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Eurex Clearing AG

Terms of Reference for the Eurex Clearing Committees Securities Clearing and Settlement Committee

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| Classification | Restricted; Confidential |
| SW-Rel. No. | |
| Doc.-Ref. No. | |

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| Version | V1.0 |
| Date | September 2014 |

Table of Contents

| | | |
|-------------|--|-----------|
| § 1 | Scope of Application and Definitions | 3 |
| § 2 | Relevant Matters | 3 |
| § 3 | Further Rights of the Securities Clearing and Settlement Committee | 4 |
| § 4 | Eligible Committee Members and Committee Representatives | 4 |
| § 5 | Responsibilities of Committee Representatives | 6 |
| § 6 | Responsibilities of the Chairman and Deputy Chairman | 7 |
| § 7 | Responsibilities of Eurex Clearing AG | 7 |
| § 8 | Convening the Committee | 9 |
| § 9 | Committee Procedure; Voting; Quorum | 10 |
| § 10 | Participation of Employees in the Committee; Outside Counsel; Participation of Vendors in the Committee | 10 |
| § 11 | Minutes of Committee Meetings and Voting | 11 |
| § 12 | Fees; Compensation | 11 |
| § 13 | Confidentiality | 11 |

§ 1 Scope of Application and Definitions

(1) The following terms of reference (the "**Terms of Reference**") shall apply to the procedure of the Securities Clearing and Settlement Committee

(2) The Securities Clearing and Settlement Committee shall be established for the purpose of supporting and advising, to the extent reasonably practicable, on all functional and operational aspects arising in connection with the execution and clearing of business in products cleared by Eurex Clearing AG and making recommendations to the management board of Eurex Clearing AG ("**the Board**") with respect to the "**Relevant Matters**" (as defined in § 2 below).

(3) The Securities Clearing and Settlement Committee shall consist of:

- a maximum of sixteen (16) Clearing Members holding a Frankfurt Stock Exchange (FSE) and/or Irish Stock Exchange (ISE) and/or Eurex Bonds and/or Eurex Repo License,

represented by one Committee Representative as defined in § 4 (1).

(4) Notwithstanding anything to the contrary in these Terms of Reference, Eurex Clearing AG shall not have any obligation to accept any recommendations made by, or take any action proposed by, the Securities Clearing and Settlement Committee, and any deliberation and/or decision of Eurex Clearing AG with respect to any such proposal shall be made at the sole discretion of Eurex Clearing AG, with no obligation whatsoever to the Securities Clearing and Settlement Committee in respect of such deliberation or decision or the reasoning thereof.

(5) Terms used and not otherwise defined in these Terms of Reference shall have the meanings ascribed to them in the Clearing Conditions of Eurex Clearing AG (the "**Clearing Conditions**").

§ 2 Relevant Matters

The "**Relevant Matters**" with respect to the Securities Clearing and Settlement Committee shall include, but are not necessarily limited to, the following:

(1) Main Focus:

- a) Material amendments in the area of equity, bonds and repo (excl. GC Pooling) products, including but not limited to existing equity, bonds and repo (excl. GC Pooling) products cleared and the introduction of new equity, bonds and repo (excl. GC Pooling) products.
 - b) Material amendments in the area of equity, bonds and repo (excl. GC Pooling) products, including but not limited to the functional architecture and processes of Eurex Clearing AG, in particular the assessment and prioritization of process and functional enhancements and release planning with respect to equity, bonds and repo (excl. GC Pooling).
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- c) Material amendments in the area of delivery management for equity, bonds and repo (excl. GC Pooling) products including but not limited to the settlement locations; the settlement account infrastructure and processes required; and any material services relating to delivery management for equity, bonds and repo (excl. GC Pooling) products.

§ 3 Further Rights of the Securities Clearing and Settlement Committee

The Securities Clearing and Settlement Committee shall be informed by Eurex Clearing AG, to the extent reasonably practicable, of:

- (1) any new appointment to the board of Eurex Clearing AG and
- (2) any key issues related to Eurex Clearing AG.

§ 4 Eligible Committee Members and Committee Representatives

(1) The Securities Clearing and Settlement Committee will consist of one representative for each Eligible Committee Member (each a “**Committee Representative**”).

(2) “**Eligible Committee Member**” for the Securities Clearing and settlement Committee means one of the Clearing Members, and/or registered Settlement Institutions, selected based on the following criteria:

- a) Frankfurt Stock Exchange (FSE) and/or Irish Stock Exchange (ISE) and/or Eurex Bonds and/or Eurex Repo Clearing License
- b) Overall cleared volume (excl. GC Pooling products) on Eurex Repo and Eurex Bonds
- c) Frankfurt Stock Exchange (FSE) and/or Irish Stock Exchange (ISE):
 - i) Overall Cleared volume per Settlement Institution
 - ii) Number of Clearing Members cleared and
 - iii) Number of Non-clearing Members across all Clearing Members within one Settlement Institution cleared,
- d) Eurex Clearing AG reserves the right to nominate a Clearing Member that would not qualify as an Eligible Committee Member based on the regular criteria but has been identified, at Eurex Clearing AG’s discretion, as an important contributor to the respective Clearing Committee matters,

and provided that no Eligible Committee Member shall be obliged to nominate a Committee Representative. If such Eligible Committee Member declines to nominate a Committee Representative or does not do so within a reasonable period of time (maximum three months), the Clearing Member holding a respective clearing license and ranked next according to the respective criteria during the relevant term shall instead be an Eligible Committee Member.

Each Committee Representative shall be appointed to serve for a specific period as agreed between Eurex Clearing AG and the respective Eligible Committee Members (the “Term”), provided that such appointment shall in each case be extended by such period (not exceeding 1 month) as Eurex Clearing AG requires to identify the Eligible Committee Members with respect to the following Term and take such steps as it considers necessary in relation to the appointment of the successor Committee Representatives. Nothing shall prevent any person from serving consecutive Terms if duly appointed by an Eligible Committee Member in accordance with this § 4 (2). Eurex Clearing AG shall, following the expiry of each Term, determine the Eligible Committee Members with respect to the following Term. Each Eligible Committee Member shall notify Eurex Clearing AG of the identity of its Committee Representative. Such notification shall include the primary representative as well as an alternative representative, a deputy, who may serve as Committee Representative in the absence of the primary representative. Eurex Clearing AG shall be informed of any changes to the identity of its Committee Representative by the Eligible Committee Member without undue delay. Eurex Clearing AG may rely on the identity of a Committee Representative previously notified to it by an Eligible Committee Member until Eurex Clearing AG receives notice of any changes.

(3) A person may not be nominated to be a Committee Representative unless that person:

- a) submits a completed resume template outlining his/her experience as well as reporting lines within the Eligible Committee Member;
- b) has appropriate expertise and experience in relation to the Relevant Matters;
- c) is authorized by the Eligible Committee Member to make recommendations on the firm’s behalf in relation to the Relevant Matters, and
- d) is acceptable to Eurex Clearing AG in its reasonable discretion.

(4) Eurex Clearing AG shall maintain a list of all Committee Representatives including the relevant contact details (address, phone number, fax number, email address) of each primary representative and deputy.

(5) Eurex Clearing AG shall, with the consent of the Eligible Committee Member and the Committee Representatives, publish the name of the Eligible Committee Member as well as the name and title of the Committee Representatives on the Eurex Clearing AG website.

(6) If two or more Eligible Committee Members are or become affiliates, as determined by Eurex Clearing AG, such Eligible Committee Members are entitled to appoint only one single Committee Representative for the Committee. If at any time affiliated Eligible Committee Members have appointed more than one Committee Representative, such affiliated Eligible Committee Members will promptly notify Eurex Clearing AG of the single Committee Representative representing them.

(7) At the first Committee Meeting of the Term and in the first Committee Meeting of the second year of the Term, the Securities Clearing and Settlement Committee shall appoint a Committee Representative by majority vote of the Participating Committee Representatives (as defined in § 8 (5)) to serve as chairman of the Committee (the "**Chairman**"). If the Chairman ceases to be a Committee Representative or resigns, the Deputy Chairman shall succeed as Chairman and the provisions of this § 4 (7) shall apply *mutatis mutandis*.

(8) The Securities Clearing and Settlement Committee shall appoint a respective Committee Representative by majority vote of the Participating Committee Representatives to serve as deputy chairman of the Committee (the "**Deputy Chairman**"). The provisions for serving as Deputy Chairman apply as described for the Chairman in § 4 (8). Upon the Deputy Chairman succeeding as Chairman, or if the Deputy Chairman ceases to be a Committee Representative or resigns, the Committee shall appoint a new Deputy Chairman by majority vote of the Participating Members.

(9) All attendees on behalf of the Eligible Committee Members agree to be bound by these Terms of Reference.

§ 5 Responsibilities of Committee Representatives

(1) Committee Representatives are responsible to:

- a) represent their Eligible Committee Member by collecting and consolidating opinions regarding agenda topics prior to each Committee Meeting (as defined in § 8 below);
- b) regularly attend the Committee Meetings and to actively discuss and advise on issues raised in the Committee Meetings; and
- c) communicate internally information reported in the Committee Meetings.

(2) If Committee Representatives fail to comply with their responsibilities, the appointment of any Committee Representative is subject to review at any time.

(3) Appointments and termination of Committee Representatives is at the discretion of Eurex Clearing AG in consultation with the management of the Eligible Committee Member and the Chairman.

(4) Eurex Clearing AG may, at its own discretion and following consultation with the Eligible Committee Member and the Chairman, request an adequate replacement for the Committee Representative. If the Eligible Committee Member fails to provide an adequate replacement, Eurex Clearing AG may exclude the Eligible Committee Member from the Securities Clearing and Settlement Committee and nominate a replacement Eligible Committee Member.

§ 6 Responsibilities of the Chairman and Deputy Chairman

- (1) The Chairman shall be responsible to:
- a) support Eurex Clearing AG in the preparation of each Committee Meeting's Agenda (as defined in § 8 (3)) and shall represent the Committee Representatives in addressing issues to Eurex Clearing AG;
 - b) welcome the Committee Representatives, open the Committee Meeting and request feedback to the minutes of the last Committee Meeting. Additionally, s/he shall summarize relevant points of discussion prior to switching to the next agenda item during the Committee Meeting;
 - c) request additional Committee Meetings from Eurex Clearing AG where required;
 - d) consult with Eurex Clearing AG with regards to the termination of a Committee Representative who fails to fulfill his/her responsibilities;
 - e) mandate the exclusion of participants of vendor firms from participation with regards to specific Relevant Matters discussed in the Committee;
 - f) cast a second vote in case the vote of the Committee Representatives resulted in a tie;
 - g) serve as the point of interaction between Committee Meetings for Committee Representatives and Eurex Clearing AG; and
 - h) review the minutes of the Committee Meetings within three days of receipt from Eurex Clearing AG. Where this timeline cannot be kept, Eurex Clearing AG will proceed with the finalization of the minutes and comments will be accepted in the next Committee Meeting.
- (2) The Deputy Chairman shall perform the functions of the Chairman at any Committee Meeting at which the Chairman is not present (in person or by telephone or video conference) or in any other capacity when the Chairman is not available. The Deputy Chairman may delegate his or her duties to any Committee Representative from time to time.

§ 7 Responsibilities of Eurex Clearing AG

- (1) Eurex Clearing AG shall perform the following administrative duties:
- a) maintain a contact list of all Committee Representatives and distribute it among the Committee Representatives;
 - b) maintain a list of Eligible Committee Members and their respective Committee Representatives as well as an excerpt of the Terms of Reference on the Eurex Clearing AG website;
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- c) maintain and disseminate to the Eligible Committee Members the Terms of Reference of the Securities Clearing and Settlement Committee;
 - d) send out invitations to the Committee Meetings to Committee Representatives no later than eight weeks prior to regular Committee Meetings and as timely as possible for ad-hoc Committee Meetings;
 - e) determine the agenda topics considering input from Committee Representatives, in particular the Chairman and distribute the Committee Meeting agenda four weeks prior to the Committee Meeting;
 - f) disseminate the presentation material no later than two weeks prior to the Committee Meeting. Additionally, Eurex Clearing AG will distribute hand-outs or electronic copies for sensitive agenda items. Eurex Clearing AG reserves the right not to distribute hand-outs or electronic copies for sensitive agenda items;
 - g) organize the logistics for the Committee Meetings, including the schedule of the Committee Meetings for the current year;
 - h) coordinate at its own discretion additional Committee Meetings where required; and
 - i) take minutes for all agenda topics and issues discussed and distribute the minutes within three weeks of the Committee Meeting. Additionally, Eurex Clearing AG shall maintain an action list for tracking purposes.
- (2) Eurex Clearing AG is responsible to:
- a) determine and evaluate the criteria to select institutions as Eligible Committee Members;
 - b) invite Eligible Committee Members to nominate Committee Representatives
 - c) review the notification of the Committee Representatives and appoint the Committee Representatives;
 - d) terminate the participation of Committee Representatives who fail to fulfill their responsibilities in consultation with the management of the Eligible Committee Member and the Chairman;
 - e) mandate the exclusion of a Committee Representative from a vote in case a Relevant Matter presented for decision has been discussed in previous Committee Meetings and the Committee Representative has missed at least two of these Committee Meetings;
 - f) mandate the exclusion of participants of vendor firms from participation with regards to specific Relevant Matters discussed in the Committee;
 - g) convene the Securities Clearing and Settlement Committee at the start of each Term and moderate each Committee Meeting; and
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- h) organize the election of the Chairman and Deputy Chairman.

§ 8 Convening the Committee

(1) Eurex Clearing AG shall convene a Committee Meeting of the Securities Clearing and Settlement Committee (a "**Committee Meeting**"):

- a) at least two times each calendar year
- b) at the request of the Chairman, the Deputy Chairman or any Committee Representative, represented by the majority of the Eligible Committee Members (provided such request is accompanied by a draft Agenda (as defined below) for such Committee Meeting); and
- c) at its own discretion, e.g. such as webinars for specific topics

by delivering notice ("**Notice**") in accordance with this § 8. Eurex Clearing AG shall organize the location of the Committee Meetings.

(2) A Notice of a Committee Meeting shall:

- a) be delivered to each Committee Representative by email no later than eight weeks prior to a regular Committee Meeting and as timely as possible prior to the date of an ad-hoc Committee Meeting;
- b) specify the date and time of the Committee Meeting;
- c) set out the arrangements for Committee Representatives to attend by telephone and/or video conference only for ad-hoc Committee Meetings; and

(3) No later than two weeks prior to a regular Committee Meeting, Eurex Clearing AG will send out an agenda specifying in reasonable detail the matters to be discussed at such Committee Meeting, together with materials providing reasonable background in relation to such matters (the "**Agenda**").

(4) Notwithstanding § 8 (2) and (3) above, Eurex Clearing AG may convene a Committee Meeting or add urgent matters to a previously circulated agenda upon such notice and in such manner as it determines, in order to consider any Relevant Matter which it determines requires the urgent attention of the Committee.

Eurex Clearing AG shall consult with the Chairman and/or the Deputy Chairman (as it determines) prior to convening a Committee Meeting in such circumstances, provided that no such consultation will be required if Eurex Clearing AG is not reasonably able to contact the Chairman or the Deputy Chairman.

(5) No vote may be taken at a Committee Meeting with respect to any matter which was not set out in the relevant Agenda.

(6) The Committee Representatives attending a respective Committee Meeting (either in person or by telephone or video conference as set out herein) shall be hereinafter referred to as the "**Participating Committee Representatives**" and each a "**Participating Committee Representative**".

(7) Eurex Clearing AG and the Chairman may make such arrangements for the appointment of proxies (including setting out the terms on which such proxies may vote) as it in its discretion determines.

§ 9 Committee Procedure; Voting; Quorum

(1) All decisions and recommendations made by the Committee shall be made at a Committee Meeting by majority vote of Committee Representatives.

(2) For the purpose of all voting procedures hereunder each Participating Committee Representative shall have one single vote. In the event that any vote is tied, the Chairman shall have the casting vote.

(3) Quorum will require Committee Representatives of at least 2/3 of the Eligible Committee Members of the Securities Clearing and Settlement Committee to vote.

§ 10 Participation of Employees in the Committee; Outside Counsel; Participation of Vendors in the Committee

(1) A Committee Representative may invite one employee of the Eligible Committee Member it is representing (or of an affiliate) to participate in a Committee Meeting relating to any Relevant Matter in respect of which such employee has expertise. The Committee Representative may, by notice to the Chairman, delegate the authority to vote on its behalf on a particular issue to any such employee.

(2) A Committee may consult outside counsel or other outside experts to the extent and as long as such attendance is considered appropriate by Eurex Clearing AG based on a majority vote of Participating Committee Representatives. The costs for such advice shall be borne on a pro rata basis by all Committee Representatives who voted for seeking such advice.

§ 11 Minutes of Committee Meetings and Voting

(1) Minutes shall be taken of all Committee Meetings of the Committee by Eurex Clearing AG. The minutes shall set forth place and date of the Committee Meeting, the Participating Committee Representatives, the matters on the agenda, the substance of the deliberations and the votes taken by the Committee. Eurex Clearing AG shall record in the minutes the identity of each Participating Committee Representative and how such Committee Representative voted with respect to any matter raised at the Committee Meeting.

(2) The minutes of the Committee Meeting will be provided within three weeks. Prior to distribution, the minutes will be reviewed by the Chairman or the Deputy Chairman. If the minutes cannot be reviewed within three days of receipt from Eurex Clearing AG by the Chairman or the Deputy Chairman, Eurex Clearing AG will proceed with the finalization of the minutes and comments will be accepted in the next Committee Meeting.

§ 12 Fees; Compensation

Each Committee Representative shall be responsible for its own costs associated with its participation in the Committee and shall not be entitled to demand or receive any fee or compensation from Eurex Clearing AG for such participation.

§ 13 Confidentiality

Except as expressly contemplated in these Terms of Reference or as may be required by applicable law or court order or by a regulatory, self-regulatory or supervising authority having appropriate jurisdiction, each Committee Representative agrees

(1) To maintain confidentiality as to all aspects of these procedures, including any discussions, deliberations, proceedings or results of any vote, or any determinations produced by these proceedings (the “**Confidential Information**”);

(2) To refrain from disclosing the content of the Securities Clearing and Settlement Committee, material received or any recommendation made by the Securities Clearing and Settlement Committee to any third party other than for the purpose of consultation within the Eligible Committee Member;

(3) Not to use any Confidential Information for its own benefit or the benefit of any of its affiliates; and

(4) To disclose the Committee material only to third parties where the information is already available in the public domain or where Eurex Clearing AG has given explicit consent for the disclosure.
