clearing Member and that is approved as a Trading Participant by ECC.
Clearing Member	Participant in the clearing procedure who has an Institution clearing license as an Institution Clearing Member or a Direct Clearing Participant (DCP) clearing license as a DCP Clearing Member. Both Institution Clearing Members and DCP Clearing Members are system participants within the meaning of Article 2 lit. f) SFD.
Clearing System	The IT system of ECC, in particular, the spot market settlement and the IT system of Eurex Clearing AG used by ECC ("Eurex Clearing System"), including the IT infrastructure of ECC, Eurex Clearing AG or their respective service providers connected with it.
Client	Direct client of an Institution Clearing Member that is no Non-Clearing Member and participates in Clearing through this Institution Clearing Member.
Collateral Clearing Account	Comprises the Standard Collateral Clearing Account, the General Omnibus Collateral Clearing Account, each Simple Omnibus Collateral Clearing Account, each Individually Segregated Collateral Clearing Account and each Standard Omnibus Account and Gross Omnibus Account within the meaning of section 2.4.2 for the record of collateral.
Collateral Registry Account	Registry Account maintained on behalf of ECC onto which emission allowances within the meaning of the German Greenhouse Gas Emissions Trading Act (Treibhausgas-Emissionshandelsgesetz - "TEHG") can be transferred as collateral according to section 3.4.13.
Compression	A process for risk reduction in which Derivatives Market Transactions between ECC and a Clearing Member and between a Clearing Member and a Non-Clearing Member which refer to the same Contract or Contracts of an Intermarket Spread Products expire at uniform times and are replaced by a new uniform Derivatives Market Transaction the payment and de-

© European Commodity Clearing AG – part of eex group

	livery obligations of which correspond to the balance of all payment and delivery obligations of the Derivatives Market Transactions replaced.
Connected Bank	An institution designated by the DCP Clearing Member and accepted by ECC which maintains one or more Settlement Accounts for a DCP Clearing Member, has entered into an agreement with a Forwarding Bank to receive "Request for Transfer" instructions (“MT101 messages”) on the Society for Worldwide Interbank Financial Telecommunication network (“SWIFT network”) and thereupon executes payment orders for a DCP Clearing Member on its behalf and in its name vis-à-vis ECC.
Contract	Standardised contracts for Products defined in the contract specifications of the Markets, including the definition of the respective due date of delivery.
Cool-Down Cap	Limits the sum of Additional Contribution and Replenishment per Clearing Member. The sum shall be a maximum of three (3) times the Default Fund Contribution requirement established by ECC according to section 3.7.1 paragraph 2 on the Business Day before the start of the Cool-Down Period. Additional Contributions are limited to one (1) time the Default Fund Contribution requirement per Default Event.
Cool-Down Event	Each termination of a clearing membership according to section 3.9 in which a non-defaulting Clearing Member´s Default Fund contributions are used to cover Default Damages. For the definition of the date of this event, the date of termination is relevant.
Cool-Down Period	A period of thirty (30) Business Days which shall commence on the date of a Cool-Down Event. If one or more further Cool-Down Events occur within a Cool-Down Period, the period shall be extended by thirty (30) Business Days by each such further Cool-Down Event from (and including) the relevant further Cool-Down Event dates. An extension of the Cool-Down Period is subject to a maximum duration of ninety (90) days starting on the date of the first Cool-Down Event.
Correspondent Bank	Bank appointed by ECC as being authorised to hold Settlement Accounts in various currencies for Institution Clearing Members and/or Auctioneers for Guarantees of Origin.
DCP Clearing Member	Clearing Member that has a Direct Clearing Participant (DCP) clearing license and which is exclusively entitled to clear own Spot Market Transactions.

© European Commodity Clearing AG – part of eex group

Default Damage	Any loss incurred by ECC in connection with a Default Event.
Default Event	Default of a Clearing Member according to section 3.8 or 3.9 which leads to a termination of the clearing license of the respective Clearing Member.
Default Fund	May also be referred to as Clearing Fund in ECC documentations.
Delivery Period	The Delivery Period is according to the respective contract specification the period which is defined for the delivery of Grid-bound Energy.
Delivery Time	The Delivery Time is according to the respective contract specification the point in time which is defined for the delivery of the respective Products.
Derivatives Market	Market or sub-market on which Transactions in contracts with a deferred settlement date (usually later than two (2) Business Days) are concluded and/or registered that is no Spot Market.
Derivatives Market Transaction	Transaction by a Trading Participant which has a deferred settlement date (futures or options) that is no Spot Market Transaction.
Deutsche Börse Group	Deutsche Börse AG and entities in which Deutsche Börse AG holds directly or indirectly a majority share.
ECC	"European Commodity Clearing AG". ECC is the Central Counterparty for all the Transactions included in clearing.
ECC website	Means the company website available at www.ecc.de.
Emergency Member Stop	Procedure supported by the system for the temporary exclusion from trading of either (i) a Non-Clearing Member by the Institution Clearing Member or ECC or (ii) a Clearing Member and all Non-Clearing Members of this Institution Clearing Member by ECC on some or all Markets.
Emission Rights	Emission allowances within the meaning of the TEHG, allowances within the meaning of Article 4 paragraph 1 UK Greenhouse Gas Emissions Trading Scheme Order 2020, Allowances and Certified Emission Reductions. nEHS Certificates are described separately (see below) and are not covered by the term Emission Rights as defined in these Clearing Conditions.
Essential Provisions	Provisions relating to anti-money laundering, implementing EMIR or other regulatory requirements and provision ensuring the orderly clearing and settlement at ECC.

© European Commodity Clearing AG – part of eex group

Fallback Coordinator	Nominated Electricity Market Operator ("NEMO") which is Fallback Coordinator according to the Nordic Fallback procedure.
Foreign Currency	Any currency other than EUR which may be used for Clearing.
Forwarding Bank	Payment Bank designated by ECC that maintains a Settlement Account for ECC, that has connected to various Connected Banks to receive MT101 messages on the SWIFT network and forwards corresponding MT101 messages initiated by ECC to the Connected Banks.
General Omnibus Collateral Clearing Account	The separate Collateral Clearing Account within the meaning of section 3.5.7 paragraph 2 lit. (b) set up for General Omnibus Participants.
General Omnibus Participant	All Clients and Non-Clearing Members of an Institution Clearing Member that are neither Individually Segregated Participants nor Simple Omnibus Participants.
General Segregated Non-Clearing Members	Non-Clearing Members that are no Individually Segregated Non-Clearing Members.
General Segregated Participants	All General Omnibus Participants and Simple Omnibus Participants.
Grid-bound Energy	Power and Natural Gas.
Guarantee of Origin	An electronic document which, in accordance with the requirements of Article 19 Directive 2018/2001/EU, serves exclusively as evidence to a final customer that a specified proportion or quantity of energy has been produced from renewable sources.
Indirect Clients	According to Article 1 lit. b) Commission Delegated Regulation (EU) 2017/2154, clients of an Institution Clearing Member's clients that receive clearing services from an Institution Clearing Member's client via an Indirect Clearing Agreement.
Individually Segregated CEU Pledged-Securities Account	Any securities account of an Institution Clearing Member at CEU, which is set-up exclusively for the deposit of Securities Collateral for Individually Segregated Participants.
Individually Segregated Collateral Clearing Account	The separate Collateral Clearing Account within the meaning of section 3.5.7 paragraph 2 lit. (a) set up for an Individually Segregated Participant.
Individually Segregated Non-Clearing Member	Non-Clearing Member who has concluded an agreement for "Individual Segregation" in connection with the NCM Agreement.

© European Commodity Clearing AG – part of eex group

Individually Segregated Participant	Each Individually Segregated Non-Clearing Member.
Insolvency Administrator	Insolvency Administrator of the Clearing Member under the German Insolvency Code (Insolvenzordnung – "InsO") or comparable institution which, under the relevant legal system, is provisionally or definitively entrusted by a court, authority or other competent authority with the conduct of insolvency proceedings in connection with an insolvency.
Institution Clearing Member	Clearing Member which has an Institutions clearing license and is entitled to clear own Transactions, Client Transactions and Transactions of Non-Clearing Members. Where references are made to System Clearing Member in previous versions of these Clearing Conditions and the ECC forms, such references shall be deemed to be references to Institution Clearing Members.
Intermarket Liquidity Provider	Trading Participant which, based on an agreement with the market operator(s), contributes to the provision of liquidity on two (2) Markets with the help of Intermarket Spread Products on these Markets.
Intermarket Spread Product	Combination of two (2) futures Contracts which are traded on different Markets and which have the same risk characteristics according to ECC's assessment.
Investment Loss	Any loss incurred by ECC in relation to the holding or investment of collateral in cash and contributions to the Default Fund of the Institution Clearing Members in a Non-Default Event.
Known Participants	Individually Segregated Participants and General Segregated Non-Clearing Members.
Margin Requirement	The collateral to be provided by a Clearing Member calculated on every Business Day and requested by ECC in accordance with these Clearing Conditions.
Market	Regulated exchange, multilateral trading facility, non-multilateral trading facility, organised trading facility or comparable organisation which permits the conclusion or registration of Transactions in Products included in clearing by ECC.
Market Coupling	A mechanism for the integration of power markets through coordinated pricing and the allocation of transmission capacities.
Market Coupling Clearing Transaction	A Transaction between ECC and a Market Coupling Counterparty as a result of which the power deliveries between ECC

© European Commodity Clearing AG – part of eex group

	and a Market Coupling Counterparty are settled in the context of Market Coupling.
Market Coupling Contract	A contract which makes the available transmission capacity between two market areas tradable in the form of Physical Transmission Rights and which makes this the possible subject of clearing services.
Market Coupling Counterparty	A Central Counterparty or a party commissioned to settle power exchange Transactions which is included in Market Coupling and settles Market Coupling Clearing Transactions or local (non-market area cross-border) Transactions with ECC based on Market Coupling Contracts.
Market Coupling Facilitator	Central body designated for Market Coupling by the Transmission System Operators for capacity allocation and congestion management.
NCM Agreement	Agreement between an Institution Clearing Member, a Non-Clearing Member and ECC as well as, if applicable, any supplementary agreements.
nEHS Auction Transaction	Spot Market Transactions concluded on the European Energy Exchange ("EEX") regarding nEHS Certificates through auctions, in accordance with the German Fuel Emissions Trading Regulation (Brennstoffemissionshandelsverordnung – "BEHV"), at variable prices.
nEHS Certificate	Certificate that entitles the holder to emit one (1) metric tonne of greenhouse gases in metric tonnes of carbon dioxide equivalent within a specified period of time pursuant to § 3 No. 2 of the German Fuel Emissions Trading Act (Brennstoffemissionshandelsgesetz – "BEHG").
nEHS DCP	DCP Clearing Members exclusively concluding nEHS Fixed Price Transactions.
nEHS Disposal Account	Account of ECC at the national Emissions Trading Registry as defined in the BEHV.
nEHS Fixed Price Transaction	Spot Market Transaction regarding nEHS Certificates at fixed prices.
nEHS Payment Account	Account designated towards ECC by an nEHS DCP from which the payment of the purchase price is made to the nEHS Recipient Account in nEHS Fixed Price Transactions.
nEHS Recipient Account	Account designated by ECC to an nEHS DCP for the purpose of receiving the purchase price and the respective fees in the nEHS Fixed Price Transactions; the purchase price credited in

© European Commodity Clearing AG – part of eex group

	full to the nEHS Recipient Account is held in escrow by ECC for the nEHS Seller.
nEHS Seller	Competent authority to sell nEHS Certificates (sale of nEHS Certificates via a sales platform and auctioning via an auction platform) as defined in the BEHG.
nEHS Transaction	nEHS Fixed Price Transactions and nEHS Auction Transactions.
Non-Clearing Member	Participant in the clearing procedure who has concluded an NCM Agreement with an Institution Clearing Member and ECC ~~is approved as a Trading Participant for certain Products by ECC~~.
Non-Default Event	Means a scenario in which losses are incurred by ECC for any reason other than a Default Event, including but not limited to, business, custody, investment, legal or operational failures or fraud, including failures resulting from cyber-attacks.
Nordic Fallback	In the Nordic market areas of Denmark, Sweden, Norway and Finland ("Nordics") and in the Baltic market areas Estonia, Latvia and Lithuania ("Baltics"), the so-called Nordic Fallback process[3] may be applied in the event that no results are achieved in the single day-ahead Market Coupling. This process is defined by the Nordic and/or Baltic Transmission System Operators together with the Nordic and/or Baltic national regulatory authorities in accordance with Article 44 Commission Regulation (EU) 2015/1222 ("CACM"). Part of the Nordic Fallback process is a mandatory allocation of trading results of a certain reference day by the Fallback Coordinator to all SDAC-Trading Participants that have traded in the respective market areas on the reference day (so-called no-price situation). The provisions on Nordic Fallback dealt with in these Clearing Conditions exclusively concern the no-price situation of the Nordic Fallback procedure.
Payment Bank	Bank (except the Deutsche Bundesbank) appointed by ECC as being authorised to hold Settlement Accounts in EUR or Foreign ~~various~~ C~~c~~urrencies for ECC.
Position	The balance of several Derivatives Market Transactions regarding the same Contract which have not been settled yet.

[3] Proposal for "fallback procedures" amended by the Transmission System Operators of the Nordic Capacity Calculation Region in accordance with Article 44 Commission Regulation (EU) 2015/1222.

© European Commodity Clearing AG – part of eex group

Product	Spot Market Contract or all Derivatives Market Contracts with the same underlying but different maturity dates and/or Delivery Periods which are traded on a Market and have been included in clearing by ECC.
Recovery Measure	A measure of ECC provided for in its recovery plan. Such a measure may, in particular, be any measure of loss allocations under section 3.4.6.2 paragraph 2, the request for Additional Contributions under section 3.7.4 paragraph 5, the allocation of Positions under section 3.11.8 and the cash settlement under section 3.11.9.
Recovery Situation	Describes ECC's decision to take action under its recovery plan with respect to a Default Event or Non-Default Event.
Register Administrator	Competent operator of (1) the Register for Guarantees of Origin, or (2) the Register for nEHS Certificates.
Registry Based Products	Emission Rights and Capacity Guarantees, that are booked on internal stock accounts of ECC.
SDAC-Market Area	Market area that is coupled with another market area or several market areas as a result of the European Single Day Ahead Market Coupling Initiative. For the Markets cleared by ECC, this currently includes the market areas Austria, Belgium, Denmark, Estonia, Finland, France, Germany, Hungary, Latvia, Lithuania, Luxembourg, Netherlands, Norway, Poland, Slovenia and Sweden.
SDAC-Product	All Day Ahead products offered for clearing by ECC in a SDAC-Market Area.
SDAC-Trading Participant	A Trading Participant admitted to trading in SDAC-Products in one or more SDAC-Market Areas.
Securities	All securities (*Wertpapiere*), including, for the avoidance of doubt, secondary securitization, rights treated as securities by law, such as electronic securities (*elektronische Wertpapiere*), collective debt register claims (*Sammelschuldbuchforderungen*) and cross-border collective holdings pursuant to section 5 paragraph 4 German Depository Act (DepotG) and all other equivalent legal positions except for Book-entry Securities.

© European Commodity Clearing AG – part of eex group

	In deviation from the above, when used in the context of Individual Segregation, the term "Securities" shall include Book-entry Securities, unless the context requires otherwise.
Securities Collateral	Collateral in Securities and Book-entry Securities.
Segregated CEU Pledged-Securities Account	This term has been replaced by the term "Individually Segregated CEU Pledged-Securities Account" since Release 66a of these Clearing Conditions. Reference to a Segregated CEU Pledged-Securities Account in other documents, e.g. a Clearing Agreement or an NCM Agreement, shall be understood as reference to an Individually Segregated CEU Pledged-Securities Account within the meaning of these Clearing Conditions.
Settlement Account	Every T2-account approved by ECC as Settlement Account as well as any other account of Institution Clearing Members or Auctioneers for Guarantees of Origin held at a Correspondent Bank approved by ECC as Settlement Account, to which the daily balance of their Clearing Accounts is credited or from which such is debited. Every account kept for DCP Clearing Members at a Settlement Bank or a Connected Bank. Every T2-account or CEU 6 Series account held for ECC. Every account held for ECC at a Settlement Bank, Payment Bank or Forwarding Bank. ECC specifies for every Product which type of accounts must be used as Settlement Accounts and publishes the respective Settlement Accounts on the ECC website.
Settlement Bank	Institute that has concluded a System Agreement with ECC and, if applicable, a Settlement Bank Agreement, keeps one or several Settlement Accounts for DCP Clearing Members and/or ECC and carries out payment instructions for DCP Clearing Members towards ECC.
Settlement Bank Agreement	Agreement between a Settlement Bank, a DCP Clearing Member and ECC regarding keeping of a Settlement Account and which upon request of ECC arranges, *inter alia*, pledging of the credit claims of the DCP Clearing Member booked in the Settlement Account to ECC.
Settlement Entity	A company that has entered into the physical settlement of Transactions in accordance with these Clearing Conditions and based on its own obligations under a purchase agreement with Trading Participants.

© European Commodity Clearing AG – part of eex group

	Settlement Entity is European Commodity Clearing Luxembourg S.à.r.l. („ECC Lux“). For all Emission Rights markets and nEHS Certificates ECC acts as Settlement Entity itself.
Share in Collective Holding	Shares in the total inventory of Registry Based Products held by the Settlement Entity in its account at the respective registry (including the Collateral Registry Account) for all Trading Participants which are credited in internal inventory accounts. The Settlement Entity keeps these Registry Based Products in trust (*fiduziarische Treuhand*) in accordance with the provisions of the Clearing Conditions. Shares in Collective Holdings are not considered as Securities or Book-entry Securities in this sense of 3.4.7.
SIDC-Market Area	Market area that is coupled with another market area or several market areas as a result of the European Single Intraday Market Coupling Initiative. For the Markets cleared by ECC, this currently includes the market areas of Austria, Belgium, Denmark, Estonia, Finland, France, Germany, Hungary, Latvia, Lithuania, Luxembourg, Netherlands, Norway, Poland, Slovenia and Sweden.
SIDC-Product	All Intraday products (including Pan-European Intraday Auction products) offered for clearing by ECC in a SIDC-Market Area.
SIDC-Trading Participant	A Trading Participant admitted to trading in SIDC-Products in one or more SIDC-Market Areas.
Simple Omnibus Collateral Clearing Account	The separate Collateral Clearing Account within the meaning of section 3.5.7 paragraph 2 lit. (c) set up for Simple Omnibus Participants.
Simple Omnibus Participants	Clients and Non-Clearing Members of an Institution Clearing Member which are allocated to the respective Simple Omnibus Collateral Clearing Account.
Special Segregated Non-Clearing Member	This term has been replaced by the term “Individually Segregated Non-Clearing Member” since Release 66a of these Clearing Conditions. Reference to a Special Segregated Non-Clearing Member in other documents, e.g. a Clearing Agreement or an NCM Agreement, shall be understood as reference to an Individually Segregated Non-Clearing Member within the meaning of these Clearing Conditions.
Special Segregated Participant	This term has been replaced by the term “Individually Segregated Participant” since Release 66a of these Clearing Conditions. Reference to a Special Segregated Participant in other

© European Commodity Clearing AG – part of eex group

	documents, e.g. a Clearing Agreement or an NCM Agreement, shall be understood as reference to an Individually Segregated Participant within the meaning of these Clearing Conditions.
Spot Market	Market or sub-market on which Transactions regarding Contracts are concluded which are usually settled within a period of two (2) Business Days.
Spot Market Transaction	Transaction by a Trading participant on a Spot Market.
Stop Button	Technical implementation of the Emergency Member Stop in the Eurex Clearing System.
Stop Limit	A contractual limit for the Non-Clearing Members risk position which is contractually agreed between the Clearing Member and the Non-Clearing Member and upon exceeding of which the Clearing Member will submit a request for the exclusion of the Trading Participant concerned from trading on the Markets cleared by ECC.
Stop Request	Technical implementation of the Emergency Member Stop within the ECC Self-Service Limit Maintenance system.
System Agreement	Independent contractual agreement under the provision regarding the payment system in chapter 7, the provisions in chapter 6 as well as all provisions and definitions of terms in these Clearing Conditions which refer to Institution Clearing Members or Settlement Banks as participants in the system. The entirety of these System Agreements constitutes a formal agreement within the meaning of Article 2 lit. a) SFD which forms a system within the meaning of the SFD.
T2-account	An account within the payments module with a Eurosystem central bank participating in T2 or with another central bank which is not a Eurosystem central bank but participates in T2 pursuant to a specific agreement.
Trade/Transaction	Every Spot or Derivatives Market Transaction in one of the Products approved by ECC which Trading Participants have concluded or registered in a Market and which is settled by ECC.
Trading	Comprises order book trading and the registration of Trades at a Market.
Trading Day	The days specified by the respective Market on which trading takes place or on which Transactions can be registered.
Trading Limit	Technical limit on the number of orders that can be entered by a Trading Participant in the trading system of the Market.

© European Commodity Clearing AG – part of eex group

Trading Participant	Company which is approved as a Trading Participant for a Product by ECC and which takes part in the clearing procedure on ECC as a Non-Clearing Member or as a Clearing Member.
Trading Participant Bank Guarantee	First-demand bank guarantee covering current and future liabilities which a DCP Clearing Member or Non-Clearing Member has towards ECC under its participation in clearing provided by an institute accepted by ECC, whose guarantee amount is denominated in a currency approved by ECC and whose conditions correspond to the guarantee conditions specified by ECC. For the Trading Participant Bank Guarantee, the form provided by ECC on the ECC website must be used together with the guarantors also listed there.
Trading Participant Cash Collateral	Cash collateral provided to ECC by a Trading Participant in a currency approved by ECC which ECC keeps each in a Cash Collateral Account for this Trading Participant.
Trading Participant Collateral	Collateral provided according to section 3.4.12, 3.4.13 or 3.4.14 which can be considered in the calculation of the amount of the Margin Requirement in accordance with section 3.4.2 in the form of (1) collateral regarding Shares in Collective Holdings, (2) Trading Participant Cash Collateral and (3) Trading Participant Bank Guarantees.
Transmission System Operator	Transmission and Hub Operator or Market Area Manager.
In as far as the following provisions refer to one of the persons specified above in the singular, each of these provisions shall apply to all of such persons. Provisions concerning a Clearing Member in the relationship with Non-Clearing Members, Clients or Settlement Banks shall apply to this Clearing Member each exclusively in the relationship with such Non-Clearing Members, Clients or Settlement Banks with whom this Clearing Member has a Contractual Relationship. Unless otherwise specified, all references to legal provisions are references to the legal provision in its respectively valid version (dynamic references). References to Commission Delegated Regulation (EU) 2023/2830 (Auctioning Regulation) and Commission Delegated Regulation (EU) 2019/1122 (Registration Regulation) are always static references to the regulations in their versions dated 20 December 2023 and 01 January 2025, respectively.	

© European Commodity Clearing AG – part of eex group

2. License for Participation in Clearing on ECC and Parties involved in ECC Clearing

2.1 Clearing Member

2.1.1 Clearing License

(1) A clearing license is required for participation in clearing as a Clearing Member. The clearing license is obtained by means of the conclusion of a corresponding clearing agreement ("Clearing Agreement") with ECC. A clearing license authorises the holder to clear Transactions in Products which are currently approved or will be approved by ECC. The clearing license can be restricted by ECC with regard to individual Products in case the Clearing Member does not fulfil the preconditions which are specific for the respective Product.

(2) An institution clearing license can be granted as a general clearing license or as a direct clearing license. A general clearing license authorises the holder to clear Transactions on its own account, Client Transactions or Transactions by Non-Clearing Members. A direct clearing license authorises the member concerned to clear Transactions on own account, Client Transactions as well as Transactions by affiliated Non-Clearing Members. General clearing license and direct clearing license are considered as institutions clearing licenses within the meaning of these Clearing Conditions also when granted before 01 August 2016.

(3) A DCP clearing license exclusively authorises DCP Clearing Members to clear its own Spot Market Transactions in the Products accepted for DCP clearing.

2.1.2 General Preconditions for an Institution Clearing Member

(1) Only institutions fulfilling the following preconditions can be granted a clearing license as an Institution Clearing Member in the form of a general clearing license or a direct clearing license:

(a) Institutions based in a Member State of the European Union ("EU"), in Switzerland or Norway provided they have been licensed by the national supervisory authority within their countries of incorporation and the license comprises the banking transactions and/or financial services which are required for participation in clearing and the institutions are also under the supervision of the national supervisory authority within their countries of incorporation in accordance with the parameters of the directives of the EU, or if the company is based in Switzerland, of the Swiss Financial Market Supervisory Authority ("FINMA"), or if the company is based in Norway, of the Financial Supervisory Authority of Norway Finanstilsynet;

(b) Branch offices and branch establishments within the meaning of KWG provided the branch office and/or the institution fulfil the preconditions as per lit. (a) and section 2.1.2;

(c) Branch establishments within the meaning of Article 2 paragraph 1 lit. a) of the Swiss Federal Law regarding Banks and Savings Associations in conjunction with the Ordinance

© European Commodity Clearing AG – part of eex group

of FINMA regarding foreign banks in Switzerland provided the branch establishment fulfils the preconditions as per lit. (a) and section 2.1.2;

(d) Other branch offices based in a Member State of the EU ("receiving state") provided the respective main office with registered offices in a Member State of the EU ("country of origin") is licensed by its national supervisory authority and is supervised accordingly and provided the license comprises the banking transactions and/or financial services required for clearing operations, there are no exit barriers for branch establishments for institutions with headquarters in a Member State of the European Union in the country of origin, a notification procedure has been carried out in the receiving country and the branch establishment and/or the institution fulfils the preconditions under section 2.1.2;

(e) Institutions based outside the EU, Switzerland or Norway provided (i) the applying institution has been licensed by its national supervisory authority and the license comprises banking transactions and/or financial services required for participation in clearing, (ii) in its country of domicile it is supervised according to standards equivalent to the applicable regulatory standards of the EU as determined by ECC and provided that (iii) the supervisory authority in charge is a signatory to Appendix A of the IOSCO Multilateral Memorandum of Understanding or has signed an applicable bilateral memorandum of understanding with the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – "Bafin").

ECC may require an institution based outside the EU to provide, at its own expense, a legal opinion from a leading counsel approved by ECC that verifies the legal validity and enforceability of the Clearing Conditions in the respective jurisdiction according to standards provided by ECC from time to time.

The main branches of the branch offices or branch establishments specified in sentence 1 lit. (b) to (d) have to guarantee in writing that the obligations arising from clearing of their branch offices or branch establishments will be fulfilled to an unrestricted amount upon the first request by ECC. For the purpose of verification of the legal validity of this guarantee ECC may demand all the required information and evidence, including a legal expertise by an expert to be appointed by ECC, form the institution concerned and at its expense.

ECC can permit exceptions to the preconditions of this paragraph 1 in the case of central banks or state-owned development banks with registered offices in a Member State of the EU, another contracting member state of the Agreement on the European Economic Area or Switzerland provided these companies or institutions are not banned from taking part in the ECC clearing procedure according to the legal provisions applicable to them.

(2) A general clearing license is based on the precondition of liable equity capital on the part of the applicant institution to the amount of at least 30,000,000 EUR or the corresponding equivalent value in the currency of the country in which the applicant institution is based.

A direct clearing license is based on the precondition of liable equity capital on the part of the applicant institution to the amount of at least 7,500,000 EUR or the corresponding equivalent value in the currency of the country in which the applicant institution is based.

© European Commodity Clearing AG – part of eex group

For Institution Clearing Members with a general clearing license, which possess a license according to EMIR, the same requirements regarding liable capital funds shall apply as for Clearing Members with a direct clearing license.

(3) The calculation of the liable capital funds shall be effected in accordance with the legal regulations valid in the country of incorporation of the institution concerned. Evidence of the amount of the liable capital funds shall be furnished for ECC upon filing of the application as well as at any other time upon a request to that end after receipt of the institutions clearing license. For the purpose of verification ECC may commission an auditor at the expense of the applicant.

(4) In case the liable equity capital of the applicant institution is not sufficient for granting of an institutions clearing license, ECC may determine that the missing amount can be balanced by means of bank guarantees or collateral in cash or Securities Collateral or loan stock rights subject to the provision contained in section 3.4 (“Equity-Replacing Collateral”).

The bank guarantee must be issued to the benefit of ECC by a German banking institution within the meaning of § 1 paragraph 1 KWG or by a comparable foreign institution. ECC may determine that a guarantee by a national or foreign non-banking institution is deemed sufficient provided the guarantee granted by such is comparable to a bank guarantee. In this case the provisions regarding the bank guarantee shall apply accordingly. The Institution Clearing Member and the banking institution issuing the guarantee must be different in person and shall not be affiliated companies within the meaning of § 15 German Stock Corporation Act (Aktiengesetz – “AktG”). ECC may permit exceptions to this provision in the case of affiliated companies in individual cases. The bank guarantee has to contain the unconditional and irrevocable guarantee by the guarantor ensuring that the amount~~sum~~ guaranteed is provided to an account named by ECC upon the first request of ECC to that end in case of insufficient margins by the Institution Clearing Member (see section 3.10.1 No. 7). The type, content and form of the bank guarantee shall be specified by ECC.

(5) Upon request by ECC, Institution Clearing Members must participate in the “Know Your Customer” (“KYC”) process and provide all documents and information (e.g. a KYC questionnaire) ECC asks for in this context and pass the KYC assessment and/or a comparable ECC admission requirement.

(6) Moreover, an Institution Clearing Member has to furnish evidence of the following:

(a) at least a CEU Pledged-Securities Account, if Securities Collateral shall be posted,

(b) a Settlement Account,

(c) technical connection to the settlement system of ECC according to the Implementation Regulation of European Commodity Clearing AG Concerning Technical Equipment in its respectively valid version,

(d) the utilisation of the adequate technological equipment (back-office equipment) in order to ensure proper recording, booking and monitoring of all Transactions as well as of the margins and the calculation of the required margins towards its Clients in accordance with

© European Commodity Clearing AG – part of eex group

the minimum requirements by ECC (clearing obligations); in addition to that, the Implementation Regulation of European Commodity Clearing AG Concerning Technical Equipment in its respectively valid version shall apply accordingly,

(e) the appointment and employment of at least one sufficiently qualified member of staff for the proper discharge of the clearing obligations at the back office ("Back Office Contact") and naming of a Default Management Contact (functional e-mail address and hotline) under the supervision of sufficiently qualified members of staff empowered to receive and deliver notifications in the course of the Default Management Auctions according to section 3.11 via e-mail or telephone. The Back Office Contact as well as the Default Management Contact must be ~~present as well as~~ available by telephone and e-mail at any time during any given Business Day and

(f) the contribution to the Default Fund as per section 3.7.

2.1.3 General Preconditions for a DCP Clearing Member

(1) A DCP clearing license can only be granted to companies which:

(a) are based in a state for which ECC approves DCP Clearing Members in principle (in accordance with the publication on the ECC website),

(b) have a liable equity capital of at least 50,000 EUR and

(c) are not Institution Clearing Members.

Deviating from sentence 1 lit. (b), nEHS DCPs only require liable equity capital of at least 25,000 EUR.

(2) Upon request by ECC, DCP Clearing Members must participate in the KYC process and provide all documents and information (e.g. a KYC questionnaire) ECC asks for in this context and pass the KYC assessment and/or a comparable ECC admission requirement.

(3) ECC may require a company to provide, at its own expense, a legal opinion from a leading counsel approved by ECC that verifies the legal validity and enforceability of the Clearing Conditions in the respective jurisdiction according to standards provided by ECC from time to time.

(4) In case the DCP Clearing Member does not have the required liable equity capital according to paragraph 1, ECC may determine that the missing amount can be balanced by means of Equity-Replacing Collateral. In general, Equity-Replacing Collateral is granted in form of a bank guarantee. The bank guarantee must be issued to the benefit of ECC by a German banking institution within the meaning of § 1 paragraph 1 KWG or by a comparable foreign institution. The bank guarantee has to contain the unconditional and irrevocable guarantee by the guarantor ensuring that the amount~~sum~~ guaranteed is provided to an account held by ECC upon the first request of ECC to that end in case of insufficient margins by the DCP Clearing Member. The type, content and form of the bank guarantee shall be specified by ECC.

© European Commodity Clearing AG – part of eex group

ECC may determine that a guarantee by the parent company is deemed sufficient provided the guarantee granted by such is comparable to a bank guarantee. In this case the provisions regarding the bank guarantee shall apply accordingly.

Exceptionally, ECC may determine that the shortfall shall be made up by Equity-Replacing Collateral in the form of collateral in cash or Securities Collateral according to section 3.4.

(5) A DCP Clearing Member must furnish proof of the following:

(a) at the request of ECC one or several Settlement Accounts with a Settlement Bank or Connected Bank,

(b) in case of a Settlement Account at a Settlement Bank:

- the conclusion of a Settlement Bank Agreement or the conclusion of an agreement between the DCP Clearing Member and the Settlement Bank regarding keeping of a Settlement Account and, upon a request by ECC, separate pledging of the credit claim of the DCP Clearing Member booked in the Settlement Account and reported to the Settlement Bank to ECC,
- the authorisation of ECC to dispose of the balance in the Settlement Account at the expense of the DCP Clearing Member to fulfil its liabilities towards ECC,

(c) in case of a Settlement Account at a Connected Bank:

- the authorisation of the Connected Bank to dispose of funds in the Settlement Account to the debit of and on behalf of the DCP Clearing Member in response to MT101 messages initiated by ECC and forwarded by the Forwarding Bank to the Connected Bank to discharge the DCP Clearing Member's obligations towards ECC, and
- confirmation by the DCP Clearing Member that it will not without the consent of ECC object to such dispositions by the Connected Bank,

(d) the appointment and employment of at least one sufficiently qualified member of staff for the proper discharge of the clearing obligations at the back office (“Back Office Contact”) that must be ~~present as well as~~ available by telephone and e-mail at any time during any given Business Day and

(e) the provision of a contribution to the Default Fund in accordance with section 3.7.

For nEHS-DCPs the proofs according to sentence 1 lit. (a) to (d) are not required.

(6) A DCP Clearing Member must notify ECC about the use of systems for trading, in which a computer algorithm determines single order parameters automatically (algorithmic trading), prior to their launch. ECC may permanently or temporarily, completely or partially forbid using such system mentioned in sentence 1, in particular if a disturbance of the proper clearing and settlement process is impending.

© European Commodity Clearing AG – part of eex group

2.1.4 Product-specific Preconditions for a Clearing Member

(1) For clearing of Products in EUR Institution Clearing Members are required to provide a T2-account. If the Institution Clearing Member can evidence that it does not have a T2-account itself and has not agreed with a direct T2 participant to submit payment orders and receive payments via the latter's T2-account and the Institution Clearing Member assures ECC that it could only facilitate settlement via a T2-account with considerable, unreasonable effort, if at all, it may apply to ECC to use a Settlement Account with a Correspondent Bank for the Clearing of Products in EUR as an alternative financial settlement path. In this case the Institution Clearing Member shall give authorisation to ECC regarding such Settlement Account with the Correspondent Bank to submit payment instructions on its behalf and instruct the Correspondent Bank to execute the payment instructions submitted by ECC and to credit respective funds to ECC's Settlement Account with the Payment Bank. ECC shall instruct the Payment Bank to transfer a credit balance identified by ECC on its Settlement Account with the Payment Bank to ECC's T2-account.

(2) By applying for the use of a Settlement Account with a Correspondent Bank for the clearing of Products in EUR, the Institution Clearing Member assures to ECC by way of an independent obligation to indemnify and irrespective of fault, that the Institution Clearing Member shall be liable for all damages and losses incurred by ECC as a result of the Institution Clearing Member's use of this alternative financial settlement path, in particular due to (a) errors or malfunctions on the side of the Institution Clearing Member, the Correspondent Bank or the Payment Bank (b) a failure to credit ECC's Settlement Account at the Payment Bank, (c) a failure to transfer a credit balance identified by ECC with regard to its Settlement Account with the Payment Bank to ECC's T2-account, (d) a failure to transfer any amount of money due to the Institution Clearing Member from ECC's Settlement Account with the Payment Bank to the Institution Clearing Member's Settlement Account with the Correspondent Bank ("Obligation to Indemnify").

Upon ECC's request, the Institution Clearing Member shall be obliged to fulfil a payment claim of ECC arising from the Institution Clearing Member's Obligation to Indemnify without undue delay by performing~~making~~ and crediting a payment to an account at a Payment Bank designated by ECC. If the Institution Clearing Member has fully satisfied ECC's claim for payment under the Obligation to Indemnify, ECC shall assign any claims it may have against the Payment Bank to the Institution Clearing Member.

An Obligation to Indemnify of the Institution Clearing Member shall not apply if a damage or loss has been caused by ECC intentionally or through gross negligence.

(3) The following shall be required for clearing of Products in a Foreign Currency for Institution Clearing Members:

(a) a Settlement Account at a Correspondent Bank capable of handling Foreign Currencies, as well as

(b) an authorisation of ECC for submitting payment instructions for the respective Settlement Account of the Institution Clearing Member.

© European Commodity Clearing AG – part of eex group

(4) For clearing of Products in Foreign Currencies for DCP Clearing Members, a Settlement Account, through which funds in Foreign Currencies can be settled, at a Settlement Bank, Correspondent Bank or Connected Bank is required.

2.1.5 Specific Requirements for US-Clearing Members

For Institution Clearing Member legally organised and with principle place of business in the United States of America (or any state thereof) ("US-Clearing Member") the following specific requirements apply in addition to the general and product-specific preconditions for the granting of a clearing license laid down in section 2.1.2 and section 2.1.4.

2.1.5.1 Specific Preconditions for US-Clearing Members

(1) A US-Clearing Member must be a futures commission merchant (as defined in the Commodities Exchange Act) ("FCM"), registered with the U.S. Commodity Futures Trading Commission ("CFTC").

(2) ECC can limit the clearing license for US-Clearing Members to specific Products.

2.1.5.2 Additional continuing Obligations for US-Clearing Members

(1) Prior to entering into a clearing relationship with a Non-Clearing Member or a Client, a US-Clearing Member shall inform the relevant Non-Clearing Member or Client that the same level of protection under the EMIR-compliant segregation models of ECC cannot be offered by a US-Clearing Member.

The US-Clearing Member must offer to Non-Clearing Members or Clients intending to clear through this US-Clearing Member the availability of EMIR-compliant segregation models through an affiliated company or another Clearing Member with its registered seat in the EU. If – notwithstanding the aforementioned alternatives offered – the relevant Non-Clearing Members or Clients chooses to clear through the US-Clearing Member, the US-Clearing Member shall disclose to the relevant Non-Clearing Members or Clients any risks which arise from clearing through such US-Clearing Member.

(2) For US-Clearing Members the following additional continuing obligations shall apply:

(a) In addition to the notification requirements stipulated in section 2.1.6 the US-Clearing Member shall inform ECC without undue delay, if it ceases to be in compliance with one of the preconditions in section 2.1.5.

(b) The US-Clearing Member shall file a copy of its monthly Form 1-FR or, if applicable, of the FOCUS Report (as defined by the U.S. Securities and Exchange Commission) and its annual audited financial report with ECC promptly, but in any event no later than thirty (30) Business Days after such report is available.

(c) The US-Clearing Member shall inform ECC without undue delay of any decline in equivalent regulatory capital of 20% or more from the capital that was shown on its most recent monthly Form 1-FR, that was transmitted to ECC, or, if applicable, FOCUS report.

© European Commodity Clearing AG – part of eex group

(d) The US-Clearing Member shall enable ECC at any time to comply with the requirement of Commission Regulation 30.7 to provide technological connectivity to the benefit of CFTC in respect of the Customer Secured Account of the US-Clearing Member.

2.1.6 Notification Requirements and Right to Audit

(1) Every Clearing Member shall inform ECC forthwith as soon as the general (section 2.1.2) or product-specific (section 2.1.4) preconditions for its participation in clearing on ECC are not fulfilled any longer or in case other circumstances have arisen which might lead to the lapse of these preconditions.

(2) The Clearing Member shall notify ECC without delay in writing, via e-mail to clearing@ecc.de[4] or by means of another technical option (e.g. Customer Portal), insofar as ECC expressly makes this available for this purpose in any of the following events:

(a) an event that affects or could significantly affect the Clearing Member's ability to meet the requirements for membership (e.g. the utilisation of a new service provider),

(b) the Clearing Member has been notified that a competent authority or other government agency shall investigate any of its divisions that are essential to its performance under the Clearing Conditions,

(c) the Clearing Member fails to comply with any applicable financial requirement of any governmental authority, regulatory authority, exchange, clearing organisation or Transmission System Operator or another delivery facility,

(d) on the activation of a restructuring plan, early intervention or resolution measures or any other comparable procedure,

(e) an insolvency affecting itself or any of its parent company or affiliates,

(f) of any "early warning" or similar matter with regard to an imminent insolvency according to lit. (e) required to be notified to a regulatory authority under applicable law, within the time and in the manner specified in applicable law for such notification to such regulatory authority,

(g) any event of default (e.g. not furnishing margins in due time) of a Non-Clearing Member or Clearing Broker Client,

(h) a merger, combination or consolidation in which the Clearing Member is involved, a change of the ultimate parent company of the Clearing Member, or in relation to any change of control, as soon as it becomes aware of that change or proposed change and it is not prevented from disclosing the change by applicable law,

(i) the sale of a significant part of the Clearing Members business or assets to another legal entity,

[4] ~~In case of error messages during the delivery of the e-mail, the ECC website shall be searched for a suitable alternative e-mail address or another form of message transmission must be chosen.~~

© European Commodity Clearing AG – part of eex group

(j) an essential change in its systems, business strategy or operations or a significant finding in the external or internal audit report which may have the potential effect of affecting the clearing operations at ECC,

(k) if the auditors of the Clearing Members do not issue an unqualified financial report and

(l) any essential change in the information provided to ECC as part of a KYC process.

In addition to the obligation to notify according to sentence 1, ECC must be informed immediately via telephone in the cases as per sentence 1 lit. (a) to (g).

(3) Clearing Members are obliged to furnish proof of the required available equity to ECC by submitting a copy of their annual financial statement within a period of six (6) months (Institution Clearing Members) or nine (9) months (DCP Clearing Members) after the end of every financial year. In as far as there is a legal obligation for auditing of the annual financial statement by an auditor of annual accounts, a copy of the audited annual financial statement with an audit opinion shall be submitted.

(4) Upon request of ECC evidence of:

(a) the continued existence of the preconditions for granting of a clearing license,

(b) the ability of the Clearing Member to perform its obligations under the Clearing Conditions and

(c) the ability of the Clearing Member to manage its risk out of its clearing obligations including credit, operational and compliance risk

shall be furnished to ECC at any time. For the purpose of a further investigation ECC may commission an auditor within the meaning defined in the KWG or comparable regulations at the expense of the Clearing Member. Each Clearing Member shall provide information, books and records that are reasonably requested during the audit.

(5) Upon ECC´s request, the Clearing Member shall provide a completed KYC questionnaire.

(6) The Institution Clearing Member shall give prompt written information upon ECC's request relating to its Non-Clearing Members, Clearing Broker Clients or Clients including:

(a) the identity and Positions of Non-Clearing Members, Clearing Broker Clients or Clients and the respective ultimate bearer of risk,

(b) as far as available to the Clearing Member, the information required according to ECC's KYC questionnaire and

(c) any relationship of the Non-Clearing Members, Clearing Broker Client or Client to the Clearing Member potentially resulting in a material increased risk to ECC.

2.1.7 Non-transferability

A clearing license cannot be transferred by means of a legal transaction without ECC's consent.

© European Commodity Clearing AG – part of eex group

2.1.8 Termination and Suspension of the Clearing License

(1) Every Clearing Member may terminate its clearing license by means of a written notice without specifying reasons for such termination. Such termination shall only become effective once all those Transactions for the clearing of which the Clearing Member concerned is responsible have been closed out or transferred to another Clearing Member and once all outstanding delivery obligations and acceptance of delivery obligations as well as all obligations to effect payments on the part of the Clearing Member concerned and all outstanding delivery obligations and obligations to accept delivery on the part of connected Non-Clearing Members have been fulfilled.

(2) ECC may terminate a clearing license if

(a) the general preconditions for granting of a clearing license were not fulfilled in the first place, in particular if the clearing license was granted on the basis of incorrect or incomplete information furnished by the Clearing Member,

(b) the general preconditions for granting of a clearing license have subsequently ceased to exist,

(c) in case of a DCP Clearing Member the approval as a Trading Participant is revoked in its entirety,

(d) the Clearing Member violates an Essential Provision of the Clearing Conditions and repeatedly transgresses such in spite of a warning being given; in this context, the non-existence of intention or negligence on the part of the Clearing Member shall be irrelevant insofar,

(e) measures according to §§ 45 et seq. KWG have been instituted against the Clearing Member or in case an application for insolvency proceedings has been filed. The measures as per §§ 45 et seq. KWG and the insolvency proceedings shall be equivalent to the corresponding measures and proceedings as per the legislation of the country in which the Clearing Member is based,

(f) measures according to §§ 45 et seq. KWG have been instituted against a company which exercises control over the Clearing Member within the meaning of § 17 AktG or of comparable national rules (ultimate parent company) or in case an application for insolvency proceedings has been filed. Measures as per §§ 45 et seq. KWG and the insolvency proceedings shall be equivalent to the corresponding measures and proceedings as per the legislation of the country in which the Clearing Member is based, or

(g) the Clearing Member objects to an amendment of these Clearing Conditions within the period of time specified under section 6.7.

(3) In case of well-founded suspicion that the preconditions for a termination as per paragraph 2 have been fulfilled or are about to be fulfilled, ECC can take mutatis mutandis to section 3.8.3 other measures in case of default and order the suspension of the clearing license for a period of six (6) months at most. For the purpose of examination, ECC may request all the necessary

© European Commodity Clearing AG – part of eex group

information and records from the Clearing Member concerned at the expense of this party. A suspension of the clearing license can also be ordered for the term of the default or technical default as per sections 3.8.1 et seq. Notwithstanding the occurrence of a default under section 3.8, if ECC considers (i) that there is a risk that a Clearing Member will not be able to meet its future obligations or (ii) that a Clearing Member poses an operational risk to ECC, ECC may impose position limits on the Clearing Member, exclude the Clearing Member and, if applicable, its Non-Clearing Members from Trading in one or more Products for a maximum of five (5) Business Days (Emergency Member Stop), and/or order the suspension of the clearing license for the duration that such risk is presumed.

(4) ECC shall communicate the suspension or the termination of the clearing license to the Clearing Member concerned in writing, via telefax, via e-mail or via SWIFT message.

(5) In the case of the termination or suspension of a clearing license, ECC is entitled to:

(a) request the Clearing Member and, if applicable, its Non-Clearing Members to conclude closing-out Transactions or to carry out risk minimizing position transfers with the approval of ECC within a period established by ECC for the specific case or

(b) carry out a termination on its own at any time by accordingly applying section 3.9 with the legal consequences described in section 3.10.

In case of sentence 1 lit. (a), the Institution Clearing Member shall inform its Non-Clearing Members forthwith so they are able to make arrangements for the transfer of their Trades and Positions and, if applicable, collateral to another Institution Clearing Member.

(6) The termination or suspension of the clearing license shall not affect the rights and obligations arising for the Clearing Member concerned from unsettled Trades and for the clearing of which it is responsible.

2.1.9 Restrictions of the Clearing License

(1) ECC shall restrict a clearing license with regard to certain products in case the product-specific preconditions for the respective Product are not fulfilled or have ceased to exist.

ECC shall inform the Clearing Member concerned of the restriction of the clearing license in writing, via telefax, via e-mail or via SWIFT message.

(2) In case of a restriction of the clearing license, the Clearing Member and, if applicable, its Non-Clearing Members are only entitled to carry out close-out Transactions or risk minimizing position transfers regarding the concerned Products upon approval by ECC. All unsettled Trades in these Products must be closed out or transferred to another Clearing Member. The Institution Clearing Member shall inform its Non-Clearing Members of this fact forthwith, so these can take precautions for the transfer to another Institution Clearing Member. ECC shall monitor the close-out transaction and/or the transfer.

(3) If the close-out transaction or the transfer is not completed within a period of time to be set by ECC for the individual case, ECC may arrange for the close-out or transfer in accordance with section 3.10.1.

© European Commodity Clearing AG – part of eex group

(4) The restriction of the clearing license shall not affect the rights and obligations of the Clearing Member from unsettled Trades in these Products for the clearing of which it is responsible.

2.1.10 Back-up Institution Clearing Member

(1) Institution Clearing Members can be appointed as Back-Up Institution Clearing Member of a Non-Clearing Member. To this end, the Non-Clearing Member, the Back-Up Institution Clearing Member and ECC conclude an NCM Agreement including the provision that the rights and obligations under this agreement will only arise upon the switch by the Non-Clearing Member to the Back-Up Institution Clearing Member.

(2) Upon request by the Non-Clearing Member, a Back-Up Institution Clearing Member can assume clearing for said Non-Clearing Member in accordance with the provisions contained in sections 3.1.4 to 3.1.6.

2.2 Non-Clearing Member

2.2.1 Preconditions for the Participation of a Non-Clearing Member in Clearing of a Product

A license by ECC shall form the precondition for participation in Clearing of a Product as a Non-Clearing Member. The following shall be required for licensing:

(a) conclusion of a corresponding NCM Agreement with the supporting Institution Clearing Member and ECC,

(b) the clearing license of the supporting Institution Clearing Member of the Non-Clearing Member must comprise the Product concerned,

(c) participating in the KYC process upon request by ECC including provision of all documents and information (e.g. a KYC questionnaire) ECC asks for in this context and passing of the KYC assessment or other comparable access policies of ECC and

(d) the naming of a Default Management Contact (functional e-mail address and hotline) under the supervision of sufficiently qualified members of staff empowered to receive and deliver notifications in the course of the Default Management Auctions according to section 3.11 via e-mail or telephone. The Default Management Contact must be ~~present as well as~~ available by telephone and e-mail at any time during any given Business Day.

2.2.2 Termination of the NCM Agreement

(1) ECC shall be entitled to terminate an NCM Agreement regarding a Product in case the preconditions for licensing as a Non-Clearing Member for the Product concerned have ceased to be fulfilled. This shall not affect the validity of the NCM Agreement regarding other Products. In case ECC terminates an NCM Agreement, the Non-Clearing Member is not allowed to enter

© European Commodity Clearing AG – part of eex group

new orders regarding this Product anymore. Furthermore, the Non-Clearing Member must delete all outstanding orders regarding this Product, and it has to close out or transfer to another Institution Clearing Member all unsettled Trades regarding this Product. The Institution Clearing Member shall fulfil the obligations arising from the remaining Transactions of the Non-Clearing Member.

(2) ECC may terminate an NCM Agreement in its entirety in case the Non-Clearing Member or the Institution Clearing Member repeatedly infringe on Essential Provisions of the Clearing Conditions in spite of a warning being given or objects to an amendment of these Clearing Conditions during the period specified in section 6.7. In case ECC terminates an NCM Agreement, the Non-Clearing Member is not entitled to enter new orders anymore. Moreover, it has to delete all outstanding orders and close out all unsettled Trades or transfer such to another Institution Clearing Member. The Institution Clearing Member shall fulfil the obligations arising from the remaining Transactions of the Non-Clearing Member.

(3) ECC can terminate an NCM Agreement at any time if the approval as a Trading Participant is revoked in its entirety.

(4) An Institution Clearing Member or ECC may terminate an NCM Agreement in its entirety or with regard to individual Products. The period of notice for a termination according to sentence 1 is one (1) month to the end of the calendar month. Upon the expiry of this period of notice, the Non-Clearing Member shall delete all outstanding orders in the Products concerned and close out all unsettled Trades regarding these Products or transfer such to another Institution Clearing Member. After that the Non-Clearing Member is not entitled to enter any new orders regarding these Products, which would have to be settled by this Institution Clearing Member, anymore. The Institution Clearing Member shall settle the obligations arising from the remaining Transactions of the Non-Clearing Member.

(5) A Non-Clearing Member may terminate an NCM Agreement in its entirety or with regard to individual Products at any time. A termination shall be based on the precondition that it has closed out all unsettled Trades in the concerned Products or that it has transferred such, that it has deleted all orders with regard to these and that it has fulfilled all the obligations arising from these Products towards the Institution Clearing Member and ECC. In the event of a change of the Institution Clearing Member pursuant to section 3.1.4 or 3.1.5, the NCM Agreement with the transferring Institution Clearing Member shall end automatically without the need for a termination, at that time in which the conditions set out in sentence 2 are met and ECC has determined the completion of the change, unless the Non-Clearing Member has declared to the contrary in writing, via telefax or via e-mail to memberreadiness@ecc.de.

(6) The right to extraordinary termination for cause according to § 314 German Civil Code (Bürgerliches Gesetzbuch – “BGB”) remains unaffected. As of the date the declaration of termination is received by the other two contract parties or as of the later termination date specified in the declaration of termination, the Non-Clearing Member is not entitled to enter any new orders. Furthermore, it shall delete all outstanding orders and close out all unsettled Trades or transfer such to another Institution Clearing Member. The Institution Clearing Member shall settle the obligations arising from the remaining Transactions of the Non-Clearing Member.

© European Commodity Clearing AG – part of eex group

(7) The termination of the NCM Agreement can be declared in writing, via telefax, via e-mail (on the ECC side only to memberreadiness@ecc.de[5]), by means of another technical option (e.g. Customer Portal), insofar as ECC expressly makes this available for this purpose, or via SWIFT message. The termination of the NCM Agreement shall only become effective once it has been received by the other two parties concerned.

2.2.3 Suspension from Trading

(1) If a Non-Clearing Member fails to make a due delivery or acceptance of delivery or payment to ECC or a Settlement Entity, the Non-Clearing Member may, upon application by ECC, be suspended from trading on the Markets for the duration of the default. Unsettled Trades of the Non-Clearing Member may also be closed out or transferred to an Institution Clearing Member or, with the consent of its Institution Clearing Member, may be transferred to another Non-Clearing Member. ECC is not liable for losses incurred by a Non-Clearing Member in the event of its suspension from trading in the Markets.

(2) ECC shall inform the Institution Clearing Member of any measures taken with respect to any of its Non-Clearing Members to the extent that such measures may affect the legal position of the Institution Clearing Member or its risk assessment.

2.2.4 Notification Requirements

(1) The Non-Clearing Member shall promptly notify ECC in writing, via e-mail to memberreadiness@ecc.de[6], via telefax or by means of another technical option (e.g. Customer Portal), insofar as ECC expressly makes this available for this purpose, of any of the following:

(a) a merger, combination or consolidation between the Non-Clearing Member and another legal entity,

(b) a change of the ultimate parent company of the Non-Clearing Member, or in relation to any change of control, as soon as it becomes aware of that change or proposed change and it is not prevented from disclosing the change by applicable law,

(c) any essential change regarding the information provided to ECC as part of a KYC process.

(2) Upon ECC's request, the Non-Clearing Member shall provide a completed KYC questionnaire.

2.3 Clients

Client within the meaning of these Clearing Conditions is any direct client of an Institution Clearing Member who is not a Non-Clearing Member and who participates in the Clearing at ECC via this Institution Clearing Member. Trades and Positions of a Client are kept by the Institution

~~[5] In case of error messages during the delivery of the e-mail, the ECC website shall be searched for a suitable alternative e-mail address and/or another form of message transmission must be chosen.~~

~~[6] In case of error messages during the delivery of the e-mail, the ECC website shall be searched for a suitable alternative e-mail address and/or another form of message transmission must be chosen.~~

© European Commodity Clearing AG – part of eex group

Clearing Member together with the Trades and Positions of other Clients in a client account of this Institution Clearing Member.

2.4 Indirect Clients

2.4.1 General Requirements

(1) Indirect Clients do not have any direct contractual relationship with ECC and are not known to ECC. Second- or third-tier Indirect Clients are treated as Indirect Clients.

(2) Contract parties of an Institution Clearing Member that provide indirect clearing services towards Indirect Clients are uniformly referred to as “Indirect Clearing Service Providers” in these Clearing Conditions. Indirect Clearing Service Providers can either be

(a) admitted as Non-Clearing Members at ECC or

(b) Clients of the Institution Clearing Member that are not admitted to ECC as Non-Clearing Members.

2.4.2 Accounts for Indirect Clients

Institution Clearing Members can set up the following accounts at ECC for Indirect Clearing Service Providers:

(a) separate position and Collateral Clearing Accounts in which only Positions or collateral are booked on a net basis and which are allocated to the Indirect Clients by the Institution Clearing Member (Standard Omnibus Accounts).

(b) separate position and Collateral Clearing Accounts in which only Positions or collateral are booked which are allocated to one Indirect Client by the Institution Clearing Member (Gross Omnibus Accounts). Only Positions which are allocated to an Indirect Client by the Institution Clearing Member are booked in a separate position account; only collateral which is allocated to the Indirect Clients of an Indirect Clearing Service Provider is booked in the collateral Settlement Accounts.

2.4.3 Obligations of the Institution Clearing Member

(1) The Institution Clearing Member alone is responsible for the correct opening and use of the accounts for Indirect Clients.

(2) An Institution Clearing Member keeping accounts according to section 2.4.2 lit. (b) books Indirect Clients’ Positions and collateral in the corresponding accounts at ECC in accordance with the contractual agreements with these Indirect Clients.

(3) All other obligations of the Institution Clearing Member are based on Article 4 Commission Delegated Regulation (EU) 2017/2154 and cannot be transferred to ECC.

© European Commodity Clearing AG – part of eex group

2.5 Trading Participants

2.5.1 Precondition for Approval as a Trading Participant

(1) A Trading Participant shall be a company which is approved as a Trading Participant by ECC. Approval by ECC as a Trading Participant regarding a Product shall be based on the following preconditions:

(a) participation in Clearing regarding this Product as a Clearing Member or as a Non-Clearing Member,

(b) admitted in the approved Market on which the Product is traded or a comparable access to said Market which is recognised by ECC as an equivalent access to such Market as well as

(c) evidence of the capability for physical settlement of Transactions regarding this Product subject to the specifications by ECC.

In the case of Derivatives Market Transactions, proof of the capacity to physically fulfil Transactions can be replaced with the consent of ECC and, if applicable, its Clearing Member by a statement by the Trading Participant via the form provided by ECC under which the Trading Participant undertakes to exclude the physical settlement of the Transactions in this Product by means of closing of open Positions in due time.

(2) ECC shall communicate the approval as a Trading Participant for the respective Product to the respective Market, the Trading Participant as well as, if applicable, to its Institution Clearing Member. If the Trading Participant is not a participant in the respective Market itself, ECC will only inform the Trading Participant and its respective Institution Clearing Member.

2.5.2 Revocation of Approval as a Trading Participant

(1) ECC shall revoke the approval as a Trading Participant regarding one or more Product(s) in case the preconditions for said approval have ceased to exist, in case of a violation of Essential Provisions of the Clearing Conditions or if the Trading Participant repeatedly violates other provisions of these Clearing Conditions or its obligations resulting from the Trading Participant forms. ECC shall revoke approval as a Trading Participant for a quality-specific gas product, if it is demanded by the responsible Market Area Manager.

ECC can also revoke approval as a Trading Participant in its entirety if the existence or performance of the Agreements with this Trading Participant violates existing export controls, trade or economic sanctions, embargoes, boycotts or similar laws, ordinances, provisions, licenses, orders or other requirements by the EU or the United Nations (“UN“) (jointly referred to as “sanctions”) or if such expose ECC to penalties or sanctions. The same shall also apply to US or other sanctions in as far as ECC might be exposed to the risk of sanctions or penalties as a result according to ECC’s own assessment. The recognition as a Trading Participant can also be revoked if ECC has doubts with regard to the question of whether a continuation of the

© European Commodity Clearing AG – part of eex group

business relationship with this Trading Participant violates sanctions or exposes ECC to penalties or punitive measures.

ECC shall inform the respective Market, the Trading Participants and, if applicable, its Institution Clearing Member of such revocation in writing, via telefax or via e-mail. Reasons for such revocation shall be given within one (1) month.

(2) In case of a revocation of said approval, the Trading Participant may only be entitled to conclude close-out Transactions or risk minimizing position transfers upon approval by ECC regarding these Products as of that time. All unsettled Trades in these Products shall be closed out or transferred to another Trading Participant. ECC shall monitor those close-outs or transfers.

(3) In case close-out or transfer is not permitted to the Trading Participant or is not completed within a period of time specified for each individual case by ECC, ECC can have closing out or transfer effected.

(4) If ECC revokes the recognition as a Trading Participant, the Trading Participant concerned cannot invoke force majeure or impossibility with regard to the underlying Agreements. In this case, ECC shall be entitled to take all required measures. It shall, in particular, be entitled to use the collateral provided by the Clearing Member in order to cover losses arising from such closing or transfer or deviations according to section 4.8.4. The Institution Clearing Member of the Trading Participant shall also be entitled to use the collateral provided by the Trading Participant provided losses incur as a result of measures in connection with the implementation of sanctions.

(5) The revocation of the approval shall not affect the rights and obligations of the Trading Participant arising from unsettled Trades regarding these Products.

2.5.3 Suspension of Approval as a Trading Participant

(1) If the preconditions according to section 2.5.2 paragraph 1 are fulfilled or if there is a well-founded suspicion to assume that the preconditions for a revocation of the approval as a Trading Participant are fulfilled, ECC can order the suspension of the approval as a Trading Participant in its entirety or in part for a period of, at a maximum, six (6) months. ECC can at any time revoke the suspension of the approval as a Trading Participant, prolong the suspension according to sentence 1 repeatedly up to an additional six (6) months or revoke the approval as a Trading Participant according to section 2.5.2.

(2) The legal consequences specified in section 2.5.2 paragraphs 2 to 5 shall apply throughout the term of such suspension.

(3) Upon a request by the Trading Participant, ECC can order the suspension of the approval as a Trading Participant at its equitable discretion. The term of such suspension should not exceed a period of one (1) year beginning with receipt of the suspension according to paragraph 1. During the term of the suspension, the Trading Participant shall not incur any annual fees; technical fees shall only be incurred if corresponding connections are preserved. Section 2.5.2 paragraph 2 shall apply accordingly. Upon a request of the Trading Participant ECC shall revoke

© European Commodity Clearing AG – part of eex group

the suspension of the approval as Trading Participant before the end of the period ordered according to sentence 2 if the conditions for an approval according to section 2.5.1 paragraph 1 are fulfilled. After the end of the period ordered according to sentence 2 ECC should either revoke the suspension of the approval as a Trading Participant or revoke the approval as a Trading Participant according to section 2.5.2.

2.6 Market Coupling Counterparty

(1) In the course of Market Coupling, ECC cooperates with Market Coupling Counterparties according to Article 68 CACM.

(2) The rights and obligations in connection with the cooperation result from separate, bilateral agreements which ECC concludes with the respective Market Coupling Counterparties. In case a Market Coupling Counterparty is not admitted as a Non-Clearing Member according to section 2.2, the provisions on Margins Requirements and Collateral furnished laid down in these Clearing Conditions for a Clearing Member (section 3.4) apply subject to the condition that the Market Coupling Counterparty can also provide collateral in the form of guarantees. Market Coupling Counterparties are exempt from the requirement to make contributions to the Default Fund according to section 3.7.1.

(3) In deviation from the rules on default of Clearing Members established in these Clearing Conditions, ECC may, in the event of a default of a Market Coupling Counterparty, which is not admitted as a Non-Clearing Member according to section 2.2, take the necessary measures to ensure the orderly settlement of transactions. In particular, ECC may utilise the collateral provided by the Market Coupling Counterparty. If the collateral furnished is not sufficient to cover the financial consequences of a default of a Market Coupling Counterparty or if the collateral cannot be utilised, ECC shall share the losses with the SDAC-Trading Participants and the SIDC-Trading Participants. The loss sharing is pro rata to all SDAC-Trading Participants according to their net payments from their traded SDAC-Products and all SIDC-Trading Participants according to their net payments from their traded SIDC-Products, respectively, on the day of the default.

(4) If the Market Coupling Counterparty is admitted by ECC as a Non-Clearing Member according to section 2.2, the Market Coupling Clearing Transactions shall, for the purposes of the NCM Agreement, be considered as matching of orders which the Market Coupling Counterparty enters into the ECC system as well as into the trading system of the Markets using Market Coupling Contracts. The provisions for Non-Clearing Members and Trading Participants in these Clearing Conditions shall apply to the Market Coupling Counterparty, unless otherwise provided for in ECC's bilateral and separate agreement with the Market Coupling Counterparty and, in addition, in the Market Coupling provisions in these Clearing Conditions.

(5) In the event that the Market Coupling Facilitator or a third party acting on its behalf is in payment delay, ECC shall share the losses with the SDAC-Trading Participants and the SIDC-Trading Participants. The loss sharing is pro rata to all SDAC-Trading Participants according to their net payments from their traded SDAC-Products and all SIDC-Trading Participants according to their net payments from their traded SIDC-Products, respectively, on the day of the default. If the

© European Commodity Clearing AG – part of eex group

Market Coupling Facilitator or a third party performs such payments afterwards, ECC shall forward the payment received to the SDAC-Trading Participants and the SIDC-Trading Participants in relation to their share of loss. In case ECC has to make additional payments to the Market Coupling Facilitator, ECC will distribute such additional payment between the SDAC-Trading Participants or the SIDC-Trading Participants according to sentence 2.

2.7 Cooperation with Clearing Entities for Spot Market Transactions

2.7.1 Scope of the Cooperation

(1) ECC cooperates with clearing houses for Spot Market Transactions ("Clearing Entities"). These Clearing Entities only settle energy deliveries from Spot Market Transactions on Markets for which ECC has assumed physical and/or financial settlement but on which it is not the central counterparty. Clearing Entities are admitted as Non-Clearing Members according to section 2.2.

(2) Energy Clearing Counterparty a.s. ("EnCC") is the Clearing Entity.

2.7.2 ECC's Duty to assume Liability / Default of the Clearing Entity

The duty to assume liability on the part of ECC or the respective Settlement Entity is restricted towards the Trading Participants as follows in the case of Transactions as per section 2.7.1 paragraph 1: In the event of the default of a Clearing Entity, ECC shall utilise the collateral in accordance with the provisions in section 3.10. If the collateral furnished is not sufficient to cover the financial consequences of a default or is not liquidable, ECC shall proportionately reduce its payments to the Trading Participants in the corresponding Markets until the financial consequences of the default are covered. Any further liability on the part of ECC or the respective Settlement Entity shall be excluded.

2.8 Inclusion of Products

(1) ECC shall take the decision regarding the inclusion of Products for clearing. If an ECC advisory board in charge of this has been established, it shall be heard by ECC in advance.

(2) The following shall be preconditions for the inclusion of Products:

(a) The Product is traded on a Market in which proper trading, proper market supervision and the proper establishment of the prices as well as of the daily settlement prices are ensured.

(b) ECC has concluded an agreement regarding the provision of clearing services for this Product with the operator of the Market which governs the coordination of the systems and processes between the Market and ECC, coordinates the minimum requirements for licensing of participants for the Markets and for clearing and ensures the required rights and authorisations of ECC towards the Trading Participants and the Market subject to these Clearing Conditions.

© European Commodity Clearing AG – part of eex group

(c) Secured settlement for the Product is possible and adequate methods for risk assessment are available.

(d) Provisions have been made in these Clearing Conditions with regard to the settlement and securitisation of Transactions regarding this Product.

2.9 Auctioneer for Guarantees of Origin

(1) Participation in Auctions of Guarantees of Origin as an Auctioneer for Guarantees of Origin requires recognition as an Auctioneer for Guarantees of Origin by ECC.

(2) In order to be recognised as an Auctioneer for Guarantees of Origin, the legal entity must demonstrate to ECC that it is entitled to participate as an Auctioneer for Guarantees of Origin and to receive the proceeds of the auction and is admitted by the Market as an Auctioneer for Guarantees of Origin and maintains a Settlement Account.

(3) Auctioneers for Guarantees of Origin are only authorised to sell Guarantees of Origin at the Markets cleared by ECC.

(4) Sections 2.5.2, 2.5.3 and 4.6 shall apply mutadis mutandis.

2.10 nEHS Seller

The nEHS Seller is the competent authority for the sale of nEHS Certificates on behalf of the Federal Republic of Germany pursuant to §§ 10 paragraph 1 sentence 1, 13 paragraph 1 BEHG.

2.11 Access to the Clearing System

The conditions under which ECC grants access to the Clearing System are set out in the Implementation Regulation of European Commodity Clearing AG Concerning Technical Equipment in its respectively valid version, which forms part of these Clearing Conditions. They are binding for all Clearing Members, Non-Clearing Members and Market Coupling Counterparties. In the event of any conflict between the provisions of the Implementation Regulation of European Commodity Clearing AG Concerning Technical Equipment in its respectively valid version and the provisions of these Clearing Conditions, the latter shall prevail.

2.12 Disciplinary Procedures

All Clearing Members are subject to Disciplinary Procedures as set out in the ECC Disciplinary Procedure in its respectively valid version, which is published on the ECC Website. The respectively valid version of the ECC Disciplinary Procedure forms part of these Clearing Conditions. Pursuant and subject to the ECC Disciplinary Procedure, ECC may at its equitable discretion deal with any alleged breach by a Clearing Member of an obligation set out in these Clearing Conditions in accordance with the provisions of the ECC Disciplinary Procedure. In the event

© European Commodity Clearing AG – part of eex group

of any conflict between the provisions of the ECC Disciplinary Procedure and the provisions of these Clearing Conditions, the latter shall prevail.

© European Commodity Clearing AG – part of eex group

3. General Provisions

3.1 Legal Relationships of the Parties involved in Clearing

3.1.1 Rights and Obligations of the Clearing Member

(1) Institution Clearing Members with a general clearing license according to section 2.1.1 paragraph 2 are obliged to conclude a corresponding NCM Agreement with Non-Clearing Members which fulfil the preconditions for a license to trade on a Market.

(2) An Institution Clearing Member shall be obliged to fulfil all payment obligations arising from all Transactions by Non-Clearing Members which take part in clearing on ECC via this Institution Clearing Member in accordance with the more detailed provisions in these Clearing Conditions on the basis of its own obligation or as the paying agent.

In as far as a Settlement Entity is a creditor of accounts receivable from a Clearing Member according to these Clearing Conditions, the Clearing Member is obliged towards the Settlement Entity to fulfil this obligation in accordance with these Clearing Conditions. If such accounts receivable and, if applicable, rights used to collateralise these have been assigned to ECC, the Clearing Member is obliged to effect performance towards ECC.

(3) Upon a request by their Institution Clearing Member to ECC, a Non-Clearing Member can be excluded from trading on the Markets in their entirety or in part for the duration of any non-performance. This right can arise from bilateral agreements between the Non-Clearing Member and the Institution Clearing Member and, in addition, in accordance with these provisions, in particular in case:

(a) the Non-Clearing Member does not provide the margins specified by its Institution Clearing Member, the daily settlement payments, in case it does not fulfil any delivery obligations and/or acceptance of delivery obligations or obligations to effect payments, premiums or fees which are due or in case it does not provide or fulfil such when due, or

(b) the Non-Clearing Member exceeds a Stop Limit specified by the Institution Clearing Member, or

(c) the Non-Clearing Member has failed to fulfil any other obligation which might exist towards the Institution Clearing Member even though a warning has been given by the Institution Clearing Member, or

(d) of the insolvency of the Non-Clearing Member. A “case of insolvency” applies if bankruptcy proceedings or other insolvency proceedings are instituted regarding the assets of the Non-Clearing Member or if the said member has either submitted such an application, is bankrupt or otherwise in a situation which justifies such proceedings to be opened. The case of insolvency also applies if a competent supervisory authority has applied for bankruptcy or other insolvency proceedings to be opened with regard to the Non-Clearing Member or if it takes a measure which will probably prevent the Non-Clearing Member

© European Commodity Clearing AG – part of eex group

from carrying out its payment obligations on the basis of bankruptcy or insolvency legislation or of similar, other supervisory or similar regulations which are relevant for the Non-Clearing Member's business activities. The insolvency of a company which can exercise dominating influence as defined in § 17 AktG or similar national provisions (ultimate parent company) on the Non-Clearing Member shall correspond to a case of insolvency regarding a Non-Clearing Member. Insolvency proceedings shall be equivalent to the corresponding measures and proceedings as per the legislation of the country in which the Clearing Member is based.

A request by telephone shall be confirmed in writing forthwith. In this context, ECC does not check whether such an agreement has been concluded and/or whether the agreed or declared preconditions are fulfilled.

(4) An Institution Clearing Member can submit an application for the temporary exclusion of one of its Non-Clearing Members from trading on some or all of its Markets for, at a maximum, five (5) Business Days by means of corresponding entries in the clearing systems (Eurex Clearing System or ECC Self-Service Limit Maintenance System of ECC) of ECC ("Emergency Member Stop").

The Emergency Member Stop may only be used if the Institution Clearing Member has previously concluded an agreement regarding the admissibility and tolerance of this measure with the Non-Clearing Member. In this context, ECC does not check whether such an agreement has been concluded and/or whether the agreed or declared preconditions are fulfilled. Concurrently with the activation of the Emergency Member Stop, the Institution Clearing Member also declares that, for the time being, it is no longer willing to settle further Transactions of this Non-Clearing Member which are concluded on the Markets, that are affected by the respective Emergency Member Stop.

The Emergency Member Stop must be activated in accordance with the provisions on the Emergency Member Stop in the ECC Risk Management Services Manual (see ECC website) in its respectively valid version. It can be carried out as follows within the system:

(a) Use of the Stop Button within the Eurex Clearing System:

The Stop Button within the Eurex Clearing System can only be used during the ECC Business Hours and only for Non-Clearing Members that are or were admitted as Trading Participants in the Eurex Clearing System (Trading Participant at the EEX or as Trading Participant of a partner exchange). The suspension from part or all of the EEX Markets is requested and carried out technically right away by using the Stop Button. ECC reserves the right to reject Derivatives Market Transactions in their entirety or in part in which Non-Clearing Members affected by the Emergency Member Stop but also Non-Clearing Members not affected are involved as counterparties and which are to be imported into the ECC Clearing System as early as after the activation of the Stop Button and under consideration of the overall risk for ECC. ECC will inform the affected Markets of this fact forthwith. Furthermore, following the activation of the Stop Button, suspension requests will be sent to all other Markets on which the Non-Clearing Member is admitted as a

© European Commodity Clearing AG – part of eex group

Trading Participant and the suspension of the Non-Clearing Member is also requested for these Markets.

(b) Manual activation of Stop Requests in the ECC Self-Service Limit Maintenance:

Stop Requests can be entered at any time; however, these entries have to be made separately for every Market. The suspension of the Non-Clearing Member is requested separately for every Market by means of the entry of the Stop Request.

Every activation of the Emergency Member Stop according to sentence 6 lit. (a) or lit. (b) has to be confirmed by the activating Institution Clearing Member towards ECC via telephone forthwith.

Irrespective of a subsequent written confirmation of the suspension by the respective Market, the Non-Clearing Member is already excluded from trading on the respective Market as of the time at which the technical access to the trading system was interrupted. Following the executed exclusion from trading, the respective Market will inform ECC and ECC will forward such confirmation of the executed exclusion of the Non-Clearing Member from trading to the Clearing Member. In order to ensure correct and prompt processing of suspension request, the Institution Clearing Member will monitor receipt of the confirmations of suspensions under its own responsibility and, if applicable, it will approach the Markets which have failed to send a corresponding confirmation within an adequate period of time – if required, with the support of ECC.

The Institution Clearing Member that has activated the Emergency Member Stop process is obliged to submit all statements required for the resumption of trading within the systems of the Markets forthwith by making the corresponding entries in the ECC Clearing System once the preconditions for the activation of the Emergency Member Stop have ceased to apply (deactivation of the Stop Button or Stop Request). If the exclusion of a Non-Clearing Member is likely to last more than five (5) Business Days, a request according to paragraph 3 must be filed.

Rules regarding the exclusion of the Non-Clearing Member from trading, the reverse Transactions of Trades and the liability of the Markets are contained in the respective rules of the Markets.

The Institution Clearing Member is responsible for its entries and for reviewing the implementation of its entries. Regardless of the further rules contained in section 3.3.12, ECC, in particular, is not liable for forwarding of the requests in due time or for any delays in the exclusion of a Non-Clearing Member from trading whether on account of technical malfunctions, incorrect or incomplete entries or measures not taken by the Markets or not taken in due time. Furthermore, any liability of ECC for legal consequences arising from the rejection of Derivatives Market Transactions concluded on the Markets as described under sentence 6 lit. (a) is excluded.

(5) If a Non-Clearing Member is excluded from trading, its Institution Clearing Member may in respect to any Transaction concluded or registered by such Non-Clearing Member, exercise any options itself or close out or transfer unsettled Trades on behalf of the Non-Clearing Member to itself or another Institution Clearing Member. In case of section 2.5.2 paragraph 1 sentence 3 to 5, ECC may require the Institution Clearing Member to make use of the options under sentence 1. Section 2.5.2 paragraph 3 shall remain unaffected. If the Institution Clearing Member

© European Commodity Clearing AG – part of eex group

is not able to exercise options or to close out or to transfer unsettled Trades due to technical reasons (e.g. missing approval as Trading Participant at a Market), ECC may at its sole discretion exercise - without acknowledgement of any obligation on written and irrevocable request of the Institution Clearing Member and subject to the technical and operational feasibility – options and transfer unsettled Trades on behalf of the Institution Clearing Member to another Institution Clearing Member. ECC will assign close out Transactions concluded by the Institution Clearing Member using a third party (e.g. broker) by using Trade Transfers according to section 3.5.5 to the Non-Clearing Member.

3.1.2 Limits and other special Agreements

3.1.2.1 Limits and other special Agreements between Institution Clearing Members and Non-Clearing Members

(1) Institution Clearing Members can conclude special agreements with their Non-Clearing Members and ECC can conclude special agreements with its Clearing Members with regard to the settlement of Transactions on the Markets included in clearing by ECC. They are, in particular, entitled to agree ~~technically supported order limits (“~~Trading Limits~~”)~~ and other limits (“Clearing Limits”) as well as the consequences in case of a non-compliance with these limits. This includes, in particular, the obligation to tolerate procedures supported by the system regarding the temporary, fully or partially exclusion from trading at the Markets cleared by ECC, the temporary inadmissibility or technically supported inadmissibility of entering further orders (“Trading Halt”), the limitation of the frequency with which orders can be entered and the deletion of orders which have already been entered. The measures mentioned above are carried out in accordance with the provisions of the ECC Risk Management Services Manual. The consequences of any non-compliance with the Trading Limits are described the rules and regulations of the Markets.

(2) The Non-Clearing Members are obliged to establish agreements regarding Trading or Clearing Limits, upon a request by its Institution Clearing Members. In this case and depending on the respective limit, the Institution Clearing Members can store the Trading and Clearing Limits agreed on with their Non-Clearing Members in the system of ECC or in the trading systems of the respective Markets depending on their technical implementation. In case Non-Clearing Members enter further restricting Trading Limits, these limits entered are considered Trading Limits of the Institution Clearing Member in the relationship with ECC. More detailed provisions on the functionality of the supporting limits and on the liability of the Market operators with respect to the Trading Limits are specified in the rules of the respective Markets. ECC is not liable for the timely implementation and correct functioning of those limits. The rules contained in this paragraph 2 apply accordingly to the legal relationship between ECC and an Institution Clearing Member.

(3) ECC supports the Clearing Members and Non-Clearing Members in submitting Trading Limits in the trading systems of the respective Markets by forwarding the information on the Trading Limits provided by them to the Markets and coordinating the first transfer as well as the regular reconciliation of the Trading Limits with the respective Markets at the times supported by the

© European Commodity Clearing AG – part of eex group

Market. The specifications regarding the time limits for the transmission of Trading Limits for each individual Market can be found in the ECC Risk Management Services Manual. The Markets confirm to ECC that the Trading Limits have been provided in the trading system. ECC provides this confirmation to the Clearing Members or the Non-Clearing Members in a timely manner. The Clearing Members and Non-Clearing Members are obliged to check the Trading Limits confirmed by the Markets for completeness and correctness and to correct errors by re-submitting the information. If the Clearing Member or Non-Clearing Member does not receive any confirmation that a Trading Limit has been deposited, it is obliged to contact ECC and obtain information on the status of depositing of the Trading Limit. More detailed provisions on the administration of Trading Limits are laid down in the ECC Technical Implementation Regulations on Trading Limits (see ECC Risk Management Services Manual).

3.1.2.2 Limits for Clearing Members ~~and Trading Participants~~

(1) ECC monitors and limits its risks vis-à-vis the Clearing Members to the extent necessary. For this purpose, it shall be entitled to set corresponding limits, which the Clearing Member shall be obliged to comply with at any time. ECC shall inform the Clearing Member of the amount of such limits and any adjustments thereto. ~~If a Clearing Member exceeds the limits set by ECC, ECC may, in particular, take the following measures:~~

~~(a) ECC shall inform the Clearing Member of the limit overrun and request a reduction of the risk position (e.g. by limiting the onboarding of new Non-Clearing Members or by requiring the Clearing Member to close out unsettled Trades or to transfer them to another Institution Clearing Member) within a reasonable period of time and to the extent necessary to remedy the relevant overrun.~~

~~(b) As long as the Clearing Member exceeds the limit set by ECC, ECC shall be entitled to require the provision of additional margin pursuant to section 3.4.5. ECC shall inform the Clearing Member concerned in writing, by telefax or e-mail of the obligation to provide additional margin and the amount thereof prior to the first collection of the additional margin. If the Clearing Member fails to comply with the aforementioned measures of ECC in whole or in part or fails to comply with them in a timely manner, this shall constitute a breach of Essential Provisions of these Clearing Conditions.~~

(2) In order to limit risks for ECC resulting from Spot Market Transactions of DCP Clearing Members, ECC may set in particular the following limits: ~~participation in clearing is only possible in the framework of Trading Limits for DCP Clearing Members. In this context,~~

(a) Trading Limit: ECC has the right to ~~unilaterally~~ determine the amounts of the Trading Limits acceptable for it in consideration of the collateral furnished by the DCP Clearing Member~~s~~, the ECC credit assessment regarding the DCP Clearing Member – which e.g. considers the equity and Equity-Replacing Collateral of the DCP Clearing Member - and in consideration of further parameters and haircuts used by ECC as well as by including the amount and allocation to specific Markets requested by the DCP Clearing Member.

(b) Delivery Exposure Limit: Furthermore, ECC has the right to determine a limit to limit its risk resulting from non-delivery or incomplete delivery by a DCP Clearing Member to the

© European Commodity Clearing AG – part of eex group

respective Settlement Entity regarding physically settled Transactions ("Delivery Exposure Limit").

(3) If a Clearing Member exceeds the limits set by ECC, ECC may take reasonable measures. This includes in particular the following measures:

(a) ECC shall inform the Clearing Member of the limit overrun and request a reduction of the risk position (e.g. by limiting the onboarding of new Non-Clearing Members or by requiring the Clearing Member to close out unsettled Trades or to transfer them to another Institution Clearing Member) within a reasonable period of time and to the extent necessary to remedy the relevant overrun.

(b) As long as the Clearing Member exceeds the limit set by ECC, ECC shall be entitled to require the provision of additional margin pursuant to section 3.4.5. ECC shall inform the Clearing Member concerned in writing, by telefax or e-mail of the obligation to provide additional margin and the amount thereof prior to the first collection of the additional margin.

If a Clearing Member continuously or repeatedly violates the limit set and communicated by ECC, ECC may order the suspension of the clearing license according to section 2.1.8 paragraph 3.

~~In order to limit credit or liquidity risks for ECC resulting from Spot Market Transactions of a Trading Participant ECC may unilaterally determine a Trading Limit for individual or all Products of this Trading Participant. If a Trading Participant violates the Trading Limit set and communicated by ECC, ECC may suspend the approval of such Trading Participant for the respective Product or in general in accordance with section 2.5.3.~~

3.1.2.3 Limits for Non-Clearing Members

In order to limit credit or liquidity risks for ECC resulting from Transactions of a Non-Clearing Member ECC may determine a limit for individual or all Products of this Non-Clearing Member. If a Non-Clearing Member violates the limit set and communicated by ECC, ECC may order the suspension of the approval of such Non-Clearing Member as Trading Participant according to section 2.5.3. If a Non-Clearing Member continuously or repeatedly violates the limit set and communicated by ECC, ECC may revoke the approval of such Non-Clearing Member as Trading Participant according to section 2.5.2.

3.1.3 Rights and Obligations of the Non-Clearing Member

(1) A Non-Clearing Member can conclude an NCM Agreement with an Institution Clearing Member with a general clearing license or an NCM Agreement with an affiliated Institution Clearing Member with a direct clearing license and can also submit said agreement to ECC for signing.

(2) A Non-Clearing Member has to settle its Transactions in a Market through a specific Institution Clearing Member. In duly substantiated cases and upon approval of ECC a Non-Clearing Member may settle its Transaction in a Market through more than one Institution Clearing Member.

© European Commodity Clearing AG – part of eex group

Regardless of sentence 1, a Non-Clearing Member may appoint a Back-Up Institution Clearing Member in accordance with section 2.1.10. In the event of a change of the Institution Clearing Member with an accelerated Position Transfer, Transactions can be settled through two Institution Clearing Members by way of exception until final completion of the change of the Clearing Member.

3.1.4 Change of Institution Clearing Member and Position Transfer

(1) A Non-Clearing Member may apply to ECC for a change of Institution Clearing Member at any time. Subject to an approval of ECC the change of Institution Clearing Member is effected by appointing a new Institution Clearing Member and by transferring the Positions of the Non-Clearing Member which have not yet been fully settled to the new Institution Clearing Member whereby the corresponding Positions which have not yet been fully settled in the relationship between the transferring Institution Clearing Member and ECC cease to exist and, at the same time, are re-established between the receiving Institution Clearing Member and ECC (jointly referred to as the "Position Transfer"). The Position Transfer does not affect the rights and obligations of the Non-Clearing Member under the transferred Positions. ECC may withdraw its approval until the day before the Transfer Day of the Institution Clearing Member due to operational reasons and/or risk considerations.

(2) ECC usually carries out the Position Transfer with a lead time of three (3) Business Days if the transferring Institution Clearing Member and the receiving Institution Clearing Member approve of the transfer and if there is a valid NCM Agreement between ECC, the Non-Clearing Member and the receiving Institution Clearing Member.

(3) The Position Transfer is limited to Positions which have not yet been fully settled and which are kept in the Eurex Clearing System of ECC. Any other Transactions or Positions (e.g. Spot Market Transactions and delivery, settlement and payment instructions from Derivatives Market Transactions which have fully or partly fallen due) remain with the transferring Institution Clearing Member until they are fully settled.

(4) The Position Transfer occurs on the day determined for the change of Institution Clearing Member ("Transfer Day") at 12:00 a.m. (midnight). As of this moment the Positions according to paragraph 3 sentence 1 are considered Positions with regard to the NCM Agreement between the Non-Clearing Member or regarding and the receiving Institution Clearing Member and these are no longer considered Positions with regard to the NCM Agreement between the Non-Clearing Member and the transferring Institution Clearing Member. All Position Transfers are effected at the settlement price of the Business Day before the Transfer Day.

(5) To ensure full collateralisation of the Positions according to paragraph 3 sentence 1, ECC is entitled to request a supplementary margin from the receiving Institution Clearing Member according to section 3.4.5 paragraph 1 on the day before the Transfer Day. The receiving Institution Clearing Member is entitled to also request a supplementary margin according to section 3.4.5 paragraph 2 from the Non-Clearing Member, in respect of the Positions according to paragraph 3 sentence 1.

© European Commodity Clearing AG – part of eex group

(6) Further provisions regarding the administration of Trading Limits in the course of the change of an Institution Clearing Member are stipulated in the ECC implementing provisions for Trading Limits (see ECC Risk Management Services Manual).

3.1.5 Change of Institution Clearing Member with accelerated Position Transfer

(1) Regardless of the provision contained in section 3.1.4 ECC shall carry out the Position Transfer to an Institution Clearing Member specified by the Non-Clearing Member on the same Business Day upon a request to this end by the Non-Clearing Member subject to its technical and operational feasibility by ECC provided the application is received at ECC on a given Business Day by 9:00 a.m. at the latest and provided the following preconditions are cumulatively fulfilled at this time:

(a) there is an NCM Agreement between the Institution Clearing Member accepting the transfer and the Non-Clearing Member,

(b) the Institution Clearing Member accepting the transfer is technically set up within the ECC system,

(c) ECC has received the approval of the Institution Clearing Member accepting the transfer,

(d) the risk situation of the Institution Clearing Member accepting the transfer permits the assumption of the position in the assessment of ECC.

In the event of an accelerated Position Transfer, the approval of the transferring Institution Clearing Member of the transfer of all Positions of the Non-Clearing Member which have not been fully fulfilled to the accepting Institution Clearing Member is considered granted according to sentence 1. In this case, ECC is authorised to carry out the Position Transfer for the Non-Clearing Member without an examination of further preconditions in accordance with sentence 1.

(2) If the preconditions referred to in paragraph 1 cannot be fulfilled in due time or in case the technical and operational feasibility of the change of the Institution Clearing Member on the part of ECC is not ensured on the Business Day concerned, the Position Transfer will only be carried out on the Business Day on which all preconditions have been fulfilled at the latest at 9:00 a.m. and on which the technical or operational feasibility of the change of the Institution Clearing Member on the part of ECC is ensured.

3.1.6 Transfer of Collateral upon the Change of the Institution Clearing Member

(1) The application by the Non-Clearing Member for a Position Transfer according to section 3.1.4 or 3.1.5 does not directly affect the collateral furnished by the Non-Clearing Member. In this respect, the general provisions contained in these Clearing Conditions shall apply. If an Individually Segregated Non-Clearing Member applies for a Position Transfer in accordance with section 3.1.4 or 3.1.5, the following paragraphs 2 to 4 shall apply.

(2) An Individually Segregated Non-Clearing Member can submit an application for the transfer of Transferable Collateral (as defined in paragraph 3 subparagraph 2) provided by its Institution

© European Commodity Clearing AG – part of eex group

Clearing Member together with the application for the transfer of the Positions. Transferrable Collateral is transferred with the approval of the transferring Institution Clearing Member; this approval can also be granted in advance.

(3) If the approval was granted in advance the transferring Institution Clearing Member commissions and authorises ECC to transfer Transferable Collateral (as defined in paragraph 3 subparagraph 2) to the accepting Institution Clearing Member upon an instruction to this end by this Non-Clearing Member in accordance with the following provisions if and in as far as the following preconditions are fulfilled:

(a) The Non-Clearing Member concerned has filed an application for a change of the Institution Clearing Member with an accelerated Position Transfer within the meaning of section 3.1.5 and the stated preconditions are fulfilled.

(b) The complete transfer of all Positions which have not been fully fulfilled within the meaning of section 3.1.4 paragraph 1 of the position held by the transferring Institution Clearing Member for the Non-Clearing Member to the Institution Clearing Member accepting the transfer has taken place.

"Transferable Collateral" within the meaning of sentence 1 comprises all Securities Collateral posted in the Individually Segregated CEU Pledged-Securities Account and all the cash collateral recorded in the Individually Segregated Collateral Clearing Account with the exception of:

(a) Collateral for Trades and instructions within the meaning of section 3.1.4 which are still settled towards the transferring Institution Clearing Member (i.e. whose transfer is effected subsequently as soon as the security claim on which the order is based ceases to apply); and

(b) Collateral for claims which the transferring Institution Clearing Member might still have against the Individually Segregated Non-Clearing Member concerned at the time of the transfer. As regards the provision of substitute collateral for this collateral, the version which has been separately agreed between the Individually Segregated Non-Clearing Member and the transferring Institution Clearing Member shall apply.

(4) If the preconditions specified in paragraph 3 have been fulfilled, ECC commissions the transfer of Transferrable Collateral, if possible, on the same Business Day on which the Position Transfer is effected.

Collateral in cash is transferred by ECC by crediting it to the Individually Segregated Collateral Clearing Account of the Individually Segregated Participant assigned to the accepting Institution Clearing Member and debiting the Individually Segregated Collateral Clearing Account of the Individually Segregated Participant assigned to the transferring Institution Clearing Member accordingly. If the Individually Segregated Participant is not individually segregated at the accepting Institution Clearing Member, the credit shall be made to the relevant Collateral Clearing Account. The transferring Institution Clearing Member and the accepting Institution Clearing Member agree that the conditional claim to repayment of this cash collateral in the amount of the credited amount shall be transferred from the transferring Institution Clearing Member to the accepting Institution Clearing Member upon the crediting of the collateral in cash referred

© European Commodity Clearing AG – part of eex group

to in sentences 2 and 3. Insofar as this claim is transferred, the pledges granted by the transferring Institution Clearing Member to the Individually Segregated Participant pursuant to section 3.4.11 paragraph 8 lit. (c) and to ECC pursuant to section 3.4.11 paragraph 1 lit. (c) expire upon the transfer of the claim and are newly created in relation to the accepting Institution Clearing Member in accordance with the aforementioned sections.

Securities Collateral is transferred by ECC instructing CEU on behalf and in the name of the transferring Institution Clearing Member to transfer the Securities to an Individually Segregated CEU Pledged-Securities Account of the accepting Institution Clearing Member to be designated by the accepting Institution Clearing Member. If the Individually Segregated Participant is not individually segregated at the accepting Institution Clearing Member, the transfer shall be made to the relevant CEU Pledged-Securities Account. The transferring Institution Clearing Member and the accepting Institution Clearing Member agree that with the aforementioned transfer of the Securities, all ownership and title to the transferred Securities is transferred to the accepting Institution Clearing Member. With the transfer of ownership or title to the Securities (as applicable), the pledges on these Securities granted by the transferring Institution Clearing Member to ECC according to section 3.4.11 paragraph 1 lit. (a) and (b) or on the basis of a separate collateral agreement according to section 3.4.11 paragraph 12 shall expire and are newly created in relation to the accepting Institution Clearing Member in accordance with the aforementioned sections. Upon transfer of ownership or title to the Securities (as applicable), the pledges on these Securities granted by the transferring Institution Clearing Member to the Individually Segregated Participant pursuant to section 3.4.11 paragraph 8 lit. (a) and (b) shall also expire.

3.1.7 Rights and Obligations of the Trading Participant

(1) Only a Trading Participant can conclude, register, accept or submit Transactions regarding the licensed Products or exercise options on own account or on third-party account (position keeping). A direct market access according to the rules and regulations of the respective Market is not required, if the respective Clearing Member operating as a Clearing Broker confirms to enable its Clearing Broker Clients to access the respective Market.

A Clearing Member can only conclude, register, accept or submit Transactions regarding those Products or exercise options on own account or on third-party account if it is also approved as a Trading Participant for this Product at the same time. A Clearing Member which possesses an approval as a Trading Participant can perform trading and position keeping on third party accounts for its Clearing Broker Clients. Direct market access in accordance with the rules of the Market concerned is not required for DCP Clearing Members provided another Trading Participant confirms that it provides access to the Market concerned for the DCP Clearing Member and provided ECC agrees to the agreement.

(2) In as far as a Settlement Entity is the creditor of accounts receivable from a Trading Participant according to these Clearing Conditions, the Trading Participant shall be obliged towards the respective Settlement Entity to fulfil the respective delivery obligations and/or acceptance of

© European Commodity Clearing AG – part of eex group

delivery and payment obligations in accordance with these Clearing Conditions. If such accounts receivable and, if applicable, rights used to collateralise these have been assigned to ECC, the Trading Participant is obliged towards ECC to effect performance in each case.

3.2 Clearing of Registered Transactions

(1) In addition to clearing of the Transactions in order book trading concluded on the Markets, ECC also carries out clearing of Transactions registered at the Markets ("Registered Transactions") provided these Transactions correspond to Products admitted by ECC and have been registered in the respective Markets in an admissible manner subject to the provisions of the corresponding rules and regulations of this Market. The confirmation of an entry for the registration on a Market is governed by the rules of the respective Market, which – in this respect – prevails over these Clearing Conditions.

Trades which are concluded on account of Default Management Auctions (section 3.11) form Registered Transactions within the meaning of this provision. Registered Transactions take part in the ECC clearing procedure in the same form as Trades concluded in order book trading.

(2) Trades which are initially registered at a Market by a Trading Participant on its own behalf for the account of a third party can be forwarded to the agent or proprietary position accounts assigned to their Clients after submission to clearing via a Trade Transfer (section 3.5.5).

(3) The registration of Trades at the Markets, the submission for Clearing and, if applicable, subsequent Trade Transfers (section 3.5.5) can be carried out by using straight through processing systems ("STP systems") in accordance with their functionalities. The STP systems accepted by ECC (at present: EFETnet eXRP and Trayport® Hosted Clearing Link℠, the Trigonal Trade Manager and KB Tech Ltd.) are offered and operated by external STP system providers.

(4) The STP systems have the following uniform default standard configuration[7]:

The confirmation of entries for the registration of Transactions at the Markets and take-ups of Transactions at the level of position accounts of ECC is effected automatically ("Auto-Confirmation Function"). This Auto-Confirmation Function includes Trades, which are marked as automatically matched as well as Trades, which have been entered into the STP system manually for the respective Trading Participant.

The Trading Participants can change the standard configuration referred to above using form T08 provided by ECC within the framework of the possibilities specified therein and, hence, object to the application of the said standard configuration specified above. Form T08 must be submitted to ECC. The change in the configuration becomes effective upon an announcement in text form via e-mail by ECC of the switch effected. The standard configuration can also be unilaterally changed by ECC by way of an announcement via e-mail. If such change of configuration requires manual confirmations or take-ups respectively, these must be effected within the periods of time specified by the system. If the manual confirmation is not effected, the Trade

~~[7] In case of error messages during the delivery of the e-mail, the ECC website shall be searched for a suitable alternative email address or another form of message transmission must be chosen.~~

© European Commodity Clearing AG – part of eex group

will not be registered at the respective Market. If the manual take-up is not effected, the position remains in the current agent or proprietary position account.

(5) Trading Participants are obliged to validate a registration at a Market effected by using STP systems, the submission for clearing and the subsequent Trade transfer (section 3.5.5) without undue delay, however, at the latest until the beginning of the next Business Day. In deviation from the above the following shall apply:

If the Contract expires after 12:00 p.m. (noon) on the Business Day of the registration, Trading Participants are obliged to conduct this validation without undue delay, however, at the latest four (4) hours before expiry.

If the Contract expires until 12:00 p.m. (noon) of the Business Day following the registration, Trading Participants are obliged to conduct this validation without undue delay, however, at the latest until the end of the Business Day of registration.

Objections against the registration at a Market must be directed to the respective Market in accordance with its rules and regulations.

3.3 General Clearing Provisions

3.3.1 Conclusion of Transactions

(1) According to the more detailed~~further~~ definition in this paragraph, Derivatives Market Transactions on the Markets are concluded: ~~between ECC and an Institution Clearing Member. In case a Trading Participant is not entitled to carry out clearing itself (Non-Clearing Member), Transactions on the Derivatives Market are only concluded via the Clearing Member by means of whom the Trading Participant as a Non-Clearing Member concludes its Transactions:~~

(a) In case an order entered into the system by a Clearing Member ~~of ECC~~ is matched with another order or in case a Transaction which has been entered into the system of the Market, a Transaction is concluded between said Clearing Member and ECC.

(b) In case a Trading Participant is not entitled to carry out clearing itself (Non-Clearing Member), Transactions are only concluded via the supporting Institution Clearing Member as follows: In case an order entered into the system on a Market by a Non-Clearing Member ~~of ECC~~ is matched with another order or in case a Transaction which has been entered into the system of the Market, a Transaction is concluded between this Non-Clearing Member and its Institution Clearing Member and, at the same time, a corresponding Transaction is concluded between this Institution Clearing Member and ECC.

~~Due to the diverging Business Hours of ECC and EEX Asia Pte Ltd ("EEX Asia"), Derivatives Market Transactions at EEX Asia are concluded under the condition precedent of acceptance by the Eurex Clearing System.~~

(2) According to the more detailed definition provided in this paragraph ~~section 3.3.3 paragraphs 1 to 3~~, all Spot Market Transactions where ECC acts as Central Counterparty are concluded as follows:

© European Commodity Clearing AG – part of eex group

(a) In case of an order entered into the system by a Trading Participant is matched with another order or in case a Transaction which has been entered into the system of a Spot Market in for Emission Rights and nEHS Certificates, a Transaction is concluded between ECC and ~~the~~ said Trading Participant ~~in all Spot Market Transactions in Emission Rights and nEHS Certificates~~, whereby the nEHS Seller is~~are~~ treated equally to Trading Participants with respect to Spot Market Transactions pursuant to section 3.3.1 paragraph 2,

(b) In case of all other Spot Market Transactions a Transaction is concluded between ECC and the respective Settlement Entity and between the respective Settlement Entity and the Trading Participant at the same time ~~in any other Spot Market Transactions~~, whereby Auctioneers of Guarantees of Origin are treated equally to Trading Participants with respect to Spot Market Transactions pursuant to this section 3.3.1 paragraph 2.

ECC does not act as Central Counterparty for Spot Market Transactions, concluded on the Power Exchange Central Europe, a.s. ("PXE"). These Transactions ("PXE Spot Market Transactions") are concluded between the Trading Participants and EnCC commissioned by PXE only. EnCC is a Clearing Entity according to section 2.7.

(3) In deviation from paragraph 2 above, Market Coupling Clearing Transactions and Transactions in Market Coupling Contracts are concluded between ECC and the Market Coupling Counterparty in accordance with the more detailed provisions in section 3.3.3 paragraph 4.

3.3.2 Contractual Obligations arising from Derivatives Market Transactions

(1) Institution Clearing Members are obliged to settle all Derivatives Market Transactions obligations arising from matching of orders (Matching) or from Registered Transactions which have been entered into the system of a Market by them or by their Non-Clearing Members.

(2) According to the more detailed provisions contained in paragraph 1 and section 3.3.5 paragraphs 2 to 3, an Institution Clearing Member shall also be obliged to settle all obligations resulting from the Derivatives Market Transactions which have been transferred to the Clearing Member in the framework of a Trade or position transfer from another Trading Participant for the further settlement in its agent and proprietary position accounts.

(3) The Clearing fees of the Non-Clearing Member shall be exempt from the obligations referred to in the paragraphs herein above. However, these are settled via the Institution Clearing Member as the paying agent of the Non-Clearing Member.

3.3.3 Contractual Obligations arising from Spot Market Transactions

(1) Clearing Members are obliged to settle all Spot Market Transactions obligations arising from matching of orders or Registered Transactions which have been entered into the system of a Market by them.

(2) The Institution Clearing Member shall be liable as a guarantor for the Non-Clearing Member supported by it towards the respective Settlement Entity for all financial liabilities arising from matching of orders or Registered Transactions which are entered into the system of a Market

© European Commodity Clearing AG – part of eex group

by its Non-Clearing Members. Irrespective of the right to deliver or to take delivery, the guarantee regarding this obligation shall only cover money in as far as the respective Settlement Entity can demand the payment of money instead of the delivery or the acceptance of such from the Institution Clearing Member – in particular in case of a failure of the delivery. Financial settlement is effected via the Institution Clearing Member as the paying agent.

(3) In Spot Market Transactions in Emission Rights the Institution Clearing Member shall be liable as a guarantor for the Non-Clearing Member supported by it towards ECC for all financial liabilities arising from matching of orders or Registered Transactions which are entered into the system of a Market by its Non-Clearing Members. Irrespective of the right to deliver or to take delivery, the guarantee regarding this obligation shall only cover money in as far as ECC can demand the payment of money instead of the delivery or the acceptance of such from the Clearing Member – in particular in case of a failure of the delivery. Financial settlement is effected via the Clearing Member as the paying agent.

(4) The Institution Clearing Member of the Market Coupling Counterparty shall be liable towards ECC as a guarantor for all financial liabilities resulting from the settlement of the Market Coupling Clearing Transactions and the Market Coupling Contracts between ECC and the Market Coupling Counterparty. Irrespective of the right to delivery or acceptance of delivery, the guarantee regarding these obligations shall only over a financial obligation of the Institution Clearing Member in as far as ECC can only demand the payment of money from the Institution Clearing Member instead of delivery or acceptance of delivery – in particular, in the event of a failure of delivery. Financial settlement after the execution of deliveries shall by effected via the Institution Clearing Member as the paying agent.

(5) The Clearing fees of the Non-Clearing Member shall be exempt from the obligations referred to in the paragraphs herein above. These are settled via the Institution Clearing Member as the paying agent of the Non-Clearing Member.

3.3.4 Settlement of PXE Spot Market Transactions

(1) For PXE Spot Market Transactions ECC will solely provide services in connection with the financial settlement of transactions (collection and crediting of the values of the commodities, including the value-added tax charged by PXE or by the counterparty commissioned by PXE).

(2) Clearing Members are obliged to settle all obligations arising from matching of orders or Registered Transactions which they have entered into the system of PXE.

(3) The Institution Clearing Member shall be liable as a guarantor for the Non-Clearing Member supported by it towards ECC for all financial liabilities arising from matching of orders or Registered Transactions which are entered into the system of PXE by its Non-Clearing Members. Financial settlement after the execution of the deliveries is effected via the Institution Clearing Member as the paying agent through which the Non-Clearing Member settles its Transactions.

© European Commodity Clearing AG – part of eex group

3.3.5 Physical Settlement of Transactions - Central Delivery Point

(1) Settlement of Transactions with regard to which ECC has assumed clearing and which are physically settled according to the respective contract specifications of the Market is exclusively provided through a Settlement Entity with the effect that Trading Participants exclusively settle their delivery or acceptance of delivery obligations arising from Derivatives Market Transactions and Spot Market Transactions towards the respective Settlement Entity. In order to protect against the risk that a Trading Participant does not fulfil its payment, delivery or acceptance obligations vis-à-vis ECC Lux, ECC Lux has assigned to ECC all current and future payment claims to which it is entitled against the Trading Participant and (if the latter is a Non-Clearing Member) its Institution Clearing Member. ECC guarantees the Trading Participants the fulfilment of these Transactions by the respective Settlement Entity in accordance with the Contract. The rules contained in sentences 1 and 2 do not apply with regard to Market Coupling Clearing Transactions and Transactions in Market Coupling Contracts. These are exclusively fulfilled towards ECC.

(2) In the case of Derivatives Market Transactions by Trading Participants holding a license as Clearing Member, the legal relationships described in section 3.3.1 paragraph 1 lit. (a) are modified as follows upon the expiry of a Derivatives Market Transaction at the time at which the delivery obligations and/or acceptance of delivery and payment obligations arise from these Transactions:

(a) The respective Settlement Entity accedes to the contractual relationship as a new contractual partner by ECC assigning the claims to delivery and/or claims to acceptance of delivery and payment which it holds towards the Clearing Member to the respective Settlement Entity; at the same time, corresponding delivery obligations and/or acceptance of delivery and payment obligations towards ECC arise on the part of the respective Settlement Entity. At the same time, the Clearing Member assigns the claims to delivery and/or the claims to accept delivery and payment which it has towards ECC to the respective Settlement Entity, while at the same time, corresponding delivery obligations and/or acceptance of delivery and payment obligations towards the Clearing Member arise on the part of the respective Settlement Entity. As a result of this, the Clearing Member is obliged towards the respective Settlement Entity to deliver or accept delivery of the commodity on which the Derivatives Market Transaction is based and the respective Settlement Entity, in turn, is obliged towards ECC to deliver and/or accept delivery of said commodity.

(b) In case of Derivatives Market Transactions in Emission Rights claims to delivery and/or claims to acceptance of delivery and payment arise directly towards ECC as the Settlement Entity.

(3) In the case of Derivatives Market Transactions by Trading Participants without a license as Institution Clearing Member (Non-Clearing Members), the legal relationships described in section 3.3.1 paragraph 1 lit. (b) are modified as follows upon the expiry of a Derivatives Market Transaction at the time at which the delivery obligations and/or acceptance of delivery and payment obligations arise from these Transactions:

© European Commodity Clearing AG – part of eex group

(a) The respective Settlement Entity accedes to the contractual relationship as a new contractual partner by ECC assigning the claims to delivery and/or claims to accept delivery and payment which it holds towards the Institution Clearing Member of the Non-Clearing Member to the respective Settlement Entity; at the same time, corresponding delivery obligations and/or acceptance of delivery and payment obligations towards ECC arise on the part of the respective Settlement Entity. At the same time, the Institution Clearing Member assigns the claims to deliver and/or the claims to accept delivery and payment which it has towards ECC to the respective Settlement Entity, while at the same time, the corresponding delivery obligations and/or acceptance of delivery and payment obligations towards the Institution Clearing Member arise on the part of the respective Settlement Entity. As a result of this, the Institution Clearing Member is obliged towards the respective Settlement Entity to deliver or accept delivery of the commodity on which the Derivatives Market Transaction is based and the respective Settlement Entity, in turn, is obliged towards ECC to deliver and/or accept delivery of said commodity.

(b) The Institution Clearing Member then assigns the claims to delivery and/or claims to acceptance of delivery and payment which it holds towards the Non-Clearing Member to the respective Settlement Entity and the respective Settlement Entity accedes to the corresponding delivery obligations and/or acceptance of delivery and payment obligations of the Institution Clearing Member towards the Non-Clearing Member in place of the Clearing Member. As a result of this, the Non-Clearing Member is directly obliged towards the respective Settlement Entity to deliver and/or accept delivery of the commodity on which the Derivatives Market Transaction is based and the respective Settlement Entity, in turn, is obliged towards ECC with regard to this.

(c) Regardless of the right to deliver or accept of delivery, the Institution Clearing Member supporting the Non-Clearing Member shall only have pecuniary liability as a guarantor towards the respective Settlement Entity with regard to these obligations in as far as ECC or the respective Settlement Entity can request the payment of money instead of the delivery or acceptance of delivery from the Institution Clearing Member – in particular, in the event of a failure of delivery. Financial settlement is effected by the Institution Clearing Member through which the Non-Clearing Member settles its Transactions as the paying agent.

(d) In case of Derivatives Market Transactions in Emission Rights claims to delivery and/or claims to acceptance of delivery and payment arise directly towards ECC as the Settlement Entity.

(e) ECC is entitled to take all measures to secure the fulfilment of the delivery obligations or the acceptance of delivery or payment obligations of the Trading Participant respectively. In particular, ECC may conclude replacement Transactions or request adequate collateral from the Trading Participant.

(4) No fees are charged for the assignments by ECC or the Settlement Entity/Entities.

© European Commodity Clearing AG – part of eex group

3.3.6 Formation of net Receivable and/or Payable and Compression

(1) Unless otherwise specified in these Clearing Conditions, ECC aggregates all receivables and liabilities of ECC which fall due towards a Clearing Member in the same currency under or in connection with clearing into a net account in the respective currency concerned in Batch Processing at the end of every Business Day. As a result of such aggregation, no party is obliged to fulfil its original liabilities which are included in the aggregation any longer. The receivables and liabilities are replaced by the respective net accounts formed in the aggregation. In this context, the aggregation is effected in principle regardless of whether Transactions on which these receivables and liabilities are based are recorded on client position accounts or proprietary position accounts of the Clearing Member. A Clearing Member can notify ECC of the fact that – with the exception of one of the legal consequences described in section 3.10 – individual or all of the client position accounts kept for it are to be exempt from the aggregation. ECC will decide on this at its sole discretion.

(2) Unless otherwise specified in these Clearing Conditions, the Settlement Entity aggregates all receivables and liabilities of the Settlement Entity towards a Trading Participant or ECC in connection with clearing into net accounts as follows in Batch Processing at the end of every Business Day:

(a) All receivables and liabilities in money in the same currency are aggregated into a net account in the respective currency concerned.

(b) All receivables and liabilities regarding the same physical delivery item are aggregated into one net account.

As a result of such an aggregation, no party is obliged any longer to fulfil its liabilities which are now included in the aggregation. The receivables and liabilities are replaced by the net accounts formed as a result of the aggregation.

In as far as the net accounts concern a payment, in the relationship to Trading Participants each of the net accounts is settled by ECC as the paying agent of the Settlement Entity so that the Trading Participants are obliged to make payments to ECC as the paying agent of the Settlement Entity or receive a payment from ECC as the paying agent of the Settlement Entity. Every Clearing Member and the respective Settlement Entity authorise ECC (i) to summarise a payment to be provided by the Clearing Member to ECC as the paying agent of the Settlement Entity with a payment owed by the Clearing Member to ECC in the same currency and (ii) a payment to be provided by ECC as the paying agent of the Settlement Entity to the Clearing Member with a payment in the same currency owed by ECC to the Clearing Member. If there is such a possibility for an aggregation, ECC will carry out the aggregation regardless of whether the Transactions on which the payments are based are recorded on client or proprietary position accounts of the Clearing Member. A Clearing Member can report to ECC that an aggregation is to be dispensed with as regards payments under Transactions which are recorded on individual or all of the client position accounts kept for it. ECC shall decide on this at its sole discretion.

© European Commodity Clearing AG – part of eex group

(3) With regard to all Derivatives Market Transactions which are concluded on one Business Day and refer to the same Contract, a Compression is carried out at the time of Batch Processing at the end of every Business Day. In addition, in order to reduce risk, ECC may at its sole discretion conduct a Compression of Derivatives Market Transactions relating to the same Contract during each Business Day. The Compression effects that all of these Derivatives Market Transactions lapse and are replaced by a uniform new Derivatives Market Transaction whose payment and delivery obligations correspond to the balance of all payment and delivery obligations of the replaced Derivatives Market Transactions. Other rights than payment and delivery obligations resulting from the replaced Transactions lapse without replacement. In this context, such a Compression shall take place between ECC and a Clearing Member (a) for all Derivatives Market Transactions recorded in a proprietary position account in each case and (b) separately for all Derivatives Market Transactions which are recorded in client position accounts in each case.

(4) With regard to all Derivatives Market Transactions which are concluded by an Intermarket Liquidity Provider and refer to Contracts of an Intermarket Spread Product the Compression is effected between ECC and the Clearing Member of the Intermarket Liquidity Provider in such a way that all of these Derivatives Market Transactions lapse immediately after the conclusion of the Derivatives Market Transactions concerned and are replaced by a uniform new Derivatives Market Transaction in a Contract of an Intermarket Spread Product whose payment and delivery obligations correspond to the balance of all payment and delivery obligations of the Derivatives Market Transactions replaced. Other rights than payment and delivery obligations resulting from the replaced Transactions lapse without replacement.

(5) With regard to Derivatives Market Transactions entered into by a Trading Participant other than an Intermarket Liquidity Provider relating to Contracts of an Intermarket Spread Product, the Trading Participant or its Clearing Member may apply for a Compression from ECC in order to reduce risk. If the applicant is a Non-Clearing Member, evidence of the consent of its Clearing Member shall be provided. ECC will decide on the application at its sole discretion. Unless otherwise notified by ECC, Compression occurs at the end of a Business Day. Compression is carried out in such a way that the affected Derivatives Market Transactions lapse and are replaced by a uniform new Derivatives Market Transactions in a Contract of the Intermarket Spread Product, whose payment and delivery obligations correspond to the balance of all payment and delivery obligations of the replaced Derivatives Market Transactions. Rights other than payment and delivery obligations arising from the replaced Derivatives Market Transactions lapse without replacement. Where the Trading Participant is a Clearing Member, such Compression shall take place between ECC and a Clearing Member (a) for all affected Derivatives Market Transactions recorded in a proprietary position account in each case and (b) separately for all affected Derivatives Market Transactions recorded in client position accounts. Where the applicant is a Non-Clearing Member, such Compression shall be carried out between ECC and the respective Clearing Member for all affected Derivatives Market Transactions whose Positions are recorded for the Non-Clearing Member in the relevant client position account.

© European Commodity Clearing AG – part of eex group

(6) For Derivatives Market Transactions relating to Contracts of Intermarket Spread Products, ECC may, at its sole discretion, carry out a Compression in accordance with paragraph 5 sentences 5 to 8 in order to reduce risk.

(7) A Compression in accordance with paragraphs 3 to 6 is also carried out between a Clearing Member and a Non-Clearing Member.

3.3.7 Business Days, Trading Days, Business Hours and Time Specifications

(1) On Business Days Transactions concluded or registered on a Market are settled financially and/or physically.

(2) All specifications regarding Business Days, Trading Days, Business Hours or other time specifications in these Clearing Conditions refer to the ~~Central European Time (~~CET~~)~~ or ~~Central European Summer Time (~~CEST~~)~~ applicable at ECC's registered office.

3.3.8 Objections

(1) Objections against daily Trade Confirmations ("Reports") by ECC or the respective Settlement Entity have to be raised towards ECC and, if applicable, the Institution Clearing Member with whom the Transaction was concluded in writing, via telefax or via e-mail to clearing@ecc.de[~~8~~] immediately after receipt and at the latest by 12:00 p.m. (noon) on the next Business Day. Otherwise, the Trade Confirmations shall be considered as approved.

(2) Objections against invoices, credit notes or self-bill invoices by ECC or the respective Settlement Entity have to be raised by specifying reasons in writing, via telefax or via e-mail to clearing@ecc.de[~~9~~] towards ECC forthwith, however, at the latest within a period of ten (10) Business Days after receipt of such. Otherwise, an invoice by ECC or the respective Settlement Entity is considered approved.

(3) Objections against position transfers from an agent or proprietary position account to another agent or proprietary position account (section 3.5.5) which are effected by using STP systems have to be raised in writing, by sending a telefax or by sending an e-mail to clearing@ecc.de[~~10~~] towards ECC forthwith, however, at the latest until 12:00 p.m. (noon) of the next Business Day. Otherwise, the position transfer is finally effective.

3.3.9 Assignment

An assignment or pledge of the rights arising from or on the basis of the Clearing Conditions, including Shares in Collective Holdings booked currently or in the future within internal inventory accounts (sections 3.5.8 and 3.5.9) and all related rights (especially the current or future right

[~~8~~] ~~In case of error messages during the delivery of the e-mail, the ECC website shall be searched for a suitable alternative e-mail address or another form of message transmission must be chosen.~~
[~~9~~] ~~In case of error messages during the delivery of the e-mail, the ECC website shall be searched for a suitable alternative e-mail address or another form of message transmission must be chosen.~~
[~~10~~] ~~In case of error messages during the delivery of the e-mail, the ECC website shall be searched for a suitable alternative e-mail address or another form of message transmission must be chosen.~~

© European Commodity Clearing AG – part of eex group

against ECC Lux or ECC respectively to deliver the Trading Participants' Registry held Products to another registry account), by a Clearing Member or a Non-Clearing Member can only be effected with the approval by ECC Lux or ECC respectively or subject to the conditions of these Clearing Conditions. The provisions contained in § 354a German Commercial Code (Handelsgesetzbuch) shall not be affected. ECC Lux is entitled to assign its rights arising under or on the basis of these Clearing Conditions to ECC.

3.3.10 Fulfilment of Payment Obligations

(1) Every Clearing Member and every party participating in Cclearing that uses a T2-account as Settlement Account for its payment obligations to ECC in EUR shall be released from its payment obligation solely by performingmaking and crediting such payment to the T2-account of ECC.

If ECC is obliged to make a payment in EUR to such Clearing Member or party participating in Clearing, it shall be released from its payment obligation by performingmaking and crediting such payment to the T2-account as Settlement Account of such Clearing Member or party participating in Clearing.

(2) Every Clearing Member and every party participating in Cclearing that either uses a Settlement Account at a Correspondent Bank or a, Settlement Bank and/or Connected Bank or a CEU 6 series account or makes payments to the nEHS Recipient Account in the course of nEHS Fixed Price Transactions to fulfil its payment obligations in EUR shall solely be released from its payment obligation if a credit balance identified by ECC on the respective receiving Settlement Account or nEHS Recipient Account of ECC has been credited to the T2-account of ECC. ECC shall arrange for a credit balance identified by ECC on the respective receiving Settlement Account or nEHS Recipient Account to be transferred to ECC's T2-account without undue delay.

Every Clearing Member and every party participating in Cclearing that uses either an Settlement Aaccount with a Correspondent Bank or a, Settlement Bank and/or Connected Bank or a CEU 6 Series account to fulfil its payment obligations in a Foreign Currency shall be released from its payment obligation solely by performingmaking and crediting such payment to theECC´s Settlement Account of ECC atwith the Payment Bank (including the Forwarding Bank), Settlement Bank or the CEU 6 Series account of ECC. For each Product, ECC determines the Payment Bank with which its Settlement Account is maintained and publishes this on the ECC website.

If, in the two cases referred to in this paragraph 2, ECC is obliged to make a payment to a Clearing Member or to a party participating in Cclearing, it shall be released from its payment obligation if it has instructed the Settlement Bank, Payment Bank (including the Forwarding Bank) or the T2-system to credit an amount covering the payment obligation from its Settlement Account to the Settlement Account designated by the Clearing Member or the party participating in Cclearing.

© European Commodity Clearing AG – part of eex group

(3) A Clearing Member or a party participating in Clearing must ensure that the debit entries received from ECC can be cashed and that the respective Settlement Account of the Clearing Member has a sufficient balance.

(4) If a Clearing Member or a party participating in Cclearing defaults on payments in a Foreign Currency, ECC may – if it does not have the Foreign Currency amounts required to meet its payment obligations at that time – meet its payment obligations in another currency (§ 364 BGB). ECC will make payments only in EUR, GBP or USD and apply a market exchange rate for the payment. The Clearing Member or every party participating in Cclearing accepts this payment in lieu of performance (§ 364 BGB). ECC will inform the effected Clearing Member or party participating in Cclearing about the fulfilment of the payment obligation in another currency without undue delay.

3.3.11 Emergency Measures

(1) In the event that orderly Clearing in one or more Products is obstructed, ECC is entitled to take all measures that are in ECC's opinion appropriate and necessary to ensure orderly clearing ("Emergency Measures"). ECC shall inform the Clearing Members and Non-Clearing Members concerned without undue delay of the Emergency Measures taken under this section. The Clearing Members and Non-Clearing Members concerned must comply with the Emergency Measures ordered.

(2) ECC may, in particular, order the suspension of the approval as a Trading Participant and/or exclude the Trading Participant from Trading in one or more Products for a maximum of five (5) Business Days (Emergency Member Stop).

(3) If Trading in one or several Derivatives Market Contracts (including the Product as a whole) is discontinued or suspended for more than a temporary period by the Market, ECC is entitled to terminate and settle in cash, in whole or in part, Transactions in the Derivatives Market Contracts concerned which are not yet fully settled. ECC shall notify the termination to the Clearing Member in writing, via telefax, via e-mail or via SWIFT message. Upon termination of the Derivatives Market Transaction between ECC and the Institution Clearing Member, the corresponding Derivatives Market Transaction between the Institution Clearing Member and the Non-Clearing Member (if any) shall likewise end and be settled in cash. ECC shall inform the Non-Clearing Member without undue delay of the termination in writing, via telefax or via e-mail. The cash settlement shall be based on the latest available daily settlement price. Further claims are excluded.

(4) Provided that in the case of paragraph 3

(a) a substantially similar Derivatives Market Contract is traded on the same or another Market cleared by ECC ("Substitute Derivatives Market Contract"),

(b) the Trading Participant is approved by ECC as a Trading Participant in the Substitute Derivatives Market Contract; and

© European Commodity Clearing AG – part of eex group

(c) - where the Trading Participant is a Non-Clearing Member – the Non-Clearing Member participates in the Clearing in the Substitute Derivatives Market Contract via the same Institution Clearing Member,

ECC is entitled at its sole discretion to novate, in whole or in part, Transactions in the affected Derivatives Market Contracts into Transactions in the Substitute Derivatives Market Contract (instead of terminating them in accordance with paragraph 3). To this end, ECC will close the Positions in the affected Derivatives Market Contract und open corresponding Positions in the Substitute Derivatives Market Contract in the Clearing System. ECC, the Institution Clearing Member and the Non-Clearing Member (if any) agree that, upon completion of the corresponding entries in the Clearing System, the Transactions in the affected Derivatives Market Contract shall expire and be replaced by new Transactions in the Substitute Derivatives Market Contract whose payment and delivery obligations correspond to the payment and delivery obligations of the replaced Derivatives Market Transactions. Rights other than payment and delivery obligations arising from the replaced Derivatives Market Transactions shall expire without replacement. ECC may determine an appropriate compensation at its equitable discretion.

(5) If the discontinuation of Trading has been announced by the Market or is otherwise imminent, ECC may take the measures outlined in paragraphs 3 and 4 in advance of the discontinuation of Trading und shall - to the extent reasonably possible - provide information about its planned course of action in an appropriate manner.

3.3.12 Liability

(1) ECC and the Settlement Entities may take recourse to a Clearing Member with regard to cases of damage which they or other Clearing Members or Non-Clearing Members might have suffered on account of a default or technical default caused by the Clearing Member concerned. The right to assert a further damage both on the part of ECC as well as the respective Settlement Entity and on the part of a third party shall not be affected. ECC and the respective Settlement Entity may assign any claim for damages which they have towards the Clearing Member in default or in technical default to third parties.

(2) ECC and the Settlement Entities shall not be liable for cases of damage which are caused by an interruption of its operations as a result of an event of force majeure, insurrection, acts of war and acts of god or as a result of other events which do not fall within its sphere of responsibility (e.g. industrial action, lock-outs, disruption of traffic, interruption of the supply chain) or by acts of authorities both from within the country and from abroad. In cases of damage which a Clearing Member or a Non-Clearing Member suffers as a result of technical problems or as a consequence of a partial or complete impossibility of using the EDP devices or EDP systems of a Market or of ECC or of the respective Settlement Entity used by them or in case of interruptions in the data transfer as well as in case of trading outside the system of a Market or of ECC or of the respective Settlement Entity or as a result of errors made during entering of data in the framework of settlement and the administration of margins for Clearing Members ECC or the respective Settlement Entity shall only be liable in case of premeditation and gross negli-

© European Commodity Clearing AG – part of eex group

gence unless the case of damage is caused by a culpable breach of essential obligations. However, in case of a slightly negligent violation of essential obligations, the liability of ECC and of the respective Settlement Entity shall be restricted in terms of the amount of the damage which is typical of a Contract of this type and was foreseeable at the time of granting of the clearing license to a Clearing Member or of admission as a Non-Clearing Member. ECC and the respective Settlement Entity shall commission the devices and systems in its sphere of responsibility including the application and communications software, in a manner sufficiently tested and shall maintain these; ECC and/or the respective Settlement Entity shall not be responsible for the technical equipment and systems of the Markets.

(3) ECC and the respective Settlement Entity shall be entitled to commission third parties to discharge the tasks with which they are entrusted in their entirety or in part in their own name in as far as this is permitted according to the applicable law. In case ECC or the respective Settlement Entity utilises this right, their responsibility shall be restricted to the careful selection and instruction of the third party commissioned by them (§ 664 paragraph 1 BGB). However, ECC and/or the respective Settlement Entity shall be obliged to assign any claims which might exist towards the third party upon a request to that end.

(4) ECC and the respective Settlement Entity shall only be held liable for losses or cases of damage towards Clearing Members or Non-Clearing Members in the event of premeditation and gross negligence unless such damage results from a culpable breach of essential obligations. In the event of a slightly negligent violation of essential obligations under these Clearing Conditions, the liability of ECC and the respective Settlement Entity shall be restricted to the amount of the damage which is typical of a contract of this type and was foreseeable at the time of granting of the clearing license or of admission as a Non-Clearing Member. Any liability for consequential damage and loss of profit shall be excluded.

(5) If ECC uses its rights according to section 3.8 or if it initiates Emergency Measures in case of technical defaults, it shall not accept any liability towards Clearing Members or Non-Clearing Members or third parties for any cases of damage which might have occurred, for consequential damage, losses or lost profits.

(6) ECC and the respective Settlement Entity do not assume any liability towards Non-Clearing Members or third parties for any cases of damage, consequential damage or lost profits which might be caused if ECC complies with the request of a Clearing Member to exclude a Non-Clearing Member from trading on the Markets in accordance with section 3.1.1 paragraphs 3 and 4.

(7) In as far as these Clearing Conditions do not expressly provide for a different regulation, ECC and the respective Settlement Entity shall not be liable towards third parties who are not participants in Market themselves, with regard to losses which might be incurred, cases of damage, consequential damage or lost profits which have been incurred in connection with Transactions concluded on the Market or registered there in any case.

(8) Any liability of ECC and the respective Settlement Entity in connection with the execution of the delivery and/or acceptance of delivery of Grid-bound Energy shall be excluded in the event of

© European Commodity Clearing AG – part of eex group

defects or breakdowns in the transmission system of the Transmission System Operator or on the hub of a hub operator or on interconnectors, which prevent feeding-in or the withdrawal of Grid-bound Energy or in case scheduling or forwarding schedule nominations to the Transmission System Operator ("nomination") is impossible because of other reasons which do not lie within its responsibility. In case a third party is involved in the scheduling or nomination process of a control area or on a hub, respectively, due to statutory or regulatory requirements for a market area, neither ECC nor the respective Settlement Entity shall be liable for errors or disturbances of the scheduling or nomination caused by that third party. ECC and the respective Settlement Entity shall not be liable in case scheduling or nomination is impossible due to that third party.

Any liability of ECC and of the respective Settlement Entity for damages outside the responsibility of ECC or the Settlement Entity in connection with the performance of the European Market Coupling for example due to errors

- within the market coupling systems of the NEMOs and/or the Transmission System Operators,
- of other NEMOs or their respective central counterparty, or
- of Transmission System Operators, interconnectors or other shipping agents or shippers

is limited to the extent of the damages received by ECC or the Settlement Entity from the third party responsible for the respective damage or to the assignment of the claims of ECC or the Settlement Entity towards such third party.

(9) ECC does not assume any liability for the correctness, completeness and validity of the Transactions and declarations transmitted via the STP systems. ECC, in particular, does not assume any liability for the correctness of the Transactions registered via the STP systems in accordance with the rules and regulations of the respective Market and of the give-ups initiated via the STP systems and the subsequent take-ups. The external system providers are responsible for the functionality of the STP systems. As a result, ECC is not liable for any loss of functionalities of the STP systems.

(10) Regardless of the provisions on liability contained herein above, the liability of ECC for cases of damage which arise in one (1) calendar year in connection with the settlement of a Parallel Claim (cf. section 3.4.1 paragraph 6) as a representative of the Known Participants with section 3.4.1 paragraph 6 shall be limited to six (6) times the actual annual remuneration for this service ("Maximum Limit"). The sum of all remuneration payments which Known Participants of ECC owed or would have owed for this service in the respective calendar year according to the contract constitutes the annual remuneration. The calendar year during which the breach of duty took place shall be decisive. As long as the annual remuneration for a calendar year has not been determined, settlement shall be effected provisionally based on the annual remuneration for the previous year. Cases of damage which are caused by ECC in the context of this service in an, at least, grossly negligent manner, are also compensated to the full extent.

© European Commodity Clearing AG – part of eex group

3.4 Margins Requirements and Collateral

3.4.1 Obligation to furnish Collateral and Parallel Claim

(1) In order to secure all obligations which an Institution Clearing Member has towards ECC arising out of or in connection with its participation in clearing at ECC every Clearing Member has to furnish collateral at least in the amount determined by ECC and in the form of the collateral designated under sections 3.4.6 and 3.4.7 in cash, Securities and/or Book-entry Securities.

In order to collateralise all obligations of a DCP Clearing Member towards ECC under or in connection with its participation in ECC clearing, every DCP Clearing Member shall furnish collateral, at least, in the amount determined by ECC in the form of Trading Participant Cash Collateral in accordance with section 3.4.12 paragraph 8 and/or in the form of Trading Participant Collateral in accordance with section 3.4.14. This Trading Participant Collateral is taken into account with regard to the Margin Requirements regarding the Initial Margin Spot Market according to section 3.4.3.

(2) ECC may in accordance with its policies and procedures for the valuation and monitoring of the assets accepted as collateral at its equitable~~own~~ discretion under consideration of ECC's overall risk, determine a minimum proportion of the margin to be provided in cash collateral pursuant to section 3.4.6 ("Minimum Cash Quota"). ECC will give due consideration to the legitimate interests of the affected Institution Clearing Members. If circumstances arise or become known to ECC which justify a change in the assessment of ECC's risk situation, ECC may adjust the Minimum Cash Quota in accordance with its policies and procedures set out in sentence 1. ECC shall publish the current Minimum Cash Quota on the ECC website. ECC shall ~~publicly~~ announce any change to the Minimum Cash Quota ~~and give the Institution Clearing Members a reasonable period of time to comply~~.

~~In order to collateralise all obligations of a DCP Clearing Member towards ECC under or in connection with its participation in ECC clearing, every DCP Clearing Member shall furnish collateral, at least, in the amount determined by ECC in cash or in the form of Trading Participant Collateral in accordance with section 3.4.12 with the exception of collateral regarding Emission Rights. This Trading Participant Collateral is taken into account with regard to the Margin Requirements regarding the Initial Margin Spot Market according to section 3.4.3.~~

(3) ECC establishes the level of the collateral requirement ("Margin Requirement") for the Clearing Members on each Business Day. The obligation of the Clearing Member to furnish collateral, which is determined based on the Margin Requirement identified during Batch Processing, is treated as an immediately due receivable of ECC in the calculation of net receivables and liabilities pursuant to Section 3.3.6 during Batch Processing. Section 3.4.5 remains unaffected.

(4) In order to secure the settlement of all Spot Market Transactions, collateral for Spot Market Transactions shall be provided from the time of recognition as a Trading Participant on the Spot Market until, at least, the fifth day after the termination of recognition as a Trading Participant on the Spot Market.

© European Commodity Clearing AG – part of eex group

(5) If the amount of the collateral is not credited to ECC account in due time, ECC can take measures in accordance with section 3.8 or 3.9 et seq.

(6) In addition to ECC's claim for collateral specified in paragraph 1, each Institution Clearing Member shall grant ECC a separate and independent claim ("Parallel Claim") to the benefit of the Known Participants by way of an abstract promise of debt. It authorises ECC to request performance of all Collateral Obligations which the Institution Clearing Member has towards the Known Participants from the Institution Clearing Member. "Collateral Obligations" of an Institution Clearing Member comprise all the obligations which an Institution Clearing Member has towards the Known Participants from the provision of collateral by the Institution Clearing Member to the benefit of the Known Participants, which these Known Participants have provided in connection with the clearing of Transactions by ECC, i.e. with regard to

(a) retransfer and repayment, or

(b) payment of any surplus amount resulting from the offsetting of the value of the collateral provided pursuant to a qualified close-out netting agreement to the benefit of the respective Known Participant.

A "qualified close-out netting agreement" is a close-out netting agreement between an Institution Clearing Member and a Known Participant which solely covers Transactions which are subject to clearing at ECC.

Obligations of the Institution Clearing Member with regard to collateral of Individually Segregated Participants which have been furnished in accordance with sections 3.4.8 to 3.4.11 shall be exempt from the Collateral Obligations. Also exempted are obligations of the Institution Clearing Member in relation to Securities that the Known Participant has pledged to its Institution Clearing Member.

The Institution Clearing Member's Collateral Obligations towards the Known Participants shall not be affected. The Parallel Claim can be enforced by ECC regardless of the Collateral Obligations which the Institution Clearing Member has towards the Known Participants.

If performance is effected with regard to the Collateral Obligations regarding a Known Participant, the scope of the Parallel Claim shall be reduced accordingly. If performance is effected with regard to the Parallel Claim in accordance with the procedure outlined in sections 3.10.1 No. 1 sentence 6 to 7 and 3.10.3 lit. (b) (ii)-(iv), the scope of the Collateral Obligations shall be reduced accordingly.

3.4.2 Margin Requirement

(1) The method for the calculation of the different Margin Requirements shall be established by ECC. The bases for the determination of the margins are laid down (i) for Institution Clearing Members for Derivatives Market Transactions in section 3.4.4 and for Spot Market Transactions in section 3.4.3.1 and (ii) for DCP Clearing Members in section 3.4.3.2. The Margin Requirement will be calculated separately for the following accounts and Transactions:

© European Commodity Clearing AG – part of eex group

- the combined proprietary and Market Maker Position Accounts (P and M accounts) of a Clearing Member,
- every agent position account (A-account) of the Clearing Member,
- the Spot Market Transactions of the Clearing Member,
- the combined proprietary and Market Maker Position Accounts (P and M accounts) of each Non-Clearing Member,
- every agent position account (A-account) of each Non-Clearing Member,
- the Spot Market Transactions of each Non-Clearing Member.

The Margin Requirement of a Clearing Member is the result of the sum of the separately determined Margin Requirements as stipulated above.

(2) In the calculation of the amount of the Margin Requirements collateral provided by the Trading Participants – in case of Emission Rights also at the behest of its Institution Clearing Member (section 3.4.13) – can be taken into account at the respective collateral value determined by ECC in the respective case; ECC shall decide on this at its sole discretion upon a request by the Trading Participant or its Institution Clearing Member. A Non-Clearing Member's request requires approval by its Institution Clearing Member that is assigned to the internal inventory account within the meaning of section 3.5.8 paragraph 1 and section 3.5.9 paragraph 1. Trading Participant Collateral can be taken into account with regard to collateral requirements for the Initial Margin Spot Market according to section 3.4.3.1. Trading Participant Collateral of DCP Clearing Members are always taken into account with regard to the collateral requirements for the Initial Margin Spot Market according to section 3.4.3.2.

(3) Institution Clearing Members are under the obligation to request collateral at least to the amount established on the basis of the calculation method of ECC from their Non-Clearing Members. Upon a request, the Institution Clearing Member has to disclose its calculation method to ECC and its Non-Clearing Members.

3.4.3 Margins for Spot Market Transactions

3.4.3.1 Margin Requirements for Institution Clearing Members

(1) For risks resulting from Spot Market Transactions, ECC calculates a Margin Requirement in the amount of the net payment amounts from not or not completely settled Transactions (Current Exposure Spot Market) as well as a Margin Requirement in the amount of the statistically determined risk of potential future Transactions (e.g. by Initial Margin Spot Market or Pre-Auction Margin).

(2) ECC may calculate a Margin Requirement (Delivery Margin) for possible risks of the respective Settlement Entity due to late delivery of Emission Rights or Guarantees of Origin to a registry account of the respective Settlement Entity or a failure to procure Emission Rights in the inventory account of the Trading Participant obliged to deliver at the Delivery Time or may also take these risks into account in another suitable way in the calculation of the Margin Requirement.

© European Commodity Clearing AG – part of eex group

(3) To cover further risks arising from the settlement of Spot Market Transactions, ECC is entitled to calculate further Margin Requirements to the extent necessary based on its risk assessment.

(4) In as far as Transmission System Operators for Grid-bound Energy are entitled to

(a) assert claims against the respective Settlement Entity or ECC in the event of the non-delivery of commodities sold or of the non-acceptance of purchased commodities by the Trading Participants, or

(b) have the right to refuse or reduce a nomination of ECC,

ECC may calculate a Margin Requirement for these potential claims (Delivery Margin) or take these risks into account in another suitable way in the calculation of the Margin Requirement.

(5) In order to ensure liquidity, e.g. if a Settlement Entity or a Transmission System Operator requires the Settlement Entity or ECC to provide collateral as a precondition for the settlement of physical transactions, ECC shall be entitled to cover its liquidity need by charging additional cash collateral ("Cash Margin") or setting a Minimum Cash Quota in accordance with section 3.4.1. The Cash Margin is collected from all Trading Participants in the respective market area.

(6) ECC reserves the right to set off Margin-Requirements and margin credits from various margin types and not to report these separately in this respect.

3.4.3.2 Margin Requirements for DCP Clearing Members

(1) In order to maintain the Trading Limits granted by ECC in accordance with section 3.1.2.2 and to collateralise the risks resulting from trading within these Trading Limits in consideration of the effects and the functioning of these Trading Limits in the respective Trading System of the Markets, ECC calculates Margin Requirement covering the possible default of net payments to ECC (including any taxes which might be incurred) and the default risks arising from the non-delivery or incomplete delivery under Transactions concluded or orders entered.

(2) Margin Requirements for DCP Clearing Members are updated at least once per Business Day.

3.4.4 Margins for Derivatives Market Transactions

(1) For Positions in futures and options, ECC calculates a Margin Requirement for the cost of a potential closing out. These include both current (e.g. accumulated Variation Margin since the last credit or debit) and potential future risks (e.g. changes in the value of a position during the liquidation period).

(2) In addition to the Margin Requirement pursuant to paragraph 1 ECC shall calculate a Margin Requirement equal to the daily settlement price of the option (Premium Margin) for short positions in premium style options. The settlement price of an option is determined daily by the Markets and set by ECC. ECC can define the settlement price differently.

(3) In addition to the Margin Requirement pursuant to paragraph 1 ECC shall calculate a margin credit in the amount of the daily settlement price of the option (Premium Margin) for long positions in premium-style options. This can be credited against all Margin Requirements.

© European Commodity Clearing AG – part of eex group

(4) If Transmission System Operators for Grid-bound Energy are entitled to

(a) assert claims towards the respective Settlement Entity or ECC in the event of the non-delivery or of the non-acceptance of deliveries under Derivatives Market Transactions which have fallen due by Trading Participants, or

(b) refuse or reduce nominations of ECC,

ECC may calculate a Margin Requirement with regard to these possible claims (Delivery Margin).

(5) In order to secure claims of the respective Settlement Entity regarding a delayed submission of Emission Rights or Guarantees of Origin under due Derivatives Market Transactions to the registry account of the respective Settlement Entity and/or regarding a failure to procure Emission Rights on the internal inventory account of the Trading Participant obliged to effect delivery in time, ECC may calculate a Margin Requirement (Delivery Margin).

(6) To cover further risks arising from the settlement of Derivatives Market Transactions, ECC is entitled to calculate further Margin Requirements to the extent necessary based on its risk assessment (e.g. supplementary margin, margin for pre-opening limits).

(7) In order to ensure liquidity, e.g. if a Settlement Entity or a Transmission System Operator requires the Settlement Entity or ECC to provide collateral as a precondition for the settlement of physical transactions, ECC shall be entitled to cover its liquidity need by charging a Cash Margin or setting a Minimum Cash Quota in accordance with section 3.4.1. The Cash Margin is collected from all Trading Participants in the respective market area.

(8) ECC reserves the right to offset Margin Requirements and margin credits from different types of margin against each other and therefore not to display them separately.

3.4.5 Supplementary Margins

(1) ECC reserves the right to demand supplementary margin ~~collateral in form of cash, Securities or Book-entry Securities~~ from a Clearing Member at any time on the basis of its own risk assessment. Such a supplementary margin has to be furnished according to section 3.4.6 in a currency that has been approved by ECC or in Securities Collateral according to section 3.4.7. Supplementary margins in cash have to be furnished ~~by an Institution Clearing Member~~ within the time limit set by ECC or, if no time limit has been set, within thirty (30) minutes of the request for supplementary margins according to sections 3.4.6.1 and 3.4.6.2 and, if applicable, in conjunction with sections 3.4.8 and 3.4.9 ~~in cash in the corresponding currency to the Settlement Account of ECC~~. ECC reserves the right to determine the currency in which the supplementary margin in cash has to be furnished at its equitable discretion. Supplementary margins in Securities Collateral must be furnished by an Institution Clearing Member immediately according to section 3.4.7 and, if applicable, in conjunction with sections 3.4.8 and 3.4.10 ~~to the relevant CEU Pledged Securities Account or the relevant Individually Segregated CEU Pledged Securities Account~~.

© European Commodity Clearing AG – part of eex group

(2) An Institution Clearing Member shall have the right to request supplementary margins from each of its Non-Clearing Members immediately at any time, if required according to the risk assessment undertaken at any time during a Business Day.

3.4.6 Collateral in Cash

3.4.6.1 General Requirements, Currencies, Utilisation of Cash Collateral~~Concentration Limits~~, Release of Cash Collateral~~, Utilisation of Cash Collateral,~~ and Parallel Claim

(1) ECC shall specify in which currencies cash collateral can be furnished~~deposited in cash~~ and will publish this on the ECC website. In individual cases, ECC may at any time limit the amount of cash collateral furnished in Foreign Currencies under consideration of its risk assessment ~~establish~~ (in particular in case of exceeding internal concentration limits) and may demand a reduction of cash collateral in Foreign Currencies as well as the provision of corresponding cash ~~or other criteria for the limitation of Foreign Currencies furnished as~~ collateral in EUR ~~at its own discretion~~. ~~ECC may apply concentration limits on the Minimum Cash Quota according to section 3.4.1.~~ ECC shall notify the affected Clearing Member thereof~~Concentration limits will be published on the ECC website~~.

(2) Cash collateral~~Margins are furnished~~ in EUR is furnished according to section 3.3.10 paragraph 1 or paragraph 2 sub-paragraph 1~~by the Institution Clearing Member ensuring that the debit entries received from ECC to the debit of its Settlement Account can be cashed and that the respective amounts can be credited to the Settlement Account held by ECC~~. ECC shall credit the amount~~sum~~ received in its Settlement Account to the relevant Collateral Clearing Account (section 3.5.7) of the Institution Clearing Member forthwith.

(3) Cash collateral~~For the furnishing of margins~~ in Foreign Currencies is furnished according to section 3.3.10 paragraph 2 sub-paragraph 2~~ the Institution Clearing Member must ensure that direct debits submitted to CEU or the Correspondent Bank by ECC are charged to the debit of the respective Settlement Account of the Institution Clearing Member and honoured and the respective amounts credited or paid into the Settlement Account of ECC at CEU or the Payment Bank by means of the payment of the respective sum by the Institution Clearing Member concerned into the account of ECC~~.

Is the Clearing Member released by performing and crediting of a payment of cash collateral in Foreign Currencies to ECC´s Settlement Account at a Payment Bank (including the Forwarding Bank), ECC will, a~~A~~fter the Payment Bank ~~concerned~~ has confirmed the payment to ECC, credit the amount in question ~~is credited~~ to the respective~~relevant~~ Collateral Clearing Account (section 3.5.7) of the Institution Clearing Member forthwith and will take the amount deposited ~~is taken~~ into account with regard to the margin call during this Business Day or for the next Business Day, provided the confirmation is received at ECC by a time specified by ECC at the latest.

An Institution Clearing Member acting as a Payment Bank must use another Payment Bank for furnishing own margins in a Foreign Currency.

~~(3) ECC shall notify the Institution Clearing Member if it becomes aware that the Institution Clearing Member falls below the Minimum Cash Quota. ECC will give the Institution Clearing Member a~~

© European Commodity Clearing AG – part of eex group

~~reasonable period of time to provide or increase cash collateral in order to reach the Minimum Cash Quota. After the Institution Clearing Member has achieved the Minimum Cash Quota through the provision of cash collateral, ECC will, upon request of the Institution Clearing Member pursuant to section 3.4.7 paragraph 7, release Securities Collateral in excess of the Margin Requirement pursuant to section 3.4.7. If and to the extent that the Institution Clearing Member fails to provide the cash collateral required to meet the Minimum Cash Quota or fails to provide such collateral within the time period set by ECC, ECC shall be entitled to request additional cash collateral (section 3.4.5). ECC shall credit such additional cash collateral to the Collateral Clearing Account (section 3.5.7) of the Institution Clearing Member.~~

(4) The cash collateral provided ~~in cash~~ shall become part of the assets of ECC. The provision of collateral shall establish a conditional repayment claim towards ECC in accordance with these Clearing Conditions. With the exception of cash collateral recorded in an Individually Segregated Collateral Clearing Account, the Institution Clearing Member pledges this conditional repayment claim to ECC to secure all current and future liabilities of the Institution Clearing Member towards ECC. ECC accepts such pledge.

ECC shall be entitled to use, invest or exchange the cash collateral provided~~margins furnished in cash~~ into another currency at its sole discretion within the framework of its business activities in order to safeguard its own functionality~~working order~~ as a central counterparty ~~and for investment purposes~~.

(5) ECC shall notify the Institution Clearing Member if it becomes aware that the Institution Clearing Member falls below the Minimum Cash Quota. ECC will give the Institution Clearing Member a reasonable period of time to provide or increase cash collateral in order to reach the Minimum Cash Quota. After the Institution Clearing Member has achieved the Minimum Cash Quota through the provision of cash collateral, ECC will, upon request of the Institution Clearing Member pursuant to section 3.4.7 paragraph 7, release Securities Collateral in excess of the Margin Requirement pursuant to section 3.4.7. If and to the extent that the Institution Clearing Member fails to provide the cash collateral required to meet the Minimum Cash Quota or fails to provide such collateral within the time period set by ECC, ECC shall be entitled to request supplementary margins (section 3.4.5). ECC shall credit such supplementary margins to the Collateral Clearing Account (section 3.5.7) of the Institution Clearing Member.

(6~~5~~) An Institution Clearing Member may request the release of cash collateral from ECC on every Business Day if

(a) the Institution Clearing Member is not in Default according to section 3.8 and there is no cause for termination according to section 3.9; and

(b) the release does not lead to a deficiency in the respective Collateral Clearing Account or a shortfall in the Minimum Cash Quota.

The request for release of cash collateral is processed by ECC on the same Business Day provided the request is received until a time determined by ECC and communicated to the Institution Clearing Member. The release is effected by means of booking within the Collateral

© European Commodity Clearing AG – part of eex group

Clearing Account of the Institution Clearing Member (section 3.5.7) and the payment to the Institution Clearing Member's relevant Settlement Account without undue delay.

(76) In the event of a termination in accordance with section 3.9, ECC is entitled to utilise the cash collateral furnished. The utilisation by means of offsetting with accounts receivable of ECC shall be effected in accordance with the rules in section 3.10. In as far as the total collateral furnished by the Institution Clearing Member exceeds the accounts receivable of ECC, ECC shall be entitled towards the Institution Clearing Member to proceed with any surplus amount as described in more detail in section 3.10.

(87) The Institution Clearing Member and ECC agree that the cash collateral – with the exception of cash collateral recorded in an Individually Segregated Collateral Clearing Account – also serves to collateralise the Parallel Claim referred to in section 3.4.1 paragraph 6, which ECC has towards the Institution Clearing Member. The Institution Clearing Member and ECC agree that

(a) the cash collateral should primarily be used to cover the claims which ECC has towards the Institution Clearing Member (except for ECC's Parallel Claim specified in section 3.4.1 paragraph 6) and that

(b) the cash collateral should only be used to cover ECC's Parallel Claim specified in section 3.4.1 paragraph 6 in the manner described in section 3.10.1 No. 1 sentence 6 to 7 and section 3.10.3 lit. (b) (ii) – (iv) in as far as the total collateral furnished by the Institution Clearing Member exceeds the claims of ECC referred to herein above.

3.4.6.2 Allocation of Commercial Bank Losses and Investment Losses[11]

~~(1) Institution Clearing Members may hold funds for which ECC does not have central bank access ("Commercial Bank Cash Collateral") as cash collateral in a Foreign Currency[12] ("Commercial Bank Currency").~~

(12) If any losses incurred by the default of a~~the Commercial~~ b~~B~~ank (except central banks), where cash collateral is held by ECC, that Institution Clearing Members have provided according to section 3.4.6.1 paragraph 2 or 3 ("Commercial Bank"), or incurred by a similar event leading to cash collateral not being available to ECC without triggering a Recovery Situation for ECC such losses ("Commercial Bank Loss") shall be allocated to Institution Clearing Members according to the following principles:

(a) Any Commercial Bank Loss will be allocated pro rata to all Institution Clearing Members who have furnished Commercial Bank Cash Collateral in the respective ~~Commercial Bank C~~currency according to their respective share in the respective Commercial Bank Cash Collateral received from all Institution Clearing Members by ECC.

ECC shall participate in the Commercial Bank Loss on a pro rata basis ("Own Contribution") up to a maximum of 5,000,000 EUR ("Maximum Own Contribution"). The Maximum Own Contribution covers all past and future Commercial Bank Losses. In case of the occurrence of a Commercial Bank Loss, the Maximum Own Contribution shall be reduced

[11] Also occasionally referred to as non-default loss in relation to the scope of liability of the default waterfall.
~~[12] Currently all non-EUR currencies.~~

© European Commodity Clearing AG – part of eex group

by the relevant Own Contribution ("Available Own Contribution"). ECC shall publish the current Available Own Contribution on the ECC website.

If a Commercial Bank Loss occurs with respect to more than one ~~Commercial Bank C~~currency on a Business Day, ECC shall allocate the Own Contribution to the ~~Commercial Bank C~~currencies pro rata to the Commercial Bank Loss in the respective ~~Commercial Bank C~~currency.

(b) ECC shall determine the relevant Own Contribution with respect to each ~~Commercial Bank C~~currency separately on the basis of the following formula: the product of (A) the Commercial Bank Loss and (B) the ratio of (i) the Available Own Contribution and (ii) the sum of the cash collateral in the relevant ~~Commercial Bank C~~currency, which was paid by all Clearing Members to ECC plus the Available Own Contribution.

(c) ECC shall determine the Institution Clearing Members' share in the Commercial Bank Loss with respect to each ~~Commercial Bank C~~currency separately on the basis of the following formula: the product of (A) the Commercial Bank Loss and (B) ratio of (i) the cash collateral, in the relevant ~~Commercial Bank C~~currency, which was paid by the relevant Institution Clearing Member to ECC and (ii) the sum of the cash collateral in the relevant ~~Commercial Bank C~~currency, which was paid by all Institution Clearing Member to ECC plus the Available Own Contribution. ECC shall notify the Institution Clearing Member in writing, via telefax, via e-mail or via SWIFT message, about the respective amount without undue delay.

(d) ECC shall be entitled to ~~directly~~ debit the Settlement Account of the Institution Clearing Member in accordance with the principles as stipulated in section 3.5.6 paragraph 2 on the same day after the delivery of the respective notice on the Institution Clearing Member related Commercial Bank Loss. If ECC receives an amount from the Insolvency Administrator settling the claim against the Commercial Bank or is the Commercial Bank Loss reduced later through payments made by a third party, ECC~~it~~ shall distribute the amount ~~proportionately~~ in accordance with the share of the Institution Clearing Member related Commercial Bank Loss in the total Commercial Bank Loss.

(3) If a Recovery Situation occurs to ECC resulting from any Investment Loss incurred by ECC, ECC is entitled to demand a pro rata cash call from the Institution Clearing Members to cover these Investment Losses according to the following principles:

(a) ECC shall use at first its Second Skin in the Game according to section 3.7.3.

(b) Afterwards any Investment Loss will be allocated pro rata to all Institution Clearing Members who have furnished cash collateral or Default Fund contributions in the respective Currency according to their respective share in the respective cash collateral or Default Fund contribution received from all Institution Clearing Members by ECC.

ECC shall notify the Institution Clearing Member in writing, via telefax, via e-mail or via SWIFT message, about the respective amount without undue delay.

© European Commodity Clearing AG – part of eex group

(c) ECC shall be entitled to ~~directly~~ debit the Settlement Account of the Institution Clearing Member on the Business Day after the delivery of the respective notice about the Institution Clearing Member related Investment Loss. If ECC receives an amount from the Insolvency Administrator settling the claim against the Commercial Bank because of the Investment Loss or~~. If ECC~~ is the Commercial Bank Loss reduced later through payments made by a ~~receives an amount from~~ third party~~ies settling the claim~~, ECC shall distribute the amount proportionately in accordance with the ~~above mentioned~~ ratio of paragraph 1 lit. (d) sentence 3 to the Institution Clearing Members.

3.4.7 Collateral in Securities and Book-entry Security

(1) Collateral in Securities and in Book-entry Security shall be deposited by each Institution Clearing Member in a CEU Pledged-Securities Account to be established by said member at CEU.

(2) ECC shall stipulate the Securities and Book-entry Security accepted by it as margins as well as their respective collateral value. Bonds with a residual term of fifteen (15) calendar days or less shall not be accepted as margins. The accepted Securities and Book-entry Securities are published on the ECC website. ECC can determine concentration limits for determining the share of accepted issuers, certain countries or other criteria in relation to the total value of the Securities and Book-entry Securities submitted by an Institution Clearing Member. The Institution Clearing Member shall be in charge of administration of the Securities and of the Book-entry Security. Any security which is not accepted or not accepted anymore as collateral by ECC or any such stock loan security shall not be taken into account in the calculation of the required margins.

(3) The provision of Securities Collateral by the Institution Clearing Member to ECC will be effected by means of a separate collateral agreement. In this agreement, the Institution Clearing Member shall grant ECC in the form determined by ECC a pledge on all Securities and fiduciary assign to ECC all Book-entry Securities which are booked at present or will be booked in the future in the CEU Pledged-Securities Account in order to secure all obligations which the Institution Clearing Member has at present or in the future towards ECC arising out of or in connection with its participation in Clearing at ECC, including – without limitation – the Parallel Claim (as defined in section 3.4.1 paragraph 6). The Institution Clearing Member warrants by way of an independent guarantee and irrespective of fault (*selbständige, verschuldensunabhängige Einstandspflicht*) towards ECC that it is the owner of all Securities and the proprietor of all Book-entry Securities which are at present or will be in the future deposited in the CEU Pledged-Securities Account or that it is otherwise entitled to pledge the Securities or to assign the Book-entry Securities. The Institution Clearing Member further warrants that these Securities and Book-entry Securities are not encumbered with any third-party rights. For the term of the pledge and the fiduciary assignment, the Institution Clearing Member shall not permit any such rights to arise without the approval of ECC.

(4) With regard to the realisation, insofar as the Securities or Book-entry Securities have an exchange or market value ("*Börsen- oder Marktpreis*"), ECC shall be entitled to carry out the sale of the pledged Securities without any prior warning in the open market at the current price or to

© European Commodity Clearing AG – part of eex group

have such sale carried out by third parties ("*Verkauf aus freier Hand*") or to liquidate the Book-entry Securities assigned by way of fiduciary assignment without any special realisation procedure. The Institution Clearing Member herewith grants ECC a power of attorney to request the removal of the registered shares assigned by way of security from the respective share register at CEU in the event of an utilisation on its behalf.

(5) The Institution Clearing Member and ECC agree that

(a) any revenue from the utilisation of the Securities deposited in the CEU Pledged-Securities Account and from the utilisation of the Book-entry Securities assigned by way of security is to be used primarily to cover the claims which ECC has towards the Institution Clearing Member (with the exception of the Parallel Claim of ECC referred to under section 3.4.1 paragraph 6) and

(b) such revenue should only be used to cover the Parallel Claim of ECC specified in section 3.4.1 paragraph 6 in the manner described in sections 3.10.1 No. 1 and 3.10.3 lit. (b) (ii) – (iv) as far as total collateral furnished by the Institution Clearing Member exceeds the claims of ECC referred to above.

(6) The transfer of Securities and of Book-entry Securities to a CEU Pledged-Securities Account shall be carried out by means of an instruction by the Institution Clearing Member to CEU to transfer the Securities or the Book-entry Securities to the CEU Pledged-Securities Account of the Clearing Member concerned held. CEU shall inform ECC of such transfer. After that, ECC shall credit the corresponding value to the relevant Collateral Clearing Account (section 3.5.7) of the Institution Clearing Member and shall, moreover, take the amount into consideration with regard to the margin call for the next margin calculation, provided the notification by CEU is issued until a time specified by ECC and communicated to the Institution Clearing Member at the latest. In case the Securities or Book-entry Securities which are not accepted by ECC as margins are transferred to a CEU Pledged-Securities Account, ECC shall arrange for a refund.

(7) The Institution Clearing Member may request the release of Securities Collateral from ECC on every Business Day if

(a) the Institution Clearing Member is not in Default according to section 3.8 and there is no cause for termination according to section 3.9; and

(b) the release does not lead to a deficiency in the respective Collateral Clearing Account.

ECC shall process a request for the release of such Securities Collateral on that same Business Day if ECC has received the request until a time as specified by ECC and communicated to the Institution Clearing Member. ECC shall carry out the release of the pledged Securities or of fiduciary assigned Book-entry Securities by means of a corresponding booking on the relevant Collateral Clearing Account of the Institution Clearing Member (section 3.5.7) and a transfer instruction to CEU. The release of Securities Collateral shall become effective upon transfer of the Securities and Book-entry Securities from the CEU Pledged-Securities Account. If such a request is precluded by a Margin Requirement against the Institution Clearing Member, ECC will only book on the respective Collateral Clearing Account and give the transfer instruction to CEU if the required collateral has been provided by the time specified by ECC.

© European Commodity Clearing AG – part of eex group

(8) The Institution Clearing Member shall grant ECC a power of attorney in respect of each CEU Pledged-Securities Account,

(a) to give, transmit, change or cancel transfer instructions on behalf of the Institution Clearing Member; and

(b) to receive from CEU all information of any kind on the status of these transfer instructions and the balances of the CEU Pledged-Securities Account.

Where the CEU Pledged-Securities Account is a CASCADE sub-account, the above authorisations shall extend to the corresponding CASCADE main account. The Institution Clearing Member shall further authorise ECC to grant sub-authorisation to Eurex Clearing AG. The Institution Clearing Member and ECC agree that this power of attorney (including the authorisation to grant sub-authorisation) can only be revoked with the consent of ECC.

3.4.8 Collateral in the case of Individual Segregation

(1) If an agreement for individual segregation ("Individual Segregation") has been concluded as part of an NCM Agreement, sections 3.4.8 to 3.4.11 shall apply with regard to collateral which has been furnished for Transactions of Individually Segregated Participants.

(2) ECC maintains separate position accounts and an Individually Segregated Collateral Clearing Account for each Individually Segregated Participant in accordance with the more detailed provisions of these Clearing Conditions for the purpose of the separate calculation, administration and realisation of collateral.

(3) In fulfilling the obligation as per section 3.4.2 paragraph 3, the Individually Segregated Participant shall furnish collateral to the Institution Clearing Member in accordance with the following provisions. The collateral is used to collateralise all existing and future claims which the Institution Clearing Member has towards the Individually Segregated Participant under the NCM Agreement concerned. The collateral is furnished by the Individually Segregated Participant by a transfer of Securities Collateral to the Institution Clearing Member's Individually Segregated CEU Pledged-Securities Account at CEU, which is exclusively set up for pledged Securities Collateral with regard to Transactions of the Individually Segregated Participant and/or cash collateral to a cash account of the Institution Clearing Member notified to the Individually Segregated Participant by the Institution Clearing Member to that end. The Individually Segregated Participant can choose between the transfer of Securities Collateral and cash collateral.

(4) In the case of Securities Collateral, title to the collateral furnished to the Institution Clearing Member on the basis of paragraph 3 is transferred to the Institution Clearing Member upon the transfer and in the case of cash collateral, the collateral is transferred to the Institution Clearing Member's assets. If Securities Collateral comprises Securities held abroad, the legal position to which the Individually Segregated Participant as the party depositing the Securities is entitled towards the depositary shall, if applicable, be transferred instead of the property as such. The Institution Clearing Member is entitled to dispose of the collateral without any restrictions in accordance with these Clearing Conditions.

© European Commodity Clearing AG – part of eex group

(5) The Institution Clearing Member is obliged not to establish any security rights in the collateral to the benefit of third parties with the exception of

(a) the pledge to the benefit of ECC according to section 3.4.11 paragraph 1 and

(b) the pledge to the benefit of the Individually Segregated Non-Clearing Member according to section 3.4.11 paragraph 8.

(6) The Institution Clearing Member is obliged to furnish all the collateral furnished by the Individually Segregated Participants for Clearing on ECC (including any collateral which might exceed the amount of the Margin Requirements determined by ECC) to ECC and have it credited to the Individually Segregated Collateral Clearing Account of the relevant Individually Segregated Participant.

(7) If the amount of the collateral furnished by the Individually Segregated Participant to its Institution Clearing Member exceeds the amount of the collateral to be furnished by the Individually Segregated Participant on account of section 3.4.2 paragraph 3 on any given Business Day, the Individually Segregated Participant shall, at its choice, be entitled to the retransfer of sums of money or Securities which are similar to the cash or Securities Collateral furnished by it and whose value does not exceed the amount of the over-coverage from its Institution Clearing Member – unless this is precluded by deviating agreements between the Institution Clearing Member and the Individually Segregated Participant. In the case of Securities Collateral, Securities of the same category of Securities are classified as being similar to it.

(8) If ECC uses collateral which the Institution Clearing Member has pledged to ECC on the basis of the provisions in section 3.10 or if the Institution Clearing Member utilises collateral which was provided by an Individually Segregated Participant because of a termination of the close-out netting agreement between the Institution Clearing Member and the Individually Segregated Participant, the following provisions shall apply:

(a) The claim to performance which the Institution Clearing Member has towards the Individually Segregated Participant from Transactions which are settled on ECC via the Institution Clearing Member expires to the corresponding amount.

(b) The claim to transfer which the Individually Segregated Participant has towards the Institution Clearing Member as per paragraph 7

(i) is exclusively aimed at the transfer of sums of money up to an amount corresponding to the utilisation proceeds and

(ii) the amount of such claim is reduced by the amount of the account receivable for which ECC or the Institution Clearing Member has utilised this collateral.

(c) In as far as the claim to performance which the Institution Clearing Member has towards the Individually Segregated Participant under Transactions which are settled on ECC via the Institution Clearing Member has already ceased to apply before the utilisation as a result of performance or with the effect of performance, the amount of the Individually Segregated Participant's claim to transfer according to paragraph 7 remains unaffected in contrary to lit. (b) (ii). Apart from this lit. (b) (i) shall apply.

© European Commodity Clearing AG – part of eex group

(9) In the event of a termination of the close-out netting agreement between the Institution Clearing Member and the Individually Segregated Participant, the party entitled for compensation under the close-out netting agreement will forthwith assess all collateral which was furnished on the basis of these Clearing Conditions and for which the Institution Clearing Member has not yet transferred any similar assets to the Individually Segregated Participant in accordance with paragraph 7. The corresponding amounts are included in the uniform compensation claim to be established like outstanding payments of the Institution Clearing Member in accordance with the close-out netting agreement in conjunction with No. 9 paragraph 1 of the Master Agreement for Financial Derivatives Transactions. At the same time, all claims between the Individually Segregated Participant and the Institution Clearing Member regarding the transfer of sums of money or Securities according to paragraph 2 or paragraph 6 cease to apply.

(10) Cash collateral is assessed at the nominal amount plus any interest accrued until the termination of the close-out netting agreement. Securities Collateral is assessed at the revenue generated by the Institution Clearing Member in selling securities of the same kind. At the choice of the party entitled to compensation under the close-out netting agreement, the actual revenue achieved shall be replaced by the amount which the Institution Clearing Member could have received in such a sale observing the interests of the Individually Segregated Participant immediately after the termination of the close-out netting agreement. In as far as the amounts specified above are not denominated in EUR, the party entitled to compensation under the close-out netting agreement shall convert such amounts into EUR at the ask price. In this case, the “ask price” is the price quoted by leading market participants for the sale of a currency.

(11) If money is paid out to the holder of the said security collateral by the issuer with regard to a certain security collateral, the Institution Clearing Member pays an amount in the currency and in the amount of such payment for the holders of the collateral on account of the distribution to the Individually Segregated Participant on the day of such distribution. If such a distribution is subject to a withholding tax or if it leads to a tax credit, the Institution Clearing Member owes the amount which would accrue to the Individually Segregated Participant under consideration of the amount of its claims to reimbursement or offsetting which were previously communicated to the Institution Clearing Member if the said Client were the owner of the respective security collateral including

(a) the withholding tax in as far as the Individually Segregated Participant could claim an exemption from this tax or its reimbursement and

(b) any tax credit to which the Individually Segregated Participant would be entitled under these circumstances.

The Institution Clearing Member is not obliged to make payments of these amounts in accordance with the provisions herein above in as far as such a payment would cause a deficient cover. Amounts not paid by the Institution Clearing Member accordingly have to be considered as cash collateral in the determination of a potential insufficient or excess cover.

(12) The Institution Clearing Member is obliged to conclude close-out netting agreements with its Individually Segregated Participants.

© European Commodity Clearing AG – part of eex group

3.4.9 Collateral in Cash in the case of Individual Segregation

(1) Cash collateral is provided by the Institution Clearing Member to ECC in accordance with section 3.4.6. In addition, the following paragraphs 2 and 3 shall apply.

(2) ECC credits the amount received in relation to the Individually Segregated Participant to the Individually Segregated Collateral Clearing Account of the Individually Segregated Participant without undue delay.

(3) Under the precondition that the Institution Clearing Member is not in Default according to section 3.8 and there is no cause for Termination according to section 3.9, upon a request by the Institution Clearing Member, ECC shall release cash collateral which is booked in the Individually Segregated Collateral Clearing Account. With regard to the release, section 3.4.6.1 paragraph 6~~5~~ shall apply with the supplementary requirement that the release of the provided collateral in cash can only be requested in the amount in which the provided collateral on the Individually Segregated Collateral Clearing account exceeds the Margin Requirement vis-à-vis the Individually Segregated Participant. The release shall be effected by booking on the Individually Segregated Collateral Clearing Account of the Individually Segregated Participant and payment to a Settlement Account of its Institution Clearing Member without undue delay.

3.4.10 Collateral in Securities in the case of Individual Segregation

(1) In the case of Individual Segregation, collateral in Securities can be deposited in the respective Individually Segregated CEU Pledged-Securities Account in accordance with section 3.4.8. Section 3.4.7 paragraph 2 applies accordingly. Only Securities the ownership of which has been transferred to the Institution Clearing Member by the respective Individually Segregated Participants in accordance with the provisions of in section 3.4.8 paragraph 4 shall be kept in the Individually Segregated CEU Pledged-Securities Account.

(2) ECC shall credit the value of the Securities deposited in the Individually Segregated CEU Pledged-Securities Account to the Individually Segregated Collateral Clearing Account of the Individually Segregated Participant and shall consider the amount credited in the next calculation of the collateral requirement for the Institution Clearing Member in accordance with the more detailed provision in section 3.4.1.

(3) The Institution Clearing Member may request the release of Securities Collateral from ECC on every Business Day if

(a) the Institution Clearing Member is not in Default according to section 3.8 and there is no cause for termination according to section 3.9; and

(b) the release does not lead to a deficiency in the respective Individually Segregated Collateral Clearing Account.

ECC shall process such requests for the release of such Securities on that same Business Day if ECC has received the request until a time as specified by ECC and communicated to the Institution Clearing Member. ECC shall carry out the release of the pledged Securities by means

© European Commodity Clearing AG – part of eex group

of a corresponding booking on the relevant Individually Segregated Collateral Clearing Account of the Individually Segregated Participant and a transfer instruction to CEU. The release of Securities Collateral shall become effective upon transfer of the Securities from the Individually Segregated CEU Pledged-Securities Account.

3.4.11 Pledges in the case of Individual Segregation

(1) For the security purpose specified in paragraph 3 the Institution Clearing Member pledges the following to ECC:

(a) all Securities (except for Securities held abroad) which are recorded in the Individually Segregated CEU Pledged-Securities Account specified in more detail in the Collateral Agreement at present or which will be recorded in such in the future. ECC hereby accepts the pledge. The Institution Clearing Member assigns its claims regarding these Securities towards CEU to ECC for the purpose of pledging. ECC hereby accepts the pledge.

(b) the claims – primarily claims to delivery and restitution – to which the Institution Clearing Member is entitled at present and to which it will be entitled in the future with regard to the Securities recorded in the Individually Segregated CEU Pledged-Securities Account specified in more detailed in the Collateral Agreement at present or in the future. ECC hereby accepts the pledge.

(c) all current and future claims which the Institution Clearing Member has against ECC with regard to cash collateral which is at present or will be in the future recorded in the Individually Segregated Collateral Clearing Account of the respective Individually Segregated Participant. ECC hereby accepts the pledge.

(2) The Institution Clearing Member shall inform CEU of the pending pledges with regard to the Individually Segregated CEU Pledged-Securities Account forthwith.

(3) The pledges granted in paragraph 1 lit. (a) to (c) serve as collateral for the performance of all obligations of an Institution Clearing Member towards ECC resulting from Trades of the respective Individually Segregated Participant.

(4) In the relationship with ECC, the Institution Clearing Member is entitled to all interest payments made with regard to cash collateral and all distributions of payments, material assets and ancillary rights (including subscription rights, bonus shares and similar rights) with regard to Securities Collateral.

(5) The Institution Clearing Member shall establish a further pledge with regard to the collateral according to paragraph 8 lit. (a) to (c) for the Individually Segregated Non-Clearing Member. The Institution Clearing Member shall not establish any further third-party rights which can arise on account of contractual agreements throughout the term of the pledge without ECC's approval.

(6) With regard to the utilisation ECC shall be entitled to carry out the sale of the pledged Securities without any prior warning in the open market at the current price or to have such sale carried

© European Commodity Clearing AG – part of eex group

out by third parties ("*Verkauf aus freier Hand*"), insofar as the Securities or Book-entry Securities have an exchange or market value ("*Börsen- oder Marktpreis*").

(7) In the event of utilisation, the Institution Clearing Member grants ECC a power of attorney to request the removal of the registered Securities from the respective share registers at CEU, in its name.

(8) With regard to the purpose of security specified in paragraph 10, the Institution Clearing Member pledges the following to the Individually Segregated Non-Clearing Member:

(a) all Securities which are recorded in the Individually Segregated CEU Pledged-Securities Account at present or which will be recorded in the said account in the future with the exception of Securities held abroad. The Individually Segregated Non-Clearing Member hereby accepts the pledge. For the purposes of pledging, the Institution Clearing Member assigns its claims towards ECC with regard to the return of the Securities specified above after the expiry of the first-rank lien established with regard to these Securities to the benefit of ECC to the Individually Segregated Non-Clearing Member in accordance with § 1223 BGB. The Individually Segregated Non-Clearing Member hereby accepts the assignment.

(b) the claims – primarily claims to delivery and surrender – to which the Institution Clearing Member is entitled at present and to which it will be entitled in the future with regard to the Securities held abroad which are recorded in the Individually Segregated CEU Pledged-Securities Account at present or will be recorded therein in the future. The Individually Segregated Non-Clearing Member hereby accepts the pledge.

(c) all current and future claims which the Institution Clearing Member has against ECC with regard to cash collateral which is at present or will be in the future recorded in the Individually Segregated Collateral Clearing Account of the respective Individually Segregated Participant. The Individually Segregated Non-Clearing Member hereby accepts the pledge.

(9) The Institution Clearing Member shall notify CEU of the pending pledges with regard to Securities Collateral forthwith.

(10) The pledges created in paragraph 8 lit. (a) to (c) serve to collateralise all claims which the Individually Segregated Non-Clearing Member has against the Institution Clearing Member (a) under the NCM Agreement and (b) under the respective close-out netting agreement.

(11) In as far as the collateral has an exchange or market value ("*Börsen- oder Marktpreis*"), the Individually Segregated Non-Clearing Member attains ownership or legal ownership of the receivables without prior warning in accordance with § 1259 sentence 1 BGB

(a) upon a termination in accordance with section 3.9.1 with regard to the Institution Clearing Member upon the settlement of the obligations of the Individually Segregated Non-Clearing Member under the NCM Agreement or, if such time occurs earlier,

© European Commodity Clearing AG – part of eex group

(b) upon the maturity of the receivable (if any) to which the Individually Segregated Non-Clearing Member is entitled from the Institution Clearing Member on the basis of the respective close-out netting agreement.

(12) The following provisions apply in the relationship between ECC, the Institution Clearing Member and the Individually Segregated Non-Clearing Member:

(a) Subject to the provision in sentence 2, ECC may exclusively arrange the utilisation of the assets pledged by the Institution Clearing Member in accordance with paragraph 1 and 8. With ECC's approval, the Individually Segregated Non-Clearing Member can take over the utilisation of the pledged assets in their entirety or in part.

(b) Proceeds from the utilisation of the assets pledged by the Institution Clearing Member in accordance with paragraph 1 and 8 will first be used to satisfy ECC's claims arising from the obligations of an Institution Clearing Member to ECC from or in connection with its participation in clearing. Any remaining surplus will be used to satisfy all claims which the Individually Segregated Non-Clearing Member has against the Institution Clearing Member (i) from the NCM Agreement and (ii) from the respective close-out netting agreement.

(c) The Individually Segregated Non-Clearing Member is only entitled to an assignment of the receivables from the Institution Clearing Member which are collateralised by the pledge in as far as the distribution rule described under lit. (b) herein does not affect the relationship between ECC and the Individually Segregated Non-Clearing Member.

(13) As of entry into force of Release 66a of these Clearing Conditions, the provision of Securities Collateral by the Institution Clearing Member to ECC will be effected by means of a separate collateral agreement. In this agreement, the Institution Clearing Member shall grant ECC a pledge in the form determined by ECC on all Securities which are booked at present or will be booked in the future in the Individually Segregated CEU Pledged-Securities Account in order to collateralise all current and future obligations of this Institution Clearing Member towards ECC insofar as these obligations are based on Transactions of the Individually Segregated Participant. Insofar as the provision of Securities Collateral by the Institution Clearing Member to ECC is effected by means of a separate collateral agreement, the following paragraphs 14 to 17 shall apply in addition.

(14) Section 3.4.8 paragraphs 3 to 5 and paragraphs 7 to 12 and section 3.4.10 paragraph 1 sentence 3 shall not apply with regard to Securities Collateral. For the avoidance of doubt, the Institution Clearing Member and the Individually Segregated Participant are free to enter into appropriate arrangement in addition to these Clearing Conditions, provided that these arrangement do not impair the collateralization function in favour of ECC or the arrangement for the transfer of the pledged Securities in accordance with section 3.10.1 No. 1 and for the return of the pledged Securities in accordance with section 3.10.3 lit. (a) sub-paragraphs 2 and 3.

(15) Section 3.4.11 paragraph 1 lit. (a) and (b) and paragraph 2 shall not apply. Section 3.4.11 paragraph 5 shall apply with the proviso that the further pledge does not relate to the collateral pursuant to section 3.4.11 paragraph 8 lit. (a) and (b). Section 3.4.11 paragraph 8 lit. (a) and

© European Commodity Clearing AG – part of eex group

(b) and paragraph 11 shall not apply. In the event of termination, the pledged Securities shall be returned in accordance with section 3.10.3 lit. (a) sub-paragraphs 2 and 3.

(16) The Institution Clearing Member warrants by way of an independent guarantee and irrespective of fault (*selbständige, verschuldensunabhängige Einstandspflicht*) towards ECC and the Settlement Entities that it is the owner or proprietor of all Securities which are at present or will be in the future deposited in the Individually Segregated CEU Pledged-Securities Account or that it is otherwise entitled to pledge the Securities. The Institution Clearing Member further warrants that these Securities are not encumbered with any third-party rights. For the term of the pledge, the Institution Clearing Member shall not permit any such rights to arise without the approval of ECC.

(17) The Institution Clearing Member shall grant ECC a power of attorney in the form specified by ECC in respect of each Individually Segregated CEU Pledged-Securities Account

(a) to give, transmit, change or cancel transfer instructions on behalf of the Institution Clearing Member; and

(b) to receive from CEU all information of any kind on the status of these transfer instructions and the balances of the Individually Segregated CEU Pledged-Securities Account.

Where the Individually Segregated CEU Pledged-Securities Account is a CASCADE sub-account, the above authorisations shall extend to the corresponding CASCADE main account. The Institution Clearing Member shall further authorise ECC to grant sub-authorisation to Eurex Clearing AG. The Institution Clearing Member and ECC agree that this power of atttorney (including the authorisation to grant sub-authorisation) can only be revoked with the consent of ECC.

3.4.12 Trading Participant Collateral in Shares in Collective Holdings of Registry Based Products (except for Emission Rights kept in the Collateral Registry Account) and in Trading Participant Cash Collateral

(1) Every Trading Participant pledges to ECC all rights which are connected with Shares in Collective Holdings and Trading Participant Cash Collateral booked within the internal inventory accounts at present or in the future (sections 3.5.8 and 3.5.9) and, in particular, the right towards ECC Lux or ECC respectively regarding the delivery of the Registry Based Products to another registry account and the claim towards ECC regarding the repayment of the Trading Participant Cash Collateral. ECC accepts the pledge. The pledge secures all existing and future claims against the Trading Participant which ECC is entitled to from the Trading Participant in accordance with these Clearing Conditions. In case the Trading Participant is a Non-Clearing Member, the pledge also secures claims that ECC is entitled to (by own or assigned right) against its Institution Clearing Member as a contracting party or guarantor for the Transactions of said Trading Participant.

(2) If the Trading Participant is a Non-Clearing Member, it also pledges all rights which are connected with the Shares in Collective Holdings or Trading Participant Cash Collateral booked

© European Commodity Clearing AG – part of eex group

within its internal inventory accounts (sections 3.5.8 and 3.5.9) at present or in the future and, in particular, the claim towards ECC Lux or ECC respectively regarding the delivery of the Registry Based Products to another registry account and the claim towards ECC regarding the repayment of the Trading Participant Cash Collateral to its Institution Clearing Member or its Institution Clearing Members, in addition. The Institution Clearing Members accept the pledge. The pledge in favour of the Institution Clearing Member secures all existing and future claims against the pledging Trading Participant resulting from the utilisation of these Institution Clearing Members as guarantors or contracting parties of ECC with regard to the pledging Trading Participant's Transactions. The following provisions apply in the relationship between the Institution Clearing Members and ECC:

(a) Subject to the provision in the following sentence, ECC alone may arrange the utilisation of the rights pledged by a Non-Clearing Member. With the approval by ECC, an Institution Clearing Member can also take over the utilisation of the pledged assets in their entirety or in part.

(b) Any proceeds from the utilisation of rights pledged by a Trading Participant shall initially be used to satisfy the claims to which ECC is entitled from the Trading Participant in connection with these Clearing Conditions. Any remaining surplus shall be used to satisfy the rights of recourse or other rights of the Institution Clearing Members from the pledging Trading Participants as a result of recourse to these Institution Clearing Members as guarantors or contracting partners of ECC for the Transactions of the pledging Trading Participant.

(c) The Institution Clearing Members are only entitled to assign their claims which are collateralised by the pledge in as far as the distribution rule described under lit. (b) in the relationship between the Institution Clearing Members and ECC is not affected.

(3) The Trading Participant herewith notifies ECC in its capacity as the authorised receiving agent of ECC Lux and in its own capacity about the pledges in accordance with section 3.4.12 paragraphs 1 and 2.

(4) Up to a default or a termination in the relationship between the Institution Clearing Member and a Non-Clearing Member or in the relationship between ECC and an Institution Clearing Member, (a) ECC Lux or ECC respectively is authorised and obliged to execute the Trading Participants' sell orders regarding the Registry Based Products and (b) ECC is authorised and obliged to pay out the Trading Participant Cash Collateral to the Trading Participant via its Clearing Member. In this respect, ECC and the Institution Clearing Member release the assets pledged pursuant to section 3.4.12 paragraphs 1 and 2 subject to the following condition: If the collateral values of Shares in Collective Holdings have been considered in calculating the amount of the Margin Requirement of ECC from the Clearing Member (section 3.4.2 paragraph 2), the Trading Participant is only entitled to delivery dispositions regarding Registry Based Products or to repayments of Trading Participant Cash Collateral to it if new Margin Requirements to be established on the basis of such dispositions and open liabilities of the Clearing Member towards ECC and ECC Lux or the Settlement Entity respectively are covered by the remaining collateral.

© European Commodity Clearing AG – part of eex group

In the case of Trading Participant Collateral with regard to Emission Rights~~Registry Based Products~~, the Institution Clearing Member can request ECC to suspend deliveries in accordance with section 3.5.9 paragraph 3 if this is required for the Institution Clearing Member to secure as yet unfulfilled liabilities of the Trading Participant.

(5) If the Trading Participant or one of its Institution Clearing Members defaults towards ECC or a Settlement Entity with regard to collateralised liabilities, ECC or, with the approval of ECC, an Institution Clearing Member may, without prior warning, sell the Registry Based Products in the open market ("*Verkauf aus freier Hand*") or obtain satisfaction through the appropriation of such in accordance with § 1259 BGB and collect the claims towards ECC regarding the repayment of the Trading Participant Cash Collateral; sections 3.9 and 3.10 shall not be affected.

If a Non-Clearing Member has defaulted on its collateralised liabilities towards its Institution Clearing Member, the Institution Clearing Member may, with the approval of ECC, sell the Registry Based Products without prior warning in the open market ("*Verkauf aus freier Hand*") or it may obtain satisfaction through the appropriation of such in accordance with § 1259 BGB and collect the claim towards ECC regarding the repayment of the Trading Participant Cash Collateral.

(6) Any proceeds from the utilisation of pledges regarding Registry Based Products shall be distributed in such a way that the pledges specified above have a lower rank than the pledges which are provided for in section 4.9.2 paragraph 4.

(7) The provisions made in this section shall not apply to the Shares in Collective Holdings kept in the Collateral Registry Account currently or in the future booked to internal inventory accounts as their treatment shall exclusively be determined in accordance with section 3.4.13. The provisions contained in this section shall also not apply to Allowances booked in the internal inventory accounts assigned to a Member State represented by its relevant Auctioneer at present or in the future.

(8) Trading Participant Cash Collateral is provided by a DCP Clearing Member by ECC or the Connected Bank as the authorised representative of the DCP Clearing Member disposing of the account balances of the Settlement Account of this DCP Clearing Member for the benefit of the Settlement Account of~~f~~ ECC. ECC shall ~~forthwith~~ credit the received amount ~~received in its Settlement Account~~ to the DCP Clearing Member's Cash Collateral Account without undue delay, after fulfilment of the payment obligation has occurred according to section 3.3.10. ~~A DCP Clearing Member is obliged to ensure a balance in the Settlement Account the amount of which is sufficient to fulfil its obligations towards ECC at all times.~~

Trading Participant Cash Collateral becomes part of the assets of ECC and establishes a conditional payment claim of the Trading Participant towards ECC regarding repayment, whereat that claim is pledged to ECC in accordance with this section 3.4.12. ECC is entitled to use the Trading Participant Cash Collateral at its sole discretion in the framework of its business operations for investment purposes.

© European Commodity Clearing AG – part of eex group

3.4.13 Trading Participant Collateral in Emission Rights held in the Collateral Registry Account

(1) Each Trading Participant may transfer Emission Rights to ECC's Collateral Registry Account in accordance with paragraphs 2 and 3 below. Emission Rights transferred to the Collateral Registry Account shall become property of ECC. The Trading Participant or, if the Trading Participant is a Non-Clearing Member, its Institution Clearing Member shall grant ECC collateral property in Emission Rights transferred to the Collateral Registry Account in accordance with the following provisions. ECC shall hold the Emission Rights transferred to the Collateral Registry Account for collateralisation purposes in accordance with the following provisions as trustee for the Trading Participant or, if the Trading Participant is a Non-Clearing Member, for its Institution Clearing Member.

(2) If the Trading Participant is an Institution Clearing Member and transfers Emission Rights from an external registry account or from another ECC registry account to the Collateral Registry Account, this shall give rise to a claim towards ECC for retransfer from the Collateral Registry Account. Emission Rights transferred to the Collateral Registry Account shall secure all current and future claims of ECC against the Trading Participant in connection with the Clearing Conditions.

(3) If the Trading Participant is a Non-Clearing Member and transfers Emission Rights from an external registry account or from another ECC registry account to the Collateral Registry Account, it shall always do so at the behest of its Institution Clearing Member. This creates a claim of the Institution Clearing Member against ECC for retransfer from the Collateral Registry Account and a corresponding retransfer claim of the Non-Clearing Member against its Institution Clearing Member.

Emission Rights transferred to the Collateral Registry Account shall secure the claims of ECC against the respective Institution Clearing Member with regard to transactions of its Non-Clearing Member. The retransfer claim of the respective Institution Clearing Member against ECC, the Emission Rights to be transferred thereon by ECC to the respective Institution Clearing Member or the proceeds of collateral realisation to be distributed to the Institution Clearing Member shall secure the claims of the respective Institution Clearing Member against the Non-Clearing Member resulting from a liability of the Institution Clearing Member towards ECC due to transactions of the Non-Clearing Member.

The Institution Clearing Member shall pledge to the Non-Clearing Member the claim vis-à-vis ECC for retransfer of the Emission Rights transferred by the Non-Clearing Member to the Collateral Registry Account as well as the payment claims replacing such claim in case of collateral realisation. The pledge shall serve as security for all claims of the Non-Clearing Member against its Institution Clearing Member arising from the Non-Clearing Member's participation in the clearing of ECC, in particular for the retransfer of the Emission Rights and the payment claims replacing them. The Non-Clearing Member accepts such pledge; the Institution Clearing Member hereby notifies ECC of such pledge.

© European Commodity Clearing AG – part of eex group

(4) If the Trading Participant transferring Emission Rights to the Collateral Registry Account is an Institution Clearing Member, it may request the delivery of Emission Rights from its Share in Collective Holdings in the Collateral Registry Account until a default of the Institution Clearing Member (section 3.8) or a termination (section 3.9.1 paragraph 1 lit. (a)) if Margin Requirements to be newly determined after delivery as well as open claims of ECC against the Trading Participant remain covered by the remaining collateral. By delivery of the Emission Rights from the Collateral Registry Account ECC fulfils the retransfer claim of the Trading Participant.

(5) If the Trading Participant transferring Emission Rights to the Collateral Registry Account is a Non-Clearing Member, it may – upon declaration of approval by its Institution Clearing Member – request the delivery of Allowances from the Institution Clearing Member's Share in Collective Holdings in the Collateral Registry Account until a default of the Institution Clearing Member (section 3.8) or a termination (section 3.9.1 paragraph 1 lit. (a)) between ECC and the Institution Clearing Member. The fulfilment of this request is subject to the condition that Margin Requirements to be newly determined after delivery as well as open claims of ECC vis-à-vis the Institution Clearing Member remain covered by the remaining collateral, excluding Margin Requirements or claims of ECC vis-à-vis the Institution Clearing Member which are not based on transactions of the Non-Clearing Member. The declaration of approval must be received by ECC on a Business Day in writing or by telefax in a form provided by ECC for this purpose. The approval may only be refused by the respective Institution Clearing Member if Margin Requirements to be newly determined after delivery as well as open claims of the Institution Clearing Member vis-à-vis the Non-Clearing Member remain uncovered by remaining collateral held by the Institution Clearing Member.

By delivering Emission Rights from the Collateral Registry Account to the Non-Clearing Member, ECC fulfils the retransfer claim of the respective Institution Clearing Member and, at the same time, the retransfer claim of the Non-Clearing Member against its Institution Clearing Member.

(6) There is no obligation to provide collateral in Emission Rights by transfer to the Collateral Registry Account. The collateral value of the Emission Rights transferred to the Collateral Registry Account as determined by ECC may be taken into account in the calculation of the Margin Requirements pursuant to section 3.4.2 paragraph 2. If the Trading Participant is a Non-Clearing Member, the Emission Rights transferred to the Collateral Registry Account may – pursuant to section 3.4.2 paragraph 3 – also be taken into account in the calculation of the collateral demanded by the Institution Clearing Member from its respective Non-Clearing Member.

(7) If the Trading Participant or its Institution Clearing Member is in default with respect to secured claims (paragraph 2 sentence 2 or paragraph 3 sentence 3) vis-à-vis ECC, ECC may sell the Emission Rights transferred to the Collateral Registry Account without prior notice in the open market ("*aus freier Hand*") or take them in possession effecting that the respective claims are deemed to be fulfilled in equivalence to the current exchange or market value ("*Börsen- oder Maktpreis*"). Such realisation of Emission Rights which a Non-Clearing Member has transferred to the Collateral Registry Account at the behest of the Institution Clearing Member shall result

© European Commodity Clearing AG – part of eex group

in a corresponding fulfilment of the secured claims of ECC against the respective Institution Clearing Member. Sections 3.9 and 3.10 remain unaffected.

If the Non-Clearing Member is in default with secured claims (paragraph 3 sentence 4) vis-à-vis its Institution Clearing Member without the Institution Clearing Member being in default with the secured claims (paragraph 2 sentence 2) vis-à-vis ECC (section 3.8) or a termination (section 3.9.1 paragraph 1 lit. (a)), the Institution Clearing Member may demand from ECC the delivery of Emission Rights fulfilling the retransfer claim from the Collateral Registry Account or may set off the surplus resulting from realisation to be paid by ECC instead, if the Margin Requirements against the Institution Clearing Member to be newly determined thereafter as well as open claims of ECC against the Institution Clearing Member due to the transactions of the Non-Clearing Member remain covered by the remaining collateral.

3.4.14 Trading Participant Bank Guarantees as Trading Participant Collateral

(1) DCP Clearing Members and Non-Clearing Members can only use Trading Participant Bank Guarantees for consideration with regard to the collateral requirements towards the Clearing Member regarding the Initial Margin Spot Market (sections 3.4.3.1 and 3.4.3.2). The Trading Participant Bank Guarantee must be recognised by ECC as Trading Participant Collateral in each specific case. Recognition of the Trading Participant Bank Guarantee as Trading Participant Collateral shall require the approval of its Institution Clearing Member in the case of Non-Clearing Members. Such recognition can be revoked by the respective Institution Clearing Member with a period of one (1) month as of receipt of the revocation at ECC as well as the Non-Clearing Member.

(2) ECC determines the collateral value of the Trading Participant Bank Guarantee as Trading Participant Collateral and it can specify that the Trading Participant Bank Guarantee is only considered to a certain extent with regard to the collateral requirements towards the Clearing Member regarding the Initial Margin Spot Market (sections 3.4.3.1 and 3.4.3.2). During the ten (10) Business Days preceding the expiry of a Trading Participant Bank Guarantee or the recognition of Trading Participant Bank Guarantee as Trading Participant Collateral, the Trading Participant Bank Guarantee has a collateral value of zero.

The Trading Participant Bank Guarantee collateralises all current and future liabilities of the Trading Participant towards ECC arising from or in connection with its participation in clearing of Spot Market Transactions by ECC.

Upon a request to this end by a DCP Clearing Member or Non-Clearing Member, ECC releases a Trading Participant Bank Guarantee submitted as soon as the collateral requirements covered by it are covered otherwise. If a Non-Clearing Member submits such an application, its Institution Clearing Member must approve the release. The Institution Clearing Member can only refuse approval for a period of six (6) calendar weeks following the submission of the request if the Institution Clearing Member has fulfilled payment obligations for the Non-Clearing Member in the capacity of its paying agent towards ECC and the Non-Clearing Member has not yet settled the recourse claims resulting from this. If the Institution Clearing Member has defaulted

© European Commodity Clearing AG – part of eex group

according to section 3.8, the provisions contained in these Clearing Conditions (sections 3.9 to 3.11) with regard to this shall be applicable as a matter of priority.

3.5 Accounts

3.5.1 Types of Position Accounts

(1) Within the system of ECC the Transactions of Clearing Members and the Transactions of Clients of Institution Clearing Members, as well as the Transactions of Non-Clearing Members are recorded in proprietary, agent and, if applicable, Market Maker Position Accounts of the respective Clearing Member. Transactions of Institution Clearing Members' Indirect Clients are recorded in so-called Standard and/or Gross Omnibus Accounts which are kept as client position accounts of the Institution Clearing Member or of the Non-Clearing Member.

(2) With regard to each Institution Clearing Member two proprietary position accounts, and, in as far as required, two Market Maker Position Accounts and, upon request, further agent position accounts are kept. Equal accounts are kept for the Non-Clearing Members of the respective Institution Clearing Member.

3.5.2 Proprietary Position Accounts

(1) Only the Transactions on own account transacted by the Clearing Member are recorded on the two proprietary positions accounts.

(2) Adjustments of opening and closing Trades (opening and closing trade adjustments) for Transactions recorded in a proprietary position account as well as closing Position adjustments which are effected for closing out of two opposite Positions relating to the same Contract or Contracts of an Intermarket Spread Product can be effected subject to the provisions in section 3.5.5.

(3) In case a Transaction is referred to as a closing Trade and in case sufficient Positions are not available in the proprietary position account, a Position is opened automatically in the proprietary position account which corresponds to the number of the contracts which could not be closed out.

(4) Transactions which have been concluded can be divided into several Trades in the respective proprietary position account (Trade Separation).

3.5.3 Agent Position Accounts

(1) Only the Transactions of the Clients, Indirect Clients and Non-Clearing Members of the Institution Clearing Members and Non-Clearing Members of the Institution Clearing Member using this Institution Clearing Member as a Clearing Broker are recorded on the agent position accounts of said Institution Clearing Member. In the case of Individual Segregation (sections 3.4.8 et seq.), a separate agent position account of an Institution Clearing Member is kept for every Individually Segregated Participant for the purpose of the separate calculation, administration and realisation of collateral. Apart from this, this sub-position account is treated as a part of the

© European Commodity Clearing AG – part of eex group

agent position account. For Indirect Clients, the Standard and/or Gross Omnibus Accounts are also kept as client position accounts of the Institution Clearing Member; however, they are treated as a part of the client position account.

(2) Trade adjustments which change the assignment of a Trade from agent to proprietary position or from proprietary position to agent position accounts (Trade Transfer) as well as corresponding position transfer are only admissible for correct recording of the Transactions on the agent position accounts subject to the provisions contained in section 3.5.5.

(3) A short position of a Client or of a Non-Clearing Member has to be kept separately from a long position of another Client or a Non-Clearing Member in the same option series or in the same futures contract in the agent position accounts. A Clearing Member must not close a position of a Client or a Non-Clearing Member with another position of the same Client or a Non-Clearing Member. Adjustments of opening and closing Trades on the agent position accounts are only permissible for compliance with this account keeping or following an instruction by the Client or Non-Clearing Member to that end in accordance with the provisions contained in section 3.5.5.

(4) Closing position adjustments in the agent position account shall only be permissible for closing out of two opposite Positions relating to the same Contract or Contracts of an Intermarket Spread Product which are held by the same Client or Non-Clearing Member subject to the provisions in section 3.5.5.

(5) In case a Transaction is referred to as a closing Trade and in case sufficient Positions are not available in the respective agent position account, a position shall be opened automatically in that agent position account which corresponds to the number of the contracts which could not be closed out.

(6) Concluded Trades can be divided into several Trades in the respective agent position account (Trade Separation).

3.5.4 Market Maker Position Accounts

(1) The Transactions arising from quotes entered in accordance with the rules of the respective Markets are recorded on the Market Maker Position Accounts. Transactions from own orders can be recorded in a Market Maker Position Account if such are labelled correspondingly.

(2) Trade adjustments which change the assignment of a Transaction from Market Maker Position Accounts to agent or proprietary position accounts (Trade Transfer) as well as position transfers between the position accounts are only permissible for correct recording of the Transactions on the Market Maker Position Accounts subject to the provisions contained under section 3.5.5.

3.5.5 Account Keeping

(1) Positions in agent position accounts and in the proprietary position accounts of a Clearing Member are kept in gross terms, i.e. long and short positions can exist at the same time. Positions in the Market Maker Position Accounts are kept in net terms, i.e. there can only be either a long position or a short position at any given time.

© European Commodity Clearing AG – part of eex group

(2) ECC monitors the position accounts of its Clearing Members. ECC provides the balance as well as the details regarding the Transactions for every individual position account to its Clearing Members within its system.

(3) All Positions in options series are deleted automatically on the respective position accounts of a Clearing Member during Batch Processing on the last Trading Day of the respective option contract. All short positions which have been assigned and all long positions which have been exercised shall be deleted on the position accounts of a given Clearing Member once delivery for the exercises and for the assignments in connection with these Positions has been effected.

(4) Positions in futures contracts are deleted in the respective position accounts of the Clearing Members once the delivery and/or the acceptance of delivery and payment or the cash settlement or cascading has been effected in connection with these Positions.

(5) Trade adjustments can be entered either before, during or after trading on any given Business Day - depending on the functionalities of the system of ECC. These are permissible for the Transactions of the respective current Business Day and of two (2) subsequent Business Days.

Depending on the functionalities of the system of ECC, closing position adjustments can be entered before, during or after trading on any given Business Day. Closing position adjustments in respect of Contracts regarding an Intermarket Spread Product may be requested from ECC for risk reduction. ECC will decide on the admissibility of these closing position adjustments at its sole discretion.

Position transfers between position accounts of the same Non-Clearing Member and/or Clearing Member can be entered before, during or after trading on any Business Day.

(6) Position transfers without any transfer of money or position transfers with transfer of money between various Clearing Members (member position transfer) must only be carried out by a Clearing Member in case the entry of the transfer is confirmed as binding by all Non-Clearing Members and Clearing Members involved. Position transfers from or to an agent position account must only be effected in case the Client demands this.

A use of the functionality “Position transfer with transfer of money“ shall only be possible in case the amount to be transferred displays a clear connection with one or several of the Transactions recorded on a position account of the Clearing Member on account of a reference to be entered into the system of ECC.

The system of ECC generally transfers the Positions intraday (External Position Transfer). On principle, the payments of money or the credit notes to be effected in accordance with the functionality “Position transfer with transfer of money“ shall be effected one Business Day after the use of this functionality. However, in the case of this functionality, the corresponding amount will only be transferred to the Clearing Member entitled once the Clearing Member liable to pay has furnished this contribution. There shall be no own obligation to perform for ECC and/or the markets involved towards the entitled Trading Participants in the framework of this transfer of money.

© European Commodity Clearing AG – part of eex group

(7) Trade Transfers from an agent or proprietary position account to another agent and proprietary position account can be initiated by a Clearing Member or its Non-Clearing Member as a representative of the Clearing Member on the day of the conclusion of the Transaction and on the two (2) subsequent Business Days following said day (give-up) provided:

(a) the Transaction to be transmitted is an opening Trade,

(b) the Transaction to be transmitted was indicated as a give-up Trade and

(c) the person for whose account the Transaction was originally concluded remains identical after such transfer.

(8) If the Trade Transfer is instructed by a Non-Clearing Member or by several Non-Clearing Members, the transfer of the Trade shall require the approval of their Clearing Members.

(9) The Trade Transfer commissioned via a give-up is concluded if the accepting Clearing Member or – if this is the case – the Non-Clearing Member affected by the take-up has confirmed the take-up of the Transactions in its capacity as the representative of this Clearing Member.

(10) Clearing Members and Non-Clearing Members are only allowed to perform position transfers and Trade Transfers (give-ups) if the resulting Positions correspond to Products and maturities tradable on the respective Markets. The respective position transfer or Trade Transfer must be revoked if the above requirement is not fulfilled. If such revocation does not occur within the timeframe determined by ECC, ECC will itself perform the revocation of the transfer.

3.5.6 Clearing Accounts

(1) ECC shall keep an internal Clearing Account in EUR for every Clearing Member, in which the net accounts receivable or payable established in EUR in accordance with section 3.3.6 in each case are booked in EUR:

(a) An Institution Clearing Member is notified of the daily balance of the Clearing Account resulting from the Batch Processing of a Business Day through the provision of the Reports, at which point the balance falls due and is debited from the Institution Clearing Member's Settlement Account. Crediting of a balance to the Settlement Account of an Institution Clearing Member is generally instructed by ECC at around 8:00 a.m. on the following business day, provided that ECC does not claim a credit balance as collateral.

(b) For a DCP Clearing Member, the daily balance of the Clearing Account which is established during Batch Processing for a given Business Day is determined starting at 5:00 p.m. of every Business Day and communicated to the DCP Clearing Member, at which point the balance falls due. Unless the DCP Clearing Member establishes a different provision within a period of thirty (30) minutes after communication of the balance, ECC is entitled to initiate a disposition to the benefit or at the expense of the Settlement Account of the DCP Clearing Member at the Settlement Bank or the Connected Bank with effect before 8:00 a.m. on the following Business Day. ECC shall refrain from initiating such disposition to the benefit of the DCP Clearing Member's Settlement Account if it claims a

© European Commodity Clearing AG – part of eex group

balance as collateral. Sentences 2 and 3 of this section 3.5.6 paragraph 1 lit. (b) shall not apply to nEHS DCPs.

(c) All Clearing Members shall ensure their financial solvency on the respective Business Day by means of a corresponding balance on their Settlement Account.

(2) In addition, ECC shall keep for each Foreign Currency one internal Clearing Account for every Clearing Member on which the net accounts receivable or payable formed in a Foreign Currency are settled in each case in accordance with section 3.3.6. The daily balances of these internal Clearing Accounts, which are established on the basis of Batch Processing for a Business Day, shall be notified to the Clearing Member upon provision of the relevant Report, fall due at this point, and debited from the respective Settlement Account of the Institution Clearing Member at the respective Correspondent Bank or the DCP Clearing Member's Settlement Account kept in the respective Foreign Currency at the Settlement Bank or the Connected Bank or credited to said account on the next Business Day (USD around 8:00 a.m., GBP around 9:00 a.m.) and/or for JPY on the next-but-one Business Day unless ECC claims a balance as collateral. All Clearing Members shall ensure their financial solvency on the respective Business Day by means of a corresponding balance on the respective Settlement Account.

(3) The amount credited to or debited from Institution Clearing Member's Settlement Account in accordance with paragraph 1 lit. (a) and paragraph 2 shall be credited to or debited to the respective Non-Clearing Members by the Institution Clearing Member or – separately with regard to every Non-Clearing Member – offset against other accounts receivable and payable unless the Institution Clearing Member claims a balance as collateral.

3.5.7 Collateral Clearing Account

(1) For every Institution Clearing Member, ECC shall keep an internal Collateral Clearing Account in which

(a) payments and repayments of cash collateral as per section 3.4.6,

(b) additions and disposals of Securities Collateral deposited in the relevant CEU Pledged-Securities Account,

(c) if applicable, revenue from the utilisation of collateral and

(d) the amounts which might be credited to the separate Collateral Clearing Accounts of this Institution Clearing Member according to paragraphs 3 to 5, if applicable,

are considered ("Standard Collateral Clearing Account").

(2) With regard to every Standard Collateral Clearing Account for every Institution Clearing Member ECC shall keep the following separate Collateral Clearing Accounts as sub-accounts of the Standard Collateral Clearing Account for the purpose of the separate calculation, administration and realisation of collateral in accordance with the following provisions:

© European Commodity Clearing AG – part of eex group

(a) with regard to each Individually Segregated Participant a separate Collateral Clearing Account ("Individually Segregated Collateral Clearing Account") in accordance with paragraphs 3 and 4,

(b) with regard to General Omnibus Participants a separate Collateral Clearing Account ("General Omnibus Collateral Clearing Account") in accordance with paragraphs 5 to 7 insofar as this was requested by the Institution Clearing Member and

(c) with regard to Simple Omnibus Participants one or several separate Collateral Clearing Accounts ("Simple Omnibus Collateral Clearing Accounts") in accordance with paragraphs 5 and 6 in as far as this was requested by the Institution Clearing Member.

(3) In the case of Individual Segregation (sections 3.4.8 et seq.), an Individually Segregated Collateral Clearing Account is kept as a sub-account of the Standard Collateral Clearing Account of the Institution Clearing Member for each Individually Segregated Participant for the purpose of the separate calculation, administration and realisation of collateral. On such an Individually Segregated Collateral Clearing Account the followings funds shall be taken into account

(a) the amount of cash collateral credited to this Individually Segregated Collateral Clearing Account according to section 3.4.8 et seq.,

(b) the value of the Securities transferred to the relevant Individually Segregated CEU Pledged-Securities Account of the Individually Segregated Participant and

(c) if applicable, revenue from the utilisation of collateral.

Apart from this, the Individually Segregated Collateral Clearing Accounts are treated as a part of the Collateral Clearing Account of the Institution Clearing Member.

(4) The value of the collateral entered in the Individually Segregated Collateral Clearing Account of an Individually Segregated Participant is only taken into account with regard to the collateral requirements of ECC towards the Institution Clearing Member with regard to this Individually Segregated Participant.

(5) An Institution Clearing Member can request that for the purpose of separate calculation, administration and realisation of collateral for Non-Clearing Members and Clients

(a) a separate Collateral Clearing Account ("General Omnibus Collateral Clearing Account"), or

(b) one or more separate Collateral Clearing Accounts ("Simple Omnibus Collateral Clearing Account")

are kept as a sub-account of the Standard Collateral Clearing Account. On such a separate Collateral Clearing Account

(a) the amount of cash collateral according to section 3.4.6 credited to the respective separate Collateral Clearing Account,

(b) the value of the Securities Collateral transferred to the CEU Pledged-Securities Account for this separate Collateral Clearing Account and

© European Commodity Clearing AG – part of eex group

(c) if applicable, revenue from the utilisation of collateral

shall be considered. Otherwise, these separate Collateral Clearing Accounts shall be treated as part of the Institution Clearing Member's Standard Collateral Clearing Account.

(6) The requirements of Article 39 EMIR in conjunction with Article 48 EMIR are complied with as follows:

(a) The assets corresponding to Positions of an Individually Segregated Participant consist of:

- the sum of the amounts booked on the Individually Segregated Collateral Clearing Account for this Individually Segregated Participant,
- Trading Participant Collateral of a Non-Clearing Member which were pledged according to section 3.4.12 or section 4.9.2 paragraph 4,
- Trading Participant Collateral in Emission Rights delivered by a Non-Clearing Member at the behest of its Institution Clearing Member pursuant to section 3.4.13,

(b) The assets corresponding to Positions of the Simple Omnibus Participants consist of:

- a Non-Clearing Member's Trading Participant Collateral pledged according to section 3.4.12 or section 4.9.2 paragraph 4 or Trading Participant Collateral in Emission Rights delivered by a Non-Clearing Member at the behest of its Institution Clearing Member pursuant to section 3.4.13, as well as
- the share of the amounts recorded in the Simple Omnibus Collateral Clearing Account which correspond to the ratio of the Margin Requirement of a single agent position account or Non-Clearing Member to the sum of the Margin Requirements of all agent positions accounts or Non-Clearing Member which are allocated to the Simple Omnibus,

(c) The assets, which are assigned to the respective position accounts of the General Omnibus Participants, consist of:

- a Non-Clearing Member's Trading Participant Collateral pledged according to section 3.4.12 or section 4.9.2 paragraph 4 or Trading Participant Collateral in Emission Rights delivered by a Non-Clearing Member at the behest of its Institution Clearing Member pursuant to section 3.4.13, as well as
- the share of the General Omnibus Collateral Clearing Account which corresponds to the Margin Requirement of the General Omnibus Participant with the insufficient cover of the General Omnibus Collateral Clearing Account being distributed proportionately to agent position accounts and to Non-Clearing Members in accordance with the Margin Requirement,
- In as far as a General Omnibus Collateral Clearing Account has not been established, the assets consist of the share of the Standard Collateral Clearing Account which corresponds to the Margin Requirements of the General Omnibus Participants with insufficient coverage first having an effect on agent position accounts

© European Commodity Clearing AG – part of eex group

and accounts of Non-Clearing Members (without making their share negative as a result) and being distributed proportionately to agent position accounts and accounts of Non-Clearing Members in accordance with the Margin Requirements.

(d) In the event that a General Omnibus Collateral Clearing Account has been established, the assets which correspond to Positions of the proprietary position accounts and Market Maker Position Accounts of the Institution Clearing Members consist of the value of the Standard Collateral Clearing Account without consideration of the sums in the Individually Segregated Collateral Clearing Accounts, the General Omnibus Collateral Clearing Account and the Simple Omnibus Collateral Clearing Accounts; in the event that a General Omnibus Collateral Clearing Account has not been established, they consist of the share of the Standard Collateral Clearing Account corresponding to the Margin Requirement of the proprietary position accounts and Market Maker Positions Accounts with insufficient coverage of the Standard Collateral Clearing Account having an effect on agent position accounts and accounts of Non-Clearing Members first (without making the share negative as a result). Furthermore, if the Institution Clearing Member is a Trading Participant, the Trading Participant Collateral is assigned to its proprietary position accounts and Market Maker Positions Accounts.

(7) The Standard and Gross Omnibus Accounts are kept as separate Collateral Clearing Accounts of the Institution Clearing Member for Indirect Clients, while they are treated as part of the Collateral Clearing Account in which the collateral of the Indirect Clearing Service Provider is booked.

3.5.8 Cash Collateral Account for Trading Participant Cash Collateral

(1) Upon a request by a Trading Participant, ECC keeps internal inventory accounts for a Trading Participant as Cash Collateral Accounts of the Trading Participant in which Trading Participant Cash Collateral can be kept separately for each currency. Every internal inventory account of a Non-Clearing Member is connected to an Institution Clearing Member and is exclusively used for Transactions which the Non-Clearing Member settles via this Institution Clearing Member. The recognition of the cash collateral kept in such an internal inventory account as Trading Participant Collateral requires the approval of this Institution Clearing Member. Such approval can be revoked within a period of one (1) month as of receipt of the revocation at ECC and the Trading Participant.

(2) The Trading Participant shall communicate its request for an increase or a reduction of the amount which is credited to its Cash Collateral Account as Trading Participant Cash Collateral by 12:00 p.m. (noon) on an ECC Business Day, at the latest.

If the Trading Participant is a Non-Clearing Member, ECC shall then automatically collect the resulting amount from the Settlement Account of the respective Institution Clearing Member as the paying agent of the Trading Participant or credit such amount to it. Once the amount has been successfully collected from the Settlement Account of the respective Institution Clearing Member or credited to it, ECC shall concurrently effect an inventory change in the corresponding amount on a Cash Collateral Account of the Trading Participant.

© European Commodity Clearing AG – part of eex group

If the Trading Participant is a DCP Clearing Member, ECC shall initiate the resulting amount to be credited or debited to the relevant Settlement Account of the DCP Clearing Member. Once crediting to ECC´s~~the~~ Settlement Account ~~of ECC~~ or to the Settlement Account of the DCP Clearing Member, respectively, has been completed successfully, ECC shall concurrently effect an inventory change in the corresponding amount in the Cash Collateral Account of the DCP Clearing Member.

3.5.9 Internal Inventory Accounts for Registry Based Products

(1) ECC keeps an internal inventory account for the inventory of each Trading Participant and for each Registry Based Product for the holding of Registry Based Products which are booked to the respective registry accounts of ECC Lux or ECC. Every internal inventory account of a Non-Clearing Member is connected to its Institution Clearing Member and is exclusively used for Transactions which the Non-Clearing Member carries out via this Institution Clearing Member. Disposals and additions by means of sales and purchases and/or by means of the surrender and return on the internal inventory account are exclusively booked on said internal inventory accounts. The Registry Based Products booked in an internal inventory account substantiate the claim for proportionate delivery which the Trading Participant has towards ECC Lux or ECC respectively with regard to the total stock kept in the respective fiduciary registry account. If with regard to Trading Participant Collateral in Emission Rights passed through pursuant to section 3.4.13 the Trading Participant is a Non-Clearing Member, the Emission Rights booked in the internal inventory account shall substantiate the claim for proportionate delivery which the respective Institution Clearing Member has towards ECC with regard to the total stock kept in the Collateral Register Account and a corresponding claim of the Trading Participant towards its Institution Clearing Member.

(2) Trading participants may dispose of the Registry Based Products booked on their internal inventory account from the time of booking; this shall be without prejudice to section 3.4.12 paragraph 4 and section 3.4.13 paragraph 4 and 5.

(3) Upon a written request or a request via telefax or e-mail (clearing@ecc.de[13]) to ECC by the Institution Clearing Member to which the respective internal inventory account is assigned according to paragraph 1 sentence 2, the delivery of Registry Based Products to another registry account can be suspended temporarily. The request for the Institution Clearing Member's suspension is only possible within the period bindingly communicated to the Institution Clearing Member by ECC in advance and shall also apply to subsequent requests by the Non-Clearing Member with regard to the delivery of Registry Based Products until the suspension is revoked by the Institution Clearing Member. The Institution Clearing Member shall only demand such a suspension if this is necessary to secure unsettled claims against a Non-Clearing Member or an Institution Clearing Member; ECC will not verify this precondition.

(4) The provisions of this section do not apply to Capacity Guarantees, Guarantees of Origin and nEHS Certificates.

[13] ~~In case of error messages during the delivery of the e-mail, the ECC website shall be searched for a suitable alternative e-mail address or another form of message transmission must be chosen.~~

© European Commodity Clearing AG – part of eex group

3.6 Fees and Price List

With regard to the use of the systems of ECC and for services in connection with clearing of Transactions ECC and the respective Settlement Entity charge fees to the Trading Participants and the Clearing Members in accordance with the more detailed definition of the respectively valid price list of ECC.

3.7 Default Fund

3.7.1 Default Fund

(1) In accordance with the provisions specified herein below ECC shall maintain a Default Fund. The Default Fund consists of funds by the Clearing Members (Institution Clearing Members and DCP Clearing Members) which ECC can utilise in accordance with section 3.7.4 in case of a Default Event.

(2) Every Clearing Member shall be obliged to furnish a contribution to the Default Fund. The amount of the contribution to be furnished by each Clearing Member is calculated by ECC in accordance with the respective calculation method ("Default Fund Contribution"). ECC will adjust the Default Fund Contribution on a monthly basis or ad-hoc if required by ECC's risk assessment. If the Clearing Member uses the possibility of Individual Segregation in accordance with sections 3.4.8 et seq., ECC is entitled to demand an increased amount of Default Fund Contribution. The claim of ECC against the respective Clearing Member to furnish a Default Fund Contribution shall be due for the first time upon granting of the clearing license and thereafter with each adjustment pursuant to paragraph 2. Section 2.1.2 paragraph 6 lit. (f) shall not be affected.

(3) In order to secure the obligation of a Clearing Member towards ECC to make the respective Default Fund Contribution, the Clearing Member shall furnish collateral in accepted collateral according to the provisions contained in section 3.4.

3.7.2 Dedicated Own Resources of ECC

ECC identifies own funds ("Skin in the Game" - "SITG") which are used in case of a Default Event before the Default Fund Contributions of non-defaulting Clearing Members. The amount of SITG takes account of the regulatory requirements; the respective current amount is published on the ECC website.

3.7.3 Second Skin in the Game

(1) ECC identifies additional own funds ("Second Skin in the Game" - "SSITG") which are used in case of a Recovery Situation based on a Default Event or a Non-Default Event. The SSITG is used before any Recovery Measures like the measures of loss allocations under section 3.4.6.2, the request for Additional Contributions under section 3.7.4 paragraph 5, the allocation of Positions under section 3.11.8 and the cash settlement under section 3.11.9 are taken. The

© European Commodity Clearing AG – part of eex group

amount of the SSITG takes account of the regulatory requirements; the respective current amount is published on the ECC website.

(2) If the SSITG has been used, ECC shall replenish this amount to the regulatory required amount no later than twenty (20) Business Days after the use. In the event of a further Recovery Situation due to a Default Event or a Non-Default Event during this period, ECC shall use the SSITG available at that time before taking the Recovery Measures referred to in paragraph 1.

3.7.4 Utilisation of the Default Fund

(1) The Default Fund Contribution of a Clearing Member can be used in the amount determined in accordance with section 3.7.1 paragraph 2 to remedy all damage caused by the default of this or other Clearing Members ("Default Damage") except loss of future profit ("*Entgangener Gewinn*"). With regard to the utilisation, ECC distinguishes between the Default Fund Contributions of Institution Clearing Members and DCP Clearing Members.

(2) Upon a default of an Institution Clearing Member, ECC shall utilise the available assets in the order specified herein below:

1. Margin collateral provided by the defaulting Institution Clearing Member,
2. Other collaterals of the defaulting Institution Clearing Member than those pursuant to sections 3.7.1 et seq.,
3. Default Fund Contribution by the Institution Clearing Member which has defaulted,
4. SITG of ECC to the current amount,
5. Default Fund Contributions by all other Institution Clearing Members; in this context, the contributions shall be utilised to the same proportionate shares,
6. Default Fund Contributions by DCP Clearing Members whereby contributions shall be utilised to the same proportionate shares,
7. SSITG of ECC in the respective current amount, unless the SSITG has already been used earlier in accordance with section 3.7.3,
8. Additional Contributions to the Default Fund in accordance with paragraph 5 as well as additional contributions of ECC to the SITG according to paragraph 7.

(3) In case of a default of a DCP Clearing Member, the collateral and the Default Fund Contributions are used according to the provisions in paragraph 2 with regard to No. 5 and 6 in such way that the contributions of the DCP Clearing Members will be utilised before the contributions of the Institution Clearing Members.

(4) If a Clearing Member in default provides the payments due after the other Clearing Members' Default Fund Contributions have already been used in their entirety or in part, ECC shall restock the contribution in reverse order as outlined in paragraph 2; in particular, the Additional Contributions and Default Fund Contributions by the other Clearing Members shall be restocked with

© European Commodity Clearing AG – part of eex group

a corresponding share, however, at maximum, up to the amount to which the Default Fund Contributions have been used.

(5) If the assets listed in paragraph 2 No. 1 to 6 above have been used and are not sufficient to cover the Default Damage, ECC shall be entitled to request additional contributions to the Default Fund ("Additional Contribution") from non-defaulting Clearing Members to cover the remaining Default Damage ("Remaining Default Damage").

(6) The Clearing Members shall provide the Additional Contribution by the next Business Day in the form of cash collateral in accordance with section 3.4.6 in the amount indicated by ECC in the request for Additional Contribution.

(7) Together with the ~~request for~~ Additional Contributions of the Clearing Members, ECC shall also furnish a further contribution to the SITG according to section 3.7.2 ("ECC's Additional Contribution"). ECC's Additional Contribution to be furnished corresponds to the product of the Remaining Default Damage and the proportion of the ~~respective~~ currently ~~amount~~ published ~~as~~ SITG of ECC to the sum of the Default Fund Contributions of the non-defaulting Clearing Members. ECC's Additional Contribution is for a period of ninety (90) days limited to the amount published at the moment of the Default Event. If ECC replenishes its SITG or SSITG within this period of ninety (90) days, ECC's Additional Contribution shall be reduced by the respective replenishment amounts. The current amount of ECC's Additional Contribution is published on the ECC website.

(8) For multiple consecutive Default Events, the total Additional Contributions for each Clearing Member within the Cool-Down Period are limited by the Cool-Down Cap.

(9) The Additional Contribution of each Institution Clearing Member corresponds to the product of the Remaining Default Damages according to section 3.7.3 paragraph 5 less the Additional Contribution of ECC and the share of the individual Institution Clearing Member's contribution on all Default Fund Contributions of the Institution Clearing Members not in default. If applicable, ECC shall reduce the required Additional Contribution of an Institution Clearing Member by the excess amount furnished by this Clearing Member above the required Default Fund Contribution established by ECC according to section 3.7.1 paragraph 2, if any.

(10) In as far as Default Damage remains after the utilisation of the Additional Contributions of ECC and the remaining Institution Clearing Members, ECC shall request Additional Contributions from the DCP Clearing Members. The amount of the Additional Contribution of any DCP Clearing Member corresponds to the product of the Remaining Default Damages according to section 3.7.3 paragraph 5, less the additional contribution of ECC, less the additional contributions of the Institution Clearing Members according to section 3.7.3 paragraph 9 and the share of each DCP Clearing Member on all Default Fund Contributions of the DCP Clearing Members not in default.

(11) In the event of the default of a DCP Clearing Member, the Additional Contributions shall be calculated in accordance with the provisions in paragraphs 8 to 10, however, with the exception that the Additional Contributions of the DCP Clearing Members shall be used before the Additional Contributions of the Institution Clearing Members.

© European Commodity Clearing AG – part of eex group

3.7.5 Replenishment of the Default Fund Contributions

(1) After the utilisation of the Default Fund according to section 3.7.3, ECC shall re-calculate the amount of the required Default Fund Contributions of the Clearing Members in accordance with section 3.7.1 paragraph 2 and request replenishment of the Default Fund Contribution ("Replenishment"). In its calculation, ECC takes into account, if applicable, a current Cool-Down Cap, unused Default Fund Contributions and unused Additional Contributions.

(2) Each Clearing Member shall be obliged to furnish accepted collateral according to the provisions stipulated in section 3.4 to fulfil the Replenishment upon notice of ECC ("Replenishment Notice"). The Replenishment shall cover future Default Events occurring after the relevant Replenishment Notice has been sent.

(3) If the Cool-Down Cap prevents the full Replenishment of the Default Fund, ECC may request margins in form of cash collateral in accordance with section 3.4.6 from the relevant Clearing Members until the end of the Cool-Down Period.

3.7.6 ~~Contributions to the~~ Default Fund Contributions in case of ~~a~~ Termination of the Clearing Membership

(1) In case ECC or a Clearing Member terminate the clearing license, ECC shall release the respective Default Fund Contribution furnished by the Clearing Member concerned one (1) month after the termination of the clearing license becomes effective in accordance with section 2.1.8 or at the end of the Cool-Down Period whatever happens later.

(2) A Clearing Member shall not be obliged to provide Additional Contributions or Replenishment if a termination of its clearing license has become effective before the start of a Cool-Down Period.

(3) If a Clearing Member has notified the termination of its clearing license at the latest within ten (10) days after a Default Event and such termination has become effective within the Cool-Down Period established by the relevant Default Event, the Clearing Member shall not be obliged to provide Additional Contributions or Replenishment Contributions after the end of the Cool-Down Period established by the relevant Default Event.

(4) ECC may require a Clearing Member which has terminated its clearing license without the termination having already become effective to conduct only risk-reducing position changes and/or Transactions resulting from the Clearing Member's obligations under these Clearing Conditions (i.e. participation in or support of ECC's Default Management).

3.8 Default

3.8.1 Occurrence of Default

(1) A Clearing Member shall be in default even without a warning in case:

© European Commodity Clearing AG – part of eex group

(a) the Clearing Member does not furnish the margin demanded by ECC, contributions and other payments according to section 3.7, the daily settlement payments (Variation Margin), premiums or fees in due time or

(b) the Clearing Member has omitted to perform other obligations (e.g. due deliveries, acceptance of delivery or payments) to be fulfilled towards ECC or the respective Settlement Entity in accordance with these Clearing Conditions.

(2) Clearing Members shall inform ECC right away in case they cannot perform an obligation arising from the Transactions on the Markets, in particular an obligation regarding the provision of margins as well as the daily settlement payments.

(3) ECC and the respective Settlement Entity may take recourse to a Clearing Member for cases of damage which they, other Clearing Members or Non-Clearing Members sustain on account of a default caused by such Clearing Member. Regardless of the occurrence of a case of damage at ECC or the respective Settlement Entity, the Clearing Member which has defaulted shall be obliged to pay liquidated damages to the amount of 0.5% of the outstanding sum, and at least to the amount of 500 EUR, per calendar day, plus an adequate interest rate on the outstanding amount~~sum~~ to the amount of 5% above the respectively valid base interest rate.

ECC and the respective Settlement Entity also reserve the right to impose liquidated damages in case it does not expressly declare this reservation upon acceptance of the delayed payment. The assertion of a further damage shall not be affected by this.

3.8.2 Technical Default

(1) In case a Clearing Member furnishes evidence substantiating that one of the failures specified under section 3.8.1 paragraph 1 lit. (a) is not based on insolvency and that the Clearing Member in question will fulfil his obligations forthwith, ECC may dispense with the application of the provisions designed for a case of a default specified in section 3.8.1 and in sections 3.9 and 3.10. In this case, ECC shall only put the Clearing Member in technical default.

(2) The Clearing Member concerned shall submit a written statement regarding the causes of its default to ECC immediately upon the occurrence of the technical default.

(3) The Clearing Member affected by such technical default shall remove the causes of such default immediately.

(4) In case there is a technical default according to paragraph 1 regarding a payment obligation in a currency, ECC may demand from the Clearing Member put in technical default the immediate, interest-free payment of the equivalent of the payment obligation which was not fulfilled in due time in consideration of haircuts in another currency into ECC´s~~the~~ Settlement Account ~~of ECC~~. ECC is entitled to obtain satisfaction from the provided equivalent at its sole discretion and, if necessary, to exchange it in the applicable currency. Paragraph 5 shall not be affected.

(5) ECC can have recourse to a Clearing Member for cases of damage which have been caused to it or to other Clearing Members by a technical default caused by such Clearing Member. Regardless of the occurrence of a case of damage at ECC, the Clearing Member which is in

© European Commodity Clearing AG – part of eex group

technical default shall be obliged to pay liquidated damages according to section 3.8.1 paragraph 3.

(6) Rights of retention of ECC pursuant to §§ 273, 320 BGB shall not be affected.

3.8.3 Other Measures in Case of Default

(1) In case of a default, ECC can apply for the initiation of measures against the Clearing Member on the Market concerned in accordance with the provisions of the applicable laws, rules and regulations as well as rules of the respective Market. Before the execution of each measure which has been applied for, ECC or the Market should hear the Clearing Member. Such hearing can be dispensed in case it is not required in consideration of the circumstances regarding the specific individual case.

(2) In the selection of measures ECC shall take the interests of the Clearing Member concerned and of its Non-Clearing Members into account under consideration of the own interests of the Clearing Member and of the (general) interest in safeguarding proper trading on the exchange and proper settlement of Transactions.

(3) In case of a default according to section 3.8 or a termination according to section 3.9, ECC can, in particular, exclude the Clearing Member and, if applicable, its Non-Clearing Members from Trading in one or more Products for a maximum of five (5) Business Days (Emergency Member Stop) as a measure according to paragraph 1. As a result of the use of the Stop Button, the suspension of the concerned Clearing Member as well as of all Non-Clearing Members of this Clearing Member from the EEX Markets is requested and carried out technically right away. ECC reserves the right to fully or partially reject Derivatives Market Transactions which involve the Clearing Member concerned and its Non-Clearing Members as a counterparty and are to be imported into the ECC Clearing System from the activation of the Stop Button onwards and under consideration of the overall risk for ECC. It will inform the Markets concerned of this fact forthwith. Furthermore, after the activation of the Stop Button, suspension requests will be sent to all other Markets to which the Non-Clearing Member is admitted as a Trading Participant and the suspension also requested for these Markets. With the activation of the Stop Button, ECC also declares at the same time that, for the time being, it is no longer willing to settle further Trades of this Institution Clearing Member and of all Non-Clearing Members of this Clearing Member which are concluded on the Markets. Unsettled Trades of all accounts for the clearing of which the Clearing Member is responsible may also be closed or transferred to another Clearing Member or, with the consent of the Institution Clearing Member of such Non-Clearing Member, to another Non-Clearing Member. ECC is not liable for losses incurred by a Non-Clearing Member in the event of its suspension from trading in the Markets.

(4) A default can result in a termination according to section 3.9 as determined by ECC.

© European Commodity Clearing AG – part of eex group

3.9 Termination and Close-out Netting Provisions

3.9.1 Termination in the Relationship between Clearing Member and ECC

(1) In the event that

(a) (i) default of a Clearing Member as per section 3.8.1 (except for a technical default as per section 3.8.2) or (ii) any other circumstance arises giving ECC the right to terminate the Clearing Agreement with this Clearing Member for good cause, or

(b) (i) ECC fails to comply with an undisputed obligation to pay money or deliver Securities to a Clearing Member for a period of thirty (30) Business Days and the Clearing Member has sent a written reminder announcing the termination of Derivatives Market Transactions according to this section 3.9.1 to ECC at least ten (10) Business Days prior to such termination or (ii) in relation to ECC other circumstance arise giving the Clearing Member the right to terminate the Clearing Agreement with ECC for good cause,

the following shall apply: The rules in No. 7 paragraph 1 sentence 1 and 4 (right to terminate for a material reason and exclusion of the right to a partial termination),[14] No. 7 paragraph 3 (termination, compensation claims),[15] No. 8 (claims to damages and compensation for benefits received)[16] and No. 9 paragraph 1 (unpaid amounts)[17] of the template text of the Master Agreement for Financial Derivatives Transactions (2001 version), in the version in which it was published by Bundesverband deutscher Banken e.V. [Federal Association of German Banks, registered association] ("Master Agreement"), shall apply subject to the following conditions:

[14] No. 7 paragraph 1 sentence 1 and 4 of the Master Agreement has the following wording: "Where transactions have been entered into and not yet fully settled, the Agreement can only be terminated by either party for material reason. (…) A partial termination, in particular, a termination of some and not all transactions is excluded."

[15] No. 7 paragraph 3 of the Master Agreement has the following wording: "In the event of termination in accordance with paragraph 1 (hereinafter called "Termination"), neither party shall be obliged to make any further payment or perform any other obligation under No. 3 paragraph 1 which would have become due on the same day or later; the relevant obligations shall be replaced by compensation claims in accordance with No. 8 and 9."

[16] No. 8 of the Master Agreement has the following wording: "(1) In the event of Termination, the party giving notice or the solvent party, as the case may be, (herein after called "Party Entitled to Damages") shall be entitled claim damages. Damages shall be determined on the basis of replacement transactions, to be effected without undue delay, which provide the Party Entitled to Damages with all payments and the performance of all other obligations to which it would have been entitled had the Agreement been properly performed. Such party shall be entitled to enter into contracts which, in its opinion, are suitable for this purpose. If it refrains from entering into such substitute transactions, it may base the calculation of damages on the amount which it would have needed to pay for such replacement transactions on the basis of interest rates, forward rates, exchange rates, market prices, indices and any other calculation bases as well as costs and expenses at the time of giving notice or upon becoming aware of the insolvency, as the case may be. Damages may be calculated by taking into account all Transactions; any financial benefit arising from the Termination Transactions (including those in respect of which the Party Entitled to Damages has already received all payments and performance of all other obligations by the other party) shall be taken into account as a reduction of damages otherwise determined. (2) If the Party Entitled to Damages obtains an overall financial benefit from the Termination of Transactions, it shall owe the other party, subject to No. 9 paragraph 4 or, where agreed, No. 12 paragraph 4 a sum corresponding to the amount of such benefit, but not exceeding the amount of damages incurred by the other party. When calculating such financial benefit, the principles of paragraph 1 as to the calculation of damages shall apply mutatis mutandis."

[17] No. 9 paragraph 1 of the Master Agreement has the following wording: "Unpaid amounts and any other unperformed obligations and the damages which are payable shall be combined by the Party Entitled to Damages into a single compensation claim denominated in EUR, for which purpose a money equivalent in EUR shall be determined, in accordance with the principles set forth in No. 8 paragraph 1 Sentences 2 to 4, in respect of claims to the performance of such other overdue obligations."

© European Commodity Clearing AG – part of eex group

- References to the “Contract” in the rules of the Master Agreement referred to above (1) shall be read as references to the Clearing Agreement with the Clearing Member concerned and to Transactions covered by it, while references to a “Party” (2) shall be read as references to the Clearing Member concerned or to ECC.
- For the purposes of the provisions of the Master Agreement referred to herein above every Derivatives Market Transaction, every open delivery or acceptance obligation from Derivatives Market Transactions which have not been fully settled yet and from every Spot Market Transaction which has not yet been fully fulfilled is considered a separate Transaction within the meaning of the Master Agreement.
- The following provision will be added to No. 7 paragraph 1 sentence 1 of the Framework Agreement: The term “good cause” used herein includes, in particular, the following circumstances: Default of a Clearing Member as per section 3.8.1 (except for a technical default as per section 3.8.2) or insolvency proceedings or any other comparable proceedings have been filed in respect of the assets of a party, and such party has either (i) filed the application itself or an authority or public entity which is entitled to file for such proceedings in relation to this party has filed for such proceedings, or (ii) the relevant party is generally unable to pay its debts or is otherwise in a situation that justifies the commencement of such proceedings or (iii) a competent supervisory authority applies for bankruptcy or other insolvency proceedings to be initiated with regard to a party or if such authority takes a measure which is likely to prevent the party from performing its payment obligations under Transactions on account of provisions under bankruptcy or insolvency law or similar provisions which are material for the Party’s business operations; the insolvency of a company which can exercise control over a party within the meaning of § 17 AktG or of comparable national rules (ultimate parent company) shall correspond to a “good cause” regarding a Clearing Member. For US-Clearing Members a “good cause” shall also be constituted, if (a) insolvency proceedings are involuntarily commenced against a US-Clearing Member (i.e. by a creditor or regulator) but not dismissed within thirty (30) days, or (b) if a receiver is appointed for all or a substantial portion of a US-Clearing Members assets; or (c) if an assignment occurs for the benefit of a US-Clearing Members’ creditors.
- In No. 8 paragraph 1 sentence 2 of the Master Agreement, the phrase "without undue delay" shall be replaced by the phrase “in accordance with the procedures applied by ECC” in the cases as per section 3.9.1 paragraph 1 lit. (a) and with the phrase “without undue delay; however, at the latest on the fifth Business Day after the opening of the insolvency proceedings” in the cases as per section 3.9.1 paragraph 1 lit. (b). In No. 8 paragraph 1 sentence 4 the words "or knowledge of the insolvency case" shall be deleted.
- If ECC is the party giving notice, replacement Transactions shall be concluded pursuant to No. 8 of the Master Agreement in as far as this is provided for in section 3.10.
- In deviation to No. 9 paragraph 1 of the Master Agreement unpaid amounts and any other unperformed obligations and the damages which are payable (“Payable Amount”) shall be determined in USD for US-Clearing Members and in DKK for DCP Clearing Members

© European Commodity Clearing AG – part of eex group

domiciled in Denmark. ECC shall use fair market conditions to determine the exchange rate for the conversion of the Payable Amount.

(2) Regardless of the termination of the Clearing Agreement with a Clearing Member according to paragraph 1, the rights and obligations of this Clearing Member, of Non-Clearing Members, of ECC and the respective Settlement Entity shall continue to apply according to section 3.3.5 paragraph 3.

3.9.2 Termination in the Relationship between Non-Clearing Member and Institution Clearing Member

(1) Subject to the provisions below and to the provisions in section 3.4.8 paragraph 12 the Institution Clearing Members and the Non-Clearing Members are free to conclude close-out netting agreements with each other which govern the legal consequences in the relationship between the Institution Clearing Member and a Non-Clearing Member if a circumstance which gives one party the right to terminate the NCM Agreement for cause arises with regard to the Institution Clearing Member or the Non-Clearing Member according to section 2.2.2 paragraph 6.

(2) If no close-out netting agreement between an Institution Clearing Member and a Non-Clearing Member has been concluded all corresponding Transactions of the Institution Clearing Member with the Non-Clearing Members that settle their Transactions via this Institution Clearing Member shall be terminated at the same time in the event of the termination of the clearing agreement as per section 3.9.1 paragraph 1 lit. (a). These obligations shall be replaced by a uniform compensation claim between the respective Non-Clearing Member and the Institution Clearing Member, the amount of which shall be calculated by ECC pursuant to section 3.9.1 paragraph 1 on the basis of the calculation as per section 3.10 and communicated by ECC to the Non-Clearing Member and the Institution Clearing Member.

(3) If a close-out netting agreement between the Institution Clearing Member and a Non-Clearing Member exists, the rights of ECC under these Clearing Conditions shall remain unaffected by this close-out netting agreement.

(4) In the event of the termination of the Clearing Agreement according to section 3.9.1 paragraph 1 lit. (b), all corresponding Transactions between the Institution Clearing Member and the Non-Clearing Members who settle Transactions via this Institution Clearing Member shall terminate at the same time. The obligations under these Transactions shall be replaced by a uniform compensation claim between the Non-Clearing Member and the Institution Clearing Member, the amount of which shall be calculated by the Institution Clearing Member on the basis of the settlement with ECC.

If a close-out netting agreement has been concluded between an Institution Clearing Member and a Non-Clearing Member or a Client, the termination of the Clearing Agreement pursuant to section 3.9.1 paragraph 1 lit. (b) shall constitute a cause for termination within the meaning of this close-out netting agreement between an Institution Clearing Member and a Non-Clearing Member or Client. The uniform compensation claim between the Institution Clearing Member

© European Commodity Clearing AG – part of eex group

and the Non-Clearing Member or Client shall be calculated by the Institution Clearing Member on the basis of this close-out netting agreement in this case.

3.10 Legal Consequences upon Termination

3.10.1 Transfers of Positions and Collateral, Closing-out and Utilisation of Collateral

If ECC is the terminating or solvent party in one of the events described under section 3.9.1, ECC shall take the measures outlined herein below in the sequence specified below, in particular, in order to safeguard the fulfilment of the requirements under Article 48 EMIR – if necessary by including the respective Markets:

1. Transfer of Positions: Transfer of all or of individual Positions from Known Participants to other Institution Clearing Members – in as far as the Known Participants request this - at the equitable discretion of ECC and under consideration of the overall risk for ECC. To this end, ECC will request all Known Participants to appoint a new Institution Clearing Member that has approved of the transfer within a period set by ECC. Open Positions of Known Participants which have specified a Back-up Institution Clearing Member according to section 2.1.10 are also transferred to the Back-up Institution Clearing Member without an application in accordance with sections 3.1.4 and 3.1.5 provided the Back-up Institution Clearing Member has approved of this.

   If all General Omnibus Participants or all Simple Omnibus Participants allocated to the same Simple Omnibus have appointed the same Institution Clearing Member as the new Institution Clearing Member and if this Institution Clearing Member has approved of the transfer, ECC will execute the transfer of all Positions, unless all General Omnibus Participants or Simple Omnibus Participants concerned have objected to the transfer of Positions before the transfer is concluded.

   ECC may inform the public of the Termination with respect to the affected Clearing Member and its legal consequences.

2. Transfer of Individually Segregated Participants' collateral: In as far as the Positions of an Individually Segregated Participant have been transferred according to No. 1 sentence 1, 2 and 4, ECC shall upon request by these Individually Segregated Participants and approval of the accepting Institution Clearing Member initiate the transfer of assets which are allocated to this Individually Segregated Participant and which are not needed to satisfy any claims of ECC to an account at the new Clearing Member specified by the respective Special Segregated Participant in accordance with section 3.10.3 lit. (a) upon a request by these participants. In this context, the transfers of assets only refer to those assets which are allocated to the corresponding Individually Segregated Collateral Clearing Account.

© European Commodity Clearing AG – part of eex group

In deviation from the above, Securities Collateral is transferred by transferring the Securities to an Individually Segregated CEU Pledged-Securities Account of the accepting Institution Clearing Member, which has been set up for Securities Collateral of the respective Individually Segregated Participant. If the Individually Segregated Participant is not individually segregated at the accepting Institution Clearing Member, the transfer shall be made to the relevant CEU Pledged-Securities Account. Each Institution Clearing Member, conditional upon an event of termination, hereby irrevocably authorises ECC to transfer the ownership and all title to the Securities deposited on the Individually Segregated CEU Pledged-Securities Account to the accepting Institution Clearing Member of the Individually Segregated Participant and to have this collateral transferred to the corresponding Individually Segregated CEU Pledged-Securities Account or CEU Pledged-Securities Account of the accepting Institution Clearing Member and to make all necessary declarations and take all necessary action on behalf of the transferring Institution Clearing Member, including the transfer instructions vis-à-vis CEU. The Institution Clearing Member warrants by way of an independent guarantee and irrespective of fault (*selbständige, verschuldensunabhängige Einstandspflicht*) that it is authorised to issue the aforementioned power of attorney. The prerequisite for a transfer of Securities by ECC is that a corresponding Individually Segregated CEU Pledged-Securities Account or CEU Pledged-Securities Account is held by the accepting Institution Clearing Member with CEU and that all technical and legal requirements for the provision of collateral are met. Upon transfer of ownership or title to the Securities, the pledges on these Securities granted by the transferring Institution Clearing Member to ECC according to section 3.4.11 paragraph 1 lit. (a) and (b) or on the basis of a separate collateral agreement according to section 3.4.11 paragraph 13 shall expire and are newly created in relation to the accepting Institution Clearing Member in accordance with the aforementioned sections. Upon transfer of ownership or title to the Securities, the pledges on these Securities granted by the transferring Institution Clearing Member to the Individually Segregated Participant pursuant to section 3.4.11 paragraph 8 lit. (a) and (b) shall also expire.

3. Transfer of General Omnibus Participants' collateral: In as far as all Positions of all General Omnibus Participants or all Positions of all Simple Omnibus Participants allocated to the same Simple Omnibus Collateral Clearing Account have been transferred to the same new Institution Clearing Member have been transferred, ECC shall initiate the transfer of assets which are not needed for the fulfilment of own claims to the new Institution Clearing Member in accordance with the procedure outlined in section 3.10.3 lit. (b) (ii) – (iv) by transferring cash collateral and proceeds of the utilisation of security collateral which have been utilised to settle the Parallel Claim referred to in section 3.4.1 paragraph 6 to an account at the new Institution Clearing Member specified by all General Omnibus Participants or all Simple Omnibus Participants concerned, unless all General Omnibus Participants or all Simple Omnibus Participants concerned have objected before the transfer of collateral is concluded. Trading Participant Collateral as well as Registry Based Products shall not be affected by the transfer.

© European Commodity Clearing AG – part of eex group

4. Aggregating the accounts receivable or payable from the position transfer according to No. 1 which might exist and of all other accounts receivable and payable which have fallen due into one net account receivable or payable in accordance with section 3.3.6 paragraphs 1 and 2 subject to the condition that such summary is effected across currencies.

5. Netting out of the Positions not transferred according to No. 1 into a net position regardless of whether the underlying Derivatives Market Transactions are booked on agent position accounts or proprietary position accounts. Afterwards, closing-out of this net position by ECC, the Market or by a Trading Participant determined by ECC and aggregating the amount resulting from closing-out with the net account receivable or net account payable into an offsetting claim according to section 3.9.1.

6. If the Clearing Member has a net account receivable from ECC, the surplus shall be refunded to the Clearing Member.

7. Use of the collateral provided by the Clearing Member (including the collateral provided according to section 3.4.11) and of the collateral provided by the Non-Clearing Members in Trading Participant Collateral according to sections 3.4.12, 3.4.13 and 4.9.2 paragraph 4 if ECC has a net account receivable from the Clearing Member. Such use of collateral by ECC shall be effected in accordance with the method described in section 3.10.2.

   In as far as necessary, the contributions by the Clearing Member to the Default Fund according to section 3.7.3 and Equity-Replacing Collateral (section 2.1.2 paragraph 4) which might also have been provided are used in addition. Collateral or guarantees used are utilised by ECC or by an office designated by ECC at ECC's equitable discretion.

8. Refunding of collateral to the respective beneficiaries according to 3.10.3 in as far as the collateral has not been used.

3.10.2 Utilisation of Collateral

In as far as ECC has a net account receivable from the Clearing Member, ECC shall allocate it to the

(a) combined proprietary and Market Maker Position Accounts of the Clearing Member,

(b) agent position accounts of the Clearing Member,

(c) combined accounts of a General Segregated Non-Clearing Member, and

(d) combined accounts of an Individually Segregated Non-Clearing Member

© European Commodity Clearing AG – part of eex group

by proportionally allocating, at maximum, an amount which would result if transferring, netting-out and closing-out were exclusively effected with regard to this account according to section 3.10.1 No. 1 to 5 to these accounts:

(i) the assets allocated to this account according to section 3.5.7 paragraph 6 are used as collateral, at a maximum, for the proportionate fulfilment of the net account receivable which ECC has from this Clearing Member. The time of the allocation corresponds to the time of the termination according to section 3.9.1.

(ii) in as far as the amount allocated to an account is not covered by the allocated assets according to section 3.5.7 paragraph 6, the assets allocated to the Clearing Member's proprietary position accounts and Market Maker Position Accounts according to section 3.5.7 paragraph 6 can be used as collateral.

(iii) in as far as the amount allocated to the position accounts of a Simple or General Omnibus Participant is not covered by the assets allocated to these position accounts according to section 3.5.7 paragraph 6, assets (except Trading Participant Collateral of the Non-Clearing Members) allocated to position accounts of other Simple Omnibus Participants belonging to the same Simple Omnibus Collateral Clearing Account or of other General Omnibus Participants, respectively, according to section 3.5.7 paragraph 6 can also be used as collateral.

(iv) if the amount allocated to a position account is not covered by the assets allocated to the account according section 3.5.7 paragraph 6, assets booked within the Standard Collateral Clearing Account or the General Omnibus Collateral Clearing Account which are not allocated to position accounts of Clients or Non-Clearing Members according to section 3.5.7 paragraph 6 can be used as collateral. In this context, assets which are booked in Individually Segregated Collateral Clearing Accounts and the Simple Omnibus Collateral Clearing Accounts are not taken into account.

3.10.3 Transfer and Return of unused Collateral

For the purpose of the fulfilment of its obligations under Article 48 paragraph 7 EMIR, ECC shall effect the return of assets allocated according to section 3.5.7 paragraph 6 which were not needed to satisfy claims (except for the claim according to section 3.4.1 paragraph 6) of ECC and which have not been transferred according to section 3.10.1 No. 2 or No. 3 as follows:

(a) With regard to assets on an Individually Segregated Collateral Clearing Account, ECC shall initiate the return to the Individually Segregated Participant by ECC releasing the collateral pledged to it according to section 3.4.11 paragraph 1 and informing CEU of the release granted by ECC in the case of Securities Collateral.

In deviation from this, the return of Securities Collateral provided to ECC on the basis of a separate collateral agreement according to section 3.4.11 paragraph 13 shall be effected by ECC transferring the pledged Securities to the Individually Segregated Participant and transferring the ownership and all title to the Securities to the Individually Seg-

© European Commodity Clearing AG – part of eex group

regated Participant as well as releasing the pledged Securities from its pledge. The Institution Clearing Member, conditional upon an event of termination, hereby irrevocably authorises (*bevollmächtigt*) ECC – with discharging effect vis-à-vis the Institution Clearing Member – (i) to transfer the ownership of, and all title to, Securities Collateral booked on the Individually Segregated CEU Pledged-Securities Account to the Individually Segregated Participant or, upon its instruction, to a third party designated by the Individually Segregated Participant and to release these Securities to the Individually Segregated Participant or a third party designated by the Individually Segregated Participant and (ii) to this end issue all necessary declarations and take all necessary actions in the name of the Institution Clearing Member, including the transfer instructions to CEU. The Institution Clearing Member warrants by way of an independent guarantee and irrespective of fault (*selbständige, verschuldensunabhängige Einstandspflicht*) that it is authorised to issue the above power of attorney.

Any return of collateral is subject to the proviso that ECC receives all information and documents required for this purpose. Furthermore, ECC shall not be obliged to return the collateral to the Individually Segregated Participant if ECC is not satisfied that the return of the collateral to the Individually Segregated Participant would result in a complete release from its corresponding obligations towards the Institution Clearing Member. In this case, ECC shall be entitled to return the collateral to the Institution Clearing Member for the account of the Individually Segregated Participant.

(b) Assets recorded in the Standard Collateral Clearing Account according to section 3.5.7 paragraph 1 or the General and Simple Omnibus Collateral Clearing Account which were not needed to satisfy the claims of ECC (with the exception of the Parallel Claim according to section 3.4.1 paragraph 6) are used in the following manner:

(i) Assets which are allocated to Positions of Clients according to section 3.5.7 are transferred back to the Institution Clearing Member. If obligations of the Institution Clearing Member towards its Clients exist with regard to these assets, the re-transfers shall be effected for the account of the Clients. These accounts receivable are not checked by ECC.

(ii) With regard to assets which are allocated to Positions of Known Participants (except for collateral recorded in an Individually Segregated Collateral Clearing Account) ECC shall request the Insolvency Administrator on behalf of the Known Participants to confirm within a period set by ECC that it will use these assets in order to fulfil the Collateral Obligation of the Institution Clearing Member towards the Known Participants according to section 3.4.1 paragraph 6 without undue delay without these assets becoming part of the bankruptcy estate. If a corresponding confirmation is provided by the Insolvency Administrator, ECC shall return the assets which have not been used according to section 3.10.1 to the Insolvency Administrator upon the express request by the Known Participant for its account. The Parallel Claim shall expire upon the return to the Institution Clearing Member, while any obligations of

© European Commodity Clearing AG – part of eex group

the Institution Clearing Member to the Known Participant which might exceed section 3.4.1 paragraph 6 shall remain unaffected. If there is no Insolvency Administrator or if an Insolvency Administrator has not been appointed yet, ECC shall act directly towards the Institution Clearing Member pursuant to this paragraph.

(iii) If a Known Participant does not wish the fulfilment of the Collateral Obligations of its Institution Clearing Member via the Insolvency Administrator (e.g. because the Insolvency Administrator has not submitted the confirmation according to section 3.10.3 lit. (b) (ii) within the period specified by ECC), ECC will – in order to settle the Parallel Claim as referred to in section 3.4.1 paragraph 6 – use the collateral furnished by the Institution Clearing Member, in as far as a utilisation has not been taken place according to section 3.10.2 or a return of assets according to section 3.10.3 lit. (b) (i) has not taken place. Proceeds of the utilisation of collateral will be distributed to the Know Participants subject to the conditions outlined below:

- In order to determine the amount of the Parallel Claim according to section 3.4.1 paragraph 6, ECC shall request the Known Participants of the Clearing Member concerned to furnish proof of the Collateral Obligations which the Clearing Member has towards it and of the amount of these obligations and to inform ECC of the corresponding account receivable by submitting a confirmation by the Insolvency Administrator within a period set by ECC in the respective individual case.
- If such a confirmation by the Insolvency Administrator cannot be provided during the period specified, ECC shall request the respective Known Participants to furnish proof of the amount and scope of the respective account receivable within a further period set by ECC for the individual case by forwarding a confirmation by an auditor. To this end, ECC shall provide a list of approved auditors. Proof should be provided in the form of an unqualified confirmation which the auditor shall grant based on a process coordinated with ECC in advance.
- In the event that claims are asserted against ECC, the benefitting Known Participant shall be liable for the correctness of the account receivable communicated to ECC to the amount of the assets allocated to it in accordance with the following provisions plus any interest or other costs.
- ECC shall consider the Institution Clearing Member's unfulfilled Collateral Obligations which are furnished to it and which are proved and reported to it during the respective period concerned.
- In this context, Collateral Obligations shall be considered at maximum in the amount of the assets which ECC allocates to the respective account according to section 3.5.7 paragraph 6.
- ECC shall allocate assets of the Standard Collateral Clearing Account or of the General Omnibus Collateral Clearing Account or the Simple Omnibus Collateral Clearing Account (without considering the assets in the Individually

© European Commodity Clearing AG – part of eex group

Segregated Collateral Clearing Accounts and in the Simple Omnibus Collateral Clearing Accounts) which have not been used according to section 3.10.2 or which have not been returned according to section 3.10.3 lit. (b) (i) which are allocated to accounts of Known Participants according to section 3.5.7 paragraph 6 to the Collateral Obligations of the Institution Clearing Member which are taken into account by ECC in accordance with the amount determined and recognised by ECC on a proportionate basis, however, at maximum in the amount of the existing liability. ECC shall distribute the utilisation proceeds corresponding to the proportionate allocation to the Known Participants. The utilisation of Securities pledged and Book-entry Securities fiduciary assigned by the Clearing Members to ECC shall take place immediately prior to the payment. Upon the payment by ECC the Institution Clearing Member's Collateral Obligations towards the Known Participants shall cease to exist up to the value of the payment amount. The Known Participants accept the payment by ECC as performance in lieu of performance of the contract (Annahme an Erfüllung statt, § 364 paragraph 1 BGB).

- After such payment, the Parallel Claim under section 3.4.1 paragraph 6 shall also be considered fulfilled.

(iv) ECC shall re-transfer any residual amount or residual collateral which might remain of assets allocated to the Known Participants (section 3.5.7 paragraph 6) (with the exception of Trading Participant Collateral of a Non-Clearing Member which were pledged according to section 3.4.12 and section 4.9.2 paragraph 4 or passed through according to section 3.4.13) to the Institution Clearing Member. In as far as there are Collateral Obligations which the Clearing Member has towards these Known Participants under these Clearing Conditions with regard to these assets which have not already been fulfilled by section 3.10.3 lit. (b) (iii), the return shall be effected for the account of the Known Participants.

The Parallel Claim shall lapse upon the return to the Institution Clearing Member for the account of the Known Participants; any further Collateral Obligations which this Institution Clearing Member has towards the Known Participant according to section 3.4.1 paragraph 6 shall remain unaffected.

ECC shall re-transfer to the Institution Clearing Member any residual amount or collateral remaining thereafter.

(v) Repayment of remaining Trading Participant Cash Collateral to the Trading Participant, release of the remaining collateral regarding Emission Rights to Trading Participants, waiver of the right to discharge the rights under the Trading Participant Bank Guarantee by returning the Trading Participant Bank Guarantee to the bank issuing the said guarantee.

© European Commodity Clearing AG – part of eex group

3.11 Default Management Auctions

(1) Positions can be closed out according to section 3.10.1 No. 3 in the framework of OTC auctions ("Default Management Auctions"). ECC is authorised to auction Spot Market products in accordance with the following rules as well. In this case, the rules regarding Positions apply accordingly for Spot Market products.

(2) Participation in Default Management Auctions is voluntary in principle; however in accordance with the provisions regarding its default management process ECC can also require a Non-Clearing Member or Clearing Member to take part in Default Management Auctions ("Mandatory Auctions"). ECC will only order a Mandatory Auction after it has taken all measures in accordance with the rules of its default process which it considers required and reasonable for closing out, in particular, having conducted at least one Default Management Auction on voluntary basis.

(3) The following rules apply to Default Management Auctions.

3.11.1 Participation in the Default Management Auction

(1) ECC can select Non-Clearing Members or Clearing Members at its sole discretion – e.g. by assessing the risk, the trading activity and the existing Positions of the Trading Participant in the Products to be auctioned underlying the Auction Units – and invite them to take part in a Default Management Auction. ECC shall only invite Non-Clearing Members and Clearing Members that are recognised by ECC as Trading Participants in, at least, one of the Products to be auctioned.

(2) Concurrently with the invitation of Non-Clearing Members, ECC informs the Institution Clearing Members of the invited Non-Clearing Members of the invitation to take part in the auction. Provided the auction is not a Mandatory Auction, an Institution Clearing Member can object to the participation of a Non-Clearing Member supported by it in the auction until the end of the Bidding Period.

3.11.2 Special Provisions for the Mandatory Auction

(1) If Trading Participants were requested by ECC by an auction letter ("Auction Letter") to take part in Mandatory Auctions, they are obliged to submit bids in these auctions in accordance with the more detailed provisions in the Auction Letter (in particular in respect of Auction Unit, Auction Format and minimum bid size, cf. section 3.11.7).

(2) With the approval of ECC, Trading Participants can appoint a third party towards ECC, in particular, their Institution Clearing Member, to take part in a Mandatory Auction for them. If the appointed third party confirms the appointment, it assumes all rights and obligations under the auction, including the provisions in section 3.11.7, on behalf of the Trading Participant. The third party must be entitled to take part in the ECC Default Management Auctions and it must be

© European Commodity Clearing AG – part of eex group

admitted to trading on the partner exchanges in, at least, the same product groups as the respective Trading Participant concerned. Unless otherwise specified in writing, the third party is appointed until the appointment is revoked by ECC or the Trading Participant.

(3) Instead of participating in future Mandatory Auctions ECC offers Trading Participants, to apply for an exemption and to pay a non-participation fee in each event. Such request will only be approved if the Trading Participant demonstrates to ECC that legal provisions, bylaws or other provisions prohibit participation in an auction or the holding of open Positions in general or overnight. The request must be submitted at the latest four (4) weeks before a potential Mandatory Auction. ECC does not have to render a decision on delayed requests. Unless otherwise specified in the approval letter, the approval of the request is valid until it is revoked by ECC or by the Trading Participant.

(4) The method for calculating the non-participation fee is determined by ECC and published on the ECC website. The non-participation fee is charged at the time at which ECC carries out a Mandatory Auction. To the degree to which the losses caused by the default of a Clearing Member exceed the collateral furnished by it, the non-participation fee is used to cover these losses. The remaining amounts of the non-participation fee are distributed proportionately (based on trading volume) to those Trading Participants whose bids ECC has accepted.

3.11.3 Execution of the Default Management Auction

(1) Before every auction, ECC informs all invited Trading Participants of the Auction Units to be auctioned and the Auction Format in an Auction Letter sent out via e-mail. The Auction Letter includes a request for the Trading Participants to submit Bids for the Auction Units to be auctioned using the auction form specified by ECC ("*invitatio ad offerendum*").

(2) The Auction Letter specifies a deadline for the submission of bids ("Bidding Period"). Bids which are submitted after the expiry of this deadline are generally not considered. At the same time, the Auction Letter also specifies a deadline for the execution of the auction after the end of the Bidding Period ("Auction Period"). Bids remain valid until the end of the Auction Period.

(3) ECC can extend or shorten the Bidding Period at its sole discretion at any time before its end or cancel the Default Management Auction. If ECC has declared the Default Management Auction a Mandatory Auction, it cannot shorten the Bidding Period. ECC will cancel a voluntary Default Management Auction in its entirety or with regard to individual Positions, in particular in those cases in which there is an insufficient number of bids or of suitable bids. The invited Trading Participants will be informed of the respective measure via e-mail. In the event of a cancellation, submitted bids are no longer valid; in any other cases bids which have already been submitted remain effective.

(4) ECC can extend or shorten the Auction Period at its sole discretion at any time before its expiry. If ECC has declared a Default Management Auction a Mandatory Auction, ECC cannot extend the Auction Period. The invited Trading Participants will be informed of any change of the Auction Period via e-mail. If the Auction Period is extended, bids submitted by a Trading Participant

© European Commodity Clearing AG – part of eex group

only remain effective if the Trading Participant has expressly approved the extension of the Auction Period.

(5) The Trading Participant is obliged to treat all the information regarding a Default Management Auction as being confidential. In as far as a Trading Participant does not take part in the auction; the information has to be deleted forthwith. In particular, the information must not be passed on either directly or indirectly and it must not be used for proprietary trading purposes outside of the Default Management Auction, for price agreements with third parties or for the submission of recommendations to buy or to sell or abusively in any other way.

3.11.4 Submission of Bids

(1) The bids are submitted by the Trading Participants with the help of an auction form using the method specified by ECC in the Auction Letter. If necessary, ECC shall verify the authenticity of the bids submitted by means of a telephone enquiry or using other suitable means of confirmation (e.g. via telefax).

(2) Until the end of the Bidding Period, the Trading Participant can amend submitted bids by transferring a new auction form. In this case, the entire auction form is considered a new bid; all auction forms submitted previously cease to be valid altogether; as a result, only the last auction form submitted before the end of the Bidding Period forms the binding bid. The time of the submission of the bid is defined as the time of receipt of the auction form by ECC. Any limitations of liability which might be transferred by the Trading Participant upon the submission of the auction form or any other declaration which might raise doubts regarding the binding character of a bid will be disregarded. Except in the case of a Mandatory Auction, Trading Participants are not obliged to submit bids for all Positions. Bids by a Trading Participant regarding Positions for which the said Trading Participant is not an approved Trading Participant shall not be considered in the auctions. Bids must be submitted in the currency of the corresponding position.

3.11.5 Acceptance of Bids

(1) During the Auction Period, ECC carries out the auction per Auction Unit in accordance with the principles specified in paragraph 2. Auctions are carried out as “pay-as-bid”[18] - auctions. Trades are concluded by ECC accepting bids subject to the condition precedent of a successful registration according to section 3.11.6.

(2) Bids are first sorted by price for each Auction Unit with the respective better bid taking priority. In case of identical prices, the chronological order of the submission of the bids shall be decisive with the respective earlier bid having priority (price-time priority). ECC shall only accept orders until the respective quantity to be auctioned has been sold. Therefore, bids can also be accepted in part. Bids which according to ECC’s assessment deviate significantly from the current fair market value or – outside of Mandatory Auctions – the acceptance of which increases the

[18] “Pay-as-bid” auctions are auctions in which the successful bidder receives the offered Auction Unit of a certain Product at the price offered by the bidder. There is no uniform pricing on the basis of all bids submitted.

© European Commodity Clearing AG – part of eex group

risk in the remaining portfolio to be closed out, can remain unconsidered. If the bids are not sufficient to sell the entire volume to be auctioned, a sale of partial quantities is also possible.

(3) At the latest upon the end of the Auction Period the successful bidders are informed by ECC of the bids which ECC accepts. ECC is not obliged to inform bidders of the non-acceptance of bids.

3.11.6 Registration and Settlement of the Trades

(1) With the successful registration of the Trade in accordance with the rules of the respective Market, a binding contract regarding the position to be auctioned is concluded between ECC and the Trading Participant.

(2) The Trades of the successful bidders are registered at the respective bid price. Registration is effected by ECC in the name and on behalf of the successful bidder immediately after acceptance of the bids according to section 3.11.5 paragraph 3. ECC may also use trading-on-behalf services of the respective Market for registration. With their participation in the auction the Trading Participants authorise ECC and, if applicable, the respective Market to register the Trades concluded in their name and undertake to provide all other acts of cooperation which are required for the registration. The Trading Participants will be informed by ECC of registrations without undue delay.

3.11.7 Minimum Bid Size

(1) ECC can allocate individual minimum bid sizes per position to be auctioned to every Trading Participant in a Mandatory Auction. The minimum bid size of a Trading Participant corresponds to his share in the position to be auctioned and is rounded up to a full contract. The share per Trading Participant and position to be auctioned corresponds to the share of the current net position of a Trading Participant without observing the algebraic sign on the net open interest of all Trading Participants[19] in a mandatory auction at the last Business Day before the auction. The Positions to be auctioned are adjusted for cascading carried out during Batch Processing and booked-out maturities and for successfully allocated bids to all participants from preliminary auctions. However, the minimum bid size corresponds, at a maximum, to the net position of this Trading Participant in this contract. Moreover, in determining the shares and the minimum bid sizes of the Trading Participants, ECC will fully consider the bids accepted for these Positions in previous auctions for closing-out of the Positions of the same Clearing Member.

(2) If – in a Mandatory Auction – a Trading Participant does not submit a bid or submits a bid regarding a number of contracts below the minimum bid size or submits a bid at prices which, in the opinion of ECC, deviate significantly from the fair market value, ECC can carry out an allocation of Positions remaining after the Default Management Auction in accordance with sec-

[19] The sum of net long and short positions in a single contract per Trading Participant observing the algebraic sign, summed over all Trading Participants without observing the algebraic sign.

© European Commodity Clearing AG – part of eex group

tion 3.11.8. ECC will agree on this opinion - as far as economically reasonable within the specified deadlines – with the market operations department (or equivalent function) of the Markets where the corresponding Products are traded.

3.11.8 Allocation of Positions after Default Management Auctions

(1) If Positions to be closed out remain after a Mandatory Auction ("Remaining Positions"), ECC may allocate these Remaining Positions to the Trading Participants in the Mandatory Auction in the following order of priority:

(a) Level 1: All Trading Participants that have not taken part in the auction. Within level 1, Remaining Positions are allocated on a pro rata basis in accordance with the share of the minimum bid sizes of a Trading Participant in proportion to the sum of the minimum bid sizes of all Trading Participants within this level.

(b) Level 2: All Trading Participants that have not bid the minimum bid size for the position to be auctioned according to section 3.11.7. Within level 2, Remaining Positions are allocated on the basis of the difference between the bid size submitted and the minimum bid size.

(c) Level 3: Trading Participants that have submitted bids on the minimum bid sizes allocated to them in these Positions at prices which, in the opinion of ECC, deviate significantly from the fair market value. Within level 3 Remaining Positions are allocated based on the difference between the respective bid prices and the fair market value or – if available – at the daily settlement price.

(2) The allocation is effected to the Trading Participants at a maximum up to the amount of the minimum bid size according to the order of priority stipulated in paragraph 1 for every Remaining Position for closing-out at this point in time. Positions are only assigned to a certain level if Remaining Positions exist after the allocation within a preceding priority. In the event of an allocation within level 2 and 3, only those bids/missing bids of the Trading Participant (bid or ask) which were relevant for the position to be auctioned (bid or ask side) are considered. Remaining Positions remaining after the calculation of the share (including rounding) are allocated at random.

(3) The price at which a Remaining Position is allocated to the Trading Participants corresponds to the daily settlement price established by the partner exchanges on the day of the auction.

(4) Trading Participants to whom Remaining Positions have been allocated according to the above provisions will be informed of the allocation by ECC forthwith. The Trades are registered in accordance with section 3.11.6.

3.11.9 Cash Settlement

(1) In case of any Remaining Positions after at least one Default Management Auction, ECC may terminate and settle in cash, in whole or in part, such Remaining Transactions with opposing

© European Commodity Clearing AG – part of eex group

Positions ("DMP Cash Settlement Transactions") of a non-defaulting Clearing Member in accordance with the following provisions.

(2) ECC shall inform the Clearing Member about the cash settlement without undue delay in writing, via telefax, via e-mail or via SWIFT message ("Cash Settlement Notice") specifying (i) each DMP Cash Settlement Transaction which shall be terminated and cash settled and (ii) the date and time as of which the termination and cash settlement shall become effective (such date being the "Cash Settlement Date" and such time being the "Cash Settlement Time"). ECC shall inform of the price of each DMP Cash Settlement Transaction ("Cash Settlement Price") without undue delay after its determination according to paragraph 6. ECC shall notify the Non-Clearing Member concerned.

(3) ECC shall determine the respective number of allocated DMP Cash Settlement Transactions with the relevant Clearing Members per Contract pro rata to their share in the Remaining Positions of offsetting net positions across all Proprietary Position Accounts and Agent Position Accounts of such Clearing Member in the sum of such net positions of all remaining Clearing Members.

(4) The DMP Cash Settlement Transaction shall be booked on the Proprietary Position Accounts and Agent Position Accounts of the Clearing Member in proportion to the share of the net position of the respective Position Account in the net position of the Clearing Member in the respective contract.

(5) As of the Cash Settlement Time, ECC and the relevant Clearing Member shall be released from their obligations to each other under the relevant DMP Cash Settlement Transaction (provided that any outstanding obligations relating to payments and deliveries that have become due but have not been paid or delivered on or before the Cash Settlement Time shall continue to exist).

(6) ECC shall determine a Cash Settlement Price for each Contract terminated by a DMP Cash Settlement Transaction in the currency of that Contract, which shall become due and payable as of the Business Day following the Cash Settlement Date. The Cash Settlement Price shall be determined on the basis of the following equal methodologies:

(a) in case a Default Management Auction was at least partially successful in regard of a Remaining Position, this is the weighted average price of successful bids,

(b) the last available Daily Settlement Price in the relevant Contract,

(c) the last available exchange or market value ("*Börsen- oder Marktpreis*"), or

(d) the price determined by ECC based on a model for the valuation of the market value which considers inter alia market risk, volatility and liquidity.

© European Commodity Clearing AG – part of eex group

4. Settlement of Transactions

4.1 Daily Settlement of Future Contracts – Variation Margin

(1) With regard to every futures contract the change in the value of the position is established on every Business Day ("Variation Margin") during Batch Processing depending on the currency of the Future Contract and credited to the respective Clearing Account or debited from said account of the Clearing Member. The change in the value is calculated based on the difference in the daily settlement prices of the current and of the preceding Business Day. With regard to Positions which have only be opened or closed in the course of the respective current Business Day, the change in the value shall be calculated on the basis of the difference between the price at which the Transaction was concluded and the daily settlement price of the respective Business Day concerned.

(2) If the daily settlement price for a futures contract is negative, the display of the daily settlement price in the Clearing System shall deviate from the daily settlement price determined for technical reasons. In this case, the settlement of the change in value is initially based on the minimum technically available price. In general, the difference between the minimum technically available price and the actual settlement price (difference amount) is settled in the daily settlement of the following Business Day. However, ECC reserves the right to charge the difference amount on the respective Business Day separately or to demand collateral in respect of the difference amount. ECC will inform in advance of the exercise of these rights.

(3) The daily settlement price of a future shall be established on the Market on which the Product is traded in accordance with its rules and determined by ECC. ECC can determine the daily settlement price in deviation to this. In case the daily settlement price is changed by the Market afterwards, ECC shall use best endeavours to adapt the settlement price used afterwards.

(4) Paragraph 1 shall apply accordingly with regard to the legal relationship between Institution Clearing Members and their Non-Clearing Members. In the case of Individually Segregated Participants, the Institution Clearing Member is obliged to forward the Variation Margin to these forthwith or to collect the Variation Margin from these.

4.2 Daily Settlement of Grid-bound Energy Futures during the Delivery Period – Variation Margin

(1) Unless otherwise specified in the contract specification of the Markets, the daily settlement price shall remain constant for the entire Delivery Period. It shall be established as the final settlement price by the respective Market in the respective contract at the latest two (2) Business Days prior to the commencement of the delivery and be determined by ECC.

(2) If the month or week future is tradable during the Delivery Period, the change in the value on the Business Day on which the position was opened or closed shall be calculated under consideration of the current contract volume based on the difference between the price of the Transaction and the daily settlement price, for Positions which have only been opened or closed

© European Commodity Clearing AG – part of eex group

in the course of the Delivery Period. Said change in the value shall be established during Batch Processing and credited to the Clearing Account or debited from it.

(3) The paragraphs herein above shall apply accordingly regarding the legal relationship between Clearing Members and their Non-Clearing Members.

4.3 Daily Settlement of Option Premium

4.3.1 Premium Style Option

(1) The option premium for premium style options shall be debited from the Clearing Account of the Clearing Member or credited to it during Batch Processing of the Trading Day (“Premium Style Option”).

(2) There shall be no daily settlement of the change in the value of the Premium Style Option.

(3) ECC shall set off the option premium of Premium Style Options with the Clearing Members; the Clearing Members in turn shall set off this premium with their Non-Clearing Members.

4.3.2 Future Style Option

(1) The option premium for future style options is not due for payment until the option is exercised or expires in the amount of the settlement price determined on that day for the option premium.

(2) The difference between the agreed option premium and the option premium to be paid shall be settled by daily payment of the change in value of the option premium on each Business Day during the holding period of the option in accordance with the provisions in section 4.1 ("Future Style Option"). The change in value is calculated as the difference between the daily settlement prices of the current and previous Business Day. For options that were opened or closed on the current Business Day, the change in value is calculated from the difference between the price at which the transaction was concluded and the daily settlement price of the Business Day.

The daily settlement may also result in an interim charge to the seller (writer) of the Future Style Option.

(3) Section 4.1 paragraphs 1, 3 and 4 shall apply mutatis mutandis to the compensating for the change in value of the option premium; paragraph 1 shall apply additionally to the option premium to be paid.

4.4 Settlement of Options on Futures

4.4.1 Procedure in Case the Option is exercised

(1) Options on futures are settled after exercise by booking a corresponding futures position at the respective exercise price. If the buyer exercises an option on the exercise date, a seller of the option is assigned using a procedure that ensures the neutrality of the assignment process. Partial assignments shall be permissible. All assignments made to the client position account

© European Commodity Clearing AG – part of eex group

of a Trading Participant must be assigned by the Trading Participant to the Positions of its Clients in accordance with a procedure that ensures the neutrality of the assignment process. ECC informs the participants and the respective Clearing Members in charge on the exercise day about the assignment.

(2) During Batch Processing on the exercise day a long position is opened in the underlying future contract at the agreed exercise price for the buyer of the call option.

(3) During Batch Processing on the exercise day a corresponding short position is opened in the underlying future at the agreed exercise price for the seller of the call option.

(4) During Batch Processing on the exercise day a corresponding short position is opened in the underlying future at the agreed exercise price for the buyer of a put option.

(5) During Batch Processing on the exercise day a corresponding long position is opened in the underlying future at the agreed exercise price for the seller of a put option.

4.4.2 Particularities in the Settlement of the assigned Futures Position

Until the assignment of the exercised options, the settlement of option contracts regarding futures corresponds to the provisions regarding the settlement of option contracts and upon opening of the future position the settlement of the option contracts corresponds to the respective provisions for the settlement of future contracts with the special feature that the daily settlement is netted-out once on the exercise day as the difference between the exercise price and the daily settlement price of the future concerned.

4.5 Financial Settlement of Financial Futures

4.5.1 Financial Settlement

(1) On the day on which the final settlement price is established, Positions are balanced by means of a difference depending on the currency of the Futures Contract which is credited to the respective Clearing Account of the Clearing Member or which is debited from such. Said difference shall be calculated based on the difference between the final settlement price and the daily settlement price of the previous Business Day. With regard to Positions which have only been opened in the course of the day on which the final settlement price is established the difference shall be calculated on the basis of the difference between the final settlement price and the price of the transaction.

(2) The final settlement price is calculated by the respective Market according to the more detailed provisions in the Contract Specification for the respective Products.

(3) If the final settlement price for the settlement of a contract is negative, the presentation of the final settlement price in the settlement system deviates from the final settlement price actually established. Also in this case, the final settlement price shall be established in accordance with the principles laid down in the Contract Specifications for the respective Product.

© European Commodity Clearing AG – part of eex group

4.5.2 Settlement of Grid-bound Energy futures with a Delivery Period of one Month or more (Cascading)

(1) Grid-bound Energy futures are only settled financially according to section 4.5.1 if their Delivery Period does not exceed one calendar month. Futures on Grid-bound Energy whose Delivery Period exceeds one calendar month are fulfilled by cascading as described below.

(2) After performing of daily settlement on the last Trading Day, the holders of Positions in quarter futures are assigned the three (3) corresponding month futures, which taken together correspond to the Delivery Period of this quarter future, instead of these futures on the same Business Day.

(3) After performing daily settlement on the last Trading Day the holders of Positions in season futures are assigned the corresponding month futures for the calendar months April/May/June (Summer Season) or October/November/December (Winter Season) as well as the respective following quarter futures on the same Business Day.

(4) After performing daily settlement on the last Trading Day the holders of year futures are assigned the corresponding three (3) month futures for the following calendar months from January to March as well as the corresponding three (3) quarter futures for the second to the fourth calendar quarter which taken together correspond to the Delivery Period of the year futures instead of these futures on the same Business Day.

(5) Futures with a Delivery Period deviating from paragraphs 2 to 4 will be settled accordingly as long as the Delivery Period is more than one (1) month.

(6) The Positions assigned in accordance with paragraphs 2 to 4 shall take part in the clearing procedure subject to the provisions which are relevant for these as of the day of their assignment.

4.5.3 Payments

(1) All payments including the statutory incurred taxes are credited to the Clearing Account of the Clearing Member or debited from it during Batch Processing on the Trading Day or, if this day is not a Business Day, on the next Business Day.

(2) The paragraph above applies to the legal relationship between the Clearing Members and their Non-Clearing Members accordingly.

4.6 Financial Settlement of physically settled Transactions

(1) The basis for the financial settlement are:

- for Spot Market Transactions the delivery volumes and prices as they are communicated by the Markets,

© European Commodity Clearing AG – part of eex group

- for Grid-bound Energy Derivatives Market Transactions the volumes delivered in accordance with these Clearing Conditions, multiplied by the final settlement price established for this Delivery Period in total, or
- For Registry Based Products Derivatives Market Transactions the number of the Registry Based Products to be delivered multiplied by the final settlement price

plus the respectively applicable statutory taxes.

(2) Settlement takes place on each Business Day after the time specified for each Product ("accounting cut-off") as published on the ECC website as part of Batch Processing. Transactions concluded or registered after the accounting cut-off will be settled on the next Business Day; the same shall also apply if the price of a Transaction is communicated after the accounting cut-off by the Market. In detail, the following applies beyond the provisions for the accounting cut-off:

(a) For Spot Market Transactions the settlement takes place:

- on the current Trading Day, if this is a Business Day,
- on the following Business Day, if the Trading Day is no Business Day.

(b) For Derivatives Market Transactions (except Registry Based Products Derivatives Market Transactions) with physical settlement (BoM-Settlement), the settlement takes place:

- on the Delivery Day, if this is a Business Day,
- on the following Business Day, if the Delivery Day is no Business Day.

(c) Registry Based Products Derivatives Market Transactions managed in the Eurex Clearing System are settled two (2) Business Days before commencement of delivery.

(d) For Derivatives Market and Spot Market Transactions with delivery in the Spanish Gas Transmission System ECC may withhold financial settlement payments for sell transactions in accordance with the Spanish gas market regulation (Articles 24 and 25 of the Circular de Balance 2/2020 of 09 January 2020 of the Spanish regulatory authority, "Circular") in respect of so-called economic amounts ("cantidades económicas"). Financial settlement will be included in the next spot payment booking cut with payment on the Business Day following the respective authorisation of such payment by the Spanish Transmission System Operator Enagás S.A. ("Enagas"). Based on Article 25 of the Circular Enagas may request ECC to pay out the economic amounts to Enagas. ECC will comply with this request in fulfilment of its payment obligations towards the Trading Participant.

(3) All payments including the applicable statutory taxes are credited to the Clearing Account of the Clearing Member or to an account at a different paying agent as defined by the Trading Participant and approved by ECC on its sole discretion as a paying agent or debited from it during Batch Processing of the Trading Day. Payments are generally made on the Business Day following settlement, in the case of Derivatives Market Transactions on Emission Rights on the

© European Commodity Clearing AG – part of eex group

second Business Day following settlement. In deviation from this, payment in Foreign Currencies (not EUR) may only be made on the respective following Business Day due to national holidays.

(4) In case the Trading Participant has not defined a paying agent, the above-mentioned provisions will apply to the legal relationship between the Clearing Member and their Non-Clearing Members.

(5) The following applies to nEHS Fixed Price Transactions:

(a) ECC shall transfer the purchase price to the nEHS Seller promptly on the first Business Day following a sales date, subject to the receipt of payment of the purchase price in accordance with section 3.3.10.

(b) Payment takes place without any deductions (net) as well as without charging any fees to the designated account of the nEHS Seller.

(c) nEHS DCPs shall pay the purchase price for nEHS certificates within one week after the respective sales date, whereas the payment deadline does not end at the end of the last day but at 11:00 a.m. on the last day of the payment deadline ~~make their payment to the account designated by ECC no later than 11:00 a.m. on the day of the respective next-but-one sales date~~. For the last sales date in a calendar year, this deadline may deviate as determined by ECC. For all other Trading Participants, payments shall be settled on the Business Day following the respective sales date. The purchase price credited in full to the nEHS Recipient Account shall be held by ECC in escrow for the nEHS Seller.

(d) ECC is entitled to refuse improper payments of an nEHS DCP. Improper payments include in particular insufficient and excess payments, late payments, payments transferred under an incorrect reference or transfers from an account other than the designated nEHS Payment Account. ECC may immediately reverse the incorrect payment without prior notice. Any costs for the reversal of an incorrect payment shall be borne by the nEHS DCP. In the event of incorrect payment, ECC is also entitled to withdraw from the nEHS Fixed Price Transaction. In the event of withdrawal, the respective nEHS Fixed Price transaction between ECC and the nEHS DCP, as well as the corresponding nEHS Fixed Price Transaction between ECC and the nEHS Seller, and all obligations resulting from these nEHS Fixed Price Transactions, shall be null and void.

(e) If an Institution Clearing Member or a Non-Clearing Member fails to pay the purchase price for an nEHS Fixed Price Transaction in a timely manner, the underlying nEHS Fixed Price Transaction between ECC and the respective trading participant, as well as the corresponding nEHS Fixed Price Transaction between ECC and the nEHS Seller, and all obligations resulting from these nEHS Fixed Price Transactions shall cease to exist.

(6) The following applies to nEHS Auction Transactions:

(a) The purchase price from nEHS Auction Transactions is settled primarily by offsetting it against the claim for repayment of furnished cash collateral during Batch Processing.

© European Commodity Clearing AG – part of eex group

This also applies to cash collateral provided by an Institution Clearing Member to collateralize nEHS Auction Transactions of its Non-Clearing Members. No separate request for the release of cash collateral is required in this regard. For DCP Clearing Members, the set-off against cash collateral is carried out at the discretion of the DCP Clearing Member.

(b) ECC shall transfer the purchase price to the nEHS Seller promptly on the first Business Day following an auction date, subject to the settlement of the purchase price claim by the acquiring Trading Participant.

(c) Payment takes place without any deductions (net) as well as without charging any fees to the designated account of the nEHS Seller.

(d) If termination occurs with respect to an Institution Clearing Member pursuant to section 3.9.1, resulting in the termination of ECC's delivery obligation and the Institution Clearing Member's acceptance obligation, ECC is entitled to declare its withdrawal from the corresponding nEHS Auction Transaction with the nEHS Seller and to reverse the transaction. The remainder of the nEHS Auction, including the determined auction price, remains unaffected by this.

4.7 Treatment of Value Aadded Tax

4.7.1 Value Added Tax on Delivery or Transfer of Rights or other Services in Case of negative Prices (Spot Market, physically settled Derivatives Market Transactions)

(1) As far as Value Added Tax has to be shownlegally applicable, delivery volumes and/or volumes to be delivered or transferred in accordance with the trade confirmations and these Clearing Conditions multiplied by the price established for the Delivery, the transfer of rights or other services shall form the assessment basis for the Vvalue Aadded Ttax ("*Bemessungsgrundlage*").

(2) The clearing fees charged are part of the assessment basis for the Vvalue Aadded Ttax. In case of the delivery, transfer of rights or other services in case of negative prices by a Non-Clearing Member to the Settlement Entity or ECC the assessment basis is decreased by the clearing fees charged. In case of delivery or transfer of rights by the Settlement Entity or ECC to a Non-Clearing Member the clearing fees charged increase the assessment basis.

(3) The Settlement Entity or ECC shall issue invoices, credit notes or self-bill invoices in accordance with the above provisions and the provisions in the respectively price list.

4.7.2 Value Added Tax on Derivatives Markets Transactions and other Services in Payment Transactions

(1) As far as Value Added Tax has to be shown legally applicable and in case of exercising the options according to Article 137 Council Directive 2006/112/EC (VAT Directive) the clearing

© European Commodity Clearing AG – part of eex group

fees charged by ECC from the Non-Clearing Members shall form the assessment basis for the Vvalue Aadded Ttax. The Derivatives Market Transactions themselves, as financial contracts for differences, are not subject to Vvalue Aadded Ttax.

(2) ECC shall issue invoices or self-bill invoices in accordance with the before mentioned provisions and the provisions in the respectively valid price list.

4.8 Physical Settlement of Grid-bound Energy Transactions

4.8.1 General Information

Derivatives Market Transactions with a Delivery Period that exceeds one (1) calendar month, will be fulfilled by cascading in accordance with section 4.5.2. A physical settlement (delivery) is only possible in the current calendar month.

4.8.2 Delivery and Acceptance of Delivery

(1) Physical settlement of the Spot Market Transactions and Derivatives Market Transactions on Grid-bound Energy shall be effected by nominations directly by or for the Trading Participant towards the respective Settlement Entity and at the same time between the respective Settlement Entity and ECC subject to the provisions contained in these Clearing Conditions and the respectively valid Balancing Agreements. Transactions with a Delivery Period of more than one day shall be effected on a daily basis. The delivery is effected by submitting a nomination or schedule in accordance with the requirements of the respective Balancing or Hub Agreement, which comprises the underlying delivery Transaction as well as the binding confirmation of the nomination or schedule by the respective Transmission System Operator. On every delivery day the part of the contract shall be delivered which has been defined for delivery according to the respective contract specifications for delivery on every day of the Delivery Period.

(2) Every Trading Participant shall communicate amendments of the Balancing Agreements on which Grid-bound Energy trading is based, or the termination of such to ECC forthwith.

(3) If a Trading Participant has replaced the proof of the capacity to physically fulfil Derivatives Market Transactions by a statement according to section 2.5.1 paragraph 1 sentence 2 lit. (c) under which the Trading Participant undertakes to exclude the physical settlement of the Derivatives Market Transaction in Grid-bound Energy Transactions, the Trading Participant hereby represents and warrants by way of an independent guarantee and irrespective of fault (*selbstständiges, verschuldensunabhängiges Garantieversprechen*) that it or its clients will not under any circumstances deliver Grid-Bound Energy for the settlement of Derivatives Market Transactions. The Trading Participant hereby also represents and warrants by way of an independent guarantee and irrespective of fault (*selbstständiges, verschuldensunabhängiges Garantieversprechen*) that all own positions in EEX Natural Gas Futures and, if applicable, the positions of its clients will have been closed and no new positions will be opened according to the rules and regulations of EEX.

© European Commodity Clearing AG – part of eex group

In case a Trading Participant is in default with his obligation to deliver or to accept delivery or in case such party loses the capability for physical settlement as per section 2.5.1 paragraph 1 sentence 2 lit. (c) or in case such violates a covenant as per section 2.5.1 paragraph 1 sentence 2 lit. (c), ECC shall be entitled to take all the required measures in order to safeguard performance and the minimization of the damage with regard to the Transactions entered into, if applicable, also by including the respective Market or the respective Settlement Entity in this process. Further consequences might arise from the provisions contained in the respective Balancing Agreement.

(4) If deviations occur in the physical settlement, the rules contained in section 4.8.4 shall apply.

(5) The provisions stipulated in this section shall not apply to PXE Spot Market Transactions.

4.8.3 Special Provisions for Market Coupling Contracts

4.8.3.1 General Information

(1) Within the framework of day-ahead or intraday auctions of the partner exchanges cross-border transmission capacities are traded as Products specified by the Markets (Market Coupling Contract), the settlement of which is carried out in accordance with the specifications made in these Clearing Conditions.

(2) As part of intraday power trading the settlement of power deliveries as per section 4.8.2 can also be effected cross border between different market areas by using capacity rights ("Physical Transmission Rights").

4.8.3.2 Settlement of Market Coupling Contracts

(1) Market Coupling Contracts shall be settled through the use of Physical Transmission Rights by ECC in accordance with these Clearing Conditions and the respectively valid agreements of ECC and the respective partner exchange, the coupled Markets and Transmission System Operators included on the basis of separate agreements or representatives of the Transmission System Operators directly by the Trading Participant towards ECC.

(2) Settlement of the Market Coupling Contracts is effected through the use of the Physical Transmission Rights by ECC towards the Transmission System Operators included and/or their representatives in the direction from the exporting transmission system to the importing transmission system. The financial settlement of Market Coupling Contracts shall be carried out in accordance with section 4.6.

(3) If the use of Physical Transmission Rights cannot be ensured by the Transmission System Operators included, ECC is entitled, according to the more detailed provisions in section 4.8.4, to take all the measures required to secure the performance or to reduce any damage with regard to the Transactions entered into.

© European Commodity Clearing AG – part of eex group

4.8.3.3 Settlement of Market Coupling Clearing Transactions

The physical settlement of the Market Coupling Clearing Transactions is effected directly by the Market Coupling Counterparty towards ECC in accordance with these Clearing Conditions and the respectively valid Balancing Agreement according to section 4.8.2.

4.8.4 Deviations in the physical Settlement of Grid-bound Energy Transactions

4.8.4.1 Deviations, ECC Measures and Trading Participants' Duties to cooperate

(1) A "deviation" is defined as a volume difference between physical settlement by forwarding schedule nominations to the Transmission System Operator ("nomination") and the contractual delivery volume established in the Spot Market Transactions or in the Derivates Market Transactions. It can arise, in particular, as a result of the following circumstances:

(a) Measures by the Transmission System Operator: In accordance with its conditions, a Transmission System Operator can take measures, such as, in particular, adjustments of schedules, to maintain the security of the grid in the framework of its congestion management, of the force majeure or comparable rules applying to it or of insufficient security of a Trading Participant towards the Transmission System Operator having an impact on schedule nomination and deliveries within the scope of application of these Clearing Conditions.

(b) Measures by the Transmission System Operator in the framework of Market Coupling: Transmission System Operators can take measures on the basis and in the framework of the border-crossing delivery of power by using capacity rights (Physical Transmission Rights) between different market areas which lead to a reduction of Physical Transmission Rights at ECC and which, as a result, usually have effects on schedule nominations in the coupled market areas.

(c) In connection with European Market Coupling (such as shipping) for example due to errors

- within the market coupling systems of the NEMO and/or the Transmission System Operators,
- of other NEMOs or their respective central counterparty, or
- of Transmission Service Operators, interconnectors or other shipping agents or shippers.

(d) An incorrect nomination of the Trading Participant: If ECC does not have any priority nomination rights (e.g. no single-sided nomination, no priority right or no on-behalf nomination) in a market area, a missing or incorrect counter-nomination of the Trading Participant can lead to a deviation, in particular, on account of the specific nomination rules of the respective Transmission System Operator (e.g. last matched status, lesser rule).

(e) A deviation having an impact on other Trading Participants: In the event of the incorrect nomination of a Trading Participant, deliveries by ECC to other Trading Participants can

© European Commodity Clearing AG – part of eex group

also be affected. A Transmission System Operator can e.g. reduce or refuse further nominations by ECC with third-party Trading Participants in the event of insufficient collateralisation of ECC in the event of unbalanced nominations. In order to prevent this measure by the Transmission System Operator, ECC will take precautions to a commercially reasonable extent, e.g. by providing collateral.

(f) Technical errors: Deviations can arise in the nomination of transactions as a result of technical problems at ECC, the exchanges, the Transmission System Operators or telecommunications service providers.

(g) Incorrect nomination by ECC: Deviations can also be caused by incorrect ECC nominations.

Deviations arising on account of other circumstances than those listed under sentence 2 lit. (a) to (f) are also treated in accordance with the provisions of this section 4.8.4.

(2) The allocations of the Fallback Coordinator in the Nordic and/or Baltic market areas for the implementation of the Nordic Fallback, which form the basis for the nominations, are equivalent to the deviations pursuant to paragraph 1.

(3) ECC informs the Trading Participants concerned of the existence of and the reasons for a deviation in as far as information with regard to this is available to ECC. ECC is, in particular, entitled to communicate the result of its own examinations regarding the responsibility of one or several Trading Participants and the settlement amounts connected with the event to the Trading Participants in an aggregated and anonymised form. ECC will immediately inform all Trading Participants affected by this section of the measures taken hereunder. ECC reserves the right to specify the measures taken under this section on the ECC website.

(4) If, in the framework of such a measure by the involved Transmission System Operator/s, the transmission rights are reduced towards ECC, it can pass on these reductions to the Trading Participants in the framework of energy deliveries within the market areas concerned. In the event that the trading relationships connected with this reduction cannot be identified without doubt, ECC can effect a proportionate reduction of the deliveries of all Trading Participants within the concerned spot and intra-day markets.

(5) The Trading Participants concerned are obliged to carry out any cooperation activities which might be required, such as e.g. scheduled re-nominations. They have to accept the measures of the Transmission System Operator or of the Fallback Coordinator as well as the measures of ECC based on it. ECC can instruct the Trading Participant to use the ECC values as the basis for its nomination and to re-nominate.

(6) In the event, that a deviation is attributable to the Trading Participant, the Trading Participant shall reimburse ECC for all costs and damages resulting from the deviation. In the event, that one or several Trading Participants do not use their own balancing group, but the balancing group of a balancing group responsible third party ("3rd Party BGR"), ECC may instead demand from the 3rd Party BGR to reimburse ECC for all costs and damages resulting from a deviation on the basis of a separate agreement concluded with the 3rd Party BGR. The 3rd Party BGR and

© European Commodity Clearing AG – part of eex group

the Trading Participants using its balancing group are thus jointly and severally liable to ECC for all costs and damages resulting from a deviation.

(7) ECC may withhold payments to the Trading Participant or charge a Margin until the deviation has been rectified or possible payment obligations of the Trading Participant vis-à-vis ECC pursuant to sections 4.8.4.2 and 4.8.4.3 have been effected.

(8) Measures by the Transmission System Operator are not attributed to ECC or the Trading Participant; any liability of ECC or of the respective Settlement Entity for measures taken by the Transmission System Operator or the Fallback Coordinator or for own measures based on such is excluded for this reason. This applies, in particular, to such measures which ECC adopts in order to pass on own balance deviations to the Trading Participants.

(9) A termination or suspension of participation in clearing with ECC shall not affect the obligations or liabilities of the Trading Participant concerned under this section 4.8.4 until fourteen (14) days after such termination or suspension became effective.

4.8.4.2 Settlement Principles in the Event of Deviations

(1) If a deviation in the context of the locally applicable market rules cannot be remedied in due time, the following shall apply:

(a) The settlement is initially based on the delivery volumes and prices as they are communicated by the Markets, plus the applicable statutory taxes. This does not apply in the case of the Nordic Fallback, where the allocation of the Fallback Coordinator does not constitute a trade confirmation of the Market.

(b) Deviations are settled separately in accordance with the provisions contained in the following rules.

(c) Unless agreed otherwise below, the price for the calculation of deviations corresponds to the price of balancing energy (“Settlement Price”) for the respective aggrieved trading participant as published by the Transmission System Operator, verifiably communicated to ECC or determined by ECC itself, each calculated on the basis of the smallest nominated volume unit (1/4 hour, hour, day). If a balancing energy price is not established by the end of the delivery day of the deviation, ECC can determine the settlement price itself. This is usually effected on the basis of the provisional balancing energy price or of the market prices within the respective market area. If several companies are involved in a deviation and if there is no clearly identifiable party that has caused the deviation and if there is no uniform settlement price for deviations for these, the applicable settlement price is the mean value of all applicable settlement prices.

(d) In deviation to lit. (c), in case of a Nordic Fallback, the volume and prices plus any applicable taxes and fees for the settlement of the deviations are identical to the allocations determined by the Fallback Coordinator.

(e) The deviation is settled, at the latest, four (4) weeks after the receipt of the invoice (settlement statement) for balancing energy from the Transmission System Operator. The

© European Commodity Clearing AG – part of eex group

settlement amount is due immediately without deduction. ECC can correct invoices (settlement statements) which have already been prepared for deviations if it has received corresponding invoices (settlement statements) for balancing energy from the Transmission System Operator. If a deviation has to be settled again due to subsequently received data or invoices (settlement statements) for balancing energy from the Transmission System Operator, the period according to sentence 1 shall begin to run again upon receipt of the invoice (settlement statement) by ECC.

(2) The Trading Participants' right to assert claims to damages is excluded.

4.8.4.3 Allocation of Remaining Damages and Remaining Revenues

(1) In as far as differences remain after the settlement at ECC ("Remaining Damage" or "Remaining Revenue"), these are balanced as follows in a second invoice within a period of one (1) month after the settlement of the deviations:

(a) In as far as ECC is not responsible for the deviation, any damage of ECC which remains in addition to the deviations in section 4.8.4.2 is settled with the Trading Participants. The settlement is effected on a proportionate basis for all Trading Participants in accordance with the amount of the volumes delivered or accepted in the respective market area and during the respective Delivery Period regardless of whether or not the Trading Participants themselves were affected by the deviations.

In the case of the Nordic Fallback, the relevant market area is the entirety of all SDAC-Market Areas and settlement is made pro rata to all SDAC-Trading Participants according to the respective amounts delivered or purchased on the last day on which the SDAC-Products were orderly traded in the entire SDAC-Market Area.

(b) In as far as, at least, one Trading Participant is responsible for a deviation, only that party shall be invoiced for the Remaining Damage of ECC in proportion with the deviation for which it is responsible in deviation from the provision in lit. (a).

(c) If ECC is responsible for the deviation, ECC shall compensate the damage caused for the Trading Participants affected by the deviation at the settlement price for balancing energy within the scope of liability as stipulated in section 3.3.12.

(d) In as far as ECC obtains Remaining Revenues, these are credited to the Trading Participants affected by a deviation on a proportionate basis up to the amount of the loss incurred.

(2) Remaining Damage with the meaning of paragraph 1 above means all types of damage and expenses which ECC incurs in connection with the settlement of deviations. Remaining Damages also means such damages which ECC or the Settlement Entity incurs in connection with the performance of the European Market Coupling (such as shipping) for example the following damages due to errors

– within the market coupling systems of the NEMO and/or the Transmission System Operators,

© European Commodity Clearing AG – part of eex group

- of other NEMOs or their respective central counterparty, or
- of Transmission System Operators, interconnectors or other shipping agents or shippers.

4.9 Physical Settlement of Transactions in Registry Based Products

4.9.1 General Information

(1) The following provisions for Registry Based Products apply with regard to Emission Rights to all transactions with the exception of the Primary Auction in accordance with the Auctioning Regulation, to which chapter 5 applies.

(2) The respective dDelivery dDay for the different Registry Based Product Contracts is determined according to the Contract Specifications.

(3) All deliveries of Registry Based Products are effected in concurrent performance (*Zug um Zug*) in return for the payment of the purchase price on the delivery day. Payment of the purchase price is effected by means of offsetting in accordance with the provision in section 3.3.6 in conjunction with section 3.5.6.

(4) Unless otherwise provided for in these Clearing Conditions, the Trading Participant may request a transfer of the Registry Based Products to a nominated registry account, that is registered in his name. The transfer of the Registry Based Products to a nominated registry account, that is registered in the name of a third party, requires an application, which has to be substantiated by the Trading Participant, on which ECC decides at its sole discretion. ECC shall execute such a transfer, provided that no colliding rights exist under these Clearing Conditions with respect to such delivery.

(5) In order to ensure any transfer of emission allowances within the meaning of the TEHG to the Registry Account of the Settlement Entity in due time, the Trading Participants are obliged to set up the Registry Account of the Settlement Entity as a so-called “Trusted Account” within the meaning of the Commission Delegated Regulation (EU) 2019/1122.

4.9.2 Delivery and Acceptance of Delivery of Emission Rights

(1) Delivery and acceptance of delivery of Emission Rights shall be effected directly by the Trading Participant towards ECC as Settlement Entity subject to the provisions contained in these Clearing Conditions.

For trading on the Spot Market, Trading Participants obliged to deliver Emission Rights shall ensure their capacity to deliver prior to the conclusion of trades by means of corresponding stocks in the registry account of ECC kept fiduciary (“*treuhänderisch*”) for this purpose for all Trading Participants. Missing stocks to the internal registry account of ECC for delivery from Spot Market Transactions must be delivered from an external registry account or the Collateral Registry Account by the end of the business hours of the Union Registry on the day on which the Transaction is concluded at the latest, missing stocks to the internal registry account of ECC for delivery from Derivatives Market Transactions must be delivered from an external registry

© European Commodity Clearing AG – part of eex group

account or the Collateral Registry Account by the end of the business hours of the Union Registry and/or the UK Emission Trading Registry on the Business Day after the Derivatives Market Transaction expires at the latest. Delivery and acceptance of Emission Rights shall not be made to or from the Collateral Registry Account.

(2) Deliveries of Emission Rights shall be effected by means of recording in the internal inventory account kept for this purpose and shall effect a corresponding change in the number of shares which the Trading Participant holds in the total stock kept fiduciary ("*treuhänderisch*") in the registry accounts of ECC at the same time. Through recording of these changes within the internal inventory accounts (section 3.5.9) of the selling Trading Participant and the purchasing Trading Participant, the delivery by the selling Trading Participant to ECC and the delivery by ECC to the purchasing Trading Participant are effected at the same time.

(3) The obligation to deliver an Emission Right shall be considered fulfilled at the time at which the following preconditions are fulfilled:

- corresponding cash settlement (section 3.3.6 in conjunction with section 3.5.6) has been carried out and
- all entries which are required for the transmission of the Emission Rights in the internal inventory accounts kept by ECC have been effected.

(4) The purchasing Trading Participant pledges to ECC the rights purchased from a Spot Market Transactions which are related to the shares in the collective holding booked in its internal inventory accounts and, in particular, the right towards ECC for the delivery of the Registry Based Products to another registry account. The pledge secures the purchase price claims of ECC against the Trading Participant from the Spot Market Transaction.

If the purchasing Trading Participant is a Non-Clearing Member, it also pledges all rights purchased from a Spot Market Transaction which are related to the shares in the collective holding booked in its internal inventory accounts and, in particular, the claim towards ECC regarding the delivery to another registry account secondarily to its Institution Clearing Member to secure the right to reimbursement of the purchase price for those Emission Rights.

ECC and the Institution Clearing Member accept the pledge. The Trading Participant herby notifies the pledge to ECC. The aforementioned pledges shall take precedence over the general security interests (section 3.4.12). In the relationship between the respective Institution Clearing Member and ECC section 3.4.12 paragraph 2 sentence 4 lit. (a) to (c) shall apply mutatis mutandis.

4.9.3 Delivery and Acceptance of Delivery of Capacity Guarantees

(1) Delivery and acceptance of delivery of Capacity Guarantees shall be effected directly by the Trading Participant towards the Settlement Entity and the delivery by the Settlement Entity to ECC at the same time subject to the provisions contained in these Clearing Conditions. Trading Participants obliged to deliver Capacity Guarantees shall ensure their capacity to deliver prior to the conclusion of trades by means of corresponding stocks in the registry accounts of the

© European Commodity Clearing AG – part of eex group

Settlement Entity kept fiduciary ("*treuhänderisch*") for all Trading Participants according to ECC's specifications.

(2) Deliveries of Capacity Guarantees shall be effected by means of recording in the internal inventory accounts and shall effect a corresponding change in the number of shares which the Trading Participant holds in the total stock kept fiduciary ("*treuhänderisch*") in the registry accounts of the Settlement Entity at the same time. Through recording of the changes within the internal inventory accounts (section 3.5.9) of the selling Trading Participant and the purchasing Trading Participant, the delivery by the selling Trading Participant to the Settlement Entity and the delivery by the Settlement Entity to ECC as well as the delivery by ECC to the Settlement Entity and the delivery by the Settlement Entity to the purchasing Trading Participant are carried out at the same time.

(3) The obligation to deliver Capacity Guarantees shall be considered fulfilled at the time at which the following preconditions are cumulatively fulfilled:

- corresponding cash settlement (section 3.3.6 in conjunction with section 3.5.6) has been carried out, and
- all entries in the internal inventory accounts kept by ECC, which are required for the transmission of the Capacity Guarantees have been effected.

(4) ECC transfers Capacity Guarantees purchased or not sold by the Trading Participant to the registry accounts of the Trading Participants by 10:00 a.m. of the second Business Day following the end of the respective auction at the latest.

4.9.4 Special Provisions regarding Default of Registry Based Products

(1) If ECC or ECC Lux cannot use existing Registry Based Products for the settlement of Trades as a result of circumstances for which the Trading Participant required to submit these is responsible, ECC or ECC Lux can request the Trading Participant required to submit these rights or its Clearing Member in the capacity of the guarantor to pay the current exchange or market value ("*Börsen- oder Marktpreis*"), which shall fall due for payment immediately instead of the Registry Based Products which are required for delivery. With regard to this request, ECC or ECC Lux can use the rights pledged also in accordance with section 3.4.12 upon the maturity of the pledge.

(2) If a Trading Participant is in default, in particular, on account of the non-delivery of Registry Based Products to be delivered to the registry account of ECC, at the latest, by 10:30 a.m. on the delivery day ECC or ECC Lux can carry out the following measures, in addition to charging margins:

(a) ECC or ECC Lux can effect a replacement purchase of the Registry Based Products not submitted at their equitable discretion in exchange trading, by means of an over-the-counter Transaction or in another suitable form, at the earliest, at the Delivery Time.

(b) In the event that ECC or ECC Lux announces or effects a replacement purchase in accordance with lit. (a), deliveries by the Trading Participant in default are no longer taken

© European Commodity Clearing AG – part of eex group

into account with a redemptive effect upon the delivery of the due Registry Based Products. However, ECC or ECC Lux shall be free to forego the continuation of the replacement purchase procedure and to consider the Registry Based Products delivered with a delay in the settlement of the delivery obligation.

(c) In as far as the replacement purchase and the delivery of the Registry Based Products to be delivered have been effected, the delivery obligations resulting from the original Transaction cease to apply with redemptive effect. The costs caused by the replacement purchase carried out or, at least, begun shall be assumed by the Trading Participant that has violated the obligation to deliver these Registry Based Products in due time.

(d) In as far as the replacement purchase of the Registry Based Products to be delivered or corresponding attempts have been not successful at the equitable discretion of ECC and/or ECC Lux within (2) Business Days after the delivery day, ECC and/or ECC Lux shall specify a compensation amount which shall replace the Registry Based Products not delivered or not acquired through a replacement purchase (cash settlement) instead of fulfilment. The Trading Participant in default and its Clearing Member as the guarantor are obliged to pay this compensation amount. The compensation amount which ECC or ECC Lux sets off against the purchase price to be paid for the Registry Based Products not delivered is established on the basis of the sum of margins called by ECC or ECC Lux from the Trading Participant obliged to deliver or its Institution Clearing Member for the Trades concerned.

(3) ECC or ECC Lux can have recourse to a Trading Participant - without its Institution Clearing Member guaranteeing this - with regard to cases of damage which ECC or ECC Lux or other Trading Participants have sustained as a result of the default. Regardless of the occurrence of damage, ECC or ECC Lux shall be entitled to the payment of liquidated damages plus interest per calendar day until the delivery by the Trading Participant in default or until the replacement purchase or the determination of the compensation amount in accordance with section 3.8.1 paragraph 3. The outstanding amount within the meaning of section 3.8.1 paragraph 3 corresponds to the amount used for the replacement according to paragraph 2 lit. (a) or to the compensation amount according to paragraph 2 lit. (d).

(4) ECC or ECC Lux does not assume any delivery guarantee and procurement risk with regard to Registry Based Products. Registry Based Products can only be delivered to the buyer if corresponding stocks are available from the Trading Participant who is required to submit these. Any impairment of performance caused by the Trading Participant required to submit the Registry Based Products in the form of impossibility or defaults with the consequences as per paragraphs 1 and 2 must be accepted by the buyer of the Registry Based Products. With regard to any possible damage sustained by the buyer affected by the impairment of performance, ECC or ECC Lux shall

(a) compensate this primarily by forwarding the amount, that remains after setting off the sales price with the cash settlement

© European Commodity Clearing AG – part of eex group

(b) and, at its option, assert the damage against the Trading Participant in default on behalf of the buyer concerned or assign corresponding claims to the buyer concerned in as far as the damage exceeds this amount.

There are no further claims against ECC or ECC Lux on the part of the buyer of the Registry Based Products affected by the impairment of performance.

4.10 Physical Settlement of Transactions in Guarantees of Origin

(1) The settlement of Transactions in Guarantees of Origin shall be effected concurrently against payment of the purchase price exclusively and finally by instruction of ECC to the Register Administrator. With this ECC instructs the Register Administrator to transfer the Guarantees of Origin in the account of the purchasing Trading Participant, which is held by the respective Register Administrator on behalf of this Trading Participant.

(2) In case of auctions of Guarantees of Origin on the Market of European Energy Exchange AG ("EEX AG") the instruction pursuant to paragraph 1 shall simultaneously fulfil the contractual obligations of the Auctioneer for Guarantees of Origin towards the Settlement Entity and of the Settlement Entity towards ECC as well as the contractual obligations of ECC towards the Settlement Entity and of the Settlement Entity towards the purchasing Trading Participant.

(3) In case of Trading in Guarantees of Origin on the Market of EPEX SPOT, the Settlement Entity shall hold the Guarantees of Origin in escrow for the Auctioneer for Guarantees of Origin or the selling Trading Participant from the time of the transfer into the Settlement Entity's account with the Register Administrator until transfer to the purchasing Trading Participant. The instruction pursuant to paragraph 1 shall simultaneously fulfil the contractual obligations of the Auctioneer for Guarantees of Origin or the selling Trading Participant towards the Settlement Entity and of the Settlement Entity towards ECC as well as the contractual obligations of ECC towards the Settlement Entity and of the Settlement Entity towards the purchasing Trading Participant.

(4) In case of Trading in Guarantees of Origin on the Derivatives Market of EEX, the Settlement Entity shall hold the Guarantees of Origin in escrow for the selling Trading Participant from the time of the transfer into the Settlement Entity's account with the Register Administrator until transfer to the purchasing Trading Participant.

The selling Trading Participant must effect the transfer by 2:00 p.m. on the Business Day before the delivery day, but not before the first Business Day of the month in which the delivery day falls. If the selling Trading Participant has not effected the transfer by 2:00 p.m. on the delivery day, ECC and/or the Settlement Entity may, in addition to charging margins, take measures in accordance with section 4.9.4 paragraph 2 lit. (a) to (d) and paragraph 3.

The instruction pursuant to paragraph 1 shall simultaneously fulfil the contractual obligations of the selling Trading Participant towards the Settlement Entity and of the Settlement Entity towards ECC as well as the contractual obligations of ECC towards the Settlement Entity and of the Settlement Entity towards the purchasing Trading Participant.

© European Commodity Clearing AG – part of eex group

(5) Selling Trading Participants assure to ECC and the Settlement Entity by way of an independent guarantee and irrespective of fault, that they are entitled to dispose of the Guarantees of Origin and that they are free from defects of title.

(6) Except for the obligation under paragraph 1, ECC and the Settlement Entity shall not assume any guarantee of supply or any procurement risk for Guarantees of Origin. Instructions to transfer Guarantees of Origin to the purchasing Trading Participant can only be carried out by ECC if corresponding inventory is available. Any impairment of performance caused by an Auctioneer or selling Trading Participant, who is obliged to submit, must be asserted by the purchasing Trading Participants against themselves. With regard to any damages, ECC and/or the Settlement Entity shall proceed in accordance with section 4.9.4 paragraph 4 sentence 3 lit. (a) to (b). There are no further claims against ECC or the Settlement Entity on the part of the purchasing Trading Participants affected by the impairment of performance. ECC and the Settlement Entity shall also not be liable for any other action or omission of the Auctioneer for Guarantees of Origin, the Trading Participants or the Register Administrator, in particular not for the timely, complete and correct execution of the instruction and the book entry by the Register Administrator.

4.11 Physical Settlement of nEHS Transactions

(1) The transfer of nEHS Certificates towards ECC shall be effected in accordance with these Clearing Conditions directly through delivery by the nEHS Seller to the nEHS Disposal Account of ECC. The nEHS Seller obliged to transfer nEHS Certificates shall ensure the ability to deliver prior to the closing of the transactions by maintaining corresponding holdings on the nEHS Disposal Account. If the nEHS Certificates on the nEHS Disposal Account are not sufficient to fulfil the transfer obligations resulting from nEHS Fixed Price Transactions towards Trading Participants, the nEHS Seller is obliged to immediately transfer the quantity of nEHS Certificates required to fulfil these transfer obligations to the nEHS Disposal Account. If the nEHS Certificates to be auctioned on the EEX regulated market are not deposited into the nEHS Disposal Account in a timely manner prior to the auction, the legal consequences shall be governed by the exchange rulebook of EEX in the respectively valid version.

(2) Upon transfer to the nEHS Disposal Account pursuant to paragraph 1, ECC shall hold the nEHS Certificates in escrow for the nEHS Seller until transfer to the purchasing Trading Participant.

(3) The transfer of nEHS Certificates to the purchasing Trading Participant shall be made upon settlement of the purchase price claim of ECC from the respective nEHS Transaction.. For the transfer of nEHS Certificates, ECC shall initiate the national Emissions Trading Registry to account for the nEHS Certificates in accordance with the account specified in the nEHS Transaction.

(4) By the initiation pursuant to paragraph 3 sentence 2, the transfer of nEHS Certificates by ECC to the purchasing Trading Participant shall be carried out. With the initiation according to paragraph 3 sentence 2, the obligations of ECC to transfer the nEHS Certificates are fulfilled.

© European Commodity Clearing AG – part of eex group

(5) nEHS Certificates can only be transferred to the purchasing Trading Participant if corresponding stocks are available. Insofar as the nEHS Seller transfers fewer nEHS Certificates to the nEHS Disposal Account at the Register Administrator than are sold through nEHS Fixed Price Transactions on a sales date, transfer to the purchasing Trading Participants shall only take place after delivery of the nEHS Certificates to the nEHS Disposal Account. ECC shall not be liable for any action or omission of the nEHS Seller or the Register Administrator, in particular regarding the timely, complete and correct execution of the booking by the Register Administrator in cases where the nEHS Seller delivers less nEHS Certificates to the nEHS Disposal Account at the Register Administrator than are sold through nEHS Transactions on a sales date or auction date; corresponding claims of the purchasing Trading Participant against ECC are excluded.

© European Commodity Clearing AG – part of eex group

5. Special Provision regarding the Primary Auctions of Allowances

This chapter shall provide dedicated rules concerning the auctioning of Allowances pursuant to the Auctioning Regulation. These rules shall apply to the Spot Market auctions performed by EEX as the auction platform pursuant to the Auctioning Regulation ("Primary Auctions") and represent the implementation of the Auctioning Regulation with regard to clearing and settlement of Primary Auctions of Allowances, for which ECC is the Clearing System connected to the auction platform in accordance with Article 27 paragraph 2 Auctioning Regulation acting as the sole central counterparty for the primary auction.

The Primary Auction is conducted for the Member States that have concluded a contract or any other contractual arrangements with EEX[20] for appointing it as auction platform pursuant to Article 26 paragraph 1 or Article 29 paragraph 1 Auctioning Regulation, or making use of it pursuant to Article 29 paragraph 6 Auctioning Regulation (the "Service Contract"). The Primary Auction is also conducted for any fund or facility specified in the Auctioning Regulation and/or Directive 2003/87/EC.

In relation to Member States participating in the joint action pursuant to Article 26 Auctioning Regulation, and any fund or facility specified in the Auctioning Regulation and/or Directive 2003/87/EC, the rules in this chapter are to be construed together with the relevant escrow agreement and custody agreement concluded and available on https://www.ecc.de/en/about-ecc/rules (the "Escrow Agreement" and the "Custody Agreement"). In case of contradictions between the special provisions of this chapter 5 and the provisions of the Escrow Agreement and/or the Custody Agreement, the provisions of the Escrow agreement and/or the Custody Agreement shall prevail.

In relation to the Member States not participating in the joint action pursuant to Article 26 Auctioning Regulation Allowances will be held in escrow for such Member State by ECC acting as a custodian for the Member States represented by their respective Auctioneer according to Articles 37 et seq. Auctioning Regulation and as stipulated in these Clearing Conditions until delivery of the Allowances is effected to the successful bidders in accordance with section 5.4.7.

In case of contradictions between the special provisions of this chapter 5, and the rules or provisions in any other sections, annexes, schedules, forms or side letters of or to these Clearing Conditions, the dedicated rules of this chapter 5 shall prevail.

5.1 Participation in Clearing on ECC for Primary Auctions

5.1.1 Participation as a Bidder

Bidders participating in Primary Auctions must be approved as Trading Participants by ECC according to section 2.5. The provisions of these Clearing Conditions shall apply to them accordingly.

[20] ECC acting as the Clearing System for the auctioning of Allowances may also be a contract party.

© European Commodity Clearing AG – part of eex group

5.1.2 Participation as Institution Clearing Member of a Bidder

Institution Clearing Members of Bidders participating in Primary Auctions are obliged to publicly disclose the levels of prices and fees charged to Bidders in Primary Auctions in accordance with Article 38 EMIR. The Institution Clearing Members grant ECC and EEX the right to republish such fees on their respective websites.

5.1.3 Participation as Auctioneer

5.1.3.1 Preconditions for Participation in Clearing as Auctioneer

Pursuant to Article 22 paragraph 1 and 2 Auctioning Regulation, each Member State shall appoint an Auctioneer who will represent the appointing Member State(s) by auctioning the Allowances on its (their) behalf. In addition, the EIB and the European Commission are the Auctioneers for any fund or facility they are mandated to represent in accordance with the Auctioning Regulation and/or Directive 2003/87/EC. The Member States are participating in the auctioning of Allowances at EEX and in the clearing and settlement of the auctioned Allowances at ECC through the admission of their appointed Auctioneers which shall only be admitted in their capacity as representatives of the appointing Member States. The EIB and the European Commission shall also be admitted as Auctioneer pursuant to Article 24 Auctioning Regulation. Auctioneers of Allowances can take part in clearing without a clearing license or the conclusion of an NCM Agreement. The admission by ECC to participate as an Auctioneer in Primary Auctions requires the following conditions to be fulfilled:

(a) The Auctioneer must be a public or private entity appointed as an Auctioneer pursuant to Article 24 Auctioning Regulation or by the contracting Member State that it represents, pursuant to Article 22 paragraph 1 Auctioning Regulation with a mandate to auction Allowances and receive the auction proceeds on its behalf pursuant to Article 23 lit. a) and lit. b) Auctioning Regulation. The EIB and the European Commission, as Auctioneers for any fund or facility they are mandated to represent in accordance with the Auctioning Regulation and/or Directive 2003/87/EC, as well as the Auctioneers appointed by Member States must be admitted at EEX, exclusively for the purpose of auctioning the Allowances and receiving the auction proceeds respectively for any fund or facility they are mandated to represent in accordance with the Auctioning Regulation and/or Directive 2003/87/EC, or on behalf of Member States pursuant to Article 23 lit. a), lit. b) and lit. c) Auctioning Regulation.

(b) The entity appointed by the relevant contracting Member State(s) or pursuant to Article 24 Auctioning Regulation to act as Auctioneer must be a “participant” within the meaning of Article 2 lit. f) ~~of the~~ SFD, which means that it shall either be:

- an institution within the meaning of Article 2 lit. b) SFD;
- a central counterparty within the meaning of Article 2 lit. c) SFD;
- a settlement agent within the meaning of Article 2 lit. d) SFD;
- a clearing house within the meaning of Article 2 lit. e) SFD; or

© European Commodity Clearing AG – part of eex group

- a system operator within the meaning of Article 2 lit. p) SFD.

(c) The Auctioneer must provide a suitable Settlement Account (T2-account) which is also recognised by ECC and to which ECC can pay out the auction proceeds after the execution of the auction ("Nominated Bank Account" according to Article 35 paragraph 1 Auctioning Regulation).

5.1.3.2 Scope of Admission as Auctioneer; Applicable Rules

(1) The Auctioneer may only operate within the scope of its appointment pursuant to Article 22 paragraph 1 Auctioning Regulation and with a mandate to auction the volume of Allowances to be auctioned by each Member State appointing it and to receive and to disburse the auction proceeds due on behalf of the Member State by which it has been appointed, pursuant to Article 23 lit. a), lit. b) and lit. c) Auctioning Regulation; or in case of the EIB according to Article 23 and 24 Auctioning Regulation.

(2) Upon admission by ECC, the Auctioneer is exclusively permitted to participate in Primary Auctions in the capacity of a seller.

(3) In accordance with Article 41 paragraph 1 Auctioning Regulation, the Auctioneer is required to provide Allowances as collateral prior to the opening of the bidding window for a Primary Auction. These pre-delivered Allowances shall be held in escrow by ECC as a security trust ("Sicherungstreuhand") acting as custodian and escrow agent, pending their delivery. No other collateral or contributions can be requested from the Auctioneers for the purpose of their participation in the ECC system.

(4) The rules regarding Trading Participants contained in these Clearing Conditions shall apply to the Auctioneers except the provisions in chapter 3, sections 3.1.1 (Rights and Obligations of the Clearing Member), 3.1.2 (Limits and other special Agreements), 3.1.3 (Rights and Obligations of the Non-Clearing Member), 3.1.4 (Change of Institution Clearing Member and Position Transfer), 3.1.5 (Change of Institution Clearing Member with accelerated Position Transfer) and 3.1.6 (Transfer of Collateral upon the Change of the Institution Clearing Member), 3.2 (Clearing of Registered Transactions), 3.3.1 paragraph 1 to 3 (Conclusion of Transactions), 3.3.2 (Contractual Obligations arising from Derivatives Market Transactions), 3.3.3 paragraph 2 and 4 (Contractual Obligations arising from Spot Market Transactions), 3.3.4 (Settlement of PXE Spot Market Transactions), 3.3.5 paragraph 2 and 3 (Physical Settlement of Transactions - Central Delivery Point), 3.3.6 (Formation of net Receivable and/or Payable and Compression), 3.3.8 paragraph 2 and 3 (Objections), 3.3.9 (Assignment), 3.3.11 (Emergency Measures), 3.3.12 (Liability), 3.4 (Margins Requirements and Collateral), 3.5.1 (Types of Position Accounts), 3.5.2 (Proprietary Positions Accounts), 3.5.3 (Agent Position Accounts), 3.5.4 (Market Maker Position Accounts), 3.5.5 (Account Keeping), 3.5.6 (Clearing Accounts), 3.5.7 (Collateral Clearing Account), 3.5.8 (Cash Collateral Account for Trading Participant Cash Collateral), 3.5.9 (Internal Inventory Accounts for Registry Based Products), 3.6 (Fees and Price List), 3.7 (Default Fund), 3.8 (Default), 3.9 (Termination and Close-out Netting Provisions), 3.10 (Legal Consequences upon Termination), 3.11 (Default Management Auctions), and chapter 4 (Settlement of Transactions).

© European Commodity Clearing AG – part of eex group

(5) Any participation by an Auctioneer in a Primary Auction shall be excluded if the Allowances to be auctioned have not been submitted to ECC's Auction Collateral Delivery Account in due time before the beginning of the auction concerned.

(6) ECC is entitled to revoke or suspend admission as an Auctioneer at any time if the preconditions for the admission as Auctioneer have ceased to be fulfilled or if the Auctioneer is in a material breach of its obligations under these Clearing Conditions which is not capable of being remedied or is not remedied within twenty (20) Business Days of being required by ECC to do so.

(7) Each Auctioneer shall be entitled to unilaterally terminate its admission as an Auctioneer at any time, by means of a written notice, without specifying the reason for such termination.

(8) Any termination, revocation or suspension of an admission as an Auctioneer as from the opening of the bidding window (as defined in Article 3 No. 3 Auctioning Regulation) shall not affect the rights and obligations of ECC and of that Auctioneer arising from the respective Primary Auctions of Allowances for which the relevant Auctioneer is responsible pursuant to Articles 22 paragraph 1, 23 and 24 Auctioning Regulation, until such Primary Auctions of Allowances are settled with finality, i.e. until the relevant Allowances have been delivered on the custody accounts of the successful bidders and the corresponding auction proceeds have been credited to the Nominated Bank Account, alternative account or notary trust account of the relevant Auctioneer.

(9) In case a new Auctioneer is appointed pursuant to Article 24 Auctioning Regulation or by a Member State pursuant to Article 22 paragraph 1 Auctioning Regulation, and that new Auctioneer complies with the conditions of section 5.1.3.1, the admission of the previous Auctioneer appointed pursuant to Article 24 Auctioning Regulation or representing that Member State shall be automatically terminated upon the admission of such newly appointed Auctioneer without changing the rights and obligations under these Clearing Conditions in relation to Article 24 Auctioning Regulation or the Member State/States represented by the Auctioneer that has been replaced.

5.2 Settlement of Disputes and Liability

The provisions of the related and valid Service Contract between the Member States and ECC shall exclusively apply with regard to the settlement of disputes and the Court of Jurisdiction.

With regard to the bidders acting in their capacity as Clearing Members or Non-Clearing Members, the liability provisions of these Clearing Conditions apply.

5.3 Settlement Finality

The settlement finality provisions applicable to the Primary Auctions of Allowances are stipulated under chapter 7.

© European Commodity Clearing AG – part of eex group

5.4 Clearing and Settlement of Primary Auctions of Allowances

5.4.1 Transfer of Allowances to be auctioned

(1) Pursuant to Article 13 Registry Regulation, ECC keeps separate Auction Collateral Delivery Accounts in the Union Registry to hold Allowances on behalf of Member States not participating in a joint action as provided in Article 29 Auctioning Regulation, as well as a single Auction Collateral Delivery Account for the Allowances to be auctioned for any fund or facility specified in the Auctioning Regulation and/or Directive 2003/87/EC, and on behalf of Member States participating in a joint action as provided in Article 26 Auctioning Regulation. These Auction Collateral Delivery Accounts can be used for Primary Auctions only.

(2) ECC and EEX shall determine the Auction Table in accordance with the Auction Calendar pursuant to Articles 52 and 53 Registry Regulation.

(3) In accordance with Article 54 Registry Regulation, the Allowances to be auctioned will be transferred for the Auctioneers into the nominated Auction Collateral Delivery Account held by ECC according to the respective valid Auction Tables, in due time before the auction. If no transfer has occurred in due time before the beginning of the auction, ECC will request EEX to cancel the respective auction.

(4) For each Auction Collateral Delivery Account held by ECC in the Union Registry on an omnibus basis, ECC keeps separate internal inventory accounts for each Member State represented by its relevant Auctioneer and for the EIB and the European Commission separately for any fund or facility they are mandated to represent in accordance with the Auctioning Regulation and/or Directive 2003/87/EC as custody accounts on which the Allowances are credited. Upon each transfer of the Allowances into the Auction Delivery Account held by ECC in the Union Registry, ECC proceeds to matching book entries of the Allowances in the custody accounts of each Member State represented by its relevant Auctioneer or of any fund or facility specified in the Auctioning Regulation and/or Directive 2003/87/EC, respectively. The Allowances credited to the custody accounts are held in escrow by ECC acting as custodian and escrow agent, in accordance with Article 50 Auctioning Regulation. These Allowances held by ECC are off-balance sheet of ECC and constitute collateral security provided into the system within the meaning of Article 2 lit. m) SFD, benefitting from the protection of Article 9 paragraph 1 SFD and in particular of § 166 paragraph 3 InsO. ECC holds the Allowances as collateral provided by the Auctioneer to the benefit of ECC to cover its potential exposures as a result of ECC's obligation to deliver the auctioned Allowances to the successful bidders after the payment of the auction proceeds has been effected.

The Auction Collateral Delivery Account kept by ECC at the Union Registry, the custody accounts provided by ECC, as well as the escrow arrangements and rights and obligations of ECC with respect to the appointment of ECC as custodian and escrow agent pursuant to Article 37 Auctioning Regulation are governed by the separately concluded Custody Agreement and Escrow Agreement.

© European Commodity Clearing AG – part of eex group

5.4.2 Conclusion of a Transaction

Contractual relations resulting from the Primary auctions (Transactions) are concluded between the Member State or any fund or facility specified in the Auctioning Regulation and/or Directive 2003/87/EC, represented by its respective Auctioneer as the seller and ECC as the buyer and at the same time between ECC as the seller and the bidder as the buyer at the moment of determination of the auction clearing price by EEX in accordance with Article 7 paragraphs 1 and 2 Auctioning Regulation.

5.4.3 Contractual Obligations arising from Transactions in Primary Auctions

(1) After the conclusion of a Transaction in a Primary Auction, ECC is under an obligation to pay out the auction proceeds to the Auctioneer and to deliver the auctioned Allowances to the successful bidders.

(2) In Primary Auctions, the Clearing Members appointed by the successful bidders shall be responsible in accordance with section 3.3.3 paragraph 3 for the payment obligations of the successful bidders arising from the matched orders in Primary Auctions. If a Clearing Member participates in Primary Auctions as bidder it must meet its payment obligations arising from matched orders in Primary Auctions in accordance with section 3.3.3.

5.4.4 Principles of the Settlement of the Transactions and Reports

(1) The Transactions as communicated in the trade confirmations by EEX plus the statutory taxes shall form the basis of settlement.

(2) The delivery and trade reports regarding the Transactions shall be forwarded by ECC to the Auctioneers forthwith, usually on the day of the Primary Auction, or they are provided within the trading system of EEX.

5.4.5 Financial Settlement (Payment and Transfer of the Auction Proceeds)

5.4.5.1 Transactions of Bidders

All payments including the statutory incurred taxes are debited from the Clearing Account of the Clearing Member during Batch Processing of the Trading Day.

5.4.5.2 Transactions of Auctioneers

(1) ECC will transfer the auction proceeds in accordance with Article 35 paragraph 2 Auctioning Regulation, immediately after cash collection from the Clearing Members of the successful bidders has taken place on the first Business Day following the day of the auction (T+1) around 8:15 a.m. (but not later than at the end of the respective Business Day) to the respective Nominated Bank Account of the Auctioneer without any deductions (net) and without charging any fees. All payments will be effected in EUR.

© European Commodity Clearing AG – part of eex group

(2) In the event of a failure of cash collection by ECC from one or more Clearing Members, ECC shall effect the transfer of the auction proceeds by applying its default provisions and utilising collateral and Default Fund Contributions as stipulated in sections 3.7 to 3.11.

(3) Where transfer of the auction proceeds to the Nominated Bank Account of a given Auctioneer is unsuccessful due to circumstances outside ECC's control, ECC shall meet its payment obligation by transferring the amount payable to an alternative account if the relevant Auctioneer has nominated such account. Where such alternative account is not provided or payment to that account is also unsuccessful, ECC shall effect its payment obligation by transferring the amount payable to a notary trust account ("*Notaranderkonto*") in cleared funds for the benefit of the relevant Auctioneer. In the case of a transfer to such notary trust account, any cost and possible damages pertaining to the holding of the funds on such notary trust account shall be incurred by the relevant Auctioneer. If the inability to pay to the Nominated Bank Account falls within the scope of responsibility of ECC, ECC shall be liable for the costs and potential damages. The arrangements entered into between ECC and the notary shall provide that the notary shall use its best endeavour to execute without delay the transfer of the amount payable to any account identified and notified by the Auctioneer.

(4) The amount transferred to each Auctioneer shall be equal to the number of Allowances auctioned by that Auctioneer multiplied by the auction clearing price announced in the results of the auction.

(5) With the transfer of the auction proceeds by ECC according to paragraph 1 to 4 above ECC shall be released from its payment obligations.

5.4.6 Treatment of the Transactions in Terms of Value Added Tax

(1) As far as Value Added Tax has to be shown, ~~T~~the Transactions as established in the trade confirmations shall form the basis for the calculation of the Vvalue Aadded Ttax. ~~On this basis and under consideration of the information provided by the Trading Participants regarding the taxation treatment, ECC shall calculate the incurred value added tax with regard to the Transactions separately.~~

(2) The trade confirmations provided by EEX increased or decreased by the ~~Transactions~~Clearing fees billed shall form the assessment basis for the Vvalue Aadded Ttax.

~~(3) The amount of the value added tax established shall be invoiced or credited separately for every Trading Participant.~~

5.4.7 Delivery of the auctioned Allowances to the successful Bidders

(1) Upon payment of the auction proceeds to the Auctioneers, the auctioned Allowances are released from escrow and delivered to the successful bidders in accordance with Article 38 Auctioning Regulation by:

- debiting them from the custody accounts of the Member State represented by its respective Auctioneers and crediting them to the internal inventory accounts kept by ECC as

© European Commodity Clearing AG – part of eex group

custody accounts for the successful bidders on the first Business Day following the day of the Primary Auction; and

- confirming the transfers of the relevant Allowances from the Auction Collateral Delivery Account to the trading account of ECC at the Union Registry in the meaning of Article 35 paragraphs 1 and 2 Registry Regulation. ECC will start the execution of the necessary steps for such confirmation of the transfers of the relevant Allowances from the Auction Collateral Delivery Account to the trading account of ECC at the Union Registry immediately after crediting the internal inventory accounts kept by ECC as custody accounts for the successful bidders referred to in the previous paragraph. The confirmation shall be concluded without delay. After its confirmation, the transfer will be finalised in accordance with the twenty-six (26) hour delay as laid down in Article 35 paragraph 3 Registry Regulation.

(2) In case of failure of cash collection by ECC from one or more Clearing Members ECC shall take delivery of the Allowances pursuant to Article 36 paragraph 4 lit. a) Auctioning Regulation. In such case the Allowances are delivered to ECC by:

- debiting them from the custody accounts of the Member State represented by its respective Auctioneers and crediting them to the internal inventory account kept by ECC on the first Business Day following the day of the Primary Auction; and
- confirming the transfers of the relevant Allowances in the meaning of Article 35 paragraphs 1 and 2 Registry Regulation from the Auction Collateral Delivery Account to the relevant account of ECC at the Union Registry as stipulated under paragraph 1 second indent.

(3) This delivery takes place in fulfilment of the obligation of the Member States or of any fund or facility specified in the Auctioning Regulation and/or Directive 2003/87/EC, represented by their respective Auctioneers to deliver the Allowances to ECC as an equitable consideration (“gleichwertige Gegenleistung" in the meaning of § 142 InsO) in return of the payment of the auction proceeds effected by ECC to the Auctioneers, and, at the same time, in fulfilment of the obligation of ECC to deliver the Allowances to the successful bidders as an equitable consideration (“gleichwertige Gegenleistung" in the meaning of § 142 InsO) in return of the payment of the auction proceeds effected by successful bidders to ECC.

(4) The delivery by crediting of the internal inventory accounts of the successful bidders and the delivery by crediting of the internal inventory accounts of ECC shall be conditional on the confirmation, in the meaning of Article 35 paragraphs 1 and 2 Registry Regulation, of the transfers of the relevant Allowances from the Auction Collateral Delivery Account to the relevant account of ECC at the Union Registry and the relevant incoming credits of Allowances on the internal inventory accounts of the successful bidders or ECC shall only be available to them when they are finally settled upon confirmation in the Union Registry.

(5) In the relationship between ECC and the Auctioneers representing Member States participating in a joint action according to Article 26 Auctioning Regulation or any fund or facility specified in

© European Commodity Clearing AG – part of eex group

the Auctioning Regulation and/or Directive 2003/87/EC, the delivery shall additionally be effected in accordance with the Custody Agreement and Escrow Agreement.

In the relationship between ECC and the successful bidders the delivery shall additionally be effected in accordance with section 4.9.2.

(6) After delivery has been effected in accordance with section 4.9.2, the successful bidder may request a transfer of the auctioned Allowances from the ECC trading account to the nominated registry account of the bidder. The delivery of the auctioned Allowances from the ECC trading account to the nominated registry account of a third party, requires an application, which has to be substantiated by the successful bidder, on which ECC decides at its sole discretion. ECC will perform such transfer if no conflicting rights to such transfer exist under these Clearing Conditions.

(7) If ECC fails to deliver the whole or part of the auctioned Allowances due to circumstances outside its control, ECC shall deliver the Allowances at the earliest opportunity and the successful bidders shall accept delivery at that later date. This shall be the sole remedy to which a successful bidder shall be entitled to in such case (see Article 39 Auctioning Regulation).

© European Commodity Clearing AG – part of eex group

6. Final Provisions

6.1 Sovereign Acts

Any legal act which is transacted by ECC or the respective Settlement Entity upon an instruction by a Market or by a supervisory authority shall not constitute a violation of these Clearing Conditions.

6.2 General Provisions in accordance with the Regulation (EU) 2021/23 ("CCPRRR")

6.2.1 Recognition of Recovery and Resolution Measures

(1) The Clearing Member acknowledges, that it is bound by regulatory early intervention powers or Resolution Measures with respect to its assets, rights and obligations under the Clearing Agreement or these Clearing Conditions pursuant to Regulation (EU) 2021/23 ("CCPRRR"). Resolution Measures are, in particular, the resolution tools under Article 27 paragraph 1 CCPRRR and the resolution powers under Article 48 et seq. CCPRRR.

(2) The Clearing Member acknowledges that, pursuant to Article 54 CCPRRR, any Recovery Measures or regulatory early intervention powers as well as Resolution Measures do not constitute a termination event or an insolvency event in regards of ECC.

6.2.2 Recovery Planning

(1) Pursuant to Article 9 CCPRRR ECC is obliged to establish and maintain a recovery plan. Such recovery plan includes processes, indicators and measures which ECC plans to take in case a Default Event or a Non-Default Event jeopardises ECC's financial or operational survivability.

(2) Pursuant to Article 9 paragraph 1 and paragraph 6 CCPRRR ECC is entitled to

(a) take measures provided for in its recovery plan in case the relevant indicators are met,

(b) take measures provided for in its recovery plan despite the fact that the relevant indicators have not been met, or

(c) refrain from taking measures provided for in its recovery plan despite the fact that the relevant indicators have been met.

ECC shall notify its supervisory authority about any decision taken on the Recovery Situation pursuant to this paragraph.

Recovery Measures are, in particular, the measures of loss allocations under section 3.4.6.2 paragraph 2, the request for Additional Contributions under section 3.7.4 paragraph 5, the allocation of Positions under section 3.11.8 and the cash settlement under section 3.11.9.

ECC publishes on the ECC website an overview on the Recovery Measures and their potential impact on the Clearing Member and their Non-Clearing Member and Clients.

© European Commodity Clearing AG – part of eex group

(3) The obligation of Additional Contributions under section 3.7.4 paragraph 5 does not apply to institutions defined in Article 1 paragraph 4 and 5 EMIR.

6.2.3 Resolution Measures of the Resolution Authority

6.2.3.1 General Provisions

(1) If Bafin as the competent Resolution Authority ("Resolution Authority") considers the conditions for Resolution pursuant to Article 22 paragraph 1 CCPRRR or Article 22 paragraph 5 CCPRRR to be met, the Resolution Authority shall be entitled to use the resolution tools set out in sections 6.2.3.2 to 6.2.3.4.

(2) Prior to the application of these resolution tools, the Resolution Authority shall ensure the enforcement of

(a) all existing and outstanding rights of ECC, including any contractual obligations of the Clearing Members to satisfy recovery cash calls, to provide additional funds to ECC or to assume Positions of defaulting Clearing Members in a Default Management Auction or other means agreed to in these Clearing Conditions;

(b) all existing and outstanding contractual obligations under which other parties than Clearing Members are obligated to provide some form of financial support.

(3) The Resolution Authority may partially enforce the contractual obligations under paragraph 2 lit. (a) and (b) if it is not possible to fully enforce such contractual obligations within a reasonable timeframe.

(4) Deviating from paragraphs 2 and 3, the Resolution Authority may refrain from partial or full enforcement of the existing and outstanding contractual obligations in order to avoid significant disruption of the financial system or an extended contagion or if the application of the resolution tools is better suited to swiftly achieve the resolution objectives.

(5) If the Resolution Authority refrains partially or fully from enforcing existing and outstanding obligations, the Resolution Authority may enforce the remaining obligations within eighteen (18) months since ECC is deemed to be in default or likely to default within the meaning of the CCPRRR, provided that the reasons for refraining from enforcing such obligations no longer exist. The Resolution Authority shall notify the affected Clearing Member and the other party three (3) to six (6) months prior to the enforcement of the remaining obligation. The proceeds from the enforced remaining obligations shall be used to recover the public funds used.

6.2.3.2 Termination and Close-Out

(1) The Resolution Authority is entitled to exercise the rights under section 3.9 et seq. to terminate and close out.

(2) The Resolution Authority is authorised to terminate some or all

(a) of the Contracts with the defaulted Clearing Member,

(b) of the Contracts of the affected Products, or

© European Commodity Clearing AG – part of eex group

(c) other Contracts of ECC.

(3) The Resolution Authority shall notify all Clearing Members concerned (i) of the date of termination of a Contract pursuant to paragraph 1 and (ii) of the determined net amount. The payment of the determined net amount shall be made in the daily payment run.

6.2.3.3 Loss allocation

(1) The Resolution Authority may reduce the amount of ECC's payment obligations to non-defaulting Clearing Members if such obligations result from profits, that are due according to ECC's procedures for making margin payments or a payment with the same economic effect.

(2) The Resolution Authority shall calculate any reduction of payment obligations under paragraph 1 using an allocation mechanism that is determined in the valuation pursuant to Article 24 paragraph 3 CCPRRR and communicated to the Clearing Members without undue delay upon application of the resolution tool. The Clearing Members shall promptly notify their Clients that such tool is applied and how they are affected by its application. The total net profits for each Clearing Member, that are being reduced, shall be proportionate to the amounts owed by ECC.

(3) The reduction in the value of profits to be paid out shall take effect from the moment the Resolution Authority takes the resolution tool and shall be directly binding for ECC and the affected Clearing Member.

(4) Non-defaulting Clearing Members may not assert claims in subsequent proceedings against ECC or any legal successor of ECC based on the reduction of payment obligations pursuant to paragraph 1. Sentence 1 shall not prevent the Resolution Authority from requiring ECC to reimburse Clearing Members if the amount of the reduction based on the provisional valuation according to Article 26 paragraph 1 CCPRRR is found to exceed the required amount of the reduction based on the definitive valuation according to Article 26 paragraph 2 CCPRRR.

(5) If the Resolution Authority reduces the value of the profits to be paid out only partially, the remaining outstanding amount to be paid out shall continue to be owed to the non-defaulting Clearing Members.

6.2.3.4 Resolution Cash Call

(1) The Resolution Authority may require non-defaulting Clearing Members to make a cash contribution to ECC up to twice the amount of their contributions to the Default Fund ("Resolution Cash Call").

(2) The Resolution Authority shall determine the amount of the cash contribution of each non-defaulting Clearing Member in proportion to the Clearing Member's contribution to the Default Fund, up to the maximum limit specified in paragraph 1.

(3) The Resolution Authority may require ECC to reimburse the Clearing Members for the potentially excess amount of a Resolution Cash Call if the amount of the applied Resolution Cash Call based on the provisional valuation according to Article 26 paragraph 1 CCPRRR is found

© European Commodity Clearing AG – part of eex group

to exceed the required amount based on the definitive valuation according to Article 26 paragraph 2 CCPRRR.

(4) If a non-defaulting Clearing Member fails to pay the required amount, the Resolution Authority may require ECC to declare termination in accordance with section 3.9 regarding the relevant Clearing Member and to use its collateral and its contribution to the Default Fund.

6.3 Forwarding of Information

6.3.1 Forwarding of Information regarding Clearing Members, Non-Clearing Members and/or Clients to third Parties

(1) ECC and the respective Settlement Entity shall treat all data and information referring to its Clearing Members and their Non-Clearing Members and/or Clients as confidential. ECC and the respective Settlement Entities may forward information with regard to Clearing Members, Non-Clearing Members and/or Clients in case such is already part of the public domain or in case this is required by legal provisions, in case the Clearing Member, Non-Clearing Member and/or Clients concerned has approved of such forwarding of information or the following provisions allow it.

(2) Regardless of the provisions contained in paragraph 1, ECC shall be entitled to forward all necessary information on the following events to the Markets for the Transactions of which it has taken over clearing as well as to other parties involved in ECC Clearing:

(a) granting of a clearing license (section 2.1)

(b) termination and suspension of a clearing license (section 2.1.8)

(c) restriction of a clearing license (section 2.1.9)

(d) default by a Clearing Member (section 3.8.1)

(e) approval of a Clearing Member or of a Non-Clearing Member as a Trading Participant (section 2.5.1)

(f) revocation of approval as a Trading Participant (section 2.5.2)

(g) suspension of approval as a Trading Participant (section 2.5.3)

(h) termination of the NCM Agreement (section 2.2.2)

(i) the information necessary for the performance of a Default Management Auction.

(3) ECC shall be entitled to forward or request all of the data and information referring to the Clearing Member which is required for the proper execution of clearing and/or the settlement of the Transaction in terms of money, to clearing and settlement institutions called in to that end which are subject to confidentiality provisions similar to those of ECC.

© European Commodity Clearing AG – part of eex group

(4) ECC shall be entitled to provide data and information to the Trading Surveillance Offices of the Markets cleared by ECC, provided that such data and information are necessary for the surveillance of trading and position limits and the Trading Surveillance Offices are subject to confidentiality rules comparable to those of ECC.

(5) ECC shall be entitled to disclose to entities of Deutsche Börse Group which are subject to confidentiality regulations comparable to those of ECC, all data and information relating to Clearing Members, Non-Clearing Members and/or Clients which are relevant for the admission and trading at Markets of Deutsche Börse Group as well as the identification, monitoring and management of risks resulting from arrangements of the entities of Deutsche Börse Group with the respective Clearing Members, Non-Clearing Members and/or Clients.

(6) Under the conditions set out in Article 38 paragraph 5 EMIR, ECC shall make public any violations by Clearing Members of the requirements set out in Article 38 paragraph 1 EMIR.

6.3.2 Forwarding of Information regarding Clearing Members and/or Non-Clearing Members to supervisory and regulatory authorities

ECC and the respective Settlement Entity shall be entitled to forward data and information to competent supervisory authorities or other third parties entitled to such both within the country and abroad, which are subject to provisions regarding confidentiality similar to those of ECC, as part of the legal provisions applicable with regard to its Clearing Members, Non-Clearing Members as well as to ECC and/or the respective Settlement Entity.

6.3.3 Reporting of Derivatives Market Transactions according to Article 9 EMIR

ECC and Clearing Members which are obliged to reporting under Article 9 EMIR shall report the Derivatives Market Transactions on position level in accordance with Article 3 Commission Delegated Regulation (EU) 2022/1855.

6.3.4 Exclusion of commercial use of Data

Clearing Members and Non-Clearing Members may only use data and information received from the Clearing System or the Reports of ECC for their own trading and settlement purposes. A transfer of this data to third parties or a processing of the received data, insofar as this is not necessary for trading on the respective partner exchange of ECC or the Clearing of these Transactions, as well as any kind of commercial use of this data, is not permitted without prior consent of ECC.

6.4 Data Protection / Obligation to pass on Data Protection Declarations

(1) ECC shall have the right to process personal data of persons working for Clearing Members, Non-Clearing Members and Auctioneers if this is necessary to protect the legitimate interests of ECC and if the interests of the persons concerned do not prevail (Article 6 paragraph 1 lit. f) Regulation (EU) 2016/679 (General Data Protection Regulation)).

© European Commodity Clearing AG – part of eex group

(2) Clearing Members, Non-Clearing Members and Auctioneers are obliged to expressly inform the persons concerned about the information provided by ECC on the ECC website (https://www.ecc.de/en/privacy-policy) about this data processing ("Privacy Notice").

6.5 Miscellaneous

In case individual provisions of these Clearing Conditions should be or become void or unenforceable in their entirety or in part, this shall not affect the effectiveness or the enforceability of the remaining provisions. The ineffective provision shall be replaced with a provision permitted by law which is legally effective and corresponds to the commercial intention of the parties. The same shall apply with regard to any unintended~~ional~~ gaps or omissions~~loopholes~~ in these Clearing Conditions~~regulations~~.

6.6 Applicable Law, Legal Venue

(1) These Clearing Conditions shall be governed exclusively by the applicable material law of the Federal Republic of Germany to the exclusion of the UN law on sales. The material law of the place at which physical settlement is actually provided and/or, in the case of Grid-bound Energy, the material law applicable to the Transmission System Operator within whose transmission system delivery is effected shall govern the execution of the physical settlement of Transactions.

(2) The exclusive place of jurisdiction, to the extent permitted by law, shall be for all conflicts arising out of or in connection with these Clearing Conditions Leipzig, Germany. The place of performance shall be Leipzig, Germany.

6.7 Amendments and Supplements

Amendments and supplements to these Clearing Conditions shall be electronically announced to the Clearing Members and Non-Clearing Members of ECC by means of a circular letter and by means of a publication on the ECC website and the Markets at least ten (10) Business Days before such amendments take binding effect. The amendments of these Clearing Conditions and supplements hereto shall be considered accepted unless the Clearing Member or Non-Clearing Member objects to these in writing to ECC within a period of ten (10) Business Days after their announcement. ECC reserves the right to

- terminate the clearing license of the Clearing Member concerned or to order the suspension of the clearing license in the event of an objection by the Clearing Member; or
- terminate the NCM Agreement of the Non-Clearing Member concerned or to order the suspension of the approval as a Trading Participant in the event of an objection by the Non-Clearing Member.

© European Commodity Clearing AG – part of eex group

7. System Agreement

7.1 Payment System within the meaning of the SFD

7.1.1 System

(1) ECC provides the clearing and settlement of transfer orders ("orders") within the meaning of section 7.1.2 for Clearing Members and Settlement Banks in accordance with these Clearing Conditions as the operator (system operator within the meaning of § 1 paragraph 16a KWG, Article 2 lit. p) SFD) of a system within the meaning of §§ 1 paragraphs 16, 24b KWG, § 675p paragraph 5 BGB and Article 2 lit. p) and lit. a) SFD and is legally responsible for operating the ECC system. The ECC system is governed by German law and has been reported as a designated system to the European securities and market supervisory authorities by the German Bundesbank in accordance with § 1 paragraph 16 sentence 1 KWG and Article 2 lit. a) SFD. ECC as central counterparty and clearing house, the Clearing Members, the Auctioneers for Guarantees of Origin according to section 2.9, the Auctioneers according to section 5.1.3, the nEHS Seller according to section 2.10, and the Settlement Banks ("System Participants") are participants in the system.

(2) The system operated by ECC is governed by various protective provisions according to which specifically

(a) Transfer orders and set offs (including Compression and aggregation) are legally binding and also effective towards third parties and may not be reversed in the event of insolvency proceedings against a Clearing Member or a Settlement Bank (§§ 96 paragraph 2, 116 sentence 3, 147 paragraph 1 sentence 2 InsO; cf. Article 3 SFD) as from the moment of entry into the system as specified in sections 7.2 and 7.3 below,

(b) Transfer orders cannot be revoked by Clearing Members or Settlement Banks or by third parties after the time specified in section 7.2 or for Primary Auctions as from the moment of irrevocability as specified in section 7.3 lit. (b) (§ 675p paragraph 5 BGB, cf. Article 5 SFD),

(c) The rights of ECC as the system operator or of another participant (including Auctioneers for the Member States and the Auctioneers of any fund or facility they are mandated to represent in accordance with the Auctioning Regulation and/or Directive 2003/87/EC) regarding provided real collateral which is furnished to it on account of these Clearing Conditions shall not be affected by insolvency proceedings against a Clearing Member, ECC, a Settlement Bank, or any third party which provided the collateral (§ 166 paragraph 3 No. 1 InsO, cf. Article 9 paragraph 1 SFD); this includes pre-delivered Allowances held in escrow by ECC as a security trust ("Sicherungstreuhand") under the Escrow Agreement or under these Clearing Conditions to cover exposures of ECC as a result of ECC's obligation to deliver the Allowances to the successful bidders, and

© European Commodity Clearing AG – part of eex group

(d) The effects of insolvency proceedings on the rights and obligations of the Clearing Members or Settlement Banks as participants in the system are exclusively governed by German law as the legislation of the country which is applicable to the system (§ 340 paragraphs 1 and 3 InsO, Article 12 paragraph 1 Regulation (EU) 2015/848, cf. Article 8 SFD).

7.1.2 Transfer Orders

(1) A transfer order which can be submitted to the system operated by ECC is an instruction which entails the assumption or fulfilment of a payment obligation in accordance with these Clearing Conditions. The time at which the transfer order is submitted to the system and the time at which it becomes irrevocable is listed in sections 7.2 and 7.3.

(2) Regardless of the legal reason for such – transfer orders result from the conclusion or registration of a Transaction by Trading Participants in a Market as well as from the conclusion of subsequent measures, in particular, resulting from the Formation of net accounts receivable and/or Payable and Compressions (section 3.3.6), Trade Transfers (section 3.5.5), position transfers (sections 3.1.4, 3.5.4 and 3.5.5 paragraph 6) as well as from the formation of net positions (section 3.10) and offsetting claims (section 3.9.1). Furthermore, transfer orders result from requesting, transferring, returning and using collateral as well as commitments by the Settlement Bank to accept liability for certain financial liabilities towards ECC.

7.1.3 System Collateral

The collateral provided to ECC as system operators according to section 3.4.1 constitutes system collateral within the meaning of § 166 paragraph 3 No. 1 InsO, which is used to cover claims of ECC from the system.

7.1.4 Obligation of a Settlement Bank

A Settlement Bank is liable towards ECC for the fulfilment of a transfer order initiated by the Settlement Bank towards ECC or a confirmation by the Settlement Bank of a payment request of ECC against the Settlement Account of the DCP Clearing Member.

7.1.5 System Agreement

(1) In as far as the Clearing Conditions were part of an agreement between a Clearing Member and ECC, chapter 7, the provisions in chapter 6 as well as all provisions and definitions of terms in these Clearing Conditions referring to Clearing Members together form an independent contractual agreement (“System Agreement”).

(2) In as far as the Clearing Conditions are part of an agreement between a Settlement Bank and ECC, only this chapter 7 as well as the definitions of Settlement Bank, Settlement Account and DCP Clearing Member in the Clearing Conditions are part of this independent contractual agreement (“System Agreement”).

© European Commodity Clearing AG – part of eex group

(3) The entirety of the System Agreements according to paragraphs 1 and 2 constitutes a formal agreement within the meaning of Article 2 lit. a) SFD which forms a system within the meaning of the SFD.

7.2 Time of the Submission and irrevocability of Transfer Orders

(1) Transfer orders are submitted to the ECC system by the System Participants and, hence, are irrevocable, as of the point of time at which

(a) an order entered into the trading system of a Market is matched with another order in accordance with the rules and regulations of this Market or

(b) a Trade is registered with the rules and regulations of a Market and/or in the case of registration using STP systems (section 3.2 paragraph 3) or in the case that the trade is accepted by the ECC interface or

(c) in case of a payment of the Settlement Bank to ECC, a Settlement Bank has initiated a transfer order against the Settlement Account of the DCP Clearing Member and for the benefit of ECC or has confirmed in a manner previously agreed between the parties that a financial liability, as previously revealed to the Settlement Bank, does exist and will be fulfilled. The Settlement Bank is liable to ECC for the fulfilment of this financial liability (section 7.1.4).

(2) In deviation from paragraph 1, all other transfer orders by System Participants and, in particular, those which result from the Formation of net accounts receivable and/or Payable and Compression (section 3.3.6), Trade Transfers (section 3.5.5), position transfers (sections 3.1.4, 3.5.4 and 3.5.5) and from the formation of net positions (section 3.10) as well as offsetting claims (section 3.9.1) or from requesting, transferring, returning and using of collateral are considered submitted to the ECC system and irrevocable as of the time at which ECC identifies or records the respective transfer orders in the Clearing System.

7.3 Time of Entry into the System and irrevocability of Transfer Orders and Finality of Transfers in relation to Primary Auctions of Allowances

For a Transfer Order regarding the payment of the relating auction proceeds to the Auctioneers and the delivery of Allowances auctioned in Primary Auctions:

(a) the moment of entry into the system according to Article 3 paragraph 3 SFD (Settlement Finality 1) shall be the moment, when EEX and ECC submit the auction tables to the European Commission in accordance with Articles 52 to 53 Registry Regulation. If the auction tables should be amended at a later stage, the moment of entry into the system shall remain to be the moment of submission of the initial auction table,

(b) the Transfer Order shall be irrevocable (Settlement Finality 2) as of the moment of determination of the auction clearing price by EEX,

© European Commodity Clearing AG – part of eex group

(c) each Transfer of Allowances on behalf of the Member States or on behalf of any fund or facility specified in the Auctioning Regulation and/or Directive 2003/87/EC to ECC and payment of the auction proceeds by ECC to the Member States or to the Auctioneers of any fund or facility they are mandated to represent in accordance with the Auctioning Regulation or Directive 2003/87/EC, respectively, shall be final and irrevocable immediately and automatically (Settlement Finality 3) upon fulfilment of the following three conditions:

- the crediting of the related auction proceeds to the Nominated Bank Account of the Auctioneer or a respective alternative account according to section 5.4.5.2 paragraph 3, and
- the release of the Allowances from escrow in accordance with section 5.4.7 paragraphs 1 or 2, and crediting of the Allowances to the internal inventory account of the successful bidders or, in case of failure of collection of the auction proceeds from the successful bidders, crediting the Allowances to the internal inventory accounts of ECC and
- the confirmation, in the meaning of Article 35 paragraphs 1 and 2 Registry Regulation, of the transfers of the relevant Allowances from the Auction Collateral Delivery Account to the relevant account of ECC at the Union Registry.

The delivery of the Allowances on behalf of the Member States or on behalf of any fund or facility specified in the Auctioning Regulation and/or Directive 2003/87/EC, respectively, to ECC by releasing the escrow is final and irrevocable if and only if the payment of the corresponding auction proceeds to the bank account of ECC is final and irrevocable and vice-versa.

(d) each Transfer of Allowances by ECC to the successful bidders and payment of the auction proceeds by the successful bidders to ECC shall be final and irrevocable immediately and automatically **(Finality)** upon fulfilment of the following three conditions:

- the crediting of the related auction proceeds to the bank account of ECC,
- the crediting of the Allowances to the internal inventory accounts which are kept by ECC as custody accounts of the successful bidders in accordance with section 5.4.7, and
- the confirmation of the transfers of the relevant Allowances from the Auction Collateral Delivery Account to the trading account of ECC at the Union Registry, in the meaning of Article 35 paragraphs 1 and 2 Registry Regulation.

The delivery of the Allowances by ECC to the successful bidders by crediting the custody accounts of the successful bidders and confirming the relevant transfer in the Union Registry is final and irrevocable if and only if the crediting of the corresponding auction proceeds to the bank account of ECC is final and irrevocable and vice-versa.

© European Commodity Clearing AG – part of eex group