

Chapter IV of the Clearing Conditions of Eurex Clearing AG

## Clearing of Repo Transactions

As of 01.06.2020

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

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[...]

## Part 2 Clearing of Repo Transactions

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### 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 ~~by~~on the ~~delivery~~due ~~day~~te of the Front Leg:

— ~~In~~In(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 event that a Clearing Member or Basic Clearing Member which is obliged to deliver acting as cash taker fails to transfer deliver the underlying securities~~Securities on the delivery day of the Front Leg or (ii) the Clearing Member or Basic Clearing Member acting as cash provider fails to provide the respective cash amount (as per Number 2.2 Paragraph (2) a)) of the respective Repo Transaction and pursuant to the instructions of Eurex Clearing AG, Eurex Clearing AG shall be entitled and, on request of the Clearing Member or Basic Clearing Member (or the Clearing Agent acting in the name of the Basic Clearing Member) which, in respect to the corresponding Repo Transaction between Eurex Clearing AG and such Clearing Member or Basic Clearing Member, acts, in case of (i), as cash provider and 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 the~~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 ~~default~~ 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 equivalent ~~respective~~ Eurex Repo Transaction ~~concerned~~. ~~Should it be unfeasible. The contractual penalty for a failure to set the present Business Day as an advanced Term Leg, Sentence deliver Securities or cash pursuant to Chapter I Part I Number 14.2.2 shall not apply.~~

~~Furthermore, Eurex Clearing AG shall be entitled to set an earlier date as repurchase date for the Term Leg of the equivalent ~~Eurex~~ corresponding Repo Transaction ~~concerned~~ between Eurex Clearing AG and the Clearing Member or Basic Clearing Member which did not receive delivery of Securities or cash, as applicable, from Eurex Clearing AG in time; ~~the legal consequence thereof will be the same as described above. In connection with the delivery of GC Pooling Repo Transactions the procedure pursuant to Sentence 1 to 4 shall apply, if the Clearing Member or Basic Clearing Member obliged to deliver shall not dispose of the necessary bulk of securities, which are admissible for the delivery in the respective basket and the underlying currency, on delivery day in its collateral pool. Eurex Clearing AG shall be, if necessary, informed of this matter by Clearstream Banking AG. Sentence 2 – 4 shall apply *mutatis mutandis*.~~~~

— If, as opposed to Number 2.2 Paragraph (2) (d) or (e), a Clearing Member or Basic Clearing Member does not comply with its obligation to perform until the time mentioned therein, it may ~~irrespective of the above provision~~ be in intraday default. ~~To the extent a Clearing Member or Basic Clearing Member is in intraday default, Eurex Clearing AG may charge an expense allowance of EUR 2,000 for each defaulting GC Pooling Repo Transaction to cover its operative additional expenditure. Furthermore, Eurex Clearing AG shall be entitled to invoice the Clearing Member or Basic Clearing Member until such point in time on which the obligation to perform is fulfilled for any interim financing costs incurred, up to the value of the STOXX GC Pooling EUR ON Index (“SGCPON”) published by Bloomberg or Reuters plus 50 basis points p.a., in relation to the value of the underlying GC Pooling Repo Transaction or the due cash amount respectively.~~

#### (b) GC Pooling Repo Transactions

If, under a GC Pooling Repo Transaction, (i) the Clearing Member or Basic Clearing Member acting as cash taker fails to deliver Securities which are admissible for the delivery in the respective basket and the underlying currency

on the due date of the Front Leg or (ii) the Clearing Member or Basic Clearing Member acting as cash provider fails to provide the respective cash amount on the due date of the Front Leg, Paragraph (1) (a) (aa) shall apply *mutatis mutandis*, unless provided otherwise herein.

~~(b) Failure to Deliver by the delivery day of the Term Leg~~

~~— In the event that the Clearing Member or Basic Clearing Member obliged to deliver fails to deliver the underlying securities on the delivery day of the Term Leg (as per Number 2.2 Paragraph (2) (b)) of the respective Eurex Repo Transaction and pursuant to the instructions of Eurex Clearing AG~~

If the conditions provided in Sentence 1 are fulfilled, (i) Clearstream Banking AG may inform Eurex Clearing AG about any such settlement failure and (ii) – irrespective of whether Eurex Clearing AG has suffered any damage – unless such failure to deliver Securities or such failure to provide the cash amount results from a Force Majeure Event, a Market Disorder Event and/or the Clearing Member or Basic Clearing Member is not responsible for such failure, the failing Clearing Member or Basic Clearing Member shall pay, in accordance with the instructions received from Eurex Clearing AG, a contractual penalty in the amount of 0.015 per cent of the relevant unpaid due amount (in case of a failure to deliver Securities, the amount shall be determined based on the agreed purchase price of the GC Pooling Repo Transaction), but no less than EUR 1,500 – or the corresponding equivalent in any other Clearing Currency as determined by Eurex Clearing AG – per Business Day at which the settlement fail first occurs or continues to occur, however, no more than EUR 15,000 or the corresponding equivalent in any other Clearing Currency as determined by Eurex Clearing AG per day. For the purposes of equity and proportionality, Eurex Clearing AG may refrain from applying the contractual penalty or lower its amount. The right of Eurex Clearing AG to claim further damages and/or default interest shall remain unaffected, provided that any amount received as a contractual penalty under this provision shall be deducted from any potential claim for damages and/or default interest based on the same facts. In the scope of its application, this contractual penalty takes precedence over the contractual penalty provided in Chapter I Part 1 Number 14.2.2.

~~(b) Failure to Deliver on the due date of the Term 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 Term Leg, the Clearing Member or Basic Clearing Member acting as cash provider fails to deliver the Securities, Eurex Clearing AG shall be entitled and, on request of the Clearing Member or Basic Clearing Member (or the Clearing Agents acting in the name of a Basic Clearing Member) which, in respect to the corresponding Repo Transaction between Eurex Clearing AG and such Clearing Member or Basic Clearing Member, acts as cash taker and did not receive delivery in time, obliged to make a replacement purchase with

respect to the undelivered securities as from the 5<sup>th</sup> ~~day Business Day~~ following the ~~delivery due~~ date of the Term Leg and to deliver these to the Clearing Member or Basic Clearing Member (or the Clearing Agents acting in the name of a Basic Clearing Member) which did not receive delivery by Eurex Clearing AG in time or, in the case of a wholly or partially unsuccessful replacement purchase, to perform a cash settlement. The replacement and the cash settlement are performed pursuant to Chapter V Part 2 Number 2.2, ~~(without application of the provisions on contractual penalties apply accordingly provided in Chapter V Part 2 Number 2.2 (6))~~. Notwithstanding Chapter V Part 2 Number 2.2.1 Paragraph (3) (b) (aa), the cash settlement amount is determined by the highest of (i) the settlement price of the respective class of securities as determined by Eurex Clearing AG, (ii) the selling price and (iii) the purchase price of the relevant Eurex Repo Transaction, ~~in each case~~ plus a premium of 300 basis points, accrued interest and the applicable repo rate. ~~In connection with any default in effecting performance with regard to GC Pooling Repo Transactions, the provisions of Number 2.6 Paragraph (1) (a) shall apply accordingly, taking into account that an executed Buy-In according to Number 2.6 Paragraph (1) (b) Sentence 1 shall be considered equivalent to reaching the point in time on which performance is effected.~~

The contractual penalty for a failure to deliver Securities or cash pursuant to Chapter I Part I Number 14.2.2 shall not apply.

(bb) GC Pooling Repo Transactions

If, under a GC Pooling Repo Transaction, on the due date of the Term Leg (i) the Clearing Member or Basic Clearing Member acting as cash provider fails to deliver the Securities or (ii) the Clearing Member or Basic Clearing Member acting as cash taker fails to provide the respective cash amount, then – irrespective of whether Eurex Clearing AG has suffered any damage – unless such failure to deliver Securities or such failure to provide the cash amount results from a Force Majeure Event, a Market Disorder Event and/or the Clearing Member or Basic Clearing Member is not responsible for such failure, the failing Clearing Member or Basic Clearing Member shall pay, in accordance with the instructions received from Eurex Clearing AG, a contractual penalty in the amount of 0.015 per cent of the relevant unpaid due amount (in case of a failure to deliver Securities, the amount shall be determined based on the agreed purchase price of the GC Pooling Repo Transaction), but no less than EUR 1,500 – or the corresponding equivalent in any other Clearing Currency as determined by Eurex Clearing AG – per Business Day at which the settlement fail occurs or continues to occur, however, no more than EUR 15,000 or the corresponding equivalent in any other Clearing Currency as determined by Eurex Clearing AG. For the purposes of equity and proportionality, Eurex Clearing AG may refrain from applying the contractual penalty or lower its amount. The right of Eurex Clearing AG to claim further damages and/or default interest shall remain unaffected, provided that any amount received as a contractual penalty under this provision shall be deducted from any potential

claim for damages and/or default interest based on the same facts. In the scope of its application, this contractual penalty takes precedence over the contractual penalty provided in Chapter I Part 1 Number 14.2.2.

- (2) Measures set forth in Paragraph (1) shall be binding on the Clearing Member or Basic Clearing Member which did not receive delivery in time.
- (3) The defaulting Clearing Member or Basic Clearing Member shall bear the costs arising from measures taken pursuant to Paragraph (1).
- (4) The right to claim further damages shall be excluded for ~~Eurex Clearing AG as well as~~ for the Clearing Member or Basic Clearing Member which did not receive delivery in time.

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