

Chapter IV of the Clearing Conditions of Eurex Clearing AG

# Clearing of Transactions at Eurex Repo GmbH

(Eurex Repo)

As of 09.01.2017

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Clearing Conditions of Eurex Clearing AG	As of 09.01.2017
	Page 1

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AMENDMENTS ARE MARKED AS FOLLOWS:  
INSERTIONS ARE UNDERLINED,  
DELETIONS ARE CROSSED OUT.

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[...]

## Part 2 Clearing of Transactions at Eurex Repo GmbH

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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 the delivery day of the Front Leg:

In the event that a Clearing Member or Basic Clearing Member which is obliged to deliver fails to transfer the underlying securities on the delivery day of the Front Leg (as per Number 2.2 Paragraph (2) (a)) of the respective Eurex 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 Agents acting in the name of the Basic Clearing Member) which did not receive delivery 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 Eurex 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, 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 Eurex Repo Transaction concerned. Should it be unfeasible to set the present Business Day as an advanced Term Leg, Sentence 2 shall apply.

~~At the same time~~ Furthermore, Eurex Clearing AG shall be entitled to set an earlier date as repurchase date for the Term Leg of the equivalent Eurex Repo Transaction concerned between Eurex Clearing AG and the Clearing Member or Basic Clearing Member which did not receive delivery 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 CBF.

If, as opposed to the provisions in ~~Chapter IV~~ Number 2.2 Paragraph (2) (d), a Clearing Member or Basic Clearing Member does not comply with its obligation to perform until the time there mentioned, 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 Transaction or the due cash amount respectively.

(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, 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 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 following the delivery 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 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, the provisions on contractual penalties apply accordingly. 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 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.

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