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**AMENDMENTS ARE MARKED AS FOLLOWS:**

**INSERTIONS ARE UNDERLINED**

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Chapter IV of the Clearing Conditions of Eurex Clearing AG

# Clearing of Transactions at Eurex Repo GmbH

(Eurex Repo)

As of 18.05.2018

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## Part 1 General Provisions

[...]

### 1.1 Clearing Licenses

#### 1.1.1 Granting of Clearing Licenses

[...]

#### 1.1.2 Prerequisites for Clearing Licenses

- (1) With regard to the prerequisites to be fulfilled within the scope of granting of the Clearing License, Chapter I Part 1 Numbers 2.1.1 to 2.1.3 apply. With regards to the prerequisites to be fulfilled within the scope of granting of the Basic Clearing Member Clearing License, Chapter I Part ~~5-6~~ Numbers 2.1.1 to 2.1.2 apply.
- (2) The applicant shall meet the following additional requirements:
  - (a) Evidence of technical connection to the systems of Eurex Clearing AG,
  - (b) in the event of participation in the clearing for GC Pooling<sup>®</sup> Repo transactions, of the participation admission and technical connection to the Collateral Management System Xemac<sup>®</sup> ("**Xemac**") of Clearstream Banking AG, including the possibility of participation in the international Collateral Management, i.e.
    - aa) either via own participation authorisation in Xemac,
    - bb) via a respective agreement with another settlement institute which is authorised to participate in Xemac, or
    - cc) in case of Basic Clearing Members only, via their Clearing Agent.
- (3) The applicant shall – insofar as it intends to use the Gross Delivery Management service (Chapter I Part 1 Number 1.4.2 Paragraph (2) and Number 1.3.1 Paragraph (1) (b) – (e)) also optionally offered by Eurex Clearing AG vis-à-vis Clearing Members, Basic Clearing Members and settlement institutions (Chapter I Part 1 Number 2.1.2 Paragraph (7)) in connection with the implementation of the clearing of Eurex 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, shall be calculated directly by Xemac. During calculation, Xemac shall, according to

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the provisions of the Special Conditions for Collateral Management (“**SC Xemac**”), consider the respective currency in which the underlying transaction has been concluded. Also, the securities admissible as securities serving as collateral in connection with the delivery of GC Pooling Repo transactions shall be determined by Xemac on basis of the Special Conditions for SC Xemac. Other than described in Sentence 1, Eurex Clearing AG may demand that, in excess of the margin requirement calculated by Xemac, Additional Margin has to be provided in accordance with the calculation method published pursuant to Chapter I Part 1 Number 3.1.8. 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 Chapter I Part 3 Subpart A Number 5.3 or additional Basic Clearing Member Margin in accordance with Chapter I Part 5-6 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 collateral which qualify as own issues in the meaning of the Terms and Conditions for Participation and Trading on Eurex Repo GmbH (“**GTC’s Repo**”) in relation to the Clearing Member or Basic Clearing Member. With regard to securities which become own issues during the term of the Transaction, this provision applies also. The Clearing Members or Basic 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 3 Subpart A Number 5 and Subpart B Number 4 apply or in case of Basic Clearing Member Margin, Chapter I Part 5-6 Number 7 apply.

- (2) [...]
- (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 3 Subpart A Number 5, Subpart B Number 4 and Chapter I Part 5-6 Number 7 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 Setoff Procedure

Regarding GC Pooling Repo transactions, the setoff of claims and liabilities is – in addition to Chapter I Part 1 Number 1.3 – subject to the provisions of the SB Xemac.

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### **Part 3 Special Conditions regarding the Clearing of GC Pooling Repo Transactions with holders of a Specific Repo License and corresponding GC Pooling Repo Transactions with Clearing Members**

[...]

#### **4.1 Specific Repo License**

[...]

(5) The prerequisites to be fulfilled for the granting of the Specific Repo License are the following:

- a) The applicant is a company;
- b) the applicant has obtained any approvals required for the conduct of GC Pooling Repo Transactions;
- c) admission for participation in trading on Eurex Repo GmbH as a Select Enterprise in relation to GC Pooling Repo Select;
- d) access to Eurex Clearing AG's Common Report Engine;
- e) evidence of an own participation authorisation regarding the Collateral Management System Xemac® ("**Xemac**") of Clearstream Banking AG including the possibility of participation in the international Collateral Management;
- f) (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;
- g) securities settlement accounts pursuant to Chapter I Part 1 Number 2.1.2 Paragraph (4) (a) (~~eegg~~);

[...]

(6) The following provisions are not applicable to holders of a Specific Repo License:

- a) Chapter I Part 1 Number 2.1.4. Furthermore, all GC Pooling Repo Transactions of the holder of a Specific Repo License shall not be subject to a separate master agreement (*Rahmenvertrag*) and shall be treated legally independent from one another;
- b) Chapter I Part 2 Subpart D, Part 3, 4, ~~5~~ and ~~56~~;

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