

**Buy-in User Guide – FSE, Eurex Repo and Eurex
Exchange valid from 01 June 2022**

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1 Introduction

This Buy-in User Guide describes the Buy-in functionality provided with Eurex Clearing's securities clearing service. The document contains the Buy-in process including specific procedures, and the Cash Settlement Process in case of an unsuccessful Buy-in process.

The Buy-in process is initiated by Eurex Clearing AG in case of failed settlement of trades from the FSE (Frankfurt Stock Exchange) in equity style products, or in fixed income products from the FSE and Eurex Repo, or in subscription rights¹, or is initiated in case of failed deliveries out of the physical fulfillment of derivative contracts from Eurex Deutschland ("Eurex Exchange").

ECAG can conduct a Buy-in by way of auction. According to process requirements, Eurex Clearing AG involves the Clearing Member (CM) signing responsible for the late sell trade, the Buy-in auction participants selling to ECAG and the buyer(s) of the securities. Clearing Conditions of Eurex Clearing AG as well as Auction Terms of Eurex Clearing AG apply as framework for these procedures.

¹ The term "equity style products" covers equities, all depository receipts (GDRs, ADRs, etc.) and also ETCs/ETNs, the term "subscription rights" covers traded subscription rights and additional rights resulting from corporate actions. Therefore in the following descriptions it is only necessary to distinguish between equities and subscription rights where essential.

2 Buy-in Process Overview

In this chapter an overview of the ECAG Buy-in process for failed equity or fixed income trades, to a disclosure for late subscription rights, and Cash Settlement for aforementioned products is given.

ECAG can conduct a Buy-in by way of auction.

The Buy-in process consists of transactions within the CCP system, as well as of transactions outside of the CCP system via the B7 system and of the Central Security Depositories' settlement applications.

The ECAG Buy-in process is designed in accordance with the product per market and in accordance with the EU Short Selling regulation. The general Buy-in process is related to the CSDs CBF, CBL and SIS and consists of Buy-in auctions or Cash Settlement. The special Buy-in process is related to Euroclear UK & Ireland and consists as well of Buy-in auctions or Cash Settlement but based on a special schedule. Additionally, a disclosure process (not a Buy-in) for subscription rights takes place.

A Buy-in auction is performed according to this timeline:

Current Day:

After 15:55: Identification of Buy-in trades and notification to the failing party

Next Day:

10:05: Announcement of Buy-in auction

11:00 – 11:20: Buy-in auction

After 11:40: Determination of auction result

2.1 Buy-in Schedules

2.1.1 General Buy-in Schedule for ISINs that fall under the EU Short Selling regulation

The Buy-in process is initiated to settle outstanding failed equity trades of a Clearing Member that are to be settled at the CSDs CBF, CBL, SIS and Euroclear UK & Ireland.

The Clearing Member signing responsible for the late sell trade, hereinafter referred to as the "original seller", has the opportunity of delivering the securities until the Buy-in attempt, and in-between the Buy-in and the Cash Settlement attempt in case the Buy-in attempt is unsuccessful.

A Cash Settlement for the remaining quantity will be initiated on S+8. The general Buy-in process for ISINs that fall under the EU Short Selling regulation is as follows:

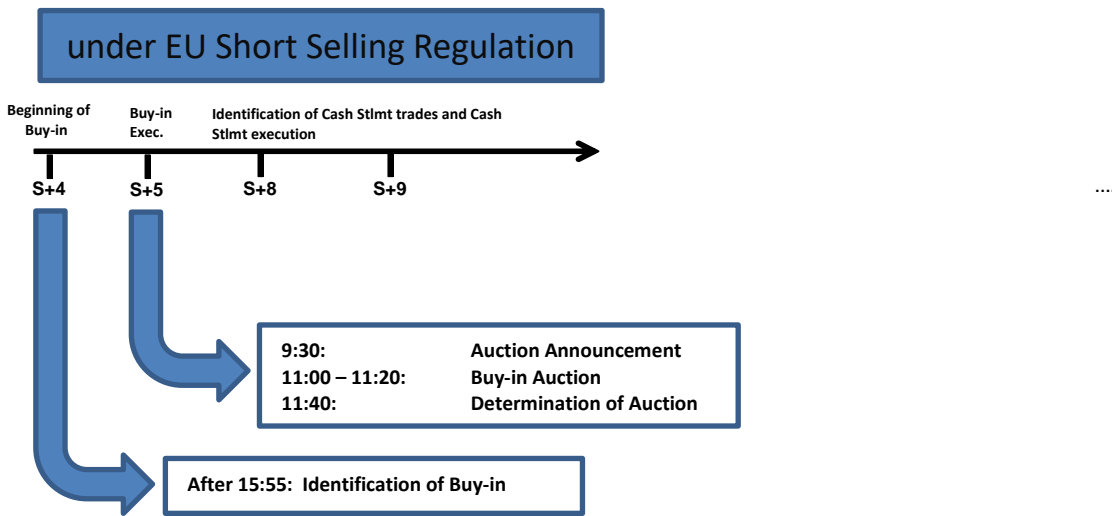


Figure 1: Buy-in for ISINs that fall under the EU Short Selling regulation and to be settled at the CSDs CBF, CBL, SIS as well as Euroclear.

For late subscription rights the specific processing described in chapters 2.3 and 3.3 applies².

2.1.2 General Buy-in Schedule for ISINs that do not fall under the EU Short Selling regulation

The Buy-in process is initiated to settle outstanding failed equity trades in ISINs that do not fall under the EU Short Selling regulation or bond trades of a Clearing Member that are to be settled at the CSDs CBF, CBL, Euroclear Bank (EB) or SIS. It consists of a regular and an additional Buy-in initiation schedule. While the regular process comprises a sequence of three Buy-in attempts³ and a Cash Settlement, in the additional process a Buy-in auction and a subsequent Cash Settlement are performed as long as the preceding attempts have not been successful.

The Clearing Member signing responsible for the late sell trade, hereinafter referred to as the “original seller”, has the opportunity of delivering the securities until the first Buy-in attempt, and in-between the proceeding Buy-in and Cash Settlement attempts in case the Buy-in or Cash Settlement attempt is unsuccessful.

A Cash Settlement for the remaining quantity will be initiated for the first time on S+30, if the assigned buy trade(s) is (are) at least 30 days late. The Cash Settlement can then be attempted for the first time during a time period of six days from S+30 till S+36.

With the extended Buy-in process the auction and Cash Settlement sequence can be repeated with an open end until the delivery obligation of a late trade has been (completely) fulfilled. Each specific Buy-in attempt must have been performed before a Cash Settlement can potentially take place.⁴

The general Buy-in process is as follows:

² Throughout the document the term “subscription rights” comprises additional rights (additional trades due to corporate actions) as well as traded rights (trades from the trading locations T7 (XETR and Börse Frankfurt (XFRA))).

³ The number of days late as basis for first and second Buy-in auction attempts is defined in the Clearing Conditions for Eurex Clearing AG.

⁴ For details in the context of delay in delivery or payment please refer to the Clearing Conditions for Eurex Clearing AG, available www.eurex.com > Rules & Regulations > Clearing Conditions.

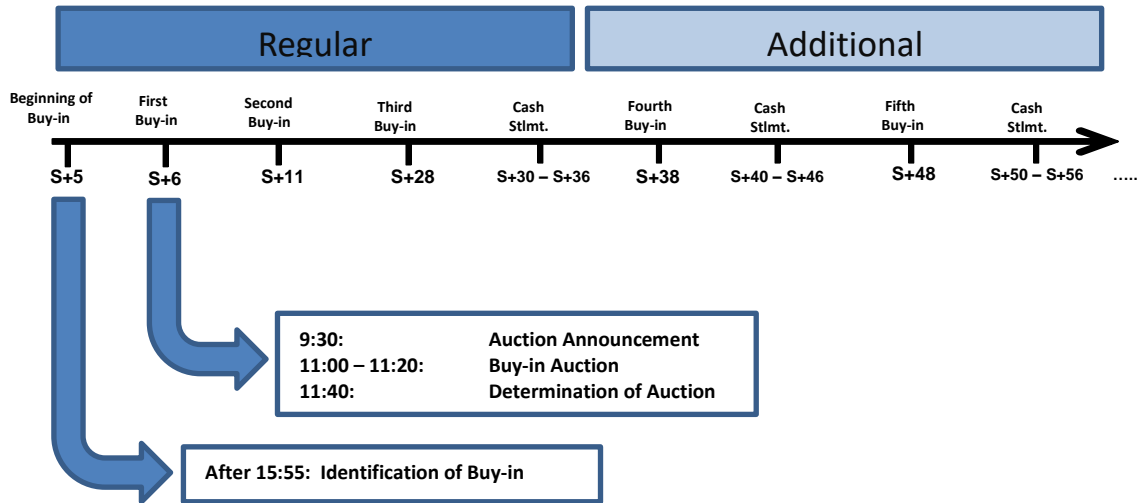


Figure 2: General Buy-in Schedule for ISINs that do not fall under the EU Short Selling regulation

For late subscription rights the specific processing described in chapters 3.2 applies⁵.

2.1.3 Extraordinary Buy-in Schedule

In exceptional cases Eurex Clearing AG has the right to initiate a Buy-in outside of the above mentioned schedules. An extraordinary Buy-in applies not only in case a scheduled corporate action event for the respective security takes place on a regular Buy-in announcement day but in general.⁶

Hence, Eurex Clearing AG will initiate a Buy-in auction outside of the general schedule as follows:

- If the Buy-in auction coincides with a corporate action entitlement day of an instrument, it will be postponed for one business day. Hence, a Buy-in auction on the entitlement day of a corporate action would be avoided.
- As subscription rights are in general available for trading and delivery during a restricted period, a special schedule is required to ensure the settlement before the subscription right's expiration date, i.e., at the end of the subscription.

2.1.4 Special Buy-in Schedule for Options Contracts of Group ID GB11 and IE11

For late trades that do not fall under the EU Short Selling regulation from options contracts with the assigned group IDs GB11 and IE11 the Buy-in process schedule is limited to a regular schedule as follows:

⁵ Throughout the document the term "subscription rights" comprises additional rights (additional trades due to corporate actions) as well as traded rights (trades from the trading locations Xetra (XETR) and Börse Frankfurt (XFRA)).

⁶ The details regarding this extraordinary procedure are contained in the Clearing Conditions for Eurex Clearing AG.

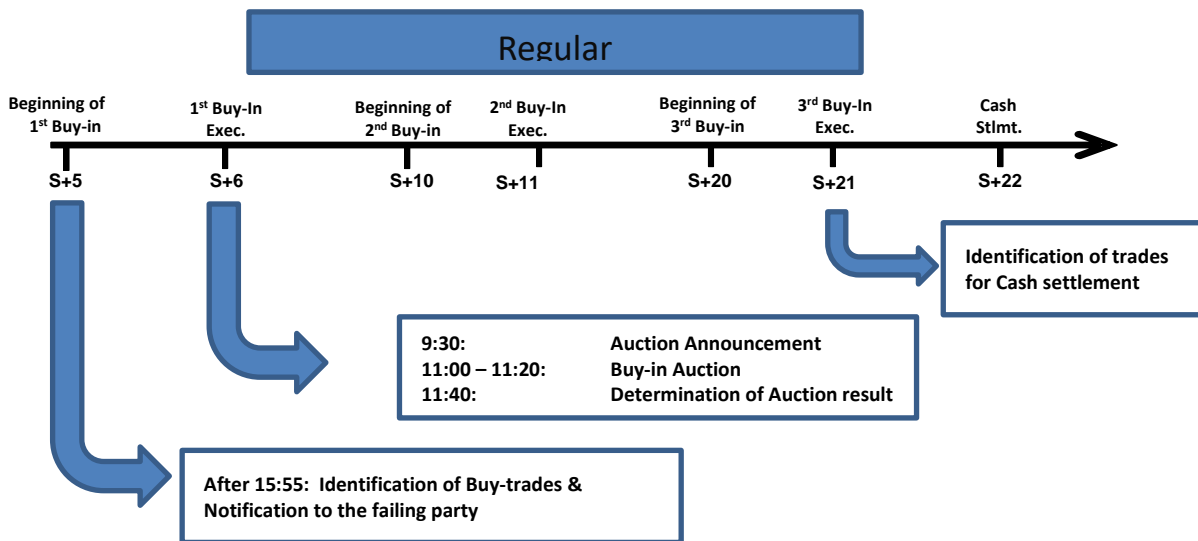


Figure 3: Special Buy-in Schedule for options contracts of Group GB11 and IE11

It comprises a sequence of three Buy-in attempts. If the third Buy-in auction has still not completely fulfilled the delivery obligation of the late sell trade, a Cash Settlement with value date S+22 is finally initiated for the remaining quantity. The three Buy-in auctions must have been performed before the Cash Settlement can potentially take place.

The original seller has the opportunity of delivering the securities after the contractual settlement date until the first Buy-in attempt and in-between the proceeding Buy-in attempts, until the Cash Settlement.

If a buy-trade is 21 business days late, a sell-out would be processed.⁷

When a Buy-in attempt has been (partially) successful, the original seller and Eurex Clearing AG have to delete their pending instruction in CREST. If the obligation to match the cancellation in CREST has not been met and thus securities were transferred to Eurex Clearing AG, the original seller will be in charge: He has to match a reverse instruction from Eurex Clearing AG, and for the significant effort to turn the settlement back, Buy-in fines will be charged.⁸ The fines processing is described in chapter 4.5.

The successfully stocked up quantity of the pending transaction in CREST has to be deleted by Eurex Clearing AG and the Clearing Member; a duplicate settlement due to omission on defaulting member-side will be fined.

In case the Buy-in trade could not be settled in CREST, the respective trade is Buy-in released and receives then the release status “released”.

⁷ Because this is an exceptional case, the sell-out is considered here as a subordinate procedure and not given an own chapter like Cash Settlement.

⁸ For further details please refer to the Clearing Conditions for Eurex Clearing AG, available under www.eurex.com > Rules & Regulations > Clearing Conditions at the Eurex website.

3 Buy-in Processing

3.1 General Principles

A Buy-in or Cash Settlement is performed by Eurex Clearing AG for a failed sell trade from T7 (XETR) and Börse Frankfurt (XFRA), or for a physical fulfillment of a derivative contract at Eurex Exchanges⁹ not settled within a specified number of days after its contractual settlement date.

Furthermore, a failed trade may arise from the obligation to deliver a specified number of subscription rights not settled until end of the subscription period. This implies a disclosure or a Cash Settlement.

Quantities contained in an offsetting block resulting from the Securities CCP settlement netting processing and cash-only Strange-Nets resulting from the C7 SCS netting processing are not subject to Buy-In processing, as here the obligation to deliver securities is offset against the right to receive the same amount of securities. Hence the Buy-in processing applies only to net surplus, gross trades or Net Position Trades to be physically delivered at the respective CSD.

Based on the specified number of late days, Eurex Clearing AG takes the following measures regarding failed equity and bond trades:

Eurex Clearing AG initiates Buy-in auctions in order to find Buy-in sellers to deliver the securities in place of the late original seller. Trades resulting from a Buy-in auction are hereinafter referred to as "Buy-in trades". The Buy-in seller has the obligation to deliver the Buy-in securities to Eurex Clearing, whereas the originally selling Clearing Member legally retains the obligation to deliver until the Buy-in trade is settled. This implies that both, the original seller and the Buy-in seller, have a delivery obligation until the settlement of the Buy-in trade is verified. Consequently, the failed trade has to be considered as pending within the CCP system up to the settlement of the Buy-in trade.

Where the Buy-in auctions do not lead to a delivery of the required securities, the trade is still regarded as failed and subject to further processing. Eurex Clearing AG performs a Cash Settlement whereby the obligation to deliver the securities is replaced by a cash payment. Eurex Clearing AG determines the affected buy and sell trades, calculates the cash settlement price, creates the corresponding cash transactions and then marks the trades as "Cash Settled".

Where the Buy-in trade is settled, the delivery obligation of the failed original seller is set to "Buy-in Settled" in the CCP system for the corresponding quantity of the failed trade. The failed trade remains existent until its total quantity is settled by Buy-in trades or by delivery from the original seller itself, or by Cash Settlement. The defaulting original seller will be debited with the price difference between failed sell trade and the Buy-in trade.

3.2 Buy-in Processing of Subscription Rights

Eurex Clearing AG will not initiate a Buy-in auction in order to find counterparties to deliver subscription rights in place of the original seller of the failed subscription rights position. Eurex Clearing AG will rather perform a disclosure after the end of the subscription period.

Within the CCP two types of subscription rights are processed:

1. Traded rights are received from the trading locations T7 (XETR) and Börse Frankfurt (XFRA).

⁹ Derivative contracts are limited to those contracts, which are to be fulfilled physically. However, failed deliveries resulting from notifications/allocations of fixed income futures are not subject to the buy-in processing outlined in this document.

2. Additional rights due to corporate action event processing based on pending equity trades.

Both additional and traded rights can occur in the same ISIN.

With the Buy-in process for subscription rights a specific procedure is in place considering a disclosure period, and if the disclosure was not successful a Cash Settlement. This procedure applies for additional and for traded rights.

Please note: Partial rights are Cash Settled by Eurex Clearing AG, no disclosure is conducted.

The Buy-in processing of subscription rights as a specific CCP procedure is conducted by the following two step approach:

1. After end of subscription period:
CCP discloses original seller and buyer. A maximum of 10 business days is allowed for a bilateral settlement between both counterparts.
2. After disclosure period:
If no agreement between the respective Clearing Members has been reached, Eurex Clearing AG determines a Cash Settlement in the settlement currency of the instrument.

This Buy-in processing does not differentiate between traded rights and additional rights, but they are distinguishable by having a counter-value or not.

Special Buy-in Processing of Subscription Rights for Contracts of Group ID GB11 and IE11:

Eurex Clearing AG will not perform a disclosure on the last day of the subscription period for Contracts of Group ID GB11 and IE11, but a Cash Settlement will be determined in the settlement currency of the instrument directly.

3.2.1 Last Day of Subscription Period

On the last day of the subscription period, Eurex Clearing AG identifies all surplus and gross trades that are late on CM level and discloses the respective counterparts of these remaining buy and sell trades to the affected Clearing Member.

3.2.2 Disclosure Period

During the following disclosure period of ten business days the counterparties have the opportunity to bilaterally agree on a regulation of the deliverable part of the original transaction. Whenever the Clearing Members have confirmed in writing to Eurex Clearing AG a positive settlement feedback, the respective trades receive the settlement status “externally settled”.

The cash part of the original transaction, typically not equal to 0 for traded rights, is still regulated between the respective Clearing Members and Eurex Clearing AG, as described in chapter 4.2.2. The cash amount is entered by Eurex Clearing AG with cash transaction type 452 CASH SETTLEMENT RCV used to credit the original seller, and with cash transaction type 454 CASH SETTLEMENT PAID used to debit the buyer. Value date for these cash transaction is the following business day.

If the members cannot agree on a bilateral regulation, or, if this agreement is not indicated by both parties to Eurex Clearing AG during the disclosure period until latest after 10 business days, the trades are considered within the Cash Settlement process, as described in chapter 5.

3.3 Buy-in Auction

A Buy-in is performed on an aggregated level, i.e., per ISIN code for each defaulting Clearing Member for the accumulated quantity of its failed sell trades due for the Buy-in attempt, but not based on single failed trade. Hence, multiple failed trades can be subject to one Buy-in auction.

3.3.1 Identification of Buy-in Trades

Before a Buy-in announcement, Eurex Clearing AG identifies the failed trades to be covered by Buy-in trades, so called “Buy-in candidates”, according to the following criteria:

- The sell trade is a certain number of days late, according to the respective settlement schedule outlined above.
- The sell trade is not fully settled on CM level.
- The remaining quantity of the sell trade is either part of the surplus or is marked for gross processing.

In case the original Buy-in quantity consists of more than one failed trade, the oldest failed trade will be replaced first by the Buy-in quantity; one partial trade is possible.

Eurex Clearing AG differentiates between “regular” and “irregular” Buy-in candidates: Regular Buy-in candidates are failed trades relevant for a regularly scheduled Buy-in. Irregular Buy-in candidates are failed trades that are one additional day late related to a regularly scheduled Buy-in due to a corporate action event. Thereby the number of business days is determined based on the CCP calendar and the calendars of the settlement location i.e., a business day in this context is defined as a business day in the CCP and at the respective CSD.

The named CCP back-office staff of the Clearing Member of the original seller will be informed about the Buy-in auction.

3.3.2 Buy-in Block / Buy-in Release

A failed trade for which a Buy-in auction has been performed successfully; the release status “Buy-in Block” is set. The Buy-in Block becomes effective for the available Buy-in quantity of a failed trade.

The Buy-in Block is set after the end of the same-day settlement processing and before the settlement processing for the next business day. The respective delivery instruction at the CSD is cancelled to ensure that the trade at that time is not considered in settlement.

In the case that the Buy-in trade has not been settled it is set to “Buy-in Released” and failed trade will be re-instructed to CSD for settlement. The available remaining quantity will receive the release status “Hold”.

The available remaining quantity for settlement in Crest is however earmarked as “released”.

3.3.3 Settlement of the Buy-in Trade

The Buy-in auctions are executed B7 software application to acquire the securities to ECAG. In order to manage the settlement of the Buy-in transaction following the auction, B7 provides certain notifications indicating the settlement instructions but also providing detailed information on the way the respective fields in the settlement instruction will have to be populated. For more details, pls refer to the B7 Handbook for Auction Participants available in Deutsche Boerse Member Section <https://membersection.deutsche-boerse.com>.

A Buy-in auction is definitely unsuccessful, if no Buy-in seller has been found or no Buy-in seller has delivered the securities until settlement cut-off. A Buy-in is partially unsuccessful, if the complete Buy-in quantity has not been covered. In this case the failed original trades are "Buy-in Released" and considered within the regular late delivery handling.

The original seller's obligation to deliver the corresponding securities is then still valid – until possibly a next Buy-in auction resp. Cash Settlement is initiated.

3.3.3.1 Successful Settlement of the Buy-in Trade

Were the receipt of securities on the business day, on which the scheduled Buy-in took place, can be confirmed, the original quantity of the failed trade corresponding to the quantity of the Buy-in trade is set to "Buy-in Settled" to eliminate the original seller's delivery obligation. I.e., the Buy-in settlement status becomes effective only for the available Buy-in quantity of a failed trade. For SECOM and CREST trades the status is set latest after the business day has ended with completion of the same-day settlement processing. Clearstream Xact trades are Buy-in settled latest when the business day has ended before NTP.

The securities ECAG has received via the Buy-in are transferred to the buyer.

In the CCP system the corresponding quantity of the failed trade is then treated as "settled".

3.3.4 Buy-in Trade Related Cash Transactions

The settlement amount required for the Buy-in trade is debited to the Clearing Member of the failed original seller. All payments in EUR and CHF are settled in Central Bank money at German Bundesbank or Swiss National Bank, and payments related to settlement via EUI are settled via payment banks. Payments in USD or other currencies are settled via the linked Clearstream cash account in commercial bank money.

The settlement amount is calculated as price difference between the unit prices of the failed trades and the average unit price of the Buy-in trade(s), multiplied with the quantity.

A unit price of the Buy-in trade greater than the unit price of the failed trade indicates that Eurex Clearing has paid a greater cash amount for the Buy-in trade as it receives from the buyer. Hence, this amount needs to be debited to the Clearing Member of the failed original seller. This situation is regarded as typical for Buy-ins.

The exceptional event that the unit price of the Buy-in trade is smaller than the unit price of the failed trade indicates that Eurex Clearing has paid less than it receives from the buyer. In this case Eurex Clearing AG will trigger that the difference amount is credited to the company's capital reserves of Eurex Clearing AG. No additional cash transaction is required for this case.

3.4 Buy-in Fees and Fines

3.4.1 Buy-in Fees for Buy-in auction

A Buy-in fee is debited from the Clearing Member of the failed original seller. This Buy-in fee is designed to compensate the effort caused by a Buy-in processing; hence the fees are charged once for every performed buy-in auction.

For every Buy-in auction executed, Eurex Clearing is entitled to receive the following fees from the non-delivering Clearing Members:

Trading venue / instrument group	ECAG Buy-In Fees
Frankfurter Wertpapierbörse (Bonds)	0,1% amount owed securities (min, EUR 250, max. EUR 3000)
Frankfurter Wertpapierbörse (Equities)	10% amount owed securities (min EUR 250, max. EUR 3000)
Eurex Repo	0,1% amount owed securities (min EUR 250, max. EUR 3000)
Eurex Exchange (ETFs)	10% amount owed securities (min EUR 250, max. EUR 3000)
Eurex Exchange (Equities)	10% amount owed securities (min EUR 250, max. EUR 3000)
Eurex Exchange (GB Equities)	10% amount owed securities (min GB 225, max. GB 2700)
Eurex Exchange (IE Equities)	10% amount owed securities (min EUR 250, max. EUR 3000)
Eurex Exchange (Bonds)	0,1% amount owed securities (min EUR 250, max. EUR 3000)
Eurex Exchange (ETC)	10% amount owed securities (min USD 350, max. USD 4200)

In conjunction with the Buy-in processing for Irish and UK instruments and for Exchange-Traded Commodities Securities, additional Buy-in fines for delivery after the obligation to deliver has ceased are in place. Because of allowances for special expenditures at Eurex Clearing AG in case that the original seller did not cancel but transferred securities in CREST although his obligation to deliver expired effectively with the Buy-in success, he is liable to pay the amount of GBP 350.00/EUR 500.00 /USD 700.00 to Eurex Clearing AG.

In addition to the fees resulting from the Buy-in auction, the Clearing Member who failed to deliver the securities will be debited with the price difference of the securities bought in the auction. There is a maximum price for which the owed securities will be bought via auction. For more details pls refer to Price Premium Table available in Deutsche Boerse Member Section <https://membersection.deutsche-boerse.com>.

4 Cash Settlement Procedure

The Cash Settlement process is performed for the failed quantity of a sell trade in an equity, bond, exchange traded fund (ETFs) or subscription right relevant for Cash Settlement.

The Cash Settlement will be initiated regularly scheduled in case a failed trade has not been fully settled by the predefined number of days after the contractual settlement date, in case the Buy-in auction(s) was (were) not successful, or, subsequent to an unsuccessful disclosure for subscription rights.

For all markets a Cash Settlement handling fee is charged, 0,0025% of the outstanding (sell) cash amount is debited from the late seller, minimum EUR 250 and maximum EUR 1000.

4.1 Identification of Cash Settlement Relevant Trades

On a potential Cash Settlement Day according to the Buy-in schedule, Eurex Clearing AG identifies Cash Settlement candidates, i.e., failed sell trades that have not been successfully covered meantime. In general, a Cash Settlement will only be initiated, if at least one corresponding buy trade fulfills the criteria listed below. To settle the failed sell trade one or more corresponding buy trades need to be identified.

The following criteria apply:

- The buy trade is not fully settled.
- The buy trade is the necessary number of days late e.g., S+8 days for buy trades in ISINs that do not fall under the EU Short Selling regulation (minimum number of days late does not apply for buy trades in ISINs that do not fall under the EU Short Selling regulation)

If more than one buy trade fulfills these criteria, the buy trade with the oldest contractual settlement date will be considered first.

Additionally, Eurex Clearing AG identifies Cash Settlement candidates resulting from a disclosure, i.e., failed sell trades that could not be bilaterally regulated between the two trading participants meanwhile.

To settle the failed sell trade the Cash Settlement candidates are identified after the same-day settlement processing. Depending on the quantity of the failed sell trade(s), one or several buy trades as well as a fraction of a buy trade can be determined.

Before performing the Cash Settlement, Eurex Clearing AG always informs the named CCP back-office staff of the failed seller's Clearing Member and the selected buyer(s) about the Cash Settlement.

4.2 Cash Settlement Amounts Calculation

The cash amount required for the Cash Settlement is debited to the Clearing Member of the defaulting original seller. It is calculated as the price difference between the defined cash settlement price and the failed trade price, times quantity. The Clearing Member(s) of the buyer(s) of the identified trade(s) is (are) credited with a compensation amount, which is calculated as the price difference between the defined cash settlement price and the trade price of the respective buy trade, times quantity.

In a first step, for equities, the cash settlement price of the failed trades is determined as the last official settlement price plus an add-on of 100%, whereas the trade prices of the respective buy and sell trades serve as floor: $P_{CS} = \text{Max} ((P_L * 2); P_B; P_S)$

For subscription rights, the cash settlement price of the failed trades is determined as the calculated value of the rights based on the last official settlement price of the related security plus an add-on of 100%, whereas

the highest price of sale and the highest purchase price in the relevant FSE transactions respectively deliveries serve as floor.

In a second step, the Cash Settlement and the cash compensation amount are calculated. The following example is related to equity trades. However, the calculation for subscription rights and for bonds will be analogously.

The debit cash amount is calculated with the formula¹⁰: $D_{CS} = (P_{CS} - P_S) * X$

The credit cash amount in favour of the respective buyer(s) is (are) calculated with the formula:

$$C_{CS} = (P_{CS} - P_B) * X$$

Example for equities:

Last official settlement price: 150

Sell trade

#	Stl-Date	Qty	Price
1	09.05.2012	400	110

Buy trades

#	Stl-Date	Qty	Price
1	04.05.2012	200	115
2	08.05.2012	200	105

Two cash settlement amounts can be calculated in this example.

Based on the applied formula $P_{CS} = \text{Max}(300; 115; 110)$, the debit amount is calculated as:

$$D_{CS} = (300 - 110) * 400 = 76,000;$$

and the credit amounts per buy trade are calculated as:

$$C_{CS} = (300 - 115) * 200 = 37,000 \text{ and } C_{CS} = (300 - 105) * 200 = 39,000$$

Thus, the cash amount required for the Cash Settlement, $D_{CS} = 76,000.00$, is debited to the Clearing Member of the defaulting original seller. The Clearing Member of the buyer of the identified trade #1 is credited with the compensation amount $C_{SC} = 37,000.00$ and the Clearing Member of the buyer of the identified trade #2 is credited with the compensation amount $C_{SC} = 39,000.00$.

The number of cash transactions depends on the number of involved members.

For bonds traded at FSE, the cash settlement price of the failed trades is determined as the last official settlement price plus an add-on of 300 basis points, whereas the trade prices of the respective buy and sell trades serve as floor. Clean prices are used as basis of the calculation, accrued interest is not considered.

¹⁰ Bond prices are quoted as percentage of the nominal/quantity; these percentages are to be used in the formula.

For Eurex Repo transactions, the cash settlement amount is determined by the highest of the settlement price of the respective class of securities as determined by Eurex Clearing AG, the selling price and the purchase price of the relevant Eurex Repo transaction plus a premium of 300 basis points, accrued interest and in case of repo the applicable repo rate. Formula: $P_{CS} = \text{Max} (P_L; P_B; P_S) * 103\% + AI + RR$.

Legend:

X = Quantity

D_{CS} = Debit amount

C_{CS} = Credit amount

P_{CS} = Cash settlement price

P_L = Last official settlement price

P_B = Clean price of pending buy trade

P_S = Clean Price of late sell trade

AI = Accrued Interest

RR = Repo Rate (in case of Eurex Repo transactions)

4.3 Cash Settlement Related Cash Transactions

The required cash amount is entered by Eurex Clearing AG with cash transaction type 452 CASH SETTLEMENT RCV used to credit the buyer, and with cash transaction type 454 CASH SETTLEMENT PAID used to debit the defaulting original seller. Value date for these cash transaction is the next business day.

The settled cash transactions are displayed in the Settled Cash Transactions report CD250 (for Crest and XERE) or CD850 (for XEUR, XFRA, XETR).

A cash settlement fee is currently not considered.

4.4 Settlement of Cash Settlement Trades

On the Cash Settlement Day, in the time frame after completion of the daytime settlement processing at the respective CSD and before the upcoming settlement processing for the next business day, Eurex Clearing AG sets the settlement status of the failed sell trade and the corresponding buy trade(s) to "Cash Settled". This eliminates the defaulting original seller's delivery obligation.

In the reporting for the next settlement run at the CSD the cash settled quantity is displayed with status "CASH" on CM level in the Settled Delivery reports.

5 Buy-in Related Information in Reports

The impact of the Buy-in process on the reporting concerns the formatted print reports as well as the raw data files, which are described separately in the following chapters.

The reports are generated at the end of each business day (EoD). In case no data are to be reported for a business day an empty report is provided (NO DATA Report).

5.1 CCP Reports (for Eurex Repo & CREST Trades)

5.1.1 Formatted Reports

5.1.1.1 RPTCE260 Pending Delivery

This report is generated within the end of business day processing. A failed sell trade, for which the Buy-in auction was successful, is set to "Buy-in Blocked", shown with the status "BIBL" in the report in column "STATUS CM-CUST" (field 31).

Depending on the delivery category a Buy-in Blocked trade quantity is recorded as follows:

- The Buy-in Blocked quantity is part of the surplus: In this case the trade with status "BIBL" can be found in the section "NET DELIVERY INFORMATION".
- The Buy-in Blocked trade is marked for gross processing: In this case the trade with status "BIBL" can be found in the section "DELIVERIES MARKED FOR GROSS PROCESSING" (field 15).

Quantities of Buy-in Blocked trades belonging to the offsetting block (i.e., belonging to the sections "OFF-SETTING POSITION INFORMATION – CASH SETTLEMENT PENDING ON LEVEL CCP – CLEARING MEMBER" as well as "OFF-SETTING POSITION INFORMATION – SETTLEMENT PENDING ON CLEARING MEMBER – CUSTOMER") will not be affected with respect to the display in this report.

In the context of the specific Buy-in process for subscription rights the "ISIN block" is recorded in this report in the "STATUS CCP-CM" field with the value "IBL".

The general description of the Pending Delivery report (CE260) can be found in the "Description of Reports – Formatted Layout" and "Member File Based & SWIFT Interface" documents.

5.1.1.2 RPTCE270 Settled Delivery

Buy-in and Cash Settlement performed by Eurex Clearing AG are displayed in this report in column "STATUS CCP-CM" (field 31) after the settlement run following the manual settlements. Buy-in settled sell trades receive the settlement status "BUYI", whereas cash settled buy and sell trades resp. sold-out buy trades, as well as subscription rights receive the settlement status "CASH".

Additionally, in the context of the specific Buy-in process for subscription rights the settlement status "externally settled" is shown in this report in the "STATUS CCP-CM" field with the value "EXTE".

The Buy-in settled or cash settled quantities are displayed in the section "NET DELIVERY INFORMATION" where the trade is part of the surplus, resp. in the section "DELIVERIES MARKED FOR GROSS PROCESSING" (field 16) where the trade is marked for gross processing.

The general description of the Settled Delivery report (CE270) can be found in the "Description of Reports – Formatted Layout" and "Member File Based & SWIFT Interface" documents.

5.1.1.3 RPTCD250 Settled Cash Transactions

Eurex Clearing AG debits the cash amount required for the Buy-in trade to the Clearing Member of the defaulting seller using the cash transaction type 450 BUY-IN CASH AMT PAID. Eurex Clearing AG debits the cash amount required for the Cash Settlement to the Clearing Member of the defaulting seller using the cash transaction type 454 CASH SETTLEMENT PAID. The corresponding compensation amount is credited to the respective Clearing Member of the buyer(s) of the identified trade(s) using the cash transaction type 452 CASH SETTLEMENT RCV.

The general description of the Settled Cash Transactions report (CD250) can be found in the “Description of Reports – Formatted Layout” and “Description of Reports – RAW Data” documents.

5.1.1.4 CB325 Daily Service Fees (XML only)

For each performed Buy-in auction in equity trades a Buy-in fee is charged to the Clearing Member of the failed original seller.

The respective fees are reported in the report “CB325 Daily Service Fees” (see “Eurex XML Report Reference Manual” available at the Eurex website www.eurex.com).

5.1.2 Raw Data Files

5.1.2.1 RAWCB230 Daily Gross Delivery Management

The field “Transaction” is filled with “BIBL” for “Buy-in Block” and “BIRL” for “Buy-in Release”.

Additionally, in the context of the specific Buy-in processing for subscription rights, in the field “Transaction” the values “IBL” for “ISIN Block” and “IRL” for “ISIN Release” are displayed.

The general description of the Daily Gross Delivery Management raw data file (CB230) can be found in the “Description of Reports – Formatted Layout” and “Description of Reports – RAW Data” documents.

5.1.2.2 RAWCE260 Pending Delivery

Within the field 70E Transaction Details Narrative the following subfields are filled in case of Buy-in processing:

The label /CCPSTAT for the settlement status on level CCP-CM is filled with “IBL” in case of an “ISIN Block”.

The label /CMSTAT for the settlement status on level CM-customer is filled with “BIBL” in case of a “Buy-in Block”.

The general description of the Pending Delivery raw data file (CE260) can be found in the “Description of Reports – Formatted Layout” and “Member File Based & SWIFT Interface” documents.

5.1.2.3 RAWCE270 Settled Delivery

Within the field 70E Transaction Details Narrative the following subfields are filled in case of Buy-in and Cash Settlement:

The label /CCPSTAT for the settlement status on level CCP-CM is filled with "EXTE" for an "external settlement" of a subscription right. The label /CMSTAT for the settlement status on level CM-customer is then filled with "SETTLED".

The label /CCPSTAT is filled with "BUYI" for a successful settlement of the Buy-in trade. It is filled with "CASH" for a cash settled sell and corresponding buy trade resp. for sold-out buy trades, as well as for subscription rights. The label /CMSTAT is then filled on both cases with "SETTLED" as well.

The general description of the Settled Delivery raw data file (CE270) can be found in the "Description of Reports – Formatted Layout" and "Member File Based & SWIFT Interface" documents.

5.1.2.4 RAWCD250 Settled Cash Transactions

In the field "Transaction Type" the following codes of transaction are recorded for the respective payments:

"450" – Buy-in cash amount paid

"452" – Cash settlement received

"454" – Cash settlement paid

The general description of the Settled Cash Transactions raw data file (CD250) can be found in the "Description of Reports – Formatted Layout" and "Description of Reports – RAW Data" documents.

5.2 C7 SCS Reports (XML)

Reports for FWB Trades and transactions which are result from Eurex physical deliveries.

Reports are available in XML format. For some reports additionally a printable text format is available.

The general description of these reports can be found in the "Eurex Clearing - C7 SCS XML Reports – Reference Manual" available at the Eurex website www.eurex.com.

5.2.1 CE860 Pending Delivery Report

This report contains all Delivery Instructions that are partially pending or full pending on the current C7 SCS business day. Settlements with Actual Settlement Date greater than current C7 SCS Business Day due to settlement after business day shift at (I)CSD) are considered as pending in C7 SCS and are reported in Pending Delivery Report. However, the same will be reported as SETTLED on the next C7 SCS business day in Settled Delivery Report. The report shows 'remaining quantity' and 'remaining amount' per Delivery Instruction and provides a reference to the Net Position Trade belonging to this Delivery Instruction.

5.2.2 CE870 Settled Delivery Report

This report contains all Net Position Trades the corresponding delivery was partially or fully settled at (I)CSDs and the Actual Settlement Date of the trade is equal to current business date of C7-SCS.

Each settlement received with Actual Settlement Date equal to current C7-SCS Business Day are reported separately in this report.

5.2.3 CD850 Settled Cash Transaction

The report contains all cash transactions that have been booked (and therefore considered as paid) on the current C7 SCS business day (value date equals current C7 SCS business day).

It includes manually generated cash transactions as well as cash transactions automatically created as a result of netting.

Cash transactions for Cash-Only Net Position Trades reported on this report can be matched to the settlement information of the Cash-Only Net Position Trade on the Settled Delivery Report.

The report is generated at the end of each business day (EoD). In case no data are to be reported for a business day an empty report is provided (NO DATA Report).

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