

Buy-in User Guide – FWB, Eurex Repo and Eurex Exchange valid from 15 December 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 acting as Central Counterparty (CCP). 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 FWB (Frankfurter Wertpapierbörse) in equity style products, or in fixed income products from the FWB 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").

Eurex Clearing AG can conduct a Buy-in by way of auction. According to process requirements, Eurex Clearing AG involves the Clearing Member signing responsible for the late sell trade, the Buy-in auction participants selling to Eurex Clearing AG 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 ETF, 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 Eurex Clearing AG 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.

Eurex Clearing AG 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 Eurex Clearing AG 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 (CBF-i), Euroclear Bank and SIS and consists of Buy-in auctions or Cash Settlement. The special Buy-in process is related to Euroclear UK & International (EUI) 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 (all times in CET):

Current Day:

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

Next Day:

09:30: 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.

The Clearing Member signing responsible for the late sell trade, hereinafter referred to as the "Late 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.

The general Buy-in process for ISINs that fall under the EU Short Selling regulation is as follows:

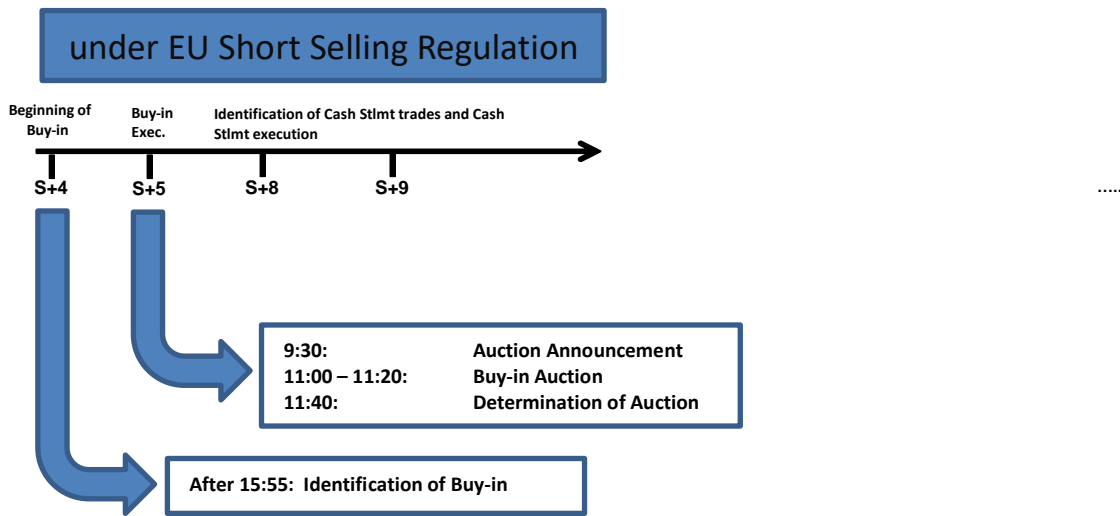


Figure 1: Buy-in for ISINs that fall under the EU Short Selling.

A Cash Settlement for the remaining quantity 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 described in chapter 4. For late subscription rights the specific processing described in chapters 3.2 and 4.2 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. 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 Late 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.

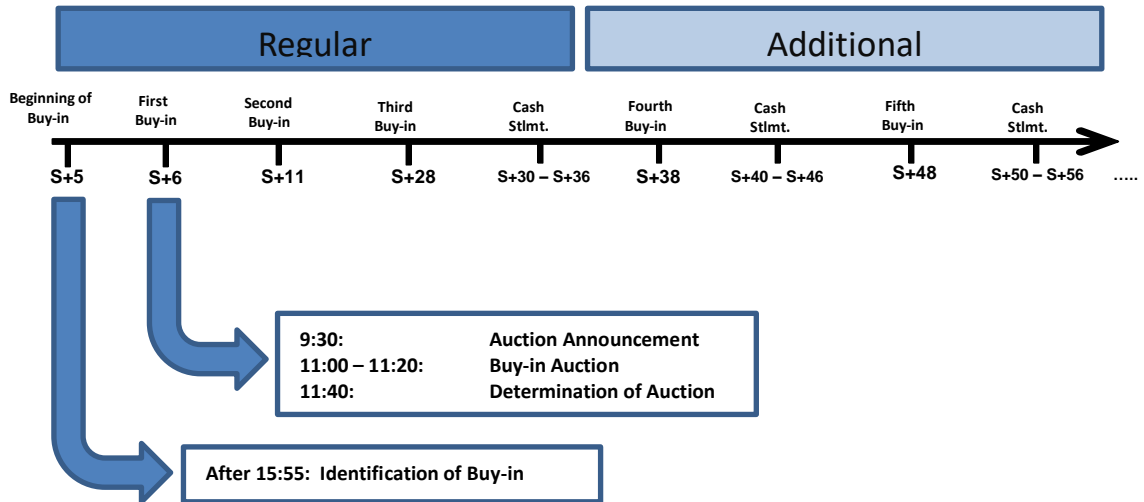


Figure 2: General Buy-in Schedule for ISINs that do not fall under the EU Short Selling regulation

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 postpone the auction of a Buy-in

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, IE02 and IE11

For late trades that do not fall under the EU Short Selling regulation from options contracts with the assigned group IDs GB11, IE02 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)).

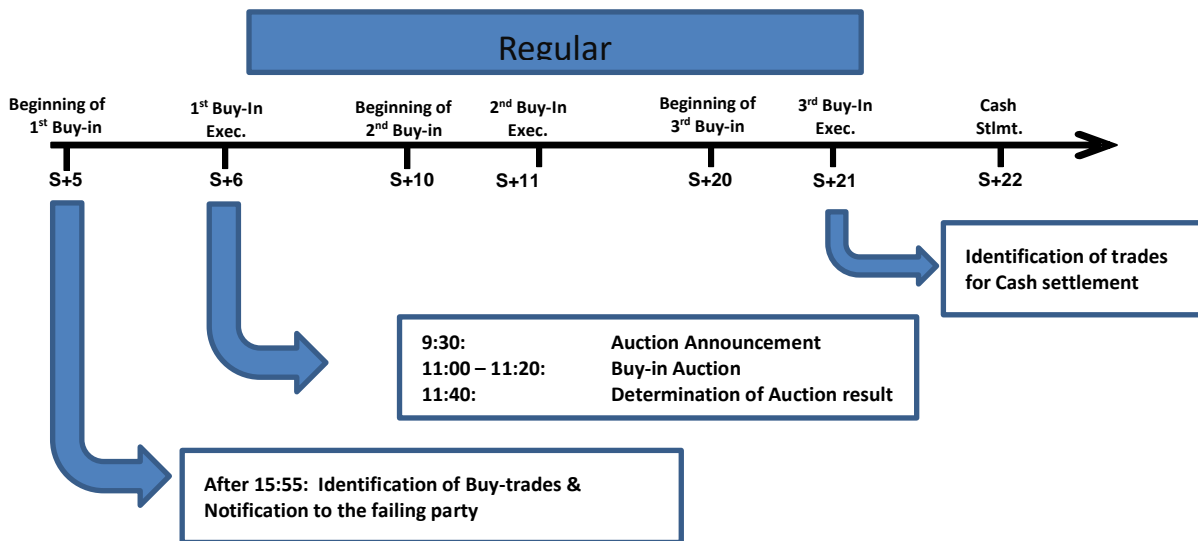


Figure 3: Special Buy-in Schedule for options contracts of Group GB11, IE02 and IE11

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 Late 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 Clearing Members fails to instruct a buy transaction towards EUI until the 21th Business Day after the Contractual Settlement date, Eurex Clearing will process a sell-out.⁶

When a Buy-in attempt has been (partially) successful, the Late 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 Late Seller will be in charge: It 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.⁷ The fines processing is described in chapter 3.4.

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”.

⁶ 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.

⁷ 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 Xetra (XETR) and Börse Frankfurt (XFRA), Eurex Repo (XERE) or for a physical fulfillment of a derivative contract at Eurex Exchange⁸ 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 cash-only Strange-Nets resulting from the settlement 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 Late 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 Late 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 trade is settled, the delivery obligation of the failed Late 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 Late Seller itself, or by Cash Settlement. The defaulting Late Seller will be debited with the price difference between failed sell trade and 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".

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 Late 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 Xetra (XETR) and Börse Frankfurt (XFRA).
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.

⁸ Derivative contracts are limited to those contracts, which are to be fulfilled physically.

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 pending sell trades to pending buy trades and discloses the assigned counterparties. 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, IE02 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 and assigns buy trades to sell trades on Clearing Member level and discloses the respective counterparts of these remaining buy and sell trades to the affected Clearing Member.

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. The cash amount is entered by Eurex Clearing AG with cash transaction type 452 CASH SETTLEMENT RCV used to credit the Late 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 4.

3.3 Buy-in Auction

A Buy-in is performed 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 taking into account the results of a netting or aggregation, if applicable. 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 business days late, according to the respective settlement schedule outlined above.
- The sell trade is not fully settled on Clearing Member level.
- The remaining quantity 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.

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 Late 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 will be performed, 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.

A Clearing Member is not entitled to deliver the relevant securities to Eurex Clearing AG subject to a Buy-in, during execution of a Buy-In transaction. Therefore, 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 has been declared as "Not successful" to the related late original seller, the respective trade is set to "Buy-in Released". After a not successful or partial successful Buy-in attempt, a new delivery instruction is created and sent to the respective CSD. However, the Clearing Member needs to perform RELEASE of such newly created delivery instruction at the respective CSD to enable settlement and fulfillment of the contract.

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 with the B7 software application to acquire the securities to Eurex Clearing AG. 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 Member Section of Deutsche Boerse Group <https://membersection.deutsche-boerse.com>.

A Buy-in auction is 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 quantity that could be covered by the Buy-in auction is "Buy-in settled" and the remaining part is "Buy-in Released". The cancelled Late Seller delivery instruction is replaced by a new delivery instruction with the remaining quantity and amount..

The Late 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

As soon as the receipt of securities of a Buy-in trade can be confirmed, the original quantity of the Late Seller trade corresponding to the quantity of the Buy-in trade is set to "Buy-in Settled" to eliminate the Late Seller's delivery obligation. For SIS and CREST trades the status is set latest after the business day has ended with completion of the same-day settlement processing

The securities Eurex Clearing AG has received via the Buy-in are transferred to the buyer.

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 Late Seller. All payments are settled via the cash account provided by the Clearing Member for Buy-in related-payments for the respective currency.

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 Late 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 Late 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	Eurex Clearing AG Buy-in Fees
Bonds (Frankfurter Wertpapierbörse / Eurex Exchange / Eurex Repo)	0,1% amount owed securities (min, EUR 250 max. EUR 5000)
Equity style products (Frankfurter Wertpapierbörse / Eurex Exchange)	10% amount owed securities (min EUR 250 max. EUR 5000) ⁹

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 Late Seller did not cancel but transferred securities in CREST although its obligation to deliver expired effectively with the Buy-in success, it is liable to pay the amount of GBP 450/EUR 500 /USD 700 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. The following maximum additional Price Premiums apply for which the owed securities will be bought via auction:

Asset Class	Sub-Asset Class ¹⁰	Price Premium (%)
Equities	Liquid Equities	5
Equities	Illiquid Equities	10
ETF	All	7
Others	All	10
Sovereign Bonds	All	3
Corporate Bonds	All	3

⁹ Applicable min/max fees for securities traded vs non-EUR currencies as per respective Clearing Conditions chapter.

¹⁰ As per MIFID Instrument Liquidity indicator describing if the equity instrument is Liquid or Illiquid as per ESMA.

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 not subject to 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 Late 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 10%, whereas the trade prices of the respective buy and sell trades serve as floor: $P_{CS} = \text{Max}((P_L * 1,1); P_B; P_S)$

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 10%, whereas the

highest price of sale and the highest purchase price in the relevant FWB 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 formula¹¹: $D_{CS} = (P_{CS} - P_S) * X$

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 $P_{CS} = \text{Max}(165; 115; 110)$, the debit amount is calculated as:

$$D_{CS} = (165 - 110) * 400 = 22,000;$$

and the credit amounts per buy trade are calculated as:

$$C_{CS} = (165 - 115) * 200 = 10,000 \text{ and } C_{CS} = (165 - 105) * 200 = 12,000$$

Thus, the cash amount required for the Cash Settlement, $D_{CS} = 22,000.00$, is debited to the Clearing Member of the defaulting Late Seller. The Clearing Member of the buyer of the identified trade #1 is credited with the compensation amount $C_{SC} = 10,000.00$ and the Clearing Member of the buyer of the identified trade #2 is credited with the compensation amount $C_{SC} = 12,000.00$.

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

For bonds traded at FWB, 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.

¹¹ 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 Late 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) or CD850 (for XEUR, XFRA, XETR, XERE).

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 Late Seller's delivery obligation.

In the reporting for the next settlement run at the CSD the cash settled quantity is displayed with status "CASH SETTLED" on Clearing Member 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 CREST Trades only)

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).

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".

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.

5.1.2 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 Eurex Repo, FWB Trades and transactions which are resulting from Eurex physical deliveries, 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 CB830 Trades Action Report

This report contains Single Trades which were linked, inserted or deleted as well as Net Position Trades that were deleted or set to Buy-in Blocked or Buy-in Released during the C7 SCS Business Day. Changes in Release Status and associated Quantity on Hold initiated directly at the (I)CSD (provided status update was received from (I)CSD) are reported as well..

5.2.2 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 as well as number of days late and the trade status (Buy-in Block" etc).

5.2.3 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 with corresponding settlement status BUY-IN SETTLED, CASH SETTLED etc.

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

5.2.4 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).

5.3 Eurex Reports (XML)

5.3.1 CB325 Daily Service Fees

For each performed Buy-in auction a Buy-in fee is charged to the Clearing Member of the failed Late 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).

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