

Chapter IV of the Clearing Conditions of Eurex Clearing AG

## Clearing of Repo Transactions

As of 01.12.2021

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED

DELETIONS ARE CROSSED OUT

\*\*\*\*\*

## 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 Members and, (iii) all holders of a Specific Repo License and ~~(iv) all Interim Participants (if applicable).~~

[...]

## 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 sSystems 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 ~~regulations~~ arrangements have been ~~reached~~ 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.

[...]

- (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 a Specific License for Repo and GC Pooling Repo Transactions

and which are or will be cleared by Eurex Clearing AG and which contain a collateral transfer by way of a title transfer collateral arrangement.

## 1.1 Clearing Licenses

[...]

### 1.1.2 Prerequisites for Clearing Licenses

- (1) With regard to the prerequisites to be fulfilled within the scope of granting of the Clearing License, Chapter I Part 1 Numbers 2.1.1 to 2.1.3 apply. With regards to the prerequisites to be fulfilled within the scope of granting of the Basic Clearing Member Clearing License, Chapter I Part 6 Numbers 2.1.1 to 2.1.2 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, as applicable):

[...]

- (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 collateral Management management System 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 Members, and, in respect of any such requirement affecting a Clearing Member or Basic Clearing Member already holding a Clearing License or Basic Clearing Member 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 institutione which is authorised to participate in Xemac, CmaX or relevant other TPCM, or (iii) in case of Basic Clearing Members only, via their Clearing Agent, and

[...]

## 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, ~~shall will~~ be calculated directly by Xemac, CmaX or the relevant other TPCM. During the calculation, Xemac, CmaX or such other TPCM ~~shall 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 ~~shall will~~ be determined by Xemac on the basis of the ~~Special Conditions for 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~~8~~. 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 in accordance with Chapter I Part 6 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 ~~Terms and Conditions for Participation and Trading on Eurex Repo GmbH ("GTC-s of Eurex Repo GmbH")~~ in relation to the Clearing Member or Basic 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 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, Chapter I Part 6 Number 7 apply.
- (2) With regard to GC Pooling Equity Repo transactions, Eurex Clearing AG shall – in deviation ~~to from~~ Paragraph (1) Sentence 3 – define a list of equities included in the DAX<sup>®</sup>, EURO STOXX 50<sup>®</sup>, AEX<sup>®</sup> and CAC 40<sup>®</sup> 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.

[...]

### 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

[...]

- (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 shall provide each corresponding Clearing Member or Basic 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 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 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 (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 of such decommissioning or changes) and of the relevant actions to be taken by the Clearing Member or Basic 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 to take the relevant actions, taking into account the interests of the Clearing Member or Basic 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 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 a 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 Members or into transactions with Clearing Members, Basic 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 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 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 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 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 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 Members (and their Clearing Agents) separately by Clearstream Banking S.A. and/or Clearstream Banking AG, (i) Clearing Members and Basic 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 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 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 a Basic Clearing Member, the Clearing Agent of such Basic 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 Members, but not such Clearing Agent, will be the Non-Compliant Clearing Member.

## **Part 2 Clearing of Repo Transactions**

### **2.1 Repo Transactions**

[...]

(2) ~~Eurex Clearing AG will realise~~ the settlement or clearing of Repo Transactions will be realised to the extent that the underlying securities of the respective Repo Transaction are cleared ~~settled~~ 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 Members will be notified by Eurex Clearing AG via electronic publication in the internet exclusively, available on the website of Eurex Clearing Website, as regards those securities transactions that are included in the Clearing. In connection with GC Pooling Repo Transactions, the notification ~~offer~~ of included securities shall be carried out in Xemac, in CmaX or in the relevant other TPCM.

[...]

### **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 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 Clearing Member ~~and~~or Basic 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 Members by way of novation subject to, and in accordance with, Chapter I Part 1 Number 1.2.2 (2) and the following provisions.

[...]

- (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:

[...]

- (b) each counterparty (other than Eurex Clearing AG) to an MTF Repo Transaction resulting from the novation is a Clearing Member or ~~and~~ Basic Clearing Member of Eurex Clearing AG, and
- (c) the Clearing License of the involved relevant Clearing Member or Basic Clearing Member is not suspended and a Termination Date has not occurred with respect to the relevant involved Clearing Member or Basic Clearing Members.

[...]

## 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 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:

[...]

- (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 ~~of~~ pursuant to the SB Xemac, ~~and additional contracts for the international Collateral Management 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 Members and Eurex Clearing AG, and vice versa, shall be carried out in accordance with relevant applicable law. The provisions of Chapter I Part 1 Number 1.4.2 Paragraph (4) and (9) ~~applies~~ apply with the provision that the payment is settled via the account of the Clearing Member or Basic Clearing Member which is determined for settlement in the currency of the underlying transaction.

[...]

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

[...]

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

[...]

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).

[...]

(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 mutantis*.

[...]

### 2.3 Daily Settlement

[...]

- (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 (~~WR-Credit~~ Gutschriften in Wertpapierrechnung) or security

credits (insofar consistently described as “**securities margin**”) which are admissible for a transaction in this currency and basket.

[...]

(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 Members. Eurex Clearing AG assumes no liability to the Clearing Members or Basic 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 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 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 which has transferred the securities serving as collateral. Such Clearing Member or Basic Clearing Member must take the necessary measures to enable a timely re-transfer, thus enabling such Clearing Member or Basic 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  

[...]
  - (bb) GC Pooling Repo Transactions

[...]

If the conditions provided in Sentence 1 are fulfilled, (i) Clearstream Banking AG, Clearstream Banking S.A. or the relevant other TPCM 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.

[...]

- (4) The right to claim further damages shall be excluded for ~~for~~ the Clearing Member or Basic Clearing Member which did not receive delivery in time.

[...]

## 2.10 Tax

[...]

- (2) Reimbursement of Eurex Clearing AG by the Clearing Member or Basic Clearing Member acting as Payer

If Eurex Clearing AG is required to pay any additional amount to the Recipient in accordance with Paragraph (1) (d) (for the purposes of this Number ~~2.9~~10 the “**Eurex Clearing Gross-up Amount**”), the relevant Clearing Member or Basic Clearing Member which is acting as Payer in relation to Eurex Clearing AG shall pay to Eurex Clearing AG an amount equal to the Eurex Clearing Gross-up Amount. If the relevant Clearing Member or Basic Clearing Member acting as Payer in relation

to Eurex Clearing AG is required to make any deduction or withholding in respect of the amount so payable by it, Paragraph (1) shall apply *mutatis mutandis*.

[...]

## 2.11 Termination of GC Pooling Repo Transactions denominated in USD

[...]

- (2) In order to hedge the effects of the GC Pooling Repo Transactions terminated under application of Paragraph (1), Eurex Clearing AG may in its ~~equitable~~ reasonable discretion (*billiges Ermessen*) enter into transactions that are – taken as a whole – equivalent to the terminated transactions by entering into independent trades or by holding one or more auctions. The Clearing Member that has not complied with an applicable GC Pooling USD Cash Margin Contribution requirement shall bear the costs of such replacement transactions, unless it is not responsible for its non-compliance.

## Part 3 Special Conditions regarding the Clearing of GC Pooling Repo Transactions with holders of a Specific Repo License and corresponding GC Pooling Repo Transactions with Clearing Members

[...]

### 3.1 Specific Repo License

[...]

- (5) The prerequisites to be fulfilled for the granting of the Specific Repo License (and which shall be complied with as long as the relevant Specific Repo License is held) are the following:

[...]

- f) the applicant has provided evidence of an own participation authorisation (including, where relevant, of the entering into the related documentation) regarding the Collateral Management System Xemac of Clearstream Banking AG (“Xemac”), including the possibility of participation in the international Collateral Management CmaX and/or other TPCM 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 holders of a Specific Repo License, and, in respect of any such requirement affecting an entity already holding a Specific Repo License, subject to Number 3.10 below;

- g) the applicant has
- (i) a cash account with Clearstream Banking AG in the name of the applicant, pursuant to Chapter I Part 1 Number 2.1.2 Paragraph (4) (b) (aa); or
  - (ii) a dedicated cash account of the applicant with Clearstream Banking S.A. for the settlement of GC Pooling Repo Transactions; or
  - (iii) a dedicated cash account of the applicant with a relevant other TPCM for the settlement of GC Pooling Repo Transactions;
- h) the applicant has securities settlement accounts pursuant to Chapter I Part 1 Number 2.1.2 Paragraph (4) (a) (~~ffgg~~);
- i) the applicant has provided evidence of the applicant having granted an appropriate power of attorney and authorisation to ~~Clearstream Banking AG~~ Clearstream Banking S.A. or relevant other TPCM for all declarations, actions, deliveries and payments in connection with the fulfilment of the delivery and payment obligations pursuant to this Part 3, in particular with regard to the notification of the statements of account regarding the cash account pursuant to Item (g), such evidence having to be provided by ~~Clearstream Banking AG~~ Clearstream Banking S.A. or relevant other TPCM in the name of the holder of the Specific Repo License.

[...]

### 3.2 Conclusion of Transactions by way of Novation

[...]

#### 3.2.2 Novation Principles and Criteria

[...]

- (3) With regard to GC Pooling Repo Transactions in which the holder of the Specific Repo License is the Cash Provider ("**Cash Provider Transaction**"), the inclusion of an Original GC Pooling Repo Transactions in the Clearing and the establishment of Transactions pursuant Number 3.2.1 Paragraph (1) require the holder of a Specific Repo License to have previously paid into the cash account pursuant to Number 3.1 Paragraph (5) Item ~~gf~~ managed by ~~Clearstream Banking AG~~ Clearstream Banking S.A. or the relevant other TPCM for the holder of the Specific Repo License the purchase price owed from the Front Leg and ~~Clearstream Banking AG~~ Clearstream Banking S.A. or the relevant other TPCM to have confirmed to Eurex Clearing AG receipt of such payment. If receipt of payment is confirmed until a certain point in time with regard to a Business Day as specified by Eurex Clearing AG, novation shall take place on the same Business Day provided that Eurex Clearing AG does not refuse the inclusion of the Original GC Pooling Repo Transaction in the Clearing for other reasons. If receipt of payment and its confirmation occur on such Business Day, however, after such certain point in time

specified by Eurex Clearing AG, novation shall not take place on such Business Day and Clearstream Banking AG, ~~or Clearstream Banking S.A.~~ or the relevant other TPCM, ~~shall~~will, on such Business Day, return the payment received to the holder of the Specific Repo License. Novation of the Original GC Pooling Repo Transaction may be carried out in corresponding application of this Paragraph (3) on any following Business Day until and excluding the day which had been agreed on for fulfilment of the Term Leg (the “**End Date**”).

[...]

- (5) Eurex Clearing AG may reject the inclusion of Original GC Pooling Repo Transactions in the Clearing – even though the requirements of the Paragraphs (3) or (4) respectively have been complied with particularly if the following conditions have not been complied with:

[...]

- b) ~~counterparty~~counterparties to a novated GC Pooling Repo Transaction (other than Eurex Clearing AG) are a holder of a Specific Repo License and a Clearing Member of Eurex Clearing AG; in case of DC-Related Transactions of a Clearing Member, the novated GC Pooling Repo Transaction relates to a DC Market Participant of the relevant Clearing Member;

[...]

### 3.3 Fulfilment of Obligations regarding Delivery and Payment

- (1) With regard to the procedures for delivery and payment resulting from GC Pooling Repo Transactions involving holders of a Specific Repo License, Part 2 Number 2.2 and 2.4 shall apply with the provision that payments of the purchase price are settled via the cash account pursuant to Number 3.1 Paragraph (5) Item ~~fg~~) managed by Clearstream Banking AG, ~~or Clearstream Banking S.A.~~ or the relevant other TPCM, for the holder of the Specific Repo License and that the delivery of the securities to be transferred is settled via the securities settlement account pursuant to Number 3.1 Paragraph (5) Item ~~hg~~) managed by Clearstream Banking AG, ~~or Clearstream Banking S.A.~~ or the relevant other TPCM, for the holder of the Specific Repo License.
- (2) The holder of a Specific Repo License is obliged to (i) instruct Clearstream Banking AG, ~~or Clearstream Banking S.A.~~ or the relevant other TPCM, to honour any debit instructions (*Lastschriften*) from its cash account pursuant to Number 3.1 Paragraph (5) Item ~~fg~~) (including any debit instructions with respect to any fees raised by Eurex Clearing AG) and to (ii) authorise Eurex Clearing AG, by providing the appropriate power of attorney, to give, release and transmit all delivery instructions in its name vis-à-vis Clearstream Banking AG, ~~or Clearstream Banking S.A.~~ or the relevant other TPCM, and to supplement, change or cancel delivery instructions necessary for the timely and correct delivery or payment.



[...]

### **3.4 Pledges regarding the Securities delivered to the holder of a Specific Repo License**

[...]

- (3) The security purpose (*Sicherungszweck*) of the pledges pursuant to Paragraph (1) is to secure all claims of Eurex Clearing AG arising from all GC Pooling Repo Transactions of the holder of a Specific Repo License and all other claims of Eurex Clearing AG against the holder of a Specific Repo License arising under the Clearing Agreement between Eurex Clearing AG and the holder of a Specific Repo License.

[...]

- (5) The release of any right of pledge over securities granted to Eurex Clearing AG pursuant to Paragraph (1) to Paragraph (3) shall occur in connection with the delivery instructions by Eurex Clearing AG regarding existing delivery obligations on the basis of the securities selected by Xemac pursuant to the SB Xemac ~~and additional contracts for the international Collateral Management in their current version.~~
- (6) To the extent a securities account managed for it by Clearstream Banking S.A. or relevant other TPCM has been or will be notified to Eurex Clearing AG as account for the settlement of GC Pooling Repo Transactions, the holder of a Specific Repo License shall be obliged to (i) pledge to Eurex Clearing AG all Securities which are at present or will in the future be deposited in such securities account pursuant to a pledge agreement to be separately entered into and (ii) to issue all relevant notices to and take all relevant measures necessary or expedient for the perfection of such pledge. The pledge agreement shall be entered into substantially in the form as will be provided by Eurex Clearing AG.

### **3.5 Termination of GC Pooling Repo Transactions**

[...]

#### **3.5.1 Termination by notice of GC Pooling Repo Transactions**

[...]

- (2) Whenever Eurex Clearing AG is entitled to terminate by notice GC Pooling Repo Transactions pursuant to Paragraph (1), it may – without prior warning – terminate by notice individual or all GC Pooling Repo Transactions or notify the relevant holder of the Specific Repo License of the existence of such reason to terminate by notice and grant a grace period, which may be extended, to remedy the relevant reason for a termination by notice. Upon granting of a grace period, Eurex Clearing AG shall be entitled to terminate by notice individual or all GC Pooling Repo Transactions if the

reason for a termination by notice is not completely remedied by the holder of the Specific Repo License within the grace period.

- (3) The right of Eurex Clearing AG to terminate GC Pooling Repo Transactions with a holder of a Specific Repo License in accordance with Number 3.10 shall remain unaffected.

[...]

### 3.5.4 Occurrence of an Insolvency Event with regard to a holder of a Specific Repo License

[...]

- (2) Any damages claimed by Eurex Clearing AG or the affected holder of a Specific Repo License in relation to individual GC Pooling Repo Transactions shall become unconditional and immediately due in EUR from one party to the respective Transaction's other party ~~as of the end of the Valuation Date (as defined in Paragraph (3) Item a) and shall each be determined pursuant to the valuation mechanisms for Transactions set out in Chapter I Part 1 Number 7.3.2 (applied *mutatis mutandis*)~~ Paragraph (3) with regard to their amount in relation to the affected GC Pooling Repo Transactions.
- ~~(3) Damages claims pursuant to Paragraph (2) shall be determined by Eurex Clearing AG in accordance with the following provisions:~~
- a) ~~**Valuation Date** shall be the day of the opening of the proceedings pursuant to Paragraph (1) provided that the opening of the proceedings occurs earlier than 17:23 (local time, Frankfurt/Main) or, if the opening of the proceedings occurs later than such point in time, the Business Day immediately succeeding the day of the opening of the proceedings.~~
- b) ~~The value of the damages claim for each GC Pooling Repo Transaction shall be determined pursuant to the provisions regarding the calculation of the Single Transaction Amount in Chapter I Part 1 Number 7.3.2.~~
- ~~(34) Eurex Clearing AG shall notify the value of the damages claim determined by it according to Paragraph (2) to the affected holder of a Specific Repo License as soon as reasonably practicable after its determination, together with reasonable detail regarding the data and information forming the basis of the determination.~~
- ~~(54) The debtor of the damages claims pursuant to Paragraph (2) must pay the amount determined to the other party as soon as reasonably practicable following the notification by Eurex Clearing AG of the payable amount pursuant to Paragraph ~~(34)~~. The debtor of the damages claims shall not be obliged to pay any interest on the amount of the damages claims unless it is in default (*Verzug*) following the receipt of a payment reminder (*Mahnung*) by the other party. Default interest shall be paid on the basis of the effective overnight interest rate for EUR.~~

[...]

### **3.8 Set Off**

Only Eurex Clearing AG may at any time set off any due or undue claims and obligations under Cash Taker Transactions and Cash Provider Transactions, provided any other applicable prerequisites for a set-off are satisfied. The ~~Holder~~holder of a Specific Repo License may set off any claims and obligations under a Cash Taker Transactions with or against claims and obligations under Cash Provider Transactions where the claims and obligations result from a termination of the Cash Taker Transactions and Cash Provider Transactions. The right of the Holder of a Specific Repo License to set off claims which are undisputed or have been determined as legally binding remains unaffected.

[...]

### **3.10 Change of Settlement or Collateral Management Infrastructure relating to GC Pooling Repo Transactions with a Holder of a Specific Repo License**

Part 1 Number 1.5 (including, without limitation, the provisions on the GC Pooling Migration Date and the actions to be taken as a consequence set out in Part 1 Number 1.5 (7)) shall apply *mutatis mutandis* with respect to GC Pooling Repo Transactions to which a holder of a Specific Repo License is a party and references in Part 1 Number 1.5 to the Clearing Member shall, for such purpose, be read as references to the relevant holder of a Specific Repo License.

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