

REGULATION

Pursuant to the definition Margin and articles 6.1.2 and 6.1.4 of the Clearing Rule Book

MARGIN

Capitalised terms used in this Regulation, and not otherwise defined, shall have the meaning as set out in the Clearing Rule Book.

This Regulation comes into force on **1 May 2016**.

Changes to this Regulation will be implemented in accordance with the Change Management Process for Clearing Rules, after consultation of the Risk Committee.

1 Margin

- 1.1 The Variation Margin is defined as the netted accumulation of settled cash and unsettled cash (such as accrued interest and payables/receivables from unsettled Trades and fees) and the mark to market value of all Open Positions in the Position Account. Values in other currencies are expressed in EUR at the current market rate.
- 1.2 The Initial Margin is defined as the figure calculated by the margin system of EuroCCP for the Securities in that Position Account. For each Position Account, all Open Positions are netted per ISIN code of the Security and per currency of the Securities.
- 1.3 In relation to each Position Account, Total Margin is calculated as follows: the maximum of (1) Initial Margin of a Position Account minus Variation Margin of a Position Account and (2) the Minimum Margin Requirement. The Total Margin is payable by the Clearing. The Minimum Margin Requirement is set at €0.
- 1.4 The Total Margin for a Position Account must at all times be smaller than the Collateral Value of the corresponding Collateral Account. Otherwise the Clearing Participant will be called for the difference between the Total Margin of the Position Account and the Collateral Value of the corresponding Collateral Account.

2 Process of Margin

- 2.1 EuroCCP informs the Clearing Participant via email on the call upon the Clearing Participant for Margin.
- 2.2 The Clearing Participant must provide a statement whether the Margin will be covered by cash or Financial Instruments. The Clearing Participant shall transfer the required Margin in cash or in Financial Instruments to its Collateral Account within one (1) hour after receipt of the Margin call.
- 2.3 Withdrawal requests that are submitted to EuroCCP on any Clearing Day before 11.00 CET, for both cash and non cash, will be handled the same day. The applicable collateral agent / custodial deadlines will apply. Withdrawal notices received after this deadline, will be handled the next Clearing Day.

3 Intra-day Margin

- 3.1 EuroCCP can call a higher or supplementary Margin upon a Clearing Participant, at any time of the Trading Day (intra-day Margin).
- 3.2 Following such decision, EuroCCP will inform the Clearing Participant, by email, of the amount of the required Margin.
- 3.3 EuroCCP will only call a higher or supplementary Margin upon the Clearing Participant if the ratio Margin/Collateral exceeds 110 % and if the higher or supplementary Margin exceeds (the equivalent of) one million euro (€1,000,000). This Margin/Collateral ratio is continuously being monitored by EuroCCP.

- 3.4 EuroCCP reserves the right to call upon its Clearing Participants for a higher or supplementary Margin which is below the above mentioned amount or percentage, should this be required by the respective risk situation.
- 3.5 Clearing Participants can either provide additional cash Collateral on the Collateral Account or reduce risk by closing out respective Open Positions.

4 Process of intra-day Margin

- 4.1 EuroCCP informs the Clearing Participant via email on the call upon the Clearing Participant for intra-day Margin
- 4.2 The Clearing Participant must provide a statement whether the intra-day Margin will be covered by cash. The Clearing Participant shall transfer the required intra-day Margin in cash or Financial Instruments to its Collateral Account within one (1) hour after receipt of the intra-day Margin call.

5 Operational deadlines deposit and withdrawal of Collateral

- 5.1 The operational deadlines regarding the deposit or withdrawal of collateral, can be found in the Regulation Collateral.