

Chapter IV of the Clearing Conditions of Eurex Clearing AG

# Clearing of Repo Transactions

As of 24.10.2022

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AMENDMENTS ARE MARKED AS FOLLOWS:

INSERTIONS ARE UNDERLINED,

DELETIONS ARE CROSSED OUT.

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[...]

## 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 systems 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 arrangements have been 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.

Any Original MTF Repo Transaction which has been novated in accordance with Part 2 Number 2.1.2 and any Eurex Repo Transaction shall hereinafter be referred as a “**Repo Transaction**”.

- (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. Terms used in this Chapter IV and not otherwise defined herein shall have the meaning given to them in the GTCs of Eurex Repo GmbH.
- (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 ISA Direct Light License for Repo and GC Pooling Repo Transactions which are cleared by Eurex Clearing AG and which contain a collateral transfer by way of a title transfer collateral arrangement.

- (4) Unless provided otherwise in this Chapter IV, references in this Chapter IV to ISA Direct Clearing Members and Clearing Agents shall include ISA Direct Indemnified Clearing Members and Indemnifying Clearing Agents, respectively.

## 1.1 Clearing Licenses

### 1.1.1 Granting of Clearing Licenses

A Clearing License or ISA Direct Clearing License is required in order to participate in the Clearing of Repo Transactions; Eurex Clearing AG shall grant such Clearing License or ISA Direct Clearing License upon written application.

### 1.1.2 Prerequisites for Clearing Licenses

- (1) With regard to the prerequisites to be fulfilled within the scope of granting the Clearing License, Chapter I Part 1 Numbers 2.1.1 to 2.1.3 apply. With regard to the prerequisites to be fulfilled within the scope of granting of the ISA Direct Clearing License, Chapter I Part 6 Subpart A Numbers 2.1.1 and 2.1.2 (and, if the ISA Direct Clearing License shall be granted as an ISA Direct Indemnified Clearing License, Chapter I Part 6 Subpart B Number 1) 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 ISA Direct Clearing License, as applicable):
- (a) 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, evidence of the entering into the related documentation) and technical connection to ~~the collateral management 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, subject to Number 1.4 below (each of CmaX or such other triparty collateral management system or other triparty collateral manager, a "TPCM").

When taking the decision to require the Clearing Member or ISA Direct Clearing Member to participate in another TPCM, Eurex Clearing AG shall take 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 ISA Direct Clearing Members, and, in respect of any such requirement affecting a Clearing Member or ISA Direct Clearing Member already holding a Clearing License or ISA Direct Clearing License for purposes of this Chapter IV, the interests of such Clearing Members or ISA Direct Clearing Members, subject to Number 1.5 below (each of Xemac,

~~CmaX or such other triparty collateral management system or other triparty collateral manager, a “TPCM”);~~

Evidence of participation in a TPCM can be provided i.e. (i) either via own participation authorisation in Xemac, CmaX or the relevant other TPCM, (ii) via a respective agreement with another settlement institution which is authorised to participate in Xemac, CmaX or the relevant other TPCM, or (iii) in case of ISA Direct Clearing Members only, via their Clearing Agent, and

(bb) if Eurex Clearing AG required a GC Pooling USD Cash Margin Contribution from the applicant in accordance with Chapter I Part 2 Subpart B Number 5.3, compliance with the applicable GC Pooling USD Cash Margin Contribution requirement, and

(cc) an obligation to grant authorisation within the meaning of Chapter I Part 1 Number 1.4.2 Paragraph (2) of the Clearing Conditions also exists with respect to the substitution of securities (“Substitution”) assigned in connection with a GC Pooling Repo Transaction.

~~(3) The applicant shall insofar as it intends to use the Gross Delivery Management service (Chapter I Part 1 Number 1.4.2 Paragraph (9) and Number 1.3.1 Paragraph (1) (b) (e)) also optionally offered by Eurex Clearing AG vis-à-vis Clearing Members, ISA Direct Clearing Members and settlement institutions (Chapter I Part 1 Number 2.1.2 Paragraph (7)) in connection with the implementation of the Clearing of Repo Transactions provide evidence of a technical and functional connection to the respective interface of the technical systems used by Eurex Clearing AG pursuant to the specifications set forth by Eurex Clearing AG.~~

## 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, will be calculated directly by Xemac, CmaX or the relevant other TPCM.

(i) During the calculation, Xemac, CmaX or such other TPCM 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.

(ii) Also, the securities to be delivered as Eligible Margin Assets with respect to admissible as securities serving as collateral in connection with the delivery of GC Pooling Repo Transactions will be determined by Xemac on the basis of the

~~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 4~~

(iii) ~~—~~ 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 3.1.37.

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 ISA Direct Margin in accordance with Chapter I Part 6 Subpart A 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 Eligible Margin Assets collateral which qualify as own issues in the meaning of the GTC's of Eurex Repo GmbH in relation to the Clearing Member or ISA Direct Clearing Member. With regard to securities which become own issues during the term of the Transaction, this provision applies also. The Clearing Members or ISA Direct 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 or, in case of ISA Direct Margin, Chapter I Part 6 Subpart A Number 7 (as relevant, in conjunction with Subpart B) apply.~~

(2) With regard to GC Pooling Equity-Repo Ttransactions, Eurex Clearing AG shall ~~in deviation from Paragraph (1) Sentence 3~~ define/determine with respect to each Securities Basket a list of securities forming part of the relevant Securities Basket, equities included in the DAX®, EURO STOXX 50®, AEX® and CAC 40®-which shall be eligible as Eligible Margin Assets securities serving as collateral (“Eligible Margin Assetsity Llist”) and shall review and update the Eligible Margin Assets List ~~if necessary~~ such list on a daily basis.

~~When determining the Eligible Margin Assets List, Eurex Clearing AG The equities are admitted to this list in accordance with~~ considers a catalogue of criteria ~~which takes into~~ taking 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 Eligible Margin Assets List at any time ~~eligibility list. The All applicable effective eligibility~~ Eligible Margin Assets Lists 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~~  
With respect to the GC Pooling Equity Basket, the following additional provisions shall be applicable:

~~(i) Eurex Clearing AG will determine specific concentration limits, which of Eurex Clearing AG shall apply and will be made publicly available in Xemac, CmaX or in or via the relevant other TPCM.~~

~~(ii) If To the extent a the Clearing Member or ISA Direct Clearing Member which has available an ~~in~~ does not have the sufficient amount required number of eligible securities serving as collateral available for the GC Pooling Equity Basket, the Clearing Member or ISA Direct Clearing Member shall be entitled to deliver securities forming part of the Eligible Margin Assets Lists relating to the GC Pooling ECB Basket. In such case, the settlement ~~is instead allowed to transfer ownership of securities eligible for the GC Pooling ECB Basket, the rules applicable for for settlement of GC Pooling Repo Transactions relating to the GC Pooling ECB Basket Repo transactions shall apply to such securities serving as collateral.~~~~

(3) In addition to the provisions of Paragraph (1) and (2), the provisions of Chapter I Part 1 Number 3 together with Part 2 Subpart A Number 4, Subpart B Number 5 and Subpart C Number 6 or Part 4 Number 6 and Chapter I Part 6 Subpart A Number 7 (as relevant, in conjunction with Subpart B) shall apply with regard to the basic principles of the margin requirement and – unless aforementioned paragraphs state otherwise – the obligation to provide margin.

— The provisions of Paragraph (1) Sentence 4 – 10 apply to Special and GC Repo accordingly. In the case securities collateral are qualified as own issues after the settlement of the Front Leg, Eurex Clearing may apply an adequate haircut to cover a higher liquidation risk for Eurex Clearing AG. No automatic substitution is processed.

### 1.3 **Set-off Procedure of Cash Claims**

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.

[...]

### 1.5 **Changes to Settlement or Collateral Management Infrastructure**

[...]

(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 ISA Direct Clearing

Members (and their Clearing Agents) (the “**GC Pooling Migration Date**”), (i) the Collateral Management System Xemac of Clearstream Banking AG (“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 ISA Direct Clearing Members (and their Clearing Agents) of the Final Implementation Date relating to the GC Pooling Migration Date.

[...]

## Part 2 Clearing of Repo Transactions

### 2.1 Repo Transactions

- (1) A Repo Transaction is a purchase/sale of securities and their simultaneous forward re-purchase/re-sale and the payment of an interest (“Repo Interest”). Thus, such transaction is a combination of a purchase agreement (“**Front Leg**”) with simultaneous re-purchase agreement (“**Term Leg**”) of securities of the same type and category at a certain point in time.

[...]

#### 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 ISA Direct 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 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 ISA Direct 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.

[...]

## 2.2 General Provisions

- (1) For the settlement of Repo Transactions, the provisions under Chapter I Part 1 Number 1.2.5 and 1.4 apply, unless otherwise provided in Paragraph (2).

With regard to the securities admitted ~~for~~ delivery for GC Pooling Repo Transactions, the participating Clearing Members and ISA Direct 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:

- (a) Purchase Agreement (Front Leg):

~~Under the Front Leg, a~~ All physical deliveries shall be made versus and payment (Zug-um-Zug) s shall be concurrently performed between the

(i) between the relevant Clearing Member or ISA Direct Clearing Member obliged to deliver the Securities ("Cash Taker") and Eurex Clearing AG and

(ii) ~~, and, accordingly, between Eurex Clearing AG and the other relevant~~ Clearing Member or ISA Direct Clearing Member which ~~shall is to receive~~ the Securities ("Cash Provider") and Eurex Clearing AG ~~delivery~~

~~on the agreed delivery day~~ agreed settlement date ("Contractual Settlement Date") of the Front Leg. Physical deliveries shall be made through a Settlement Location, and payments shall be made through the corresponding account determined by such Settlement Location.

- (b) Repurchase Agreement (Term Leg):

~~Under the Term Leg, a~~ All physical deliveries and payments shall be made versus payment (Zug-um-Zug)

(i) between the Cash Taker and Eurex Clearing AG, and

(ii) between the Cash Provider and Eurex Clearing AG

~~concurrently performed between the Clearing Member or ISA Direct Clearing Member obliged to deliver and Eurex Clearing AG, and, accordingly, between Eurex Clearing AG and the Clearing Member or ISA Direct Clearing Member which is to receive delivery on the agreed delivery day~~ Contractual Settlement Date of the Term Leg. Physical deliveries shall be made through a Settlement



Location, and payments shall be made through the corresponding account determined by such Settlement Location.

(c) Physical Deliveries:

The transfer of Securities to be delivered under Eurex Repo Transactions shall be performed in accordance with the provisions under Chapter I Part 1 Number 1.4.2. Eurex Clearing AG shall, with respect to Securities held in collective safe custody (*Girosammelverwahrung*) delivered to it pursuant to Paragraph (2) (a) and (b), act as an intermediary of the Clearing Members or Basic ISA Direct Clearing Members which are obliged to deliver in order to subsequently deliver such securities to the Clearing Members or ISA Direct Clearing Members which are to receive delivery. With respect to the settlement of transactions concluded by Clearing Members or ISA Direct Clearing Members, the transfer of ownership in respect of the Securities held in collective safe custody (*Girosammelverwahrung*) to be delivered will thus be performed directly between the involved Clearing Members or ISA Direct Clearing Members.

(d) **Delivery and payment with regard to GC Pooling Repo Transactions:**

(i) Purchase Agreement (Front Leg):

Under the Front Leg of a GC Pooling Repo Transactions, Eurex Clearing AG agreed with the Cash Taker and the Cash Provider on the payment of a specific notional amount in the relevant currency versus the transfer of a certain scope of Securities forming part of a specific Securities Basket, which shall finally be selected by CmaX or the relevant other TPCM.

Under the Front Leg, all physical deliveries shall be made versus payment (*Zug-um-Zug*)

(I) between the Cash Taker and Eurex Clearing AG and

(II) between the Cash Provider and Eurex Clearing AG

on the agreed Contractual Settlement Date of the Front Leg.

Physical deliveries shall be made through a Settlement Location, and payments shall be made through the corresponding account determined by such Settlement Location

(ii) Repurchase Agreement (Term Leg):

Under the Term Leg of a GC Pooling Repo Transactions, Eurex Clearing AG agreed with the Cash Taker and the Cash Provider on the re-payment of the specific notional amount paid under the Front Leg in the relevant currency versus the re-transfer of the relevant securities determined and reserved for such GC Pooling Repo Transaction.

Provided that the underlying Securities, which have been transferred under the Front Leg, have been substituted during the term of the GC Pooling Repo Transaction, such substituted Securities shall become the relevant underlying Securities during the term of the GC Pooling Repo Transaction.

All physical deliveries shall be made versus payment (*Zug-um-Zug*)

(I) between the Cash Taker and Eurex Clearing AG and

(II) between the Cash Provider and Eurex Clearing AG

on the agreed Contractual Settlement Date of the Term Leg.

Physical deliveries shall be made through a Settlement Location, and payments shall be made through the corresponding account determined by such Settlement Location.

(iii) Exposure Adjustment Requests

After each Settlement Date Exposure Netting pursuant to Number 2.6, Eurex Clearing AG submits the required Exposure Adjustment Requests to CmaX or the relevant other TPCM to adjust the relevant exposures and to initiate the required Securities transfer.

With respect to Same Day Repo Transactions, Settlement Date Exposure Netting does not apply, instead Eurex Clearing AG submits separate Exposure Adjustment Requests to CmaX or the relevant other TPCM.

(iv) Settlement of the Exposure Adjustment Requests

After receipt of the Exposure Adjustment Requests, CmaX or the relevant other TPCM shall adjust the relevant exposures and shall select the relevant Securities forming part of the relevant Securities Basket to be transferred.

CmaX, the relevant other TPCM or Eurex Clearing AG shall enter the required Settlement Instructions and/or Payment Instructions (if any) into the systems of the relevant Settlement Locations or payment accounts.

The transfer of Securities shall be performed in accordance with the provisions under Chapter I Part 1 Number 1.4.2.

(v) Eurex Clearing AG makes no representation, whether expressed or implied, as to the complete and timely fulfillment of obligations by CmaX or the relevant other TPCM vis-à-vis the Clearing Members or ISA Direct Clearing Members.

Eurex Clearing AG assumes no liability to the Clearing Members or ISA Direct Clearing Members for any act or failure to act by CmaX or the relevant other TPCM in connection with the delivery or Substitution of

underlying Securities and corporate actions with regard to such underlying Securities.

- ~~— 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 pursuant to the SB Xemac, 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 ISA Direct Clearing Members and Eurex Clearing AG, and vice versa, shall be carried out in accordance with relevant applicable law, depending on the account relevant for such transfer, pursuant to German law or pursuant to the laws of the Grand Duchy of Luxembourg and pursuant to the additional contracts having been used as basis by the parties. The provisions of Chapter I Part 1 Number 1.4.2 Paragraph (4) and (9) apply with the proviso that the payment is settled via the account of the Clearing Member or ISA Direct Clearing Member which is determined for settlement in the currency of the underlying transaction.~~

(vi) Target Settlement Times

For the purpose of this Chapter IV, “**Target Settlement Time**” shall mean the time until which any delivery or payment incumbent on the Clearing Member or ISA Direct Clearing Member must be made available for settlement in such a way that the Clearing Member or ISA Direct Clearing Member is able to fulfil its obligations vis-à-vis Eurex Clearing AG for the relevant day of performance.

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

(l) — With regard to GC Pooling Repo Transactions settled in Euro (“**EUR**”) on a Business Day other than the trade date, the Target Settlement Time shall be 10:45 hours (Frankfurt am Main time).

— With regard to GC Pooling Repo Transactions, which are settled in EUR and whose trade date equals the settlement date of the Front Leg, the Target Settlement Time shall be 30 minutes after the conclusion of the GC Pooling Repo Transaction.

(II) 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 ~~with respect to which the trade date and equals the settlement date of the Front Leg~~ are identical, the Target Settlement Time shall be (i) ■ for Transactions which are concluded until 14:30 (Frankfurt am Main time) 15:00 (Frankfurt am Main time), and (ii) ■ for Transactions which are concluded after 14:30 (Frankfurt am Main time), there is a fulfilment no later than 30 minutes after the conclusion of the GC Pooling Repo Transaction.

(III) With regard to GC Pooling Repo Transactions settled in Swiss Franc (“**CHF**”) on a Business Day other than the trade date, the Target Settlement Time shall be 13:45 hours (Frankfurt am Main time).

With regard to GC Pooling Repo Transactions, which are settled in CHF and ~~with respect to which trade date and settlement date of the Front Leg are identical, whose trade date equals the settlement date of the Front Leg,~~ the Target Settlement Time shall be no later than 30 minutes after the conclusion of the GC Pooling Repo Transaction.

(IV) 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).

With regard to GC Pooling Repo Transactions, which are settled in currencies other than EUR, USD or CHF and with respect to which trade date and settlement date of the Front Leg are identical, whose trade date equals the settlement date of the Front Leg, the Target Settlement Time shall be no later than 30 minutes after the conclusion of the GC Pooling Repo Transaction.

(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 prior to the 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)~~ Subparagraph (aa) shall apply *mutatis mutandis*.

(cc) Target Settlement Times for GC Pooling TL Early Settlement Transactions

Eurex Clearing AG may offer the Clearing of GC Pooling Repo Transactions ~~with an earlier~~ prior to the Target Settlement Time for the Term Leg ~~than the time specified in Subparagraph (aa)~~ (“GC Pooling TL Early Settlement Transactions”). ~~Subparagraph Part 2 Number 2.2 (2) (d)~~ (bb) shall apply *mutatis mutandis*.

(dd) Target Settlement Times for GC Pooling FLTL Early Settlement Transactions

Eurex Clearing AG may offer the Clearing of GC Pooling Repo Transactions with an earlier Target Settlement Time for both the Front Leg and the Term Leg than the time specified in Subparagraph (aa) (“GC Pooling FLTL Early Settlement Transactions”). ~~Subparagraph Part 2 Number 2.2 (2) (d)~~ (bb) shall apply *mutatis mutandis*.

### 2.3 Daily Settlement Valuation

- (1) For each delivery of the underlying security to the respective Eurex Repo Transaction which has not yet been performed, unrealised profits and losses will be determined daily on the basis of the current market prices and set off against the collateral provided. The amount of the collateral to be provided shall equal the difference between the price at which the transaction was concluded and the daily settlement price for such Business Day.
- (2) The daily settlement price shall be determined by Eurex Clearing AG after close of trading and notified to the Clearing Members and ISA Direct Clearing Members (or the Clearing Agent acting in the name of an ISA Direct Clearing Member).
- (3) For unfulfilled deliveries within the context of GC Pooling Repo Transactions, an evaluation of the securities to be delivered, which are selected by ~~Xema~~, 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 (*Gutschriften in Wertpapierrechnung*) or security credits (insofar consistently described as “**securities margin**”) which are admissible for a transaction in this currency and basket.~~
- ~~(2) Eurex Clearing AG shall deliver the securities due for delivery to the Clearing Members or ISA Direct Clearing Members entitled to delivery.~~
- ~~(3) Provided that for the fulfilment of delivery obligations of originally transferred or assigned securities margin, which have been transferred, within the context of the Term Leg of an GC Pooling Repo Transaction, have been substituted during the term of the transaction, these alternatively assigned or transferred securities margin shall apply as underlying to the Repo Transaction for the fulfilment of delivery obligations.~~
- ~~(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 ISA Direct Clearing Members. Eurex Clearing AG assumes no liability to the Clearing Members or ISA Direct 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.~~

## **2.45 Payment of Interests and Dividends, as well as other Corporate Actions (Compensation)**

- ~~(1) If interests or dividends are paid with respect to ~~on~~ the underlying security Securities 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 “**Compensation Amount**” to the relevant cash account of the Clearing Member or ISA Direct Clearing Member which has was the sellersold of the respective securities underlying Securities under the Front Leg of the relevant Repo Transaction.~~

~~Besides, Eurex Clearing AG shall arrange for the debit of the relevant cash account of the Clearing Member or ISA Direct Clearing Member, which was the buyer of the underlying Securities under the Front Leg of the relevant Repo Transaction, arrange for the charge of in an amount equal to the Compensation Aamount of interests or dividends to the Clearing Member or ISA Direct Clearing Member which has purchased the respective securities.~~

The relevant ~~c~~Cash settlement shall be made through the RTGS Accounts, the euroSIC Accounts, the accounts with Euroclear Bank S.A./N.V. in Brussels or accounts with Clearstream Banking S.A. In case of ~~Euro~~GC Pooling Repo Transactions, the ~~compensation~~Compensation payment Amount shall be initiated via Eurex Clearing AG through ~~Xemac~~, CmaX or the relevant other TPCM.

- (2) Securities actually delivered under serving as collateral in GC Pooling Repo Transactions relating to the 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 ISA Direct Clearing Member which has transferred the securities serving as collateral. Such Clearing Member or ISA Direct Clearing Member must take the necessary measures to enable a timely re-transfer, thus enabling such Clearing Member or ISA Direct Clearing Member to exercise or respectively perform its rights relating to the respective corporate action.

## **2.5 Settlement Date Netting**

Eurex Clearing AG and the Clearing Member or ISA Direct Clearing Member may agree upon a netting of delivery and payment obligations arising from Repo Transactions (other than GC Pooling Repo Transactions) subject to and in accordance with the following provisions ("**Settlement Date Netting**").

### **2.5.1 General provisions for Settlement Date Netting**

- (1) The Settlement Date Netting shall occur at the end of the Business Day immediately prior to the Contractual Settlement Date ("**Netting Date**") and relates to all Front Legs and Term Legs of Eurex Repo Transactions or MTF Repo Transactions that form part of the same Net Processing Unit.
- (2) A "**Net Processing Unit**" comprises all Front Legs and Term Legs meeting the following requirements (each a "**Netted Transaction**"):
- (a) all Netted Transactions have the same Contractual Settlement Date,
  - (b) all Netted Transactions arise from Eurex Repo Transaction or MTF Repo Transactions (for the avoidance of doubt, netting may also occur across different trading venues),
  - (c) all delivery obligations relate to shares, securities, rights or other instruments ("**Relevant Securities**"), in each case with the same ISIN (or other securities identification number),
  - (d) all payment obligations are denominated in the same currency,
  - (e) all Netted Transactions are booked into the same Transaction Account,

- (f) the Clearing Member or ISA Direct Clearing Member has designated the same Settlement Location with respect to all Netted Transactions, and
- (g) the Clearing Member or ISA Direct Clearing Member has designated the same securities accounts with the relevant Settlement Location to be used for performing the delivery obligations under all Netted Transactions.

The Front Leg of Repo Transactions with a trade date, which is the same as its Contractual Settlement Date ("**Same Day Repo Transactions**"), do not form part of a Net Processing Unit. Same Day Repo Transactions are settled on a gross basis.

- (3) The Clearing Member or ISA Direct Clearing Member agrees with Eurex Clearing AG that the Settlement Date Netting deviates from the set-off requirements stipulated by Section 387 of the German Civil Code (*Bürgerliches Gesetzbuch*) and that the Settlement Date Netting shall occur (i) prior to the point in time when the delivery and payment obligations of the Clearing Member or ISA Direct Clearing Member towards Eurex Clearing AG become due (*Fälligkeit*) and (ii) prior to the point in time when Eurex Clearing AG can effect its delivery and payment obligations towards the Clearing Member or ISA Direct Clearing Member (*Erfüllbarkeit*). The point in time when the Settlement Date Netting becomes effective is determined under Number 2.5.2 below.
- (4) Within the process of the Settlement Date Netting, Eurex Clearing AG allocates each Netted Transaction to either the Surplus Block or the Offset Block on the basis of a pre-defined and non-discretionary algorithm. The allocation of the relevant Netted Transaction to either the Offset Block or the Surplus Block is legally binding for the Clearing Member or ISA Direct Clearing Member.

"**Offset Block**" consists of all Netted Transactions of the same Net Processing Unit with respect to which the netting of all delivery and payment obligations arising from such Netted Transactions results in a net payment obligation only, without any delivery obligation. To further increase the netting effects, Eurex Clearing AG may split the relevant Netted Transactions.

"**Surplus Block**" consists of all Netted Transactions, which do not form part of the Offset Block and with respect to which the aggregation of the delivery obligations arising from such Netted Transactions results in either a sell or buy surplus.

### 2.5.2 Processing Methods

The Clearing Member or ISA Direct Clearing Member may select one of the following processing methods (each a "**Processing Method**") shall be applicable:

- (i) all Relevant Transactions shall be netted in accordance with Paragraph (1) ("**Settlement Date Netting**"), or
- (ii) no Settlement Date Netting shall apply in accordance with Paragraph (2) ("**Gross Processing**"),



Settlement Date Netting shall be the default Processing Method. Eurex Clearing AG ensures that the relevant Processing Method specified by the Clearing Member or ISA Direct Clearing Member shall be applied in Eurex Clearing AG's systems as soon as reasonably practicable.

**(1) Settlement Date Netting**

If Settlement Date Netting is the applicable Processing Method, the Clearing Member or ISA Direct Clearing Member can select either (i) Dual Instruction Netting in accordance with Paragraph (a) or (ii) Single Instruction Netting in accordance with Paragraph (b) (each a "Netting Option").

**(a) Dual Instruction Netting**

(i) Under Dual Instruction Netting, the delivery and payment obligations arising from the Surplus Block and the payment obligation arising from the Offset Block are instructed separately by Eurex Clearing AG provided that no Strange Net has occurred pursuant to Paragraph (iv) below ("Dual Instruction Netting").

**(ii) Surplus Block**

(I) After the occurrence of the Settlement Date Netting, Eurex Clearing AG enters settlement instructions into the systems of the relevant Settlement Location (each a "Settlement Instruction") relating to the delivery and payment obligations arising from the Netted Transactions which are allocated to the Surplus Block.

(II) All delivery and payment obligations arising from the Netted Transactions which are allocated to the Surplus Block shall be deemed discharged as of the point in time when the relevant securities and cash amounts are actually debited and credited from the relevant securities and cash accounts by the relevant Settlement Location.

(III) Provided that the relevant Settlement Location supports partial deliveries and a partial delivery of Securities occurs with respect to a Settlement Instruction, Eurex Clearing AG partially allocates the delivered Securities among the Netted Transactions forming part of the Surplus Block on basis of a pre-defined and non-discretionary algorithm. Such allocation shall constitute a legally binding obligation between Eurex Clearing AG and the Clearing Member or ISA Direct Clearing Member.

The delivery and payment obligations arising from the Surplus Block shall be deemed partially discharged as of the point in time when the relevant securities and cash amounts are actually debited and credited from the relevant securities and cash accounts by the relevant Settlement Location.

**(iii) Offset Block**

- (I) After the occurrence of the Settlement Date Netting, Eurex Clearing AG enters cash-only instructions into the systems of the relevant payment bank (each a “Payment Instruction”) relating to the payment obligation arising from the Netted Transactions which are allocated to the Offset Block.
- (II) All delivery and payment obligations arising from all Netted Transactions allocated to the Offset Block shall be deemed discharged as of the point in time when the relevant cash amounts are actually debited and credited from the relevant cash accounts by the relevant payment bank.

**(iv) Strange Nets**

In case of the following scenarios (each a “Strange Net”), the following shall apply:

- (I) In case the Settlement Date Netting of all Netted Transactions forming part of the same Net Processing Unit results in no delivery obligation and no payment obligation, Eurex Clearing AG does not enter any Settlement Instruction or Payment Instruction.

All delivery and payment obligations arising from all Netted Transactions forming part of the same Net Processing Unit shall be deemed discharged as of the beginning of the Contractual Settlement Date.

- (II) In case the Settlement Date Netting of all Netted Transactions forming part of the same Net Processing Unit results in a cash-only obligation, without any delivery obligation, Eurex Clearing AG only enters the relevant Payment Instructions.

All delivery and payment obligations arising from all Netted Transactions forming part of the same Net Processing Unit shall be deemed discharged as of the point in time when the relevant cash amounts are actually debited and credited from the relevant cash accounts by the relevant payment bank.

**(b) Single Instruction Netting**

- (i) Under the Single Instruction Netting, the payment obligation arising from the Offset Block is considered in the netting result of the Surplus Block resulting in a single settlement instruction (“Single Instruction Netting”).

**(ii) Surplus Block**

The provisions under Paragraph (a) (ii) above shall apply accordingly to Single Instruction Netting.

**(iii) Offset Block**

(I) Notwithstanding Strange Nets, Eurex Clearing AG does not enter any Payment Instruction with respect to the Offset Block.

(II) All delivery and payment obligations arising from all Netted Transactions allocated to the Offset Block shall be deemed discharged as of the point in time when the relevant securities and cash amounts are fully debited and credited from the relevant securities and cash accounts by the relevant Settlement Location in accordance with the Settlement Instruction entered into by Eurex Clearing AG pursuant to Paragraph (b) (ii) above.

**(iv) Strange Nets**

In case of the following scenarios (each a “**Strange Net**”), the following shall apply:

(I) In case the Settlement Date Netting of all Netted Transactions forming part of the same Net Processing Unit results in no delivery obligation and no payment obligation, Eurex Clearing AG does not enter any Settlement Instruction or Payment Instruction.

All delivery and payment obligations arising from all Netted Transactions forming part of the same Net Processing Unit shall be deemed discharged as of the beginning of the Contractual Settlement Date of all Netted Transactions.

(II) In case the Settlement Date Netting of all Netted Transactions forming part of the same Net Processing Unit results in a cash-only instruction, without any delivery obligation, Eurex Clearing AG enters a Payment Instruction.

All delivery and payment obligations arising from all Netted Transactions forming part of the same Net Processing Unit shall be deemed discharged as of the point in time when the relevant cash amounts are actually debited and credited from the relevant cash accounts by the relevant payment bank.

(III) In case the Settlement Date Netting results in a delivery obligation only without any payment obligation, Eurex Clearing AG will apply Aggregation.

“**Aggregation**” means the following:

- (A) All delivery and payment obligations of all Netted Transactions forming part of the same Net Processing Unit and which have a delivery obligation for the Clearing Member or ISA Direct Clearing Member are aggregated (“**Aggregated Sell Position**”).
- (B) All delivery and payment obligations of all Netted Transactions forming part of the same Net Processing Unit and which have a delivery obligation for Eurex Clearing AG are aggregated (“**Aggregated Buy Position**”).
- (C) Eurex Clearing AG enters the relevant Settlement Instructions for the Aggregated Sell Positions and the Aggregated Buy Positions into the systems of the relevant Settlement Location.
- (D) All delivery and payment obligations arising from the Netted Transactions forming part of the Aggregated Sell Position shall be deemed discharged as of the point in time when the relevant securities and cash amounts are actually debited and credited from the relevant securities and cash accounts by the relevant Settlement Location. The same shall apply with respect to all delivery and payment obligations arising from the Netted Transactions forming part of the Aggregated Buy Position.
- (E) Provided that the Settlement Location supports partial deliveries and a partial delivery of Securities occurs with respect to a Settlement Instruction entered into the systems of the relevant Settlement Location, Eurex Clearing AG partially allocates the delivered Securities among the Netted Transactions forming part of the Surplus Block on basis of a pre-defined and non-discretionary algorithm. Such allocation shall constitute a legally binding obligation between Eurex Clearing AG and the Clearing Member or ISA Direct Clearing Member.

The delivery and payment obligations arising from the Surplus Block shall be deemed partially discharged as of the point in time when the relevant securities and cash amounts are actually debited and credited from the relevant securities and cash accounts by the relevant Settlement Location.

- (IV) In case the Settlement Date Netting results in a delivery obligation and a payment obligation for one (but not for the other) party, Eurex Clearing AG will apply Aggregation pursuant to Paragraph (III) above.

## **(2) Gross Processing**

If Gross Processing is the applicable Processing Method, no Settlement Date Netting occurs and all Repo Transactions are settled on a gross basis. Eurex

Clearing AG will enter separate Settlement Instructions into the systems of the relevant Settlement Location for each Repo Transaction.

**(3) Shaping**

Prior to the entering of Settlement Instruction or a Payment Instruction, Eurex Clearing AG may split a Settlement Instruction or a Payment Instruction with a high notional value into several instructions with smaller notional value ("**Shaping**").

**2.5.3 Reporting**

- (1) Eurex Clearing AG will inform the Clearing Member or ISA Direct Clearing Member of the results of any Settlement Date Netting pursuant to Number 2.5.2 (2) after the completion of the end-of-day processing on the relevant Netting Date by providing a report.
- (2) Eurex Clearing AG will inform the Clearing Member or ISA Direct Clearing Member of the settlement status of each Netted Transaction at the end of each Contractual Settlement Date by providing a settlement report.

**2.6 Settlement Date Exposure Netting with respect to GC Pooling Repo Transactions**

With respect to GC Pooling Repo Transaction, Eurex Clearing AG applies a mandatory netting of delivery and payment obligations arising from all GC Pooling Repo Transactions of the relevant Clearing Member or ISA Direct Clearing Member ("**Settlement Date Exposure Netting**") subject to and in accordance with the following provisions.

**2.6.1 General provisions for Settlement Date Exposure Netting**

- (1) The Settlement Date Exposure Netting shall occur on the Netting Date and relates to all Front Leg(s) and Term Leg(s) of GC Pooling Repo Transactions that form part of the relevant Net Processing Unit.
- (2) A "**Net Processing Unit**" comprises all Front Leg(s) and Term Leg(s) meeting the following requirements (each a "**Netted GC Pooling Repo Transaction**"):
  - (a) all Netted GC Pooling Repo Transactions arise from GC Pooling Repo Transactions,
  - (b) all delivery obligations relate to the same Securities Basket ("**Relevant Securities**"), and
  - (c) all requirements stipulated under Number 2.5.1 (2) (a), (d), (e), (f), and (g).

The Front Legs of GC Pooling Repo Transactions qualifying as Same Day Repo Transactions do not form part of a Net Processing Unit. Same Day Repo Transactions are settled on a gross basis.

(3) The provisions under Number 2.5.1 (3) and (4) shall apply accordingly to Settlement Date Exposure Netting.

## **2.6.2 Processing Methods**

(1) The only Processing Method with respect to GC Pooling Repo Transaction shall be that all delivery and payment obligations arising from all Relevant Transactions are netted ("**Settlement Date Exposure Netting**").

Gross Processing will be applied for Same Day Repo Transactions only.

### **(2) Netting Options**

The Clearing Member or ISA Direct Clearing Member can select

- (i) Dual Instruction Netting in accordance with Paragraph (a) below or
- (ii) Single Instruction Netting in accordance with Paragraph (b) below (each a "**Netting Option**").

#### **(a) Dual Instruction Netting**

- (i) Under the Dual Instruction Netting, the delivery and payment obligations arising from the Surplus Block and the Offset Block after the Settlement Date Exposure Netting are instructed separately by either (i) CmaX or the relevant other TPCM or (ii) Eurex Clearing AG (provided that no Strange Net pursuant to Paragraph (iv) has occurred).

#### **(ii) Surplus Block**

- (I) After the Settlement Date Exposure Netting, Eurex Clearing submits the netting results and Exposure Adjustment Requests to CmaX or the relevant other TPCM.
- (II) After receipt of the Exposure Adjustment Requests, CmaX or the relevant other TPCM shall adjust the relevant exposures and shall select the relevant Securities forming part of the relevant Securities Basket to be transferred.

CmaX or the relevant other TPCM shall enter the required Settlement Instructions into the systems of the relevant Settlement Locations.

- (III) All delivery and payment obligations arising from the Netted Transactions which are allocated to the Surplus Block shall be deemed discharged as of the point in time when the relevant securities and cash amounts are actually debited and credited from the relevant securities and cash accounts by the relevant Settlement Location.

(IV) In case the Exposure Adjustment Request submitted to CmaX or the relevant other TPCM can only be partially fulfilled, Eurex Clearing AG partially allocates the delivered Securities among the Netted Transactions forming part of the Surplus Block on basis of a pre-defined and non-discretionary algorithm. Such allocation shall constitute a legally binding obligation between Eurex Clearing AG and the Clearing Member or ISA Direct Clearing Member.

The delivery and payment obligations arising from the Surplus Block shall be deemed partially discharged as of the point in time when the relevant securities and cash amounts are actually debited and credited from the relevant securities and cash accounts by the relevant Settlement Location.

**(iii) Offset Block**

(I) After the occurrence of the Settlement Date Exposure Netting, Eurex Clearing AG enters cash-only instructions into the systems of the relevant payment bank (each a “Payment Instruction”) relating to the payment obligation arising from the Netted Transactions which are allocated to the Offset Block.

(II) All delivery and payment obligations arising from all Netted Transactions allocated to the Offset Block shall be deemed discharged as of the point in time when the relevant cash amounts are actually debited and credited from the relevant cash accounts by the relevant payment bank.

**(iv) Strange Nets**

In case of the following scenarios (each a “Strange Net”), the following shall apply:

(I) In case the Settlement Date Netting of all Netted Transactions forming part of the same Net Processing Unit results in no delivery obligation and no payment obligation, Eurex Clearing AG does not submit an Exposure Adjustment Request and does not enter any Payment Instruction.

All delivery and payment obligations arising from all Netted Transactions forming part of the same Net Processing Unit shall be deemed discharged as of the beginning of the Contractual Settlement Date of all Netted Transactions.

(II) In case the Settlement Date Netting of all Netted Transactions forming part of the same Net Processing Unit results in a cash-only obligation, without any delivery obligation, Eurex Clearing AG does not submit an Exposure Adjustment Request and enters only the relevant Payment Instructions.

All delivery and payment obligations arising from all Netted Transactions forming part of the same Net Processing Unit shall be deemed discharged as of the point in time when the relevant cash amounts are actually debited and credited from the relevant cash accounts by the relevant payment bank.

**(b) Single Instruction Netting**

(i) Under the Single Instruction Netting, the payment obligation arising from the Offset Block and the Surplus Block shall be instructed by CmaX or the relevant other TPCM provided that no Strange Net has occurred (“**Single Instruction Netting**”).

**(ii) Surplus Block**

The provisions under Paragraph (a) (ii) above shall apply accordingly to Single Instruction Netting.

**(iii) Offset Block**

(I) Notwithstanding Strange Nets, Eurex Clearing AG does not enter any Payment Instruction with respect to the Offset Block.

(II) The results of the Settlement Date Exposure Netting with respect to the Offset Block forms part of the Exposure Adjustment sent to CmaX or the relevant other TPCM by Eurex Clearing AG pursuant to Paragraph (ii) (I) above.

(III) After receipt of the Exposure Adjustment Requests, CmaX or the relevant other TPCM shall adjust the relevant exposures and shall enter the required Payment Instructions into the systems of the relevant payment bank.

(IV) All delivery and payment obligations arising from all Netted Transactions allocated to the Offset Block shall be deemed discharged as of the point in time when the relevant cash amounts are fully debited and credited from the relevant cash accounts by the relevant payment bank.

**(iv) Strange Nets**

In case of the following scenarios (each a “**Strange Net**”), the following shall apply:

(I) In case the Settlement Date Exposure Netting of all Netted Transactions forming part of the same Net Processing Unit results in no delivery obligation and no payment obligation, Eurex Clearing AG does not submit any Exposure Adjustment Request.



All delivery and payment obligations arising from all Netted Transactions forming part of the same Net Processing Unit shall be deemed discharged as of the beginning of the Contractual Settlement Date of all Netted Transactions.

(II) In case the Settlement Date Netting of all Netted Transactions forming part of the same Net Processing Unit results in a cash-only instruction, without any delivery obligation, Eurex Clearing AG submits the relevant Exposure Adjustment Requests.

All delivery and payment obligations arising from all Netted Transactions forming part of the same Net Processing Unit shall be deemed discharged as of the point in time when the relevant cash amounts are actually debited and credited from the relevant cash accounts by the relevant payment bank.

(III) In case the Settlement Date Netting results in a delivery obligation only, without any payment obligation, Eurex Clearing AG will submit Exposure Adjustment Requests.

In such case, the provisions under Paragraph (2) (a) (ii) (II) to (IV) above shall apply accordingly here.

(IV) In case the Settlement Date Netting results in a delivery obligation and a payment obligation for one (but not for the other) party, Eurex Clearing AG will submit Exposure Adjustment Requests.

In such case, the provisions under Paragraph (2) (a) (ii) (II) to (IV) above shall apply accordingly here.

### **2.6.3 Reporting**

The provisions under Number 2.5.3 shall apply accordingly to Settlement Date Exposure Netting.

### **2.7 Failure to Deliver or to Pay**

~~(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~~

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

~~(aa) Repo Transactions other than GC Pooling Repo Transactions~~

##### **(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 due date of the Front Leg~~

- (i) ~~the Clearing Member or ISA Direct Clearing Member acting as a~~ Cash Taker fails to deliver the owed Securities, –or
- (ii) ~~the Clearing Member or ISA Direct Clearing Member acting as a~~ Cash Provider fails to provide –transfer the respective owed cash amount–purchase price,

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**”).

The acceleration of the repurchase date in case of items (i) and (ii) applies in both cases to

- (I) the Term Leg of the Repo Transaction between Eurex Clearing AG and the Cash Taker and
- (II) the Term Leg of the corresponding Repo Transaction between Eurex Clearing AG and the Cash Provider.

Eurex Clearing AG shall be obliged to determine an Accelerated Repurchase Date pursuant to this Paragraph (i), if the Cash Provider and, on request of the Clearing Member or ISA Direct Clearing Member (or the Clearing Agent acting in the name of the relevant ISA Direct Clearing Member), which did not receive the relevant Securities under, –in respect to the corresponding Repo Transaction between Eurex Clearing AG and such Clearing Member or ISA Direct Clearing Member–the Cash Provider on the Contractual Settlement Date of the Front Leg, requests in writing that Eurex Clearing AG shall determine an Accelerated Repurchase Date. , acts, in case of (i), as cash provider and which did not receive delivery of the Securities in time or, in case of (ii), as cash taker and did not receive the delivery of cash in time, obliged to set the present Business Day, at the latest the delivery day of the Term Leg, as an advanced repurchase date of the Term Leg.

- (b) In case of the non-delivery of Securities by the Cash Taker, the following shall apply:

As a consequence thereto–Upon the determination of an Accelerated Repurchase Date with respect to the relevant Repo Transactions,– the all mutual obligations arising out of this

- (i) from the Front Leg and the Term Leg of suchthe relevant Repo Transaction between Eurex Clearing AG and the Cash Taker and
- (ii) from the Front Leg and the Term Leg of the corresponding Repo Transaction between Eurex Clearing AG and the Cash Provider which had originally been agreed upon

shall be set-off with each other.

The only remaining obligation shall be the payment of the agreed Repo Interest, offset against each other so that the parties, with the exception of the agreed Repo interests agreed upon, do not owe each other any further payment or delivery. The payable Repo interest shall be calculated for the period as of the Contractual Settlement Date (including) of the Front Leg until the Accelerated Repurchase Date (excluding), on the basis of the period of non-delivery, in each case for the period from the purchase date (inclusive) until the Business Day to which the Term Leg was advanced (exclusive).

If a negative Repo interest has been agreed upon, the calculation of the Repo interest no longer applies, if Eurex Clearing AG is able to set the present Business Day as an advanced repurchase date of the Term Leg of the respective Eurex Repo Transaction.

(c) In case of the non-payment of the cash amount by the Cash Provider, the following shall apply:

With respect to the Cash Provider, the provisions under Paragraph (b) above shall apply accordingly.

With respect to the Cash Taker, Eurex Clearing AG shall re-transfer the Securities to the Cash Taker versus the payment of the agreed repurchase price and the agreed Repo Interest (if any).

(d) The contractual penalty for a failure to deliver Securities or cash pursuant to Chapter I Part I Number 14.2.2 shall not apply. In case of failure to pay cash, the contractual penalty pursuant to Chapter I Part I Number 14.2.2 shall 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.

Eurex Clearing AG shall be entitled to set an earlier date as repurchase date for the Term Leg of the corresponding Repo Transaction between Eurex Clearing AG and the Clearing Member or ISA Direct Clearing Member which did not receive delivery of Securities or cash, as applicable, from Eurex Clearing AG in time; Sentence 2—4 shall apply *mutatis mutandis*.

**(bb2) GC Pooling Repo Transactions**

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

(i) the Clearing Member or ISA Direct Clearing Member acting as Cash Taker fails to deliver Securities selected and instructed by CmaX or the other TCPM on the Contractual Settlement Date of the Front Leg which are admissible for the delivery in the respective basket and the underlying currency on the due date of the Front Leg, or

- (ii) ~~the Clearing Member or ISA Direct Clearing Member acting as eCash Provider fails to transfer the agreed provide the respective cash amount on the Contratual Settlement Date due date of the Front Leg,~~

the provisions under Paragraph (1) (a), (b) and (c) (a) (aa) shall apply *mutatis mutandis*, unless provided otherwise herein.

- (b) In addition, the following provision shall apply:

~~If the conditions provided in Sentence 1 are fulfilled,~~

- (i) The Clearing Member or ISA Direct Clearing Member acknowledges that Clearstream Banking S.A. or the relevant other TPCM informs Eurex Clearing AG about any failure to deliver or pay. Clearstream Banking AG may inform Eurex Clearing AG, Clearstream Banking S.A. or the relevant other TPCM 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 ISA Direct Clearing Member is not responsible for such failure, the failing Clearing Member or ISA Direct 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 and not more than EUR 15,000 per Business Day on which the failure continues 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~~

The contractual penalty shall not apply, if such failure to deliver Securities or such failure to provide the cash amount results from a Force Majeure Event, a Market Disorder Event, or if the Clearing Member or ISA Direct Clearing Member is not responsible for such failure. – Clearing AG per day.

In unreasonable scenarios, For the purposes of equity and proportionality, Eurex Clearing AG may under consideration of the interest of the relevant Clearing Member or ISA Direct Clearing Member (partly or fully) refrain from charging a refrain from applying the contractual penalty or lower its amount.

The right of Eurex Clearing AG to claim further damages or and/or default interest shall remain unaffected, provided that any amount received as a contractual penalty under this provision shall be deducted from any

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

~~(b) Failure to Deliver on the due date of the Term Leg~~

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

~~(aa) Repo Transactions other than GC Pooling Repo Transactions~~

### **(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 due date of the Term Leg, the Clearing Member or ISA Direct Clearing Member acting as cash Cash provider Provider fails to deliver the Securities, Eurex Clearing AG shall be entitled~~

~~and, on request of the Clearing Member or ISA Direct Clearing Member (or the Clearing Agent acting in the name of an ISA Direct Clearing Member) which, in respect to the corresponding Repo Transaction between Eurex Clearing AG and such Clearing Member or ISA Direct Clearing Member, acts as cash taker and did not receive delivery in time, obliged~~

~~(i) to make a replacement purchaseconduct a buy-in with respect to the undelivered relevant Ssecurities as of from on - the 5<sup>th</sup> Business Day following the due date oafter the Contractual Settlement Date off the Term Leg and to deliver the purchased Securities se to the relevant Cash Taker Clearing Member or ISA Direct Clearing Member (or the Clearing Agents acting in the name of an ISA Direct Clearing Member) which did not receive delivery by Eurex Clearing AG in time ; or~~

~~(ii) or, in the case of a wholly or partially unsuccessful if a replacement buy-in purchase 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) The replacement buy-in and the cash settlement shall be conducted are performed pursuant to the provisions under Chapter V Part 2 Number 2.2 (without application of the provisions on contractual penalties pursuant to provided in Chapter V Part 2 Number 2.2 (6)).~~

~~Notwithstanding Chapter V Part 2 Number 2.2.1 Paragraph (3) (b) (aa), the cash settlement amount is determined by the highestshall be the higher 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,

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

The contractual penalty for a failure to deliver Securities ~~or cash~~ 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.

(c) 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, the contractual penalty pursuant to Chapter I Part I Number 14.2.2 shall 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.~~

~~(bb) GC Pooling Repo Transactions~~

## **(2) GC Pooling Transactions**

(a) If, under a GC Pooling Repo Transaction, on the due date of the Term Leg

(i) ~~the Clearing Member or Basic ISA Direct Clearing Member acting as c~~Cash Provider fails to deliver the owed Securities, or

(ii) ~~the Clearing Member or ISA Direct Clearing Member acting as c~~Cash Taker fails to provide the respective ~~transfer the owed re-purchase price~~ cash amount,

~~then — irrespective of whether Eurex Clearing AG has suffered any damage — unless such failure to deliver Securities or such failure to provide the cash amount results from a Force Majeure Event, a Market Disorder Event and/or the Clearing Member or ISA Direct Clearing Member is not responsible for such failure,~~ the failing Clearing Member or ISA Direct 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 and no more than EUR 15,000 per Business Day on which the failure continues. ~~— or the corresponding equivalent in any other Clearing Currency as determined by Eurex Clearing AG — per Business Day at which the settlement fail occurs or continues to occur, however, no more than EUR 15,000~~

~~or the corresponding equivalent in any other Clearing Currency as determined by Eurex Clearing AG.~~

The contractual penalty shall not apply, if such failure to deliver Securities or such failure to transfer the re-purchase price results from a Force Majeure Event, a Market Disorder Event, or if the Clearing Member or ISA Direct Clearing Member is not responsible for such failure.

In unreasonable scenarios, Eurex Clearing AG may under consideration of the interest of the relevant Clearing Member or ISA Direct Clearing Member (partly or fully) refrain from charging a contractual penalty. For the purposes of equity and proportionality, Eurex Clearing AG may refrain from applying the contractual penalty or lower its amount.

The right of Eurex Clearing AG to claim further damages and/or default interest shall remain unaffected, provided that any amount received as a contractual penalty under this provision shall be deducted from any potential claim for damages and/or default interest based on the same facts. In the scope of its application, this contractual penalty takes precedence over the contractual penalty provided in Chapter I Part 1 Number 14.2.2.

### **2.7.3 Other Provisions**

- ~~(2) Measures set forth in Paragraph (1) shall be binding on the Clearing Member or ISA Direct Clearing Member which did not receive delivery in time.~~
- ~~(3a) The defaulting Cash Taker or Cash Provider failing to deliver or pay under Number 2.7.1 or 2.7.2 Clearing Member or ISA Direct Clearing Member shall bear the costs arising from any measures taken by Eurex Clearing AG pursuant to such provisions. Paragraph (1).~~
- ~~(4b) The right to claim further damages shall be excluded for the Clearing Member or ISA Direct Clearing Member which did not receive delivery or payment on the Contractual Settlement Date. in time.~~
- ~~(5c) If on the relevant Contractual Settlement Date or the relevant a-delivery day only a partial delivery of sSecurities occurs, the provisions under Number 2.7.1 and Number 2.7.2 Paragraphs above shall apply accordingly with regard to the outstanding partial deliveries. Due to different average price calculation of the T2S system at the Settlement Location and the system of Eurex Clearing AG concerning partial deliveries, it may occur for incomplete deliveries on the delivery day, that the Clearing Member obliged to deliver is credited an amount which, in total, exceeds the selling price. Eurex Clearing AG shall notify the Clearing Member obliged to deliver accordingly and is authorised to debit any exceeding amounts accordingly and to credit these amounts to the buyer. The Clearing Member obliged to deliver must ensure that a respective amount is available on its relevant RTGS Account or euroSIC Account.~~

**2.87 Investment limits for pending Euro GC Pooling Repo Transactions after 16:00 (Frankfurt am Main time)**

~~With regard to~~In case of GC Pooling Repo Transactions qualifying as Same Day Repo Transactions and which are concluded on at a multilateral trading facility after 16:00 (Frankfurt am Main time) ~~on a trading day and whose delivery day of the Front Leg coincides with their trade date~~, the following special provisions shall apply:

[...]

**2.98 Risk limitation possibilities for Clearing Agents**

For the avoidance of doubt, the Clearing Agent shall subject to and in accordance with the rules of the respective multilateral trading facility be entitled to suspend the trading of the ISA Direct Clearing Member at the multilateral trading facility. In this case no new Repo Transactions may be included in the Clearing.

**2.109 GC Pooling Repo Transactions relating to the GC Pooling CTD Basket Transactions**

[...]

- (3) By way of derogation from Chapter I Part 4-2 ~~Subpart A Number~~ ~~Subpart A~~ 4.3.2.2, a re-use of Securities which a Clearing Member or ISA Direct Clearing Member has received as collateral in relation to GC Pooling CTD Basket Transactions is not possible.

**2.110 Tax**

[...] (1) Deduction or withholding of Taxes

The parties to the Repo Transaction shall make all payments under the Repo Transaction without any deduction or withholding for or on account of any Tax unless such deduction or withholding is required by any applicable law.

If a party to a Repo Transaction that is required to make a payment (in such capacity, the “Payer”) is so required to make a deduction or withholding from the payment owed by it, the Payer shall:

[...]

- (2) Reimbursement of Eurex Clearing AG by the Clearing Member or ISA Direct 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 2.110 the “**Eurex Clearing Gross-up Amount**”), the relevant Clearing Member or ISA Direct 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 ISA Direct 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*.

[...]

**2.124 Termination of GC Pooling Repo Transactions denominated in USD**

[...]

**Part 3 Special Conditions regarding the Clearing of GC Pooling Repo Transactions with ISA Direct Light License Holders and corresponding GC Pooling Repo Transactions with Clearing Members**

[...]

**3.1 ISA Direct Light License**

[...]

(2) The ISA Direct Light License entitles the holder of such License (the "**ISA Direct Light License Holder**") to clear Own Transactions

- (i) as the buyer within the purchase agreement and the seller within the re-purchase agreement ("**Cash Provider**") and,
- (ii) to the extent that the ~~Novation criteria for a Cash Taker Transaction~~ Novation Criteria pursuant to Number 3.2.2 Paragraph (4) are complied with in each case, as the seller within the purchase agreement and the buyer within the re-purchase agreement ("**Cash Taker**").

Related GC Pooling Repo Transactions are included in the Clearing by way of novation subject to and pursuant to Number 3.2.

[...]

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

[...]

- c) if the ISA Direct Light License is granted that includes the Clearing of GC Pooling Repo Transactions which qualify as Eurex Repo Transactions: admission for participation in trading in the Select Invest Segment on Eurex Repo GmbH as a Select Enterprise in relation to GC Pooling Repo ~~Select~~;

[...]

- f) the applicant has provided evidence of an own participation authorisation (including, where relevant, of the entering into the related documentation) regarding ~~Xema, CmaX~~ and/or any other TPCM as Eurex Clearing AG may from time to time reasonably require, subject to Number 3.10 below.

When taking the decision to require the ISA Direct Light License Holder to participate in another TPCM, Eurex Clearing AG shall take 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 ISA Direct Light License Holders, and, in respect of any such requirement affecting an entity already holding an ISA Direct Light 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) (~~eeff~~);

[...]

- (6) The following provisions are not applicable to ISA Direct Light License Holders:

[...]

- b) Chapter I Part 2 Subparts C and D, Part 3, 4, 5 and 6;
- c) the Termination provisions and consequences pursuant to Chapter I Part 1 Number 7 and Chapter I Part 2 Subpart A Number 6 ~~and Subpart C Number 8~~, as well as a close-out with respect to Eurex Clearing AG pursuant to Chapter I Part 1 Number 9;
- d) the obligation to have available own funds in accordance with Chapter I Part 1 Number 2.1.2 Paragraph (3);
- e) the Margin Requirement pursuant to Chapter IV Part 1 Number 1.2 together with Chapter I Part 1 Number 3 and Chapter I Part 2 Subpart A Number 4 and, Subpart B Number 5 ~~and Subpart C Number 6~~;

[...]

### 3.2 Conclusion of Transactions by way of Novation

[...]

#### 3.2.1 Novation

- (1) Whenever the relevant ISA Direct Light License Holder and the Clearing Member or, as the case may be, the relevant DC Market Participant or Indirect Client Market Participant (acting on behalf of the Clearing Member in accordance with Chapter I Part 1 Number 1.1.8 of the General Clearing Provisions and (in case of an Indirect Client Market Participant applied *mutatis mutandis* pursuant to Chapter I Part 1 Number 1.1.13 of the General Clearing Provisions) ~~of the General Clearing Provisions~~) transmits via a multilateral trading facility a GC Pooling Repo Transaction pursuant to ~~Number 3.2.2 Paragraph (1)~~ to Eurex Clearing AG (“**Original GC Pooling Repo Transaction**”) and whenever Eurex Clearing AG accepts such Original GC Pooling Repo Transaction pursuant to this Number 3.2 for inclusion in the Clearing, Eurex Clearing AG will interpose itself by way of novation as central counterparty and the Original GC Pooling Repo Transaction shall – ~~pursuant to this Chapter IV~~ – be cancelled and replaced by two related GC Pooling Repo Transactions

[...]

The GC Pooling Repo Transactions resulting from the novation shall not be subject to the valid existence of the Original GC Pooling Repo Transactions (abstract novation).

Chapter I Part ~~1~~ Number 1.2.2 Paragraph (6) applies *mutatis mutandis*.

- (2) Following the conclusion of GC Pooling Repo Transactions by way of novation pursuant to Paragraph (1), Eurex Clearing AG will on the same Business Day send corresponding confirmations to the ISA Direct Light License Holders and the Clearing Members and the DC Market Participant or Indirect Client Market Participants, if any. The actual time of conclusion of a GC Pooling Repo Transaction by way of novation is referred to in this Chapter IV as the “**Novation Time**”.

#### 3.2.2 Novation Principles and Criteria

- (1) Original GC Pooling Repo Transactions have to be transmitted to Eurex Clearing AG in a standardised form via an approved multilateral trading facility.

Eurex Clearing AG makes no representation, whether expressed or implied, as to the complete and timely performance of the duties and obligations of the respective multilateral trading facility vis-à-vis the ISA Direct Light License Holders and, the Clearing Members, ~~the DC Market Participants or Indirect Client Market Participants~~.

Eurex Clearing AG assumes no liability to the ISA Direct Light License Holders or, the Clearing Members, ~~the DC Market Participants or Indirect Client Market Participants~~ for any act or failure to act by the respective multilateral trading facility

vis-à-vis the ISA Direct Light License Holders ~~or, the Clearing Members, the DC Market Participants or Indirect Client Market Participants~~ in connection with any information or notices received by Eurex Clearing AG or given to the ISA Direct Light License Holders ~~or, the Clearing Members, the DC Market Participants or Indirect Client Market Participants~~ via the respective multilateral trading facility, as the case may be.

- (2) Eurex Clearing AG shall validate any information regarding the Original GC Pooling Repo Transactions transmitted to it via a multilateral trading facility on or after the Start Date of the respective Repo Transactions.
- (3) ~~With regard to~~ In case of an Original GC Pooling Repo Transactions ~~under in~~ which the ISA Direct Light License Holder ~~is acts as~~ the Cash Provider ("**Cash Provider Transaction**"), the inclusion of ~~such an~~ Original GC Pooling Repo Transactions in the Clearing and the establishment of GC Pooling Repo Transactions pursuant Number 3.2.1 ~~Paragraph~~ (1) above requires that the ISA Direct Light License Holder has paid in advance the purchase price owed under the Front Leg of the Original GC Pooling Repo Transaction ~~to have previously paid into the relevant cash account pursuant to Number 3.1 Paragraph (5) Item g) managed by Clearstream Banking AG, maintained with~~ Clearstream Banking S.A. or the relevant other TPCM for the ISA Direct Light License Holder ~~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 the 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 Cut-Off Time**"), 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~~ is confirmed after the Novation Cut-Off Time, ~~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, Clearstream Banking S.A. or the relevant other TPCM will,~~ on such Business Day, return the payment received to the ISA Direct Light License Holder. 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**").

- (4) ~~With regard to~~ In case of an Original GC Pooling Repo Transactions ~~in under~~ which the ISA Direct Light License Holder ~~is the~~ acts as Cash Taker ("**Cash Taker Transaction**"), the inclusion of ~~such an~~ Original GC Pooling Repo Transaction in the Clearing and the establishment of GC Pooling Repo Transactions pursuant to Number 3.2.1 Paragraph (1) above is subject to the fulfilment ~~satisfaction~~ of the ~~Novation criteria for a Cash Taker Transaction~~ Novation Criteria.

The ~~“Novation criteria for a Cash Taker Transaction~~ **Novation Criteria**” shall be satisfied ~~fulfilled~~ upon the determination by Eurex AG that

[...]

- b) the Nominal Size ~~(Nominalwert)~~ of the relevant Cash Taker Transaction does not exceed the relevant Maximum Cash Taker Nominal Size and
- c) the Settlement Amount of the relevant Cash Taker Transaction does not exceed the relevant Maximum Cash Taker Settlement Amount.

In this regard, the following shall apply:

**“Maximum Cash Taker Nominal Size”** ~~(“Maximaler Cash Taker Nominalwert”)~~ specifies the – in view of an inclusion in the Clearing – maximum permissible Nominal Size of a Cash Taker Transaction, such amount being determined by Eurex Clearing AG in each individual case as:

[...]

**“Maximum Cash Taker Settlement Amount”** ~~(“Maximaler Cash Taker Settlement Betrag”)~~ specifies the – in view of an inclusion in the Clearing – maximum permissible Settlement Amount of a Cash Taker Transaction, such amount being determined by Eurex Clearing AG in each individual case as:

[...]

**“Settlement Amount”**, in relation to a GC Pooling Repo Transaction, means an amount equal to the re-purchase price plus (to the extent not already comprised therein) the Repo Interest with respect to relevant GC Pooling Repo Transaction.

If Eurex Clearing AG determines that the ~~Novation criteria for a Cash Taker Transaction~~ **Novation Criteria** have been satisfied on a Business Day until the point in time specified by Eurex Clearing AG, novation in the relevant Cash Taker Transaction shall be carried out on such Business Day provided that Eurex Clearing AG does not refuse inclusion in the Clearing for other reasons.

If Eurex Clearing AG determines that the ~~Novation criteria for a Cash Taker Transaction~~ **Novation Criteria** have not or not in due time been complied with on a Business Day until the point in time specified by Eurex Clearing AG, novation in the relevant Cash Taker Transaction shall not be carried out on such Business Day. Eurex Clearing AG will notify the respective multilateral trading facility accordingly by electronic means on such Business Day.

Novation of the Original GC Pooling Repo Transaction may be carried out in corresponding application of this Paragraph (4) on any following Business Day until and excluding the agreed End Date of the Original GC Pooling Repo Transaction.

- (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:~~

- a) ~~the Original GC Pooling Repo Transaction is entered into the system of Eurex Clearing AG pursuant Number 3.2.2 Paragraph (1) via a multilateral trading facility and does not comply~~ complies with the requirements of the contractual framework of the respective multilateral trading facility (including, ~~in particular,~~ if the transaction is entered via Eurex Repo GmbH, the GTCs of Eurex Repo GmbH~~the Terms and Conditions for Participation and Trading on Eurex Repo GmbH~~);
  - b) counterparties to ~~the a-novated~~ Original GC Pooling Repo Transaction (other than Eurex Clearing AG) are not an ISA Direct Light License Holder 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;
  - c) the Clearing License of the relevant Clearing Member and the ISA Direct Light License of the relevant ISA Direct Light License Holder are not suspended or restricted;
  - d) any of the following occurs:
    - (i) ~~a~~ Termination Date has not occurred with respect to the relevant Clearing Member,
    - (ii) circumstances have arisen with respect to the ISA Direct Light License Holder constituting a Termination Event pursuant to Chapter I Part 1 Number 7.2.1 Paragraph (2) to Paragraph (4) or Paragraph (6) to Paragraph (11),
    - (iii) ~~or a~~ termination or automatic termination has occurred with respect to the relevant ISA Direct Light License Holder pursuant to Number 3.5.1 or Number 3.5.2, and
    - (iv) an Insolvency Termination Event has occurred with respect to the relevant ISA Direct Light License Holder pursuant to Number 3.5.4; no Termination of a GC Pooling Repo Transaction with the ISA Direct Light License Holder pursuant to Number 3.5 has occurred and there exists no circumstance entitling Eurex Clearing AG pursuant to Number 3.5 to a termination of such Transaction;
- (6) Original GC Pooling Repo Transactions shall be novated with the content relevant in accordance with the contractual framework of the respective multilateral trading facility and on the basis of the information which Eurex Clearing AG has received via the respective multilateral trading facility from the relevant ISA Direct Light License Holder and the Clearing Member or the relevant DC Market Participant or Indirect Client Market Participants (acting on behalf of the Clearing Member in accordance

with Number 1.1.8-9 (in case of an Indirect Client Market Participant applied *mutatis mutandis* pursuant to Number 1.1.13) of the General Clearing Provisions), if any.

### 3.3 Fulfilment of Obligations regarding Delivery and Payment

- (1) ~~With regard respect to the to the procedures for delivery and payment resulting from under GC Pooling Repo Transactions involving ISA Direct Light License Holders, the provisions under Part 2 Number 2.2 (2) (d) and 2.4 shall apply accordingly provided that~~
- ~~(i) the with the provision that payments of the purchase price shall be are settled via the cash account pursuant to Number 3.1 Paragraph (5) Item (g) managed by maintained with Clearstream Banking AG, Clearstream Banking S.A. or the relevant other TPCM for the ISA Direct Light License Holder and~~
- ~~(ii) that the delivery of the securities shall be to be transferred is settled via the securities settlement account pursuant to Number 3.1 Paragraph (5) Item (h) managed by Clearstream Banking AG, maintained with Clearstream Banking S.A. or the relevant other TPCM for the ISA Direct Light License Holder.~~
- (2) The ISA Direct Light License Holder is obliged to
- (i) ~~instruct Clearstream Banking AG, 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 (g) (including any debit instructions with respect to any fees raised by Eurex Clearing AG) and to~~

[...]

[...]

### 3.4 Pledges regarding the Securities delivered to the ISA Direct Light License Holder

#### 3.4.1 Clearstream Banking AG as Settlement Location

~~(1) If the ISA Direct Light License Holder uses a securities account with Clearstream Banking AG for the settlement of GC Pooling Repo Transactions ("**CBF Settlement Account**"), To the extent a securities account managed for it by Clearstream Banking AG has been or will be notified to Eurex Clearing AG as account for the settlement of GC Pooling Repo Transactions, the ISA Direct Light License Holder shall~~

- ~~(i) pursuant to and in accordance with a pledge agreement substantially in a form provided by Eurex Clearing AG, pledge by entering into the Clearing Agreement pledges to Eurex Clearing AG all Securities and book entry securities (*Gutschriften in Wertpapierrechnung*) (in this Part 3 jointly referred to as "**Securities**") which are at present or will in the future be deposited in such securities account; and~~

~~(ii) issue all relevant notices and take all relevant measures necessary or expedient for such pledge to become effective and assigns to Eurex Clearing AG its claims vis-à-vis Clearstream Banking AG for surrender of such securities.~~

~~— The ISA Direct Light License Holder affirms that it is the owner of the pledged Securities or otherwise entitled or authorised to pledge the Securities to Eurex Clearing AG and that such Securities are free from equally ranking or prior ranking third party rights. The ISA Direct Light License Holder shall, for the period of time in which the Securities are pledged, not allow such rights to arise without the consent of Eurex Clearing AG.~~

~~— Upon maturity of the pledge, Eurex Clearing AG may sell the pledged Securities in the open market without prior warning or may appropriate such Securities in whole or in part. The appropriation right expires upon it being exercised by Eurex Clearing AG or upon the sale of the pledged Securities.~~

~~(2) The ISA Direct Light License Holder immediately notifies Clearstream Banking AG of the conclusion of such pledge and assignment agreement.~~

~~(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 ISA Direct Light License Holder and all other claims of Eurex Clearing AG against the ISA Direct Light License Holder arising under the Clearing Agreement between Eurex Clearing AG and the ISA Direct Light License Holder.~~

~~(4) In case Eurex Clearing AG becomes the creditor of a compensation claim against the ISA Direct Light License Holder pursuant to Number 3.5.4, Eurex Clearing AG shall be entitled to realise the pledges created pursuant to Paragraph (1) to Paragraph (3) by the affected ISA Direct Light License Holder.~~

~~(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~~

### 3.4.2 Clearstream Banking S.A. as Settlement Location

~~basis of the securities selected by Xemac pursuant to the SB Xemac.~~

~~If the holder of the ISA Direct Light License Holder uses a securities account with Clearstream Banking S.A. for the settlement of GC Pooling Repo Transactions ("**CBL Settlement Account**"),~~

~~(6) — To the extent a securities account managed for it 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 ISA Direct Light License Holder shall be obliged to~~

~~(i) pursuant to and in accordance with a pledge agreement substantially in a form provided by Eurex Clearing AG, 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.

### **3.4.3 Release of pledged Securities**

For the avoidance of doubt, the release of Securities booked into the relevant CBF Settlement Account or CBL Settlement Account pledged in favour of Eurex Clearing AG is performed by CmaX or the other TPCM. After each Settlement Date Exposure Netting pursuant to Number 2.6, Eurex Clearing AG submits the required Exposure Adjustment Requests to CmaX or the relevant other TPCM to adjust the relevant exposures and to initiate the required Securities transfer. After receipt of the Exposure Adjustment Requests, CmaX or the relevant other TPCM adjusts the relevant exposures and selects the relevant Securities forming part of the relevant Securities Basket to be transferred.

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

GC Pooling Repo Transactions established between Eurex Clearing AG and an ISA Direct Light License Holder shall be terminated and with the legal consequences pursuant to Number 3.5.3, if

- (i) Eurex Clearing AG exercises its termination right es by notice such Transactions pursuant to Number 3.5.1 or
- (ii) if such Transactions are automatically terminated an automatic termination occurs pursuant to Number 3.5.2.

The legal consequences for an insolvency event In case of the occurrence of an Insolvency Termination Event with respect to the with regard to the ISA Direct Light License Holder, the provisions under are described in Number 3.5.4 shall apply.

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

- (1) Eurex Clearing AG shall be entitled to terminate by notice, with the legal consequences as described in Number 3.5.3, individual single or all GC Pooling Repo Transactions established between Eurex Clearing AG and with ISA Direct Light License Holders prior to before the the obligations arising from under the Term Leg of the relevant GC Pooling Repo Transaction(s) becoming due and payable provided that if, with regard to the ISA Direct Light License Holder, a circumstances arise with respect to the ISA Direct Light License Holder comes into existence which constitutes a Termination Event (*Beendigungsgrund*) pursuant to Chapter I Part 1 Number 7.2.1 Paragraph (2) to Paragraph (4) or Paragraph (6) to Paragraph (11).
- (2) Whenever Eurex Clearing AG is entitled to exercise its termination righte by notice GC Pooling Repo Transactions pursuant to Paragraph (1), Eurex Clearing AG it may

- (i) ~~—without prior warning—~~ terminate by notice without prior warning individual single or all GC Pooling Repo Transactions or
- (ii) notify the relevant ISA Direct Light License Holder 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 single or all GC Pooling Repo Transactions, if the reason for a termination ~~by notice~~ is not completely remedied by the ISA Direct Light License Holder within the grace period.

- (3) The right of Eurex Clearing AG to terminate GC Pooling Repo Transactions with an ISA Direct Light License Holder in accordance with Number 3.10 shall remain unaffected.

### 3.5.2 Automatic termination of GC Pooling Repo Transactions

If, at any time, ~~a circumstances comes into existence arise~~ with regard ~~respect~~ to the ISA Direct Light License Holder, which constitutes a Termination Event (~~Beendigungsgrund~~) pursuant to Chapter I Part 1 Number 7.2.1 Paragraph (5), an automatic termination of ~~the all~~ GC Pooling Repo Transactions concluded between Eurex Clearing AG and such the relevant ISA Direct Light License Holder shall occur with take immediate effect and without further notice as of the occurrence of such circumstances. with the The legal consequences of the automatic termination shall be determined in accordance with as described in Number 3.5.3., without the requirement of a termination by notice pursuant to Number 3.5.1.

### 3.5.3 Legal consequences of a Termination ~~s from termination by notice or automatic termination~~

#### (a) Acceleration of Term Leg

If ~~Eurex Clearing AG terminates by notice single or all~~ GC Pooling Repo Transactions between Eurex Clearing AG and with the ISA Direct Light License Holder are terminated pursuant to Number 3.5.1 or if ~~such Transactions are subject to automatic termination pursuant to~~ Number 3.5.2, the following shall occur:

- (i) the Term Leg of the terminated GC Pooling Repo Transaction shall be put forward accelerated to the earlier Business Day on which the termination by notice takes effect becomes effective or the automatic termination of GC Pooling Repo Transactions occurs, and
- (ii) the obligations of the ISA Direct Light License Holder and of Eurex Clearing AG arising from under the Term Leg of the relevant GC Pooling Repo Transactions shall become immediately due upon such termination by notice or automatic termination.

#### (b) Claim for damages

The ISA Direct Light License Holder must indemnify Eurex Clearing AG against any and all damages resulting from the premature payment date of the Term Leg and release Eurex Clearing AG from any and all damages claims by third parties, in particular by Clearing Members with which Eurex Clearing AG has concluded corresponding GC Pooling Repo Transactions.

### 3.5.4 Occurrence of an Insolvency Termination Event with regard ~~respect to the~~ an ISA Direct Light License Holder

- (1) ~~As of the occurrence of an Insolvency Termination Event pursuant to Chapter I Part 1 No 7.2.2 with respect to the~~ Whenever insolvency proceedings are opened over the assets of the ISA Direct Light License Holder, all current and future primary obligations (including payment and delivery obligations) arising from any GC Pooling Repo Transactions between Eurex Clearing AG and the relevant ISA Direct Light License Holder, which have not been terminated by notice pursuant to Number 3.5.1 or automatically terminated pursuant to Number 3.5.2, shall expire (*auflösende Bedingung*) ~~upon opening of such proceedings~~ upon occurrence of the Insolvency Termination Event and shall no longer be required to be performed by the relevant debtor. The expiration of claims affects all claims arising from the relevant GC Pooling Repo Transaction independently of the time they came into existence or would have come into existence otherwise.

[...]

### 3.5.5 Information obligations ~~Undertakings of the ISA Direct Light License Holder~~

- (1) The ISA Direct Light License Holder shall ~~immediately~~ notify Eurex Clearing AG without undue delay of about
- (i) any circumstances entitling Eurex Clearing AG to exercise the termination right a termination by notice of GC Pooling Repo Transactions pursuant to Number 3.5.1,
  - (ii) any circumstances constituting an automatic termination pursuant to Number 3.5.2, and,
  - (iii) as well as on any termination events pursuant to Number 3.5.2 and any circumstances constituting an insolvency Termination Event with respect to the ISA Direct Light License Holder, events pursuant to Number 3.5.4, in relation to the ISA Direct Light License Holder.

To the extent the ISA Direct Light License Holder, with regard to such circumstances or events, is subject to a statutory obligation to publicise, in particular an obligation to publish ad hoc notifications publicly pursuant to Regulation (EU) No 596/2014, such the notification pursuant to this Clause 4 Paragraph (1) must be carried out immediately made -without undue delay after having complied with the statutory obligation to publicise the relevant stutory publication obligation has been met.

(2) If the ISA Direct Light License Holder ~~culpably~~ does not comply with its information obligations under Paragraph (1) at all or in due time, the following shall apply: with its information undertakings pursuant to Paragraph (1),

a) The ISA Direct Light License Holder ~~it must~~ shall indemnify Eurex Clearing AG against any ~~and all~~ damages resulting thereof and release Eurex Clearing AG from any and all ~~damages~~ claims for damages by third parties, in particular by Clearing Members with which Eurex Clearing AG has concluded corresponding GC Pooling Repo Transactions.

b) ~~and a~~ Any and all claims for damages ~~claims by~~ the ISA Direct Light License Holder may have vis-à-vis Eurex Clearing AG due to fulfilment of the Term Leg of the relevant GC Pooling Repo Transaction occurring after the point in time determined pursuant to Number 3.5.3 shall be excluded.

[...]

### 3.6 Failure to deliver or pay - ~~Fulfil~~

#### 3.6.1 Failure to deliver or pay on the Contractual Settlement Date of the ~~Fulfil by the delivery day of the~~ Front Leg

(1) ~~In the event that~~ an Original GC Pooling Repo Transaction is included in the Clearing by way of novation ~~only after the Contractual Settlement Date agreed delivery day of the Front Leg irrespective of whatever reason (- due - this being in particular because due to the the prerequisites pursuant to Number 3.2.2. Paragraph (3) to Paragraph (5) were not fulfilled) not having been complied with at all or in due time on the agreed delivery day of the Front Leg~~.

(a) in case of a Cash Provider Transaction for the ISA Direct Light License Holder, the Clearing Member with which Eurex Clearing AG has concluded a corresponding GC Pooling Repo Transaction ~~as a result of novation~~, or

(b) in case of a Cash Taker Transaction for the ISA Direct Light License Holder, the ISA Direct Light License Holder respectively,

has to pay to Eurex Clearing AG ~~on the delivery day of the Term Leg~~ the unreduced Repo interest on the Contractual Settlement Date of the Term Leg ~~for the entire period since the agreed delivery day of the Front Leg in full.~~

Eurex Clearing AG will ~~distribute~~ pay out the unreduced such Repo ~~interest~~ to

(i) in case of Paragraph (a), the ISA Direct Light License Holder or

(ii) in case of Paragraph (b), the Clearing Member ~~the Cash Provider~~ of the corresponding GC Pooling Repo Transaction.

(2) ~~Other~~ Any claims arising between the parties to the Original GC Pooling Repo Transaction from or in connection with a novation ~~taking place after the agreed~~

~~delivery date~~Contractual Settlement Date of the Front Leg shall be settled, ~~must be compensated bilaterally between the parties to the Original GC Pooling Repo Transaction, and are not subject matter of the legal transactions coming into existence with Eurex Clearing AG pursuant to Number 3.2.1 Paragraph (1) as a result of such novation.~~

- (3) The rights of Eurex Clearing AG pursuant to Part 2 Number 2.6-7.1 shall remain unaffected.

### 3.6.2 **Failure to deliver or pay on the Contractual Settlement Date by the delivery day of the Term Leg**

- (1) In the event that the ISA Direct Light License Holder ~~which is obliged to deliver~~ fails to deliver the underlying securities ~~of the relevant Cash Provider Transaction on the delivery day~~Contractual Settlement Date of the Term Leg of the Cash Provider Transaction and pursuant to the instructions of Eurex Clearing AG, Eurex Clearing AG shall be entitled to enforce its pledges (including by way of appropriation) ~~or realise the securities pledged to it pursuant to Number 3.4 in accordance with the provisions of the relevant pledge agreement entered into in accordance with Number 3.4 contained in the Clearing Agreement concluded with the ISA Direct Light License Holder.~~
- (2) The rights of Eurex Clearing AG pursuant to Part 2 Number 2.6-7.2 shall remain unaffected.

### 3.7 **Limitation and Suspension of Clearing**

~~Upon the occurrence of a Termination Event pursuant to Number 3.5.1, a Termination Event pursuant to Number 3.5.2 or an Insolvency Termination Event pursuant to Number 3.5.4 with respect to the ISA Direct Light License Holder, Eurex Clearing AG may —if a reason to terminate by notice pursuant to Number 3.5.1, a Termination Event pursuant to Number 3.5.2 or an insolvency event according to Number 3.5.4 occurs—~~suspend or restrict the Clearing of GC Pooling Repo Transactions with the affected ISA Direct Light License Holder; in particular, Eurex Clearing AG may one or more times suspend or restrict the novation of new GC Pooling Repo Transactions pursuant to Number 3.2 ~~under the Clearing Agreement between Eurex Clearing AG and such ISA Direct Light License Holder.~~ Eurex Clearing AG shall notify the respective multilateral trading facility and the ISA Direct Light License Holder of the decision to suspend or restrict the Clearing. Eurex Clearing AG shall specify, in the notification, a reasonable period of time during which such suspension or restriction shall apply.

[...]

### 3.9 **Settlement Date Exposure Netting**

The provisions under Part 2 Number 2.6 shall apply accordingly to an ISA Direct Light License Holder.

**3.10 Termination of a Clearing Agreement with an ISA Direct Light License Holder**

Each party to a Clearing Agreement with an ISA Direct Light License Holder may terminate ~~this~~ such Clearing Agreement at any time by giving not less than 30 calendar days' prior notice to the respective other party provided that such Clearing Agreement will remain applicable on the effective date of the termination notice and thereafter if and as long as any GC Pooling Repo Transactions entered into under such Clearing Agreement is outstanding and has not been redeemed or otherwise finally settled.

The right to terminate a Clearing Agreement with an ISA Direct Light License Holder for serious cause (*aus wichtigem Grund*) shall remain unaffected.

**3.10<sub>1</sub> Change of Settlement or Collateral Management Infrastructure relating to GC Pooling Repo Transactions with an ISA Direct Light License Holder**

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 an ISA Direct Light License Holder 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 ISA Direct Light License Holder.

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