

Chapter IV of the Clearing Conditions of Eurex Clearing AG

Clearing of Repo Transactions

As of 01.09.2023

AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED;

DELETIONS ARE CROSSED OUT

[...]

Part 2 Clearing of Repo Transactions

[...]

2.7 Failure to Deliver or to Pay

2.7.1 Failure to deliver or pay on the Contractual Settlement Date of the Front Leg

(1) Repo Transactions (other than GC Pooling Repo Transaction)

(a) If, under a Repo Transaction (other than a GC Pooling Repo Transaction), on the Contractual Settlement Date of the Front Leg

- (i) the Cash Taker fails to deliver the owed Securities, or
- (ii) the Cash Provider fails to transfer the owed purchase price,

until the applicable settlement cut-off time (“Settlement Cut-Off Time”), Eurex Clearing AG shall be entitled to determine an earlier repurchase date with respect to the Term Leg of the relevant Repo Transaction on either the present Business Day or at the latest (including) on the Contractual Settlement Date of the Term Leg (“Accelerated Repurchase Date”).

[...]

(2) GC Pooling Repo Transactions

(a) If, under a GC Pooling Repo Transaction,

- (i) the Cash Taker fails to deliver Securities selected and instructed by CmaX or the other TCPM on the Contractual Settlement Date of the Front Leg, or
- (ii) the Cash Provider fails to transfer the agreed cash amount on the Contractual Settlement Date of the Front Leg,

until the applicable Settlement Cut-Off Time, the provisions under Paragraph (1) (a), (b) and (c) shall apply *mutatis mutandis*, unless provided otherwise herein.

[...]

2.7.2 Failure to deliver or to pay on the Contractual Settlement Date of the Term Leg

(1) Repo Transactions (other than GC Pooling Repo Transactions)

- (a) If, under a Repo Transaction (other than a GC Pooling Repo Transaction), ~~on the Contractual Settlement Date of the Term Leg,~~ the Cash Provider fails to deliver the Securities on the 5th Business Day after the Contractual Settlement Date of the Term Leg prior to expiry of the Settlement Cut-Off Time, Eurex Clearing AG shall be entitled to initiate a buy-in within the meaning of Chapter I Part 1 Number 1.4.4 (1).

In case such buy-in attempt fails, Eurex Clearing is entitled to initiated a further buy-in on the 10th and 27th Business Day following the Contractual Settlement Date of the Term Leg.

~~Eurex Clearing AG shall be entitled~~

- ~~(i) to conduct an buy-in with respect to the relevant Securities on the 5th Business Day after the Contractual Settlement Date of the Term Leg and to deliver the purchased Securities to the relevant Cash Taker; or~~

- ~~(ii) if a buy-in is (partially or fully) unsuccessful, to perform a cash settlement.~~

~~Eurex Clearing AG shall be obliged to conduct a buy-in or a cash settlement pursuant to this Paragraph (a), if the Cash Taker (or the Clearing Agent acting in the name of the Cash Taker in its capacity as ISA Direct Clearing Member) requests in writing that Eurex Clearing AG shall conduct a buy-in or a cash settlement.~~

- (b) If the required Securities cannot be acquired wholly or can be acquired only partially by way of a buy-in according to Paragraph (a), Eurex Clearing AG is entitled to perform a cash settlement of the relevant Repo Transaction on the Determination Date by determining a cash settlement amount with respect to the the non-delivered Securities.

The “**Determination Date**” shall be a Business Day between the 30th and the 36th Business Day after the Contractual Settlement Date of the Term Leg of the late Cash Provider. For the cash settlement, Eurex Clearing AG will determine a Term Leg of a Cash Taker to whom delivery has not been effected in due time and allocate it to the Repo Transaction of the late Cash Provider (“**Allocated Repo Transaction**”).

- (c) Eurex Clearing AG shall be obliged to conduct a buy-in or a cash settlement pursuant to this Paragraph (a) and (b), if the Cash Taker (or the Clearing Agent acting in the name of the Cash Taker in its capacity as ISA Direct Clearing Member) requests in writing that Eurex Clearing AG shall conduct a buy-in or a cash settlement.

The Cash Taker shall be entitled to submit a buy-in request at any time after the expiry of the Settlement Cut-Off Time on the 5th Business Day following the Contractual Settlement Date of the Term Leg.

If the required Securities cannot be acquired wholly or can be acquired only partially by way of a buy-in according to Paragraph (a), Eurex Clearing AG shall perform a cash settlement according to Paragraph (b). When determining the Determination Date, Eurex Clearing AG shall allocate the Term Leg of the relevant Cash Taker, which submitted the request pursuant to this Paragraph (c).

- (d**b**) The buy-in and the cash settlement shall be conducted pursuant to the provisions under Chapter V Part 2 Number 2.2 applicable to Other Securities. ~~(without application of the provisions on contractual penalties pursuant to 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 shall be the higher of

- (i) the settlement price of the respective class of securities on the Business Day preceding the Determination Date as determined by Eurex Clearing AG,
- (ii) the agreed price per security under the failed Repo Transaction ~~selling price~~, and
- (iii) the agreed price per security under the relevant Allocated Repo Transaction ~~purchase price of the relevant Eurex Repo Transaction~~,

and in each case, plus a premium of 300 basis points, accrued interest and the applicable repo rate.

The provisions on contractual penalties pursuant to Chapter V Part 2 Number 2.2.1 (6) shall not be applicable. The contractual penalty for a failure to deliver Securities pursuant to Chapter I Part I Number 14.2.2 shall not apply. In respect of a failure to deliver CSDR Penalty In-Scope Securities the provisions on penalties set out in Chapter I Part 1 Number 1.4.4 (2) apply.

- (e**e**) If, under a Repo Transaction other than a GC Pooling Repo Transaction, on the Contractual Settlement Date of the Term Leg, the Cash Taker fails to transfer the owed re-purchase price prior to expiry of the Settlement Cut-Off Time, the contractual penalty pursuant to Chapter I Part 1 Number 14.2.2 shall apply.

[...]
