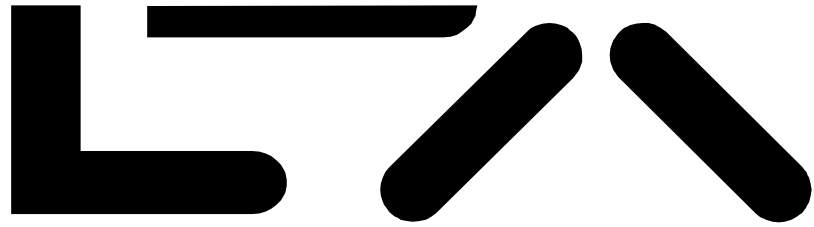


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# Eurex Zürich AG

## Collateralisation Product Specification

ERX-COL-MAN-PSP109/E, Version 1.09, 26.01.2011

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The document is part of the legal framework and defines all tradable instruments, contract templates, terms, rules and associated parameters.

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Unrestricted

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## Identification

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## Table of Contents

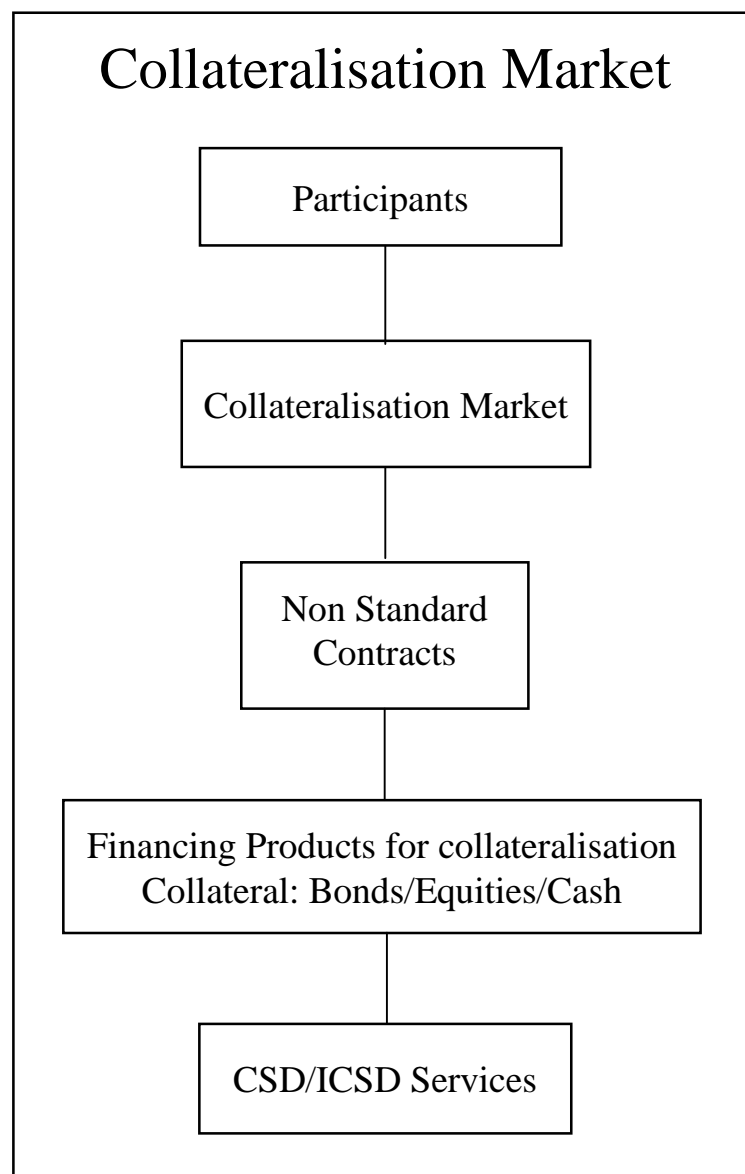
1	Introduction .....	2
2	Definitions .....	3
3	Framework .....	6
	3.1 Business Hours .....	6
	3.2 Collateral Taker .....	6
	3.3 Collateralisation Market Contract Type .....	6
	3.4 Financing Instruments qualifying for collateralised products .....	6
	3.5 Securities qualifying for the Collateral .....	7
	3.6 Baskets .....	7
	3.6.1 Collateral Baskets .....	7
	3.7 Settlement .....	9
	3.7.1 SIS Settlement .....	9
4	Detailed Market Parameters .....	9
	4.1 Minimum Trade Size for structured products .....	9
	4.2 Cash Collateral Cut-Off Times .....	9
	4.3 Settlement Deadlines .....	9
	4.4 Contract Standardisation .....	9
	4.5 Common Contract Rules .....	10
	4.6 Contract Templates .....	10
	4.6.1 Non-Standard .....	10
5	Fees .....	11
	5.1 Annual Fee .....	11
	5.2 Transaction Fees .....	11

## 1 Introduction

The Product Specification for Collateralisation (hereinafter, "Collateralisation Market") forms part of the rules and regulations of the Collateralisation Market trading platform of Eurex Zürich AG (hereinafter, "Eurex").

It specifies the financial instruments eligible for the Collateralisation Market available for trading on Eurex. Further it details the market parameters relevant to trading on the Collateralisation Market.

Eurex has the right to amend or supplement this document from time to time if such action is deemed necessary due to existing market conditions. Eurex will inform participants of such amendments or supplements by means of electronic communication in the form of e-mail circulars and notifications on the internet at least 10 days prior to their taking binding effect unless special market circumstances call for immediate action on the part of Eurex.



## 2 Definitions

As used in this document, the following terms shall have the following meaning:

Item	Description
Addressed Offer	A function in the Collateralisation Market System that enables the participants to direct to some other specific participant a binding offer to conclude a contract.
Basket	Group of stocks formed with the intention of either being borrowed or lent all at once.
Bilateral Agreement	An agreement between two parties.
Business Day	Any day on which the Collateralisation Market is open for trading.
Close Date	The date at which the contract will be closed.
Collateral	Asset that can be repossessed if a party defaults.
Collateral Currency	The currency underlying the given Collateral: For bonds given as Collateral this is the currency in which the bond is denominated. For equities given as Collateral this is the currency in which the equities are issued. For cash given as Collateral this is the cash currency.
Collateral Provider	Participant who has to deliver Collateral to the Collateral taker to cover the financing product
Collateral Taker	Participant who receive the Collateral from the Collateral provider, which covers the financing product
Collateralisation Transaction	Collateralisation transaction: The parties collateralise at predetermined conditions financial products versus Collateral, with the simultaneous agreement to return securities in the same quantity, type and quality at a specified or to-be-specified date. The Collateral provider pays the Collateral taker a charge.
CSD	Central Securities Depository
Currency Business Day	Any Business Day on which settlement in the currency concerned is possible pursuant to the Eurex holiday calendar.
Currency Holiday	Any day on which settlement in the currency concerned is not possible pursuant to the Eurex holiday calendar.
Custody Type	Defines the modus of settlement for a specific contract type. (Example: delivery versus delivery (DvD).)
Cut-Off Days	Where same day settlement is not possible at all for a given currency, this is the number of days to be added to the Transaction Date for determination of the Open Date when same day Open Date is requested.
Cut-Off Time	The time of day until which a trade must be entered into the Collateralisation Market System in order for settlement to be possible to be effected on the same day.
Day Roll Convention	In the case where a Close Date for a Fixed Term Contract falls on a Currency Holiday, the Day Roll Convention defines whether the Close Date is moved forwards or backwards to the next or to the previous Currency Business Day.
End to End Convention Flag	A functionality within the Collateralisation Market System which, for fixed month terms does not roll over to the next month if the calculated month date would fall into the last non-business date of the respective month.  In case a Close Date falls on the last calendar dates of the following month and they are not Business Day's, the Close

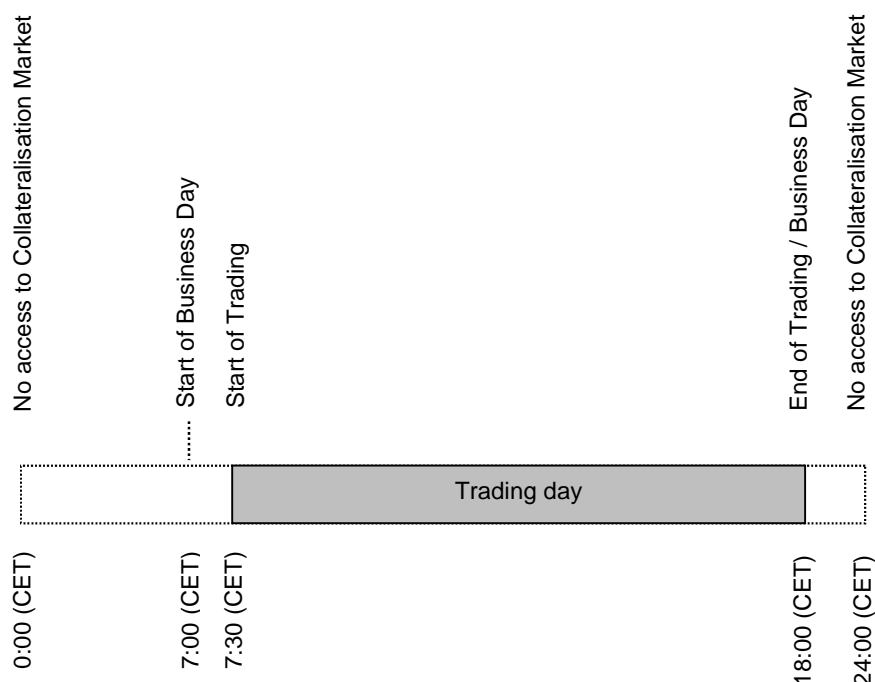
Item	Description
	Date is taken as the last Business Date of the following month. (e.g. 29 <sup>th</sup> April to 31 <sup>st</sup> May or 30 <sup>th</sup> March to 29 <sup>th</sup> April).
Financing Products	The financing products which are Collateralised
Following Modified	A Day Roll Convention used for adjusting Close Dates where the Close Date falls on a Currency Holiday. This Day Roll Convention, in principle, results in the Close Date being rolled forwards to the next Currency Business Day. If that next Currency Business Day, however, falls into the next month, the Close Date is rolled backwards to the last Currency Business Day before the Currency Holiday.
General Collateral / GC Collateral	Securities that are not special in the market and that may be used, typically, simply to collateralise.
Haircut	<p>The margin or difference between the actual market value of a financial instrument given as Collateral and its Collateral value. The haircut is expressed in % and serves as protection against the price risks associated with the Collateral. The haircut used in the Collateralisation Market system is expressed as a discounted market value in pct, e.g. 95%</p> <p>Applied haircut in % = 1 / (discounted market value in %) – 100%</p> <p>Example: Entry = 95% -&gt; haircut = 5.263%</p>
Financing Product Quantity	The quantity of the Collateralisation Market in terms of nominal size or number of securities.
Financing Product Security	The security/securities loaned in a Collateralisation Market Transaction.
Financing Product Value	The value of the Collateralisation Market in terms of money.
ICSD	International Central Securities Depository
Minimum Trade Size	The smallest quantity that can be traded, also called "Smallest Tradable Unit".
Monthly Transaction Credit	Has the meaning as set forth in Section 5.1 of this document.
Non-Standardised Contract	Has the meaning as set forth in Section 3.2 of this document.
Open End	A Collateralisation Market Transaction, where the Close Date is left open.
Open Date	The date on which the Collateralisation Market transaction will be opened.
Right to Substitution	Right of the parties to substitute the financial instruments provided as Collateral in an individual Collateralisation Market Transaction for different financial instruments of equal value and credit quality.
Security Size	Nominal size of a bond or number of shares transferred in a Collateralisation Market contract.
Settlement Organisation	The organisation where the contract as a whole is settled or the delivery of the legs takes place or is initiated.
SIS	SIX SIS AG
Smallest Denomination	The smallest quantity that can be delivered/settled.

Item	Description
Smallest Tradeable Unit	The smallest quantity that can be traded, also called "Minimum Trade Size".
System	The Collateralisation Market trading system.
T + n	This expression is used in order to indicate how the Open Date of a contract is calculated. T stands for Transaction Date n stands for the number of Business Days to be added to the Transaction Date.
Term	The time difference between the Open Date and the Close Date.
Term Abbreviation	Abbreviation of a term (e.g. ON for Overnight).
Trade After Cut-Off Time	If Cut-Off Time is applicable, the Trade After Cut-Off Time flag indicates if trading stops at Cut-Off Time for the Business Day. If the flag is set to yes, trading continues but the Open and/or Close Dates are rolled one Business Day forward.
Transaction Date	Date, on which a Collateralisation Market Transaction is concluded, modified or closed, also referenced as "T".
Triparty	Special set of services offered by Settlement Organisations like SIX SIS AG.

### 3 Framework

#### 3.1 Business Hours

The Collateralisation Market Business Day starts at 7.00 a.m. CET and ends at 6.00 p.m. CET. The Collateralisation trading day begins at 7.30 a.m. CET and ends with the end of Business Day. Full functionality is only available during trading hours.



#### 3.2 Collateral Taker

The Collateral Taker in a collateralised transaction will be SIX Swiss Exchange (SSE).

#### 3.3 Collateralisation Market Contract Type

A contract on the Collateralisation Market consists of fixed and variable contract (Non-Standardised-Contract) attributes. Fixed contract attributes are attributes which are predetermined by the system and which cannot be changed by the participants. Variable contract attributes are attributes that can be freely negotiated between the parties to a given Collateralisation Market Transaction before they execute a trade.

#### 3.4 Financing Instruments qualifying for collateralised products

All at the SIX Swiss Exchange listed products are qualified as collateralised products.

### 3.5 Securities qualifying for the Collateral

All securities which are specified in the Baskets (see: Section 3.6) are qualified as Collateral to collateralise a SIX Swiss Exchange (SSE) listed product. As the collateral taker, it is within SSE discretion, which specific securities of the defined Baskets will be accepted as collateral to collateralise a SIX Swiss Exchange listed product.

On the Collateral side, in addition to the referenced Baskets, also cash Collateral is allowed.

The following currencies are available for cash Collateral:

- CHF, EUR, GBP, JPY and USD

### 3.6 Baskets

This section specifies the individual Baskets eligible for trading on Collateralisation Market. Baskets are groups of securities. The Collateral baskets can be used for Collateralisation of the financing products. The respective Basket content (i.e. the securities forming part of the respective Basket) is defined in detail in the Basket Reference, which is accessible in the GUI.

#### 3.6.1 Collateral Baskets

##### 3.6.1.1 Collateral Secured Instruments Basket (COSI GC Basket)

Only one Basket is available for trading on Collateralisation Market:

- The Collateral Secured Instruments GC Basket (COSI GC) is the umbrella Basket for the following sub Baskets:
  - Swiss Leader Index (SLI)
  - Main European Equity Indices (DAX, IBEX, CAC, MIB, AEX, OMX, FTSE)
  - SNB GC
  - EEAFI GC

The following well defined Basket and their contents are provided for trading on Collateralisation Market:

Basket Name	Basket Symbol	SIS Reference	Types of eligible securities	SIS eligible	Dis-counted Value (for haircut)	Geographical area
COSI GC	COSIGC	GLOBAL	Securities of the <b>Main European Indices, SNB GC and EEAFI GC Basket</b> <sup>1</sup>	Yes		Europe
			The SLI Swiss Leader Index comprises the SMI shares plus the 10 largest stocks in the SMIM. The index includes the 30 largest and most liquid securities in the Swiss equity market.  Excluded are all bearer shares: Swatch Group I, Richemont I and Synthes N	Yes	90%	Switzerland
			All listed equity of the DAX index			Germany
			All listed equity of the IBEX index			Spain
			All listed equity of the CAC index			France
			All listed equity of the FTSE MIB 30 index			Italy
			All listed equity of the AEX index			Netherlands
			All listed equity of the OMX index			Sweden
			All listed equity of the FTSE 100 index			United Kingdom
			In the main European Indices all securities with US ISIN prefix and/or issuer domicile US are excluded			
COSI GC	COSIGC	GLOBAL	The baskets described below contain securities, which are accepted by SNB. Please refer to the SNB product specification: <a href="http://www.snb.ch">www.snb.ch</a>  SNB GC Basket is made up of the following Baskets:	Yes	98%	
			CHF GC: As described in the SNB Basket definition: CHF denominated securities in CHF, A/A2, min. issue size of CHF 100 million.			Switzerland Excluded are: Securities with US ISIN prefix and/or issuer domicile US
			GOV GC: As described in the SNB definition: Central Government (incl. Sovereign) in EUR, USD, GBP, CHF, DKK, NOK, SEK denominated securities, AA-/Aa3, min. issue size of CHF 1 bn			Austria, Belgium, Switzerland, Germany, Denmark, Spain, Finland, United Kingdom, France, Netherlands, Sweden, Norway, Supranational Excluded are: Securities with US ISIN prefix and/or issuer domicile US
			INTL GC: As described in the SNB definition: Pfandbriefe, Int. Organisations, specific agencies, others, in EUR, USD, GBP, CHF, DKK, NOK, SEK denominated securities, AA-/Aa3, min. issue size of CHF 1 bn			Issuer has its registered office in Switzerland or in a member state of the EU or the EEA. Securities issued by international or supranational organisations may be eligible even if the issuer is domiciled in a third country. Excluded are: Securities with US ISIN prefix and/or issuer domicile US
COSI GC	COSIGC	GLOBAL	EEAFI GC Basket is a sub set of ECB eligible securities universe denominated in Euro, Min. rating: A-/A3. Min. issue size of EUR 200 million. Based on ECB guideline only the following asset liquidity categories <sup>2</sup> are included in the basket: - Category I - Category II - Category III	Yes	95%	Euro zone, Supranational Excluded are: IT, PT, IE, GR, CY and securities with US ISIN prefix and/or issuer domicile US

<sup>1</sup> Securities which are in more than one of the defined collateral basket, always the deeper discounted value for the haircut will be applied

<sup>2</sup> Category I: Central government debt instruments, debt instruments issued by central banks  
 Category II: Local and regional government debt instruments, Jumbo covered bank bond, agency debt instruments, supranational debt instruments  
 Category III: Traditional covered bank bonds, debt instruments issued by corporate and other issuers

### 3.7 Settlement

Trades executed on Collateralisation Market are settled via SIX SIS AG.

#### 3.7.1 SIS Settlement

Straight-through processing is provided through SIS's custody and Collateralisation Triparty service, which is linked to the Collateralisation Market trading system. Close and partial returns/recalls must be conducted via Collateralisation Market.

## 4 Detailed Market Parameters

This section describes all parameters, values and applied rules for trading on Collateralisation Market.

### 4.1 Minimum Trade Size for structured products

The Minimum Trade Sizes for the respective financial instruments tradable on Collateralisation Market are as follows:

<i>Instrument Type</i>	<i>Min. Trade Size</i>
SIX Swiss Exchange listed products	Min. tradable unit (piece or nominal)

### 4.2 Cash Collateral Cut-Off Times

The cash Collateral Cut-Off Times per currency are defined as follows:

<i>Currency</i>	<i>Cut-Off Time / Day</i>	<i>Time Zone</i>
CHF	15:55	CET
EUR	16:00	CET
GBP	15:00	CET
USD	17:55	CET
JPY*	+ 1 Business Day < 08:30 + 2 Business Days > 08:30	CET

\* Where the cash Collateral Currency is JPY, same day settlement is not possible. Trades entered into the System on a Business Day before 8.30 a.m. CET are settled on the following Business Day. Trades entered into the System on a Business Day after 8.30 a.m. are settled on the second Business Day following the Transaction Date.

### 4.3 Settlement Deadlines

The respective settlement organisation delivery deadlines have to be respected according to the specific organisation used in the delivery process.

### 4.4 Contract Standardisation

The tradable contracts are standardised in respect of the available templates, the terms, rules and associated parameters.

Following type of Contract templates are available for trading on Collateralisation Market: Non-Standard contracts. The Non-Standard contract does not define a fixed open date. Note that for full and partial returns/recalls it must always be agreed bilaterally.

#### 4.5 Common Contract Rules

The value dates of the respective individual transactions depend on the respective contract type as well as the action in question as follows:

<b>Loan Contract Type</b>	<b>Term</b>	<b>Action</b>	<b>Rule</b>	<b>Description</b>
<b>Non-Standard</b>	Fixed	Trade Create	Open and Close subject to Bilateral Agreement	Open Date and Close Date must be entered.
	Fixed	Full Return/Recall	Subject to Bilateral Agreement	This is a modification of the agreed Term and therefore must be confirmed by the counterparty.
	Fixed	Partial Return /Recall	Subject to Bilateral Agreement	This is a modification of the agreed quantity and therefore must be confirmed by the counterparty.
<b>Non-Standard</b>	Open End	Trade Create	Open subject to Bilateral Agreement, Open End	Open Date is entered but the Close Date is not defined.
	Open End	Set Close Date	Subject to Bilateral Agreement	This is a modification and therefore must be confirmed by the counterparty.
	Open End	Full Return/Recall	Subject to Bilateral Agreement	This is a modification of the agreed Term and therefore must be confirmed by the counterparty.
	Open End	Partial Return /Recall	Subject to Bilateral Agreement	This is a modification of the agreed quantity and therefore must be confirmed by the counterparty.

#### 4.6 Contract Templates

Contract templates are available for trading together with the terms giving a full set of tradable contracts. The contract template is used in the trading client as term option.

##### 4.6.1 Non-Standard

Any Open Date or Close Date can be defined by the parties to the individual transaction. It is possible to leave the Close Date undefined, i.e. open.

The following contract templates are available:

<b>Full Description</b>	<b>Non-Standard</b>
<b>Short Description</b>	NON-STD
<b>Symbol</b>	NON

Variable contract details

<b>Loan Quantity</b>	Negotiable
<b>Lending Fees</b>	Negotiable
<b>Loan Security</b>	Negotiable
<b>Collateral</b>	Basket, Security or Cash
<b>Cash Rate</b>	Negotiable

Full Description	Non-Standard
Open Date (OD)	Negotiable Must be set
Close Date (CD)	Negotiable Optional
Haircut	Negotiable for Security
Right to Substitution	T+2 if not otherwise agreed
Recall/Return/Modify	See 4.5

Fixed contract details

Market	Collateralisation
Cash Currency	See 4.2
Min. Loan Quantity	See 4.1
Min. Lot Quantity	As defined for the security
Pricing Rate Type	Fixed
Price Payable Frequency	Monthly
OD Cut-Off Time	Only applicable for cash Collateral. See 4.2
OD Cut-Off Days	0
Trade After Cut-Off	Yes
Custody Type	DVD Triparty
Settlement Organisation	SIX SIS

## 5 Fees

### 5.1 Annual Fee

For the participation in trading on Eurex Collateralisation, an annual basic fee of EUR 10'000.00 shall be charged.

Should a Participant return or terminate its Participation Authorisation, already paid fees will neither be reimbursed proportionally nor will any fees be waived pro rata which are due or have already been invoiced.

### 5.2 Transaction Fees

No Transaction fees are charged to the Collateral Provider.