

Chapter IV of the Clearing Conditions of Eurex Clearing AG

## Clearing of Repo Transactions

As of 15.07.2022

Clearing Conditions of Eurex Clearing AG	Eurex04e As of 15.07.2022
Chapter IV Preamble	

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED,

DELETIONS ARE CROSSED OUT.

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## Preamble

This Chapter IV forms an integral part of the Clearing Conditions of Eurex Clearing AG and respective references in other rules or documents to the Clearing Conditions shall also apply to this Chapter IV.

Chapter I together with this Chapter IV and all references to other Chapters or Annexes of the Clearing Conditions shall apply to (i) all Clearing Members with a respective Clearing License, (ii) all ~~Basic Clearing Member~~ ISA Direct Clearing Members and (iii) all ISA Direct Light License Holders (as defined in Part 3 Number 3.1 (2)) ~~holders of a Specific Repo License~~.

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## Part 1 General Provisions

- (1) If and to the extent that the Clearing of Transactions concluded through the System of Eurex Repo GmbH (Part 2 Number 2.1) has been agreed upon between Eurex Clearing AG and Eurex Repo GmbH (in the following “**Eurex Repo Transactions**”) or the Clearing of Transactions concluded through the systems of another multilateral trading facility (in the following “**Original MTF Repo Transactions**”) has been agreed upon between Eurex Clearing AG and the respective multilateral trading facility or other, equivalent arrangements have been made, the provisions set forth in Chapter I shall also apply to the Clearing of Eurex Repo Transactions and Original MTF Repo Transactions, to the extent that the following rules do not provide otherwise.

Any Original MTF Repo Transaction which has been novated in accordance with Part 2 Number 2.1.2 and any Eurex Repo Transaction shall hereinafter be referred as a “**Repo Transaction**”.

- (2) The Clearing Conditions incorporate by reference the Terms and Conditions for Participation and Trading on Eurex Repo GmbH (*Geschäftsbedingungen für die Teilnahme und den Handel an der Eurex Repo GmbH*) (“**GTCs of Eurex Repo GmbH**”) with respect to the Clearing of Transactions concluded on Eurex Repo GmbH pursuant to this Chapter IV in their German version and as amended from time to time.
- (3) The information statement in Annex 12 in accordance with Article 15 of the Regulation on transparency of securities financing transactions and of reuse (Regulation (EU) 2015/2365) is applicable to Eurex Clearing AG and holders of a Clearing License or ISA Direct Light License ~~a Specific License~~ for Repo and GC Pooling Repo Transactions which are cleared by Eurex Clearing AG and which contain a collateral transfer by way of a title transfer collateral arrangement.
- (4) Unless provided otherwise in this Chapter IV, references in this Chapter IV to ISA Direct Clearing Members and Clearing Agents shall include ISA Direct Indemnified Clearing Members and Indemnifying Clearing Agents, respectively.

### 1.1 Clearing Licenses

#### 1.1.1 Granting of Clearing Licenses

A Clearing License or ~~Basic Clearing Member Clearing License~~ ISA Direct Clearing License is required in order to participate in the Clearing of Repo Transactions; Eurex Clearing AG shall grant such Clearing License or ~~Basic Clearing Member Clearing License~~ ISA Direct Clearing License upon written application.

### 1.1.2 Prerequisites for Clearing Licenses

- (1) With regard to the prerequisites to be fulfilled within the scope of granting the Clearing License, Chapter I Part 1 Numbers 2.1.1 to 2.1.3 apply. With regard to the prerequisites to be fulfilled within the scope of granting of the ~~Basic Clearing Member Clearing License~~ ISA Direct Clearing License, Chapter I Part 6 Subpart A Numbers 2.1.1 and ~~to~~ 2.1.2 (and, if the ISA Direct Clearing License shall be granted as an ISA Direct Indemnified Clearing License, Chapter I Part 6 Subpart B Number 1) apply.
- (2) The applicant shall meet the following additional requirements (and shall comply with such requirements for as long as it holds the relevant Clearing License or ~~Basic Clearing Member Clearing License~~ ISA Direct Clearing License, as applicable):
  - ~~(a) Evidence of technical connection to the systems of Eurex Clearing AG,~~
  - ~~(b)~~ if the applicant intends to clear GC Pooling repo transactions with Eurex Clearing AG (each a "**GC Pooling Repo Transaction**"),
    - (aa) evidence of the participation admission (including, where relevant, of the entering into the related documentation) and technical connection to the collateral management system Xemac of Clearstream Banking AG ("**Xemac**"), the collateral management system CmaX of Clearstream Banking S.A. ("**CmaX**") and/or any other triparty collateral management system or triparty collateral manager as Eurex Clearing AG may from time to time reasonably require, taking into account the interests of Eurex Clearing AG under the Clearing Conditions, developments in the market infrastructure and the collateral management offering as well as the interests of the Clearing Members and ~~Basic Clearing Member~~ ISA Direct Clearing Members, and, in respect of any such requirement affecting a Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member already holding a Clearing License or ~~Basic Clearing Member Clearing License~~ ISA Direct Clearing License for purposes of this Chapter IV, subject to Number 1.5 below (each of Xemac, CmaX or such other triparty collateral management system or other triparty collateral manager, a "**TPCM**"), i.e. (i) either via own participation authorisation in Xemac, CmaX or relevant other TPCM, (ii) via a respective agreement with another settlement institution which is authorised to participate in Xemac, CmaX or relevant other TPCM, or (iii) in case of ~~Basic Clearing Member~~ ISA Direct Clearing Members only, via their Clearing Agent, and
    - (bb) if Eurex Clearing AG required a GC Pooling USD Cash Margin Contribution from the applicant in accordance with Chapter I Part 2 Subpart B Number 5.3, compliance with the applicable GC Pooling USD Cash Margin Contribution requirement.
- (3) The applicant shall – insofar as it intends to use the Gross Delivery Management service (Chapter I Part 1 Number 1.4.2 Paragraph (9) and Number 1.3.1

Paragraph (1) (b) – (e)) also optionally offered by Eurex Clearing AG vis-à-vis Clearing Members, ~~Basic Clearing Member~~ ISA Direct Clearing Members and settlement institutions (Chapter I Part 1 Number 2.1.2 Paragraph (7)) in connection with the implementation of the Clearing of Repo Transactions – provide evidence of a technical and functional connection to the respective interface of the technical systems used by Eurex Clearing AG pursuant to the specifications set forth by Eurex Clearing AG.

## 1.2 Provision of Margin

- (1) In connection with GC Pooling Repo Transactions, the determination of the margin requirement (including the Additional Margin), with regard to the securities assigned within the scope of the Front Leg, also in case of cross-border collateral provision, will be calculated directly by Xemac, CmaX or the relevant other TPCM. During the calculation, Xemac, CmaX or such other TPCM will, according to the provisions of the Special Conditions for Collateral Management of Clearstream Banking AG relating to Xemac (“**SC Xemac**”), the relevant Collateral Management Service Agreement relating to CmaX (“**CMSA**”) or the rules of the relevant other TPCM, respectively, consider the respective currency in which the underlying transaction has been concluded. Also, the securities admissible as securities serving as collateral in connection with the delivery of GC Pooling Repo Transactions will be determined by Xemac on the basis of the SC Xemac, by CmaX on the basis of the relevant CMSA and by the relevant other TPCM on the basis of its relevant rules or the relevant arrangements with such TPCM, as applicable. Other than described in Sentence 1, Eurex Clearing AG may demand that, in excess of the margin requirement calculated by Xemac, by CmaX or by the relevant other TPCM, Additional Margin has to be provided in accordance with the calculation method published pursuant to Chapter I Part 1 Number 3.1.7. The possibility of requiring additional Margin pursuant to Chapter I Part 1 Number 3.3 together with Chapter I Part 2 Subpart A Number 4.2 or additional ~~Basic Clearing Member Margin~~ ISA Direct Margin in accordance with Chapter I Part 6 Subpart A Number 7.3, in particular for collateralisation of exchange rate risks in case of foreign currency transactions, remains unaffected. This in particular applies for the collateralisation of exchange rate risks in case of foreign currency transactions and as well for the delivery of securities as collateral which qualify as own issues in the meaning of the GTC’s of Eurex Repo GmbH in relation to the Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member. With regard to securities which become own issues during the term of the Transaction, this provision applies also. The Clearing Members or ~~Basic Clearing Member~~ ISA Direct Clearing Members are obliged to refrain from provisioning of such own securities as collateral. For the provision respectively collection of Margin, the provisions of Chapter I Part 1 Number 3.2 together with Part 2 Subpart A Number 4, Subpart B Number 5 and Subpart C Number 6 or Part 4 Number 6 apply or, in case of ~~Basic Clearing Member Margin~~ ISA Direct Margin, Chapter I Part 6 Subpart A Number 7 (as relevant, in conjunction with Subpart B) apply.

- (2) With regard to GC Pooling Equity Repo transactions, Eurex Clearing AG shall – in deviation from Paragraph (1) Sentence 3 – define a list of equities included in the DAX®, EURO STOXX 50®, AEX® and CAC 40® which are eligible as securities serving as collateral (“**eligibility list**”) and shall review and update - if necessary - such list on a daily basis. The equities are admitted to this list in accordance with a catalogue of criteria which takes into account the turnover volumes and risk aspects. Irrespective of the regular review, Eurex Clearing AG shall – due to risk management reasons – be entitled at any time to exclude individual securities from the eligibility list. The effective eligibility list will be made available in Xemac, in CmaX or in or via the relevant other TPCM on a daily basis.

Regarding the selection of securities serving as collateral to be transferred from the GC Pooling Equity Basket, concentration limits of Eurex Clearing AG shall apply and will be made public in Xemac, CmaX or in or via the relevant other TPCM.

To the extent a Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member which has available an insufficient amount of eligible securities serving as collateral for the GC Pooling Equity Basket is instead allowed to transfer ownership of securities eligible for the GC Pooling ECB Basket, the rules for settlement of GC Pooling ECB Basket Repo transactions shall apply to such securities serving as collateral.

- (3) In addition to the provisions of Paragraph 1 and 2, the provisions of Chapter I Part 1 Number 3 together with Part 2 Subpart A Number 4, Subpart B Number 5 and Subpart C Number 6 or Part 4 Number 6 and Chapter I Part 6 Subpart A Number 7 (as relevant, in conjunction with Subpart B) shall apply with regard to the basic principles of the margin requirement and – unless aforementioned paragraphs state otherwise – the obligation to provide margin. The provisions of Paragraph (1) Sentence 4 – 10 apply to Special and GC Repo accordingly. In the case securities collateral are qualified as own issues after the settlement of the Front Leg, Eurex Clearing may apply an adequate haircut to cover a higher liquidation risk for Eurex Clearing AG. No automatic substitution is processed.

### 1.3 Set-off Procedure

For the avoidance of doubt, a set-off of claims in accordance with Chapter I Part 1 Number 1.3 shall also be possible between claims resulting out of Eurex Repo Transactions and Original MTF Repo Transactions.

### 1.4 Tax Information Undertakings

- (1) For the purpose of this Chapter IV, “**Tax Information**” shall mean information required by the respective recipient to comply with the rules and regulations of tax authorities.
- (2) Upon application for a Clearing License or an ~~Basic Clearing Member Clearing License~~ ISA Direct Clearing License, as the case may be, pursuant to Number 1.1,



the applicant shall be required to provide Eurex Clearing AG, upon request, any Tax Information.

Further, each Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member is obliged to inform Eurex Clearing AG without undue delay about any changes to the Tax Information previously provided to Eurex Clearing AG.

- (3) Upon request by Eurex Clearing AG, each Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member shall provide any other Tax Information (including, inter alia, Tax Information required by Eurex Clearing to comply with its reporting requirements under 26 CFR § 1.1441-1 et seq. or any successor or replacement regulation thereto).
- (4) Upon the request of a Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member, Eurex Clearing AG shall provide such Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member with Tax Information relating to Eurex Clearing AG that is available to Eurex Clearing AG, provided that the provision of the Tax Information would not materially prejudice the legal or commercial position of Eurex Clearing AG.
- (5) If the identity of the original parties to an Original GC Pooling Repo Transaction or Original MTF Repo Transaction has been disclosed to each other, each Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member shall provide each corresponding Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member (and vice versa) upon request with any Tax Information, provided that the provision of the Tax Information would not materially prejudice the legal or commercial position of the Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member that has received such request.

## 1.5 Changes to Settlement or Collateral Management Infrastructure

- (1) If, as reasonably determined by Eurex Clearing AG, the orderly settlement of a GC Pooling Repo Transaction is no longer ensured because the relevant Settlement Location or the relevant TPCM that has been or is to be involved in the settlement of such GC Pooling Repo Transaction decommissions or will decommission, or changes, its relevant systems or services (or parts thereof) that are required for such orderly settlement, the Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member shall cooperate with Eurex Clearing AG and, upon the request of Eurex Clearing AG, shall, at its own cost, take all actions that Eurex Clearing AG reasonably considers necessary to ensure the continuation of such orderly settlement, including, without limitation, open new cash and securities settlement accounts in or with the same or another Settlement Location or TPCM, participate in and establish a technical connection to a new Settlement Location or TPCM and enter into related arrangements with, as relevant, the same or another Settlement Location or TPCM.
- (2) Eurex Clearing AG will notify the Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member (and its Clearing Agent) in sufficient detail of the

decommissioning or changes to the relevant systems or services by the relevant Settlement Location or TPCM (unless such Settlement Location or TPCM itself informs the Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member of such decommissioning or changes) and of the relevant actions to be taken by the Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member pursuant to Paragraph (1), such notice to also state the final date on which such actions need to be completed (the “**Final Implementation Date**”) and to be given reasonably in advance of the Final Implementation Date in order to allow the Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member to take the relevant actions, taking into account the interests of the Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member.

- (3) If the Clearing Member refuses or fails to take the actions pursuant to Paragraphs (1) and (2) and/or the actions pursuant to Paragraph (8)(b) by the relevant Final Implementation Date (in which case the Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member will be a “**Non-Compliant Clearing Member**”), Eurex Clearing AG shall be entitled (but not obliged) to terminate, by notice to such Non-Compliant Clearing Member, one or more of the relevant outstanding GC Pooling Repo Transactions (to which such decommissioning or change of systems or services pursuant to Paragraph (1) relates) with such Non-Compliant Clearing Member, such termination notice to set a Business Day on which the termination in respect of each relevant outstanding GC Pooling Repo Transaction shall take effect.

Eurex Clearing AG’s rights pursuant to Numbers 7 and 13 of the General Clearing Provisions and, with respect to an ISA Direct Light License Holder ~~holder of a Specific Repo License~~, Part 3 Number 3.5.1 shall remain unaffected.

- (4) If Eurex Clearing AG, in accordance with Paragraph (3), terminates a GC Pooling Repo Transaction the Front Leg of which has already been settled, the maturity date (i.e. repurchase date) of the Term Leg of such GC Pooling Repo Transaction shall be accelerated, and the obligations of such Non-Compliant Clearing Member and of Eurex Clearing AG to settle the Term Leg of such GC Pooling Repo Transaction shall become due on the Business Day on which the termination takes effect.

In the case of such acceleration of the Term Leg, if Eurex Clearing AG reasonably determines that it is unable to purchase the relevant securities to be delivered by it under the Term Leg, Eurex Clearing AG may decide, by notice to the Non-Compliant Clearing Member, to perform a cash settlement in lieu of its securities delivery obligation under such GC Pooling Repo Transaction. The cash settlement amount shall be calculated based on the daily settlement price for the relevant securities notified in accordance with Part 2 Number 2.3 (2).

- (5) In connection with a termination pursuant to Paragraph (3), Eurex Clearing AG may enter into GC Pooling Repo Transactions (corresponding to such terminated GC Pooling Repo Transactions) with one or more other Clearing Members or ~~Basic Clearing Member~~ ISA Direct Clearing Members or into transactions with Clearing

Members, ~~Basic Clearing Member~~ ISA Direct Clearing Members or third parties, in each case in order to hedge its risks resulting from such termination.

- (6) In deviation from Chapter I Number 1.2.2 (1) (a) and (b), Eurex Clearing AG may reject the conclusion of a GC Pooling Repo Transaction with a Non-Compliant Clearing Member that would be based on an order or quote entered into the trading systems of the relevant Market after the Final Implementation Date and with any settlement date that would fall on or after the relevant date that Eurex Clearing AG notifies reasonably in advance to the Clearing Members and ~~Basic Clearing Member~~ ISA Direct Clearing Members (and their Clearing Agents) as the date on which the relevant existing Settlement Location or TPCM is no longer available (or, in respect of Paragraph (8), the GC Pooling Migration Date (as defined below)); in the event of such rejection, neither such GC Pooling Repo Transaction with the Non-Compliant Clearing Member nor the corresponding GC Pooling Repo Transaction with the relevant other Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member will be established.
- (7) The Non-Compliant Clearing Member shall reimburse Eurex Clearing AG for all reasonable costs and expenses incurred by Eurex Clearing AG that result from the Non-Compliant Clearing Member's refusal or failure to take the relevant actions pursuant to Paragraphs (1) and (2) by the Final Implementation Date, including, without limitation, reasonable costs and expenses relating to the acceleration of the Term Leg of the relevant GC Pooling Transaction(s) and the entering by Eurex Clearing into any corresponding GC Pooling Repo Transaction(s) and/or other transactions in accordance with Paragraph (5) or from a rejection pursuant to Paragraph (6), and indemnify Eurex Clearing AG against any damage claims of third parties, in particular of other Clearing Members or ~~Basic Clearing Member~~ ISA Direct Clearing Members that are parties to GC Pooling Repo Transactions that correspond to the GC Pooling Repo Transactions to which the termination pursuant to Paragraph (3) relates.

The right of Eurex Clearing AG to claim further damages shall remain unaffected.

- (8) Without prejudice to the provisions of Paragraphs (2) to (7) of this Number 1.5, the following applies:
- (a) As of a date (which will be a Monday) that will be notified reasonably in advance by Eurex Clearing AG to the Clearing Members and ~~Basic Clearing Member~~ ISA Direct Clearing Members (and their Clearing Agents) (the "**GC Pooling Migration Date**"), (i) Xemac will no longer be available as a Settlement Location or TPCM for purposes of this Chapter IV and (ii) the relevant Settlement Location and TPCM services for Xemac customers will be offered under the collateral management system CmaX solely by Clearstream Banking S.A. (except that certain accounts for the participation in CmaX services may be held with Clearstream Banking AG). Eurex Clearing AG will also notify the Clearing Members and ~~Basic Clearing Member~~ ISA Direct Clearing Members (and their Clearing Agents) of the Final Implementation Date relating to the GC Pooling Migration Date.

- (b) Accordingly, and subject to any further details and requirements that may be communicated to the relevant Clearing Members and ~~Basic Clearing Member~~ ISA Direct Clearing Members (and their Clearing Agents) separately by Clearstream Banking S.A. and/or Clearstream Banking AG, (i) Clearing Members and ~~Basic Clearing Member~~ ISA Direct Clearing Members connected to CmaX shall, where relevant, enter into modified collateral management arrangements or additional documentation in relation to the CmaX service with Clearstream Banking S.A., (ii) Clearing Members and ~~Basic Clearing Member~~ ISA Direct Clearing Members previously connected to Xemac shall enter into new collateral management arrangements in relation to CmaX with Clearstream Banking S.A. (or, as relevant and if they are already connected to CmaX, into modified or additional documentation with Clearstream Banking S.A. for the purposes of participating in CmaX) and, if they continue to use any accounts with Clearstream Banking AG for purposes of their participation in CmaX, allow access of the CmaX system to such accounts, and (iii) Clearing Members and ~~Basic Clearing Member~~ ISA Direct Clearing Members shall take all other actions that (as reasonably advised by Clearstream Banking S.A. or Eurex Clearing AG) are necessary for their participation in the CmaX services and for establishing (or maintaining) the related technical connection.
- (c) With respect to any GC Pooling Repo Transactions, settlement instructions (under the Front Leg or the Term Leg of such GC Pooling Repo Transactions) can be settled through the existing settlement infrastructure until (and including) 15:45 hours, Frankfurt am Main time, on Thursday immediately prior to the GC Pooling Migration Date. On Friday immediately after such Thursday a settlement will be unavailable (settlement holiday). If any settlement of a GC Pooling Repo Transaction would fall after the above-referenced time on such Thursday or would fall on such Friday, the due date for such settlement will be postponed to the following Monday (which is the GC Pooling Migration Date).
- (d) As of the GC Pooling Migration Date, references in this Chapter IV in connection with GC Pooling Repo Transactions to "Xemac" and "CmaX" shall be read as references to CmaX with Clearstream Banking S.A. acting as Settlement Location and TPCM.
- (9) If and to the extent that, with respect to GC Pooling Repo Transactions of an ~~Basic Clearing Member~~ ISA Direct Clearing Member, the Clearing Agent of such ~~Basic Clearing Member~~ ISA Direct Clearing Member holds the relevant accounts, or is a party to the relevant arrangements, with the relevant Settlement Location or TPCM, such Clearing Agent shall be subject to the obligations set out in this Number 1.5, provided that if such Clearing Agent fails to take the actions pursuant to Paragraphs (1) and (2) and/or pursuant to Paragraph (8)(b) by the Final Implementation Date, each of its relevant ~~Basic Clearing Member~~ ISA Direct Clearing Members, but not such Clearing Agent, will be the Non-Compliant Clearing Member.

## Part 2 Clearing of Repo Transactions

### 2.1 Repo Transactions

- (1) A Repo Transaction is a purchase/sale of securities and their simultaneous forward re-purchase/re-sale. Thus, such transaction is a combination of a purchase agreement ("**Front Leg**") with simultaneous re-purchase agreement ("**Term Leg**") of securities of the same type and category at a certain point in time.
- (2) The settlement or clearing of Repo Transactions will be realised to the extent that the underlying securities of the respective Repo Transaction are cleared by Eurex Clearing AG and settled by the respective Settlement Location and that the prerequisites pursuant to this Number 2.1 are fulfilled.

#### 2.1.1 Inclusion of Eurex Repo Transactions into Clearing by Open Offer or by Novation

- (1) Eurex Clearing AG shall determine in consultation with Eurex Repo GmbH which kind of Eurex Repo Transactions or securities underlying these Eurex Repo Transactions shall be included in the Clearing. Clearing Members and ~~Basic Clearing Member~~ ISA Direct Clearing Members will be notified by Eurex Clearing AG via electronic publication in the internet exclusively, available on the Eurex Clearing Website, as regards those securities transactions that are included in the Clearing. In connection with GC Pooling Repo Transactions, the notification of included securities shall be carried out in Xemac, in CmaX or in the relevant other TPCM.
- (2) Eurex Repo Transactions shall be included in the Clearing by way of open offer or by way of novation in accordance with the Terms and Conditions for Participation and Trading on Eurex Repo GmbH.

#### 2.1.2 Inclusion of Original MTF Repo Transactions into Clearing by Novation

- (1) Eurex Clearing AG shall determine in consultation with the respective multilateral trading facility which kind of Original MTF Repo Transactions or securities underlying these Original MTF Repo Transactions shall be included in the Clearing. Clearing Members and ~~Basic Clearing Member~~ ISA Direct Clearing Members will be notified by Eurex Clearing AG via electronic publication in the internet exclusively, available on the Eurex Clearing Website, as regards those securities transactions that are included in the Clearing. In connection with GC Pooling Repo Transactions, the notification for included securities shall be carried out in Xemac, in CmaX or in the relevant other TPCM.
- (2) ~~The Each Clearing Member or Basic Clearing Member~~ ISA Direct Clearing Member agrees that upon acceptance of an Original MTF Repo Transaction for inclusion in the Clearing by Eurex Clearing AG based on the data and information of the Original MTF Repo Transaction transmitted by the multilateral trading facility to Eurex Clearing AG, transactions will be concluded between Eurex Clearing AG in its

capacity as seller or buyer, as applicable, and the respective Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member by way of novation subject to, and in accordance with, Chapter I Part 1 Number 1.2.2 (2) and the following provisions.

- (3) Original MTF Repo Transactions have to be transmitted to Eurex Clearing AG in a standardised form by the respective multilateral trading facility accepted by Eurex Clearing AG which will provide information and notices regarding such transactions to Eurex Clearing AG.

Eurex Clearing AG makes no representation, whether expressed or implied, as to the complete and timely performance of the multilateral trading facility's duties and obligations vis-à-vis the Clearing Members ~~and/or Basic Clearing Member~~ ISA Direct Clearing Members. Eurex Clearing AG assumes no liability to the Clearing Members ~~and/or Basic Clearing Member~~ ISA Direct Clearing Members for any act or failure to act by the multilateral trading facility vis-à-vis the Clearing Members or ~~Basic Clearing Member~~ ISA Direct Clearing Members in connection with any information or notices received by Eurex Clearing AG or given to the Clearing Members or ~~Basic Clearing Member~~ ISA Direct Clearing Members via the multilateral trading facility, as the case may be.

- (4) Eurex Clearing AG may reject (i.e. not accept) Original MTF Repo Transactions for inclusion in the Clearing, if the following conditions have not been complied with:
- (a) Original MTF Repo Transactions are entered into the system of Eurex Clearing AG in accordance with Number 2.1.2 (1) above and comply with the requirements for Repo Transactions set out in this Chapter IV and the other formal requirements as defined by Eurex Clearing AG from time to time,
  - (b) each counterparty (other than Eurex Clearing AG) to an MTF Repo Transaction resulting from the novation is a Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member of Eurex Clearing AG, and
  - (c) the Clearing License of the involved relevant Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member is not suspended and a Termination Date has not occurred with respect to the relevant involved Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member, respectively.
- (5) The MTF Repo Transactions resulting from the novation shall be established with the agreed terms set out in the respective information received by Eurex Clearing AG from the relevant Clearing Members or ~~Basic Clearing Member~~ ISA Direct Clearing Members via the multilateral trading facility (such information, as amended from time to time and accepted by Eurex Clearing AG, the "**Repo Information**"). To the extent the rules of the multilateral trading facility so provide, the relevant Clearing Members or ~~Basic Clearing Member~~ ISA Direct Clearing Members may, during the term of MTF Repo Transactions, at any time agree on an amendment of the Repo Information. The relevant MTF Repo Transactions shall be

amended accordingly, provided that Eurex Clearing AG is entitled to reject such amendment.

- (6) Following the conclusion of MTF Repo Transactions by way of novation pursuant to this Number 2.1.2, Eurex Clearing AG will on the same Business Day send corresponding confirmations to the respective Clearing Members or ~~Basic Clearing Member~~ ISA Direct Clearing Members.
- (7) The Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member shall check without undue delay all reports and other communications from Eurex Clearing AG received by it via the multilateral trading facility.

The Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member shall inform Eurex Clearing AG without undue delay of any errors or omissions by the multilateral trading facility that become apparent from such checks.

## 2.2 General Provisions

- (1) For the settlement of Repo Transactions, Chapter I Part 1 Number 1.2.5 and 1.4 applies, unless otherwise provided in Paragraph (2). With regard to the securities admitted to delivery for GC Pooling Repo Transactions, the participating Clearing Members and ~~Basic Clearing Member~~ ISA Direct Clearing Members shall receive a report on the available assets respectively held in their depositories.
- (2) With respect to the procedure for delivery and payment resulting from Repo Transactions, the following provisions shall apply in addition to Chapter I Part 1 Number 1.2.5 and 1.4:

(a) Purchase Agreement (Front Leg):

All physical deliveries and payments shall be concurrently performed between the Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member obliged to deliver and Eurex Clearing AG, and, accordingly, between Eurex Clearing AG and the Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member which is to receive delivery on the agreed delivery day of the Front Leg. Physical deliveries shall be made through a Settlement Location, and payments shall be made through the corresponding account determined by such Settlement Location.

(b) Repurchase Agreement (Term Leg):

All physical deliveries and payments shall be concurrently performed between the Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member obliged to deliver and Eurex Clearing AG, and, accordingly, between Eurex Clearing AG and the Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member which is to receive delivery on the agreed delivery day of the Term Leg. Physical deliveries shall be made through a Settlement Location, and payments shall be made through the corresponding account determined by such Settlement Location.

## (c) Physical Deliveries:

Eurex Clearing AG shall, with respect to Securities held in collective safe custody (*Girosammelverwahrung*) delivered to it pursuant to Paragraph (2) (a) and (b), act as an intermediary of the Clearing Members or ~~Basic Clearing Member~~ ISA Direct Clearing Members which are obliged to deliver in order to subsequently deliver such securities to the Clearing Members or ~~Basic Clearing Member~~ ISA Direct Clearing Members which are to receive delivery. With respect to the settlement of transactions concluded by Clearing Members or ~~Basic Clearing Member~~ ISA Direct Clearing Members, the transfer of ownership in respect of the Securities held in collective safe custody (*Girosammelverwahrung*) to be delivered will thus be performed directly between the involved Clearing Members or ~~Basic Clearing Member~~ ISA Direct Clearing Members.

## (d) Delivery and payment with regard to GC Pooling Repo Transactions:

In case of GC Pooling Repo Transactions, the delivery instructions regarding existing delivery- and payment obligations shall be given by Eurex Clearing AG on the basis of the securities to be delivered; such securities shall be selected by Xemac pursuant to the SB Xemac, by CmaX pursuant to the relevant CMSA or by the relevant other TPCM on the basis of its relevant rules, each in their current version. An obligation to grant authorisation within the meaning of Chapter I Part 1 Number 1.4.2 Paragraph (2) also exists with regard to the execution of an exchange ("**substitution**") of securities assigned in connection with a GC Pooling Repo Transaction.

For the procedure regarding deliveries and payments pursuant to Paragraph (1) above, the following deviating provisions apply:

The transfer of ownership regarding the securities to be delivered between the Clearing Members or ~~Basic Clearing Member~~ ISA Direct Clearing Members and Eurex Clearing AG, and vice versa, shall be carried out in accordance with relevant applicable law, depending on the account relevant for such transfer, pursuant to German law or pursuant to the laws of the Grand Duchy of Luxembourg and pursuant to the additional contracts having been used as basis by the parties. The provisions of Chapter I Part 1 Number 1.4.2 Paragraph (4) and (9) apply with the proviso that the payment is settled via the account of the Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member which is determined for settlement in the currency of the underlying transaction.

For the purpose of this Chapter IV, "**Target Settlement Time**" shall mean the time until which any delivery or payment incumbent on the Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member must be made available for settlement in such a way that the Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member is able to fulfil its obligations vis-à-vis Eurex Clearing AG for the relevant day of performance.



## (aa) Target Settlement Times for GC Pooling Repo Transactions:

With regard to GC Pooling Repo Transactions settled in Euro (“EUR”) on a Business Day other than the trade date, the Target Settlement Time shall be 10:45 hours (Frankfurt am Main time). With regard to GC Pooling Repo Transactions, which are settled in EUR and whose trade date equals the settlement date of the Front Leg, the Target Settlement Time shall be 30 minutes after the conclusion of the GC Pooling Repo Transaction.

With regard to GC Pooling Repo Transactions settled in U.S. Dollar (“USD”) on a Business Day other than the trade date, the Target Settlement Time shall be 15:00 hours (Frankfurt am Main time). With regard to GC Pooling Repo Transactions, which are settled in USD and whose trade date equals the settlement date of the Front Leg, the Target Settlement Time shall be

- for Transactions which are concluded until 14:30 (Frankfurt am Main time) 15:00 (Frankfurt am Main time), and
- for Transactions which are concluded after 14:30 (Frankfurt am Main time), there is a fulfilment no later than 30 minutes after the conclusion of the GC Pooling Repo Transaction.

With regard to GC Pooling Repo Transactions settled in Swiss Franc (“CHF”) on a Business Day other than the trade date, the Target Settlement Time shall be 13:45 hours (Frankfurt am Main time). With regard to GC Pooling Repo Transactions, which are settled in CHF and whose trade date equals the settlement date of the Front Leg, the Target Settlement Time shall be no later than 30 minutes after the conclusion of the GC Pooling Repo Transaction.

With regard to GC Pooling Repo Transactions settled in currencies other than EUR, USD or CHF on a Business Day other than the trade date, the Target Settlement Time shall be 11:30 hours (Frankfurt am Main time).

With regard to GC Pooling Repo Transactions, which are settled in currencies other than EUR, USD or CHF and whose trade date equals the settlement date of the Front Leg, the Target Settlement Time shall be no later than 30 minutes after the conclusion of the GC Pooling Repo Transaction.

## (bb) Target Settlement Times for GC Pooling FL Early Settlement Repo Transactions

Eurex Clearing AG may offer the Clearing of GC Pooling Repo Transactions with an earlier Target Settlement Time for the Front Leg than the time specified in Subparagraph (aa) (“**GC Pooling FL Early Settlement Repo Transactions**”). Multilateral trading facilities may submit qualifying transactions with a special identifier agreed between Eurex

Clearing AG and the relevant multilateral trading facility to identify them as GC Pooling FL Early Settlement Repo Transactions or Eurex Clearing AG and the relevant multilateral trading facility may agree in advance to handle certain transactions as GC Pooling FL Early Settlement Transactions. If the Front Leg of each GC Pooling FL Early Settlement Repo Transaction is settled in any currency on a Business Day other than the trade date, the Target Settlement Time shall be 07:30 hours (Frankfurt am Main time). Except as otherwise provided in this Subparagraph (bb), Part 2 Number 2.2 (2) (d) (aa) shall apply *mutatis mutandis*.

(cc) Target Settlement Times for GC Pooling TL Early Settlement Transactions

Eurex Clearing AG may offer the Clearing of GC Pooling Repo Transactions with an earlier Target Settlement Time for the Term Leg than the time specified in Subparagraph (aa) ("**GC Pooling TL Early Settlement Transactions**"). Part 2 Number 2.2 (2) (d) (bb) shall apply *mutatis mutandis*.

(dd) Target Settlement Times for GC Pooling FLTL Early Settlement Transactions

Eurex Clearing AG may offer the Clearing of GC Pooling Repo Transactions with an earlier Target Settlement Time for both the Front Leg and the Term Leg than the time specified in Subparagraph (aa) ("**GC Pooling FLTL Early Settlement Transactions**"). Part 2 Number 2.2 (2) (d) (bb) shall apply *mutatis mutandis*.

### 2.3 Daily Settlement

- (1) For each delivery of the underlying security to the respective Eurex Repo Transaction which has not yet been performed, unrealised profits and losses will be determined daily on the basis of the current market prices and set off against the collateral provided. The amount of the collateral to be provided shall equal the difference between the price at which the transaction was concluded and the daily settlement price for such Business Day.
- (2) The daily settlement price shall be determined by Eurex Clearing AG after close of trading and notified to the Clearing Members and ~~Basic Clearing Member~~ ISA Direct Clearing Members (or the Clearing Agents acting in the name of an ~~Basic Clearing Member~~ ISA Direct Clearing Member).
- (3) For unfulfilled deliveries within the context of GC Pooling Repo Transactions, an evaluation of the securities to be delivered, which are selected by Xemac, CmaX or by the relevant other TPCM pursuant to Paragraph (1) and (2), will be carried out pursuant to Number 2.2 Paragraph (2) d) in relation to the relevant claim in the underlying currency.

## 2.4 Performance

- (1) A delivery obligation arising out of a Repo Transaction can only be satisfied by the respective underlying securities which – in case of GC Pooling Repo Transactions – are specifically defined by Xemac, CmaX or by the relevant other TPCM, claims from safekeeping abroad (*Gutschriften in Wertpapierrechnung*) or security credits (insofar consistently described as “**securities margin**”) which are admissible for a transaction in this currency and basket.
- (2) Eurex Clearing AG shall deliver the securities due for delivery to the Clearing Members or ~~Basic Clearing Member~~ ISA Direct Clearing Members entitled to delivery.
- (3) Provided that for the fulfilment of delivery obligations of originally transferred or assigned securities margin, which have been transferred, within the context of the Term Leg of an GC Pooling Repo Transaction, have been substituted during the term of the transaction, these alternatively assigned or transferred securities margin shall apply as underlying to the Repo Transaction for the fulfilment of delivery obligations.
- (4) Eurex Clearing AG makes no representation, whether express or implied, as to the complete and timely performance of Xemac, CmaX or relevant other TPCM vis-à-vis the Clearing Members or ~~Basic Clearing Member~~ ISA Direct Clearing Members. Eurex Clearing AG assumes no liability to the Clearing Members or ~~Basic Clearing Member~~ ISA Direct Clearing Members for any act or failure to act by Xemac, CmaX or relevant other TPCM in connection with the delivery or substitution of underlying securities or securities margin and corporate actions with regard to such underlying securities or securities margin.

## 2.5 Payment of Interests and Dividends, as well as other Corporate Actions (Compensation)

- (1) If interests or dividends are paid on the underlying security during the term of a Repo Transaction, e.g. during the Purchase Agreement and the Repurchase Agreement, Eurex Clearing AG shall arrange for the credit of the accrued amount of interests or dividends to the Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member which has sold the respective securities. Besides, Eurex Clearing AG shall arrange for the charge of an amount equal to the amount of interests or dividends to the Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member which has purchased the respective securities. Cash settlement shall be made through the RTGS Accounts, the euroSIC Accounts, the accounts with Euroclear Bank S.A./N.V. in Brussels or with Clearstream Banking S.A. In case of Euro GC Pooling Repo Transactions, the compensation payment shall be initiated via Eurex Clearing AG through Xemac, CmaX or the relevant other TPCM.
- (2) Securities serving as collateral in GC Pooling Equity Basket Repo transactions shall be substituted in Xemac, CmaX or in the relevant other TPCM by other eligible securities prior to corporate actions, dividend payments and other income events.

The timely re-transfer by substitution shall remain in the sole responsibility of the Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member which has transferred the securities serving as collateral. Such Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member must take the necessary measures to enable a timely re-transfer, thus enabling such Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member to exercise or respectively perform its rights relating to the respective corporate action.

## 2.6 Failure to Deliver

- (1) Any failure to make a payment or delivery when due shall be governed by the following procedure:
  - (a) Failure to Deliver on the due date of the Front Leg
    - (aa) Repo Transactions other than GC Pooling Repo Transactions

If, under a Repo Transaction other than a GC Pooling Repo Transaction, on the due date of the Front Leg (i) the Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member acting as cash taker fails to deliver the Securities or (ii) the Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member acting as cash provider fails to provide the respective cash amount, Eurex Clearing AG shall be entitled and, on request of the Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member (or the Clearing Agent acting in the name of the ~~Basic Clearing Member~~ ISA Direct Clearing Member), in respect to the corresponding Repo Transaction between Eurex Clearing AG and such Clearing Member or ~~Basic Clearing Member~~ ISA Direct Clearing Member, acts, in case of (i), as cash provider and which did not receive delivery of the Securities in time or, in case of (ii), as cash taker and did not receive the delivery of cash in time, obliged to set the present Business Day, at the latest the delivery day of the Term Leg, as an advanced repurchase date of the Term Leg. As a consequence thereto, the mutual obligations arising out of this Repo Transaction which had originally been agreed upon shall be offset against each other so that the parties, with the exception of the Repo interests agreed upon, do not owe each other any further payment or delivery. The payable Repo interests shall be calculated on the basis of the period of non-delivery, in each case for the period from the purchase date (inclusive) until the Business Day to which the Term Leg was advanced (exclusive).

If a negative Repo interest has been agreed upon, the calculation of the Repo interest no longer applies, if Eurex Clearing AG is able to set the present Business Day as an advanced repurchase date of the Term Leg of the respective Eurex Repo Transaction. The contractual penalty for a failure to deliver Securities or cash pursuant to Chapter I Part I Number 14.2.2 shall not apply.

In respect of a failure to deliver CSDR Penalty In-Scope Securities the provisions on penalties set out in Chapter I Part 1 Number 1.4.4 (2) apply.