



Admission to the GC Pooling[®] Market

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How to get started on Eurex Repo:

GC Pooling[®] Market – Trading Guideline



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1 Welcome

Thank you for your interest in the Eurex Repo GC Pooling® Market.

The following document will guide you on your way to participation in our marketplace.

Eurex Repo GmbH is a 100% subsidiary of Eurex Frankfurt AG, which is a joint-venture of Deutsche Börse AG and SIX Swiss Exchange. Furthermore, Eurex Repo is a marketplace under private law and not a stock exchange subject to public law.

Eurex Clearing AG is also a 100% subsidiary of Eurex Frankfurt AG and acts as central counterparty. Therefore, after the conclusion of every transaction executed on Eurex Repo GmbH, Eurex Clearing AG steps in as central counterparty. The participant may apply for a General-Clearing or Direct-Clearing-Membership. The General Clearing Member (GCM) has the right to clear its own trades as well as the trades of its customers and Non Clearing Members (NCMs). The Direct Clearing Member (DCM) has the right to clear its own trades as well as the trades of its customers and NCMs, provided they are 100 % affiliated. For more detailed information please refer to our "Clearing Guideline".

Since the year 2005 Eurex Repo in cooperation with Clearstream Banking AG offers the GC Pooling® Market. Based on the ECB's Eligible Assets Database (EAD) the GC Pooling® basket comprises more than 8,100 ECB eligible securities and enables the re-use of received collateral for re-financing within the framework of ECB / Deutsche Bundesbank open market operations. The second GC Pooling® EXTended Basket covers around 23,000 ECB-eligible securities. Xemac is the Collateral Management System of Clearstream Banking Frankfurt (CBF) and CmaX the Collateral Management System of Clearstream Banking Luxembourg (CBL). These collateral management engines provide fully-automated evaluation, allocation and substitution out of the combined securities pool and thus ensure optimal collateralization of the trade cash amount. For this reason, participation at either Xemac or CmaX is mandatory

The Euro Market as well as the GC Pooling® Market is traded via the same Graphical User Interface (GUI). This means that participants can always see all market segments, but according to

the specific legal admission status, participants may only trade the appropriate market segments.

For further information, please refer to the Terms and Conditions of Eurex Repo GmbH (appendix included) and the Clearing Conditions of Eurex Clearing AG.



2 Participation in the Eurex Repo GC Pooling[®] Market

2.1 Application requirements

In order to participate at Eurex Repo Market it is necessary to fulfil the following legal criteria:

- § The applicant must be under the regulation of a domestic regulatory authority
- § The applicant must be subject in its country of domicile to a financial market supervisory authority and hold the status of a credit institution or an investment firm according to the definition set forth in Art. 1 Paragraph 1 and 2 and Art. 4 Paragraph 1 of the Council Directive on markets for financial instruments 2004/39/EG ("MiFID")
- § The applicant is required to participate in the Eurex Clearing repo clearing process

Furthermore there are the following additional requirements for GC Pooling[®]:

- § Settlement via Clearstream Banking Frankfurt (CBF) or Clearstream Banking Luxembourg (CBL)
- § Direct connection to Xemac or CmaX, the Collateral Management Systems of Clearstream Banking

In specific cases where all miscellaneous technical and legal requirements are fulfilled (e.g. participation in the clearing procedure, registration of experienced and trained traders), national banks and international organisations have the opportunity to be admitted even without having the status of a credit institution or financial institution.

2.2 Clearing and settlement

Unlike the Euro Market, settlement in the GC Pooling[®] Market is performed exclusively via the CASCADE/Creation settlement platform of Clearstream Banking Frankfurt (CBF) and/or Clearstream Banking Luxembourg (CBL). The collateralisation of GC Pooling[®] trades is handled automatically by the CBF and CBL collateral management systems named Xemac and CmaX, respectively. The Collateral Management Systems provide the allocation and substitution of participants' securities portfolio. Participants must therefore be customers of Clearstream Banking Frankfurt (CBF) and/or Clearstream Banking Luxembourg (CBL).

Please note that currently only participants with a German banking license are admitted to re-use the received collateral within the framework of the open market operations of the Deutsche Bundesbank / ECB. Furthermore, to use the re-use functionality, access to the Xemac Collateral Management System is mandatory.

Apart from the use of the collateral management system, one "Reservation Account" as well as one "Segregation Account" will be opened for all GC Pooling[®] participants. These two dedicated



collateral accounts are used for the purpose of delivering and receiving collateral in the scope of GC Pooling® trades.

For participants with a German banking license, a Clearstream Banking Frankfurt (CBF) Main-Account (code -000) and a linked Xemac Sub-Account (code -550) within CASCADE will be opened. The “Reservation and Segregation Accounts” are linked to the Xemac Sub-Account (code -550) which enables collateral segregation. It is in the responsibility of the participant to provide sufficient collateral on their Xemac Sub-Account (code -550). Therefore, the participant transfers GC Pooling®-eligible collateral from his CASCADE Main Account to the Sub Account. Afterwards, the Xemac System automatically performs collateral management.

The “Reservation and Segregation Accounts” of GC Pooling® participants without a German banking license are directly linked to their CBL Source Account in the Creation environment. In order to use CmaX, they have to allocate (manually or automatically) GC Pooling®-eligible collateral from the respective Source Account to the “Reservation Account” in Creation.

Remark: Transferred collateral on the -550 Xemac Account which have not been pledged within a GC pooling® transaction, may be involved in the german “Liquidity Act (Liquiditätsverordnung – LiqV).

2.3 Connection to the Eurex Repo trading system

The participant is essentially responsible for technical connection to the Eurex Repo trading system.

After submission of all required forms for participating in the Eurex Repo Euro Market, the participant receives a “welcome-package” from the Eurex Repo Technical Helpdesk. The “welcome-package” contains the individual logon account details for the “VPN Client download” section, the logon details for the “Member Section” on the Eurex Repo Website and also all other relevant information for the installation and configuration procedure. With a Cisco Soft- or Hardware-Client and dedicated certificates a VPN (Virtual Private Network) connection to our Cisco Server can be established which assures the authentication of the participant and the encryption of the internet traffic.

First, after login at the “Cisco VPN download” section with the respective individual logon account details, the participant needs to download the Cisco VPN Client Software and the corresponding Cisco VPN Client Certificate. In order to gain access to the Eurex Repo “Member Section”, the appropriate (Membertest / Production) Cisco VPN Client connection is required, i.e. it must be installed, configured and started. Please note the different Member Pages, one for the “Production” and one for the “Membertest” environment. Second, after login to the “Member Page”, the participant has to setup the additional components for the final installation of the Eurex Repo trading system. Therefore, the JRE (Java Runtime Environment) is needed to install the GUI (Graphical User Interface) and/or the OTX (Own Trade Extractor).



For detailed information please find the received “Welcome Package” and the “Installation Guide”. All Eurex Repo trading software and certificates are free of charge and once downloaded, they can be installed on multiple workstations. The total installation time approximately takes one hour.

For any further questions please do not hesitate to call our technical helpdesk:

Technical Helpdesk
T +41 (0)58-854-2488
F +41-(0)58-854-2898
E-Mail: techhelp@eurexrepo.com

2.3.1 Hard- and software requirements

Following hard- and software requirements must be fulfilled:

- Eurex Repo Client PC and USP Proxy (Windows) - Hardware

	Client PC	USP Proxy*
Processor	Pentium IV, 1.5 GHz recommended: Intel Core 2 Duo 2.33 GHz	Pentium IV, 1.5 GHz recommended: Intel Celeron 430 1.8 GHz
Memory	512 MB (recommended 1 GB)	256 MB (recommended 512 MB)
Disk Space	200 MB	1 GB
Display	1280 x 1024 resolution 17" Monitor	No display

* Universal Service Processor (USP); Software application which increases transfer efficiency through bundling and compressing of data – and information streams.



- Eurex Repo Client PCs - Software

Platform	Software
Windows XP SP2 - Professional	Internet Explorer V6 Java Runtime Environment 5.0 Update 7 JRE 1.5.0_07 (V9.1.4) Java Runtime Environment 6.0 Update 6 JRE 1.6.0_06 (V9.2.5 or higher)
Windows Vista Business SP1	Internet Explorer V7 Java Runtime Environment 6.0 Update 6 means JRE 1.6.0_06 (V9.2.5 or higher)

- USP Proxy Software

Platform	Software
Windows XP SP2 – Professional Windows Vista Business SP1 Windows Server 2003 SP1 & SP2	USP Proxy V3.5 and V3.6

- JRE (JavaRuntimeEnvironment)

Platform	Software
Windows XP SP2 - Professional Windows Server 2003 SP1 & SP2 Sun Solaris 10 (Sparc)	Java Runtime Environment 5.0 Update 7 means JRE 1.5.0_07 (V9.1.4) Java Development Kit 5.0 Update 7 means JDK 1.5.0_07 (V9.1.4)
Windows XP SP 2 – Professional Windows Vista Business SP1 Windows Server 2003 SP1& SP2 Sun Solaris 10 (Sparc)	Java Runtime Environment 6.0 Update 6 means JRE 1.6.0_06 (V9.2.5 or higher) Java Development Kit 6.0 Update 6 means JDK 1.6.0_06 (V9.2.5 or higher)



For further information concerning the hard- and software requirements please consult the website: www.eurexrepo.com > Publications > Eurex Repo General > Hard- and Software Requirements (PDF Document)

2.3.2 Technical connection

For the technical connection to the Eurex Repo trading system you can choose between a connection via the internet and a leased line. Choosing the connection via internet, it is the participants' responsibility to order and maintain the connection. For further information please see our "Installation Guide".

Both internet and leased line connection alternatives offer the following bandwidth options:

- § 128 kbps (minimum)
- § 256 kbps (recommended)
- § 512 kbps (maximum)

- The costs for the Internet Connection (min.128 kbps) are restricted to the costs for the Internet Provider
- The costs for the Leased Line (min. 128 kbps) are comprised of two parts:
 - Ø EUR 700 to 900 monthly, depending on the chosen bandwidth
 - Ø EUR 3.400 one-time installation costs
(installation is executed by Verizon Business or Radianz)

2.4 Clearstream Banking - Xemac

By using the CBF Collateral Management System Xemac (in combination with CmaX – CBL) market participants can pledge received collateral from GC Pooling® trades within the open market operations of Deutsche Bundesbank / ECB. Also, collateral can be managed in connection with bilateral transactions among Xemac participants and available collateral can be used to cover the margining requirements of Eurex Clearing AG.

Xemac is an installed application which is directly linked to CmaX the Collateral Management System of CBL.

In the GC Pooling® Market, collateral with DE ISIN-Codes are managed by CBF and respectively collateral with non-DE ISIN-Code are managed by CBL.



We will be pleased to send you more detailed information on Xemac. Please do not hesitate to contact your Clearstream Banking Sales Manager:

Clearstream Banking AG – Luxemburg
Global Securities Financing – Sales
Heidi Reiles T +35-2-243-36361
Gösta Feige T +35-2-243-32394

or refer to the following link:

www.clearstream.com > Publications & Downloads > Global Securities Financing > Collateral Management

2.4.1 Ordering of connection lines

With regard to mutli-protocol-eligible lines, it is mandatory to ensure adequate connectivity at all times so additional lines may be necessary.

Information on different connectivity solutions is available from:

Deutsche Börse Systems AG
Customer Technical Support TMR z/OS
Tel: +49 69 211 11730
Fax: +49 69 211 13971
tmr-zos@deutsche-boerse.com

We kindly ask you to send in duplicate copies of the “Form for ordering of the connection lines” with original signatures.



2.4.2 Installation

The latest versions of the software and manuals are available for downloading in the dedicated area under Publications & Downloads on Clearstreams' web site.

Download area, user and installation manuals can be found on:

www.clearstream.com > Publications & Downloads > Global Securities Financing > Collateral Management > Xemac

When you use the Clearstream site for the first time, you will need to register. You will be provided with the required registration code if you enter your personal details and e-mail address and then click on "submit". The code will be sent directly to you via e-mail.

To download the Xemac Client software, please click on the corresponding link. Upon selection of this link, the basic download process is started. We recommend using "download save". Call up the downloaded .exe file to unpack the required files. If required, you can change the preselected directory.

Before operating the Xemac connection, you are asked to arrange an appointment with:

Clearstream - Technical Helpdesk

Tel: +49-(0)69-211-1 19 10

Fax: +49-(0)69-211-1 10 01

sysclhelp@deutsche-boerse.com

2.4.3 Connection costs

Depending on your chosen form of connectivity to the Xemac System, connection costs are either directly charged through Clearstream Banking or Deutsche Börse Systems AG.

Connection via dedicated leased line is charged subject to the applied price model. Connection to the Xemac Collateral Management System via multi-protocol-eligible lines are charged by Deutsche Börse Systems. Customised assistance and further information is available from the Technical Helpdesk of Clearstream, mentioned above.



2.4.4 Hard- und Software requirements

Each participant is required to fulfil the following hard- and software requirements:

Reference System	Feasible configuration	Not supported configuration
<ul style="list-style-type: none">• Windows 2003; Service Pack 2• Windows 2000; Service Pack 4	<ul style="list-style-type: none">• Windows XP, Service Pack 2	<ul style="list-style-type: none">• Examples:<ul style="list-style-type: none">- OS/2- Solaris- Windows Versionen vor 2000- Windows Vista

Additional standards:

- Ø IBM compatible PC with min. 2 GHz
- Ø RAM of min. 512MB
- Ø 100MB Hard Disk Space for the Xemac Client Application
- Ø Screen of min. 256 Colours and 800 x 600 Pixel; higher screen resolution recommended

For further questions please consult:

Xemac Technical Helpdesk
Telephone: +49-(0)69-211-1 19 10
Fax: +49-(0)69-211-1 10 01
sysclhelp@deutsche-boerse.com



2.5 Clearstream Banking - CmaX

International participants are able to join the GC Pooling® Market via the CmaX Clearstream Banking Luxembourg (CBL) infrastructure.

We will be pleased to send you more detailed information on CmaX. Please do not hesitate to contact your Clearstream Banking Sales Manager:

Clearstream Banking AG – Luxembourg
Global Securities Financing – Sales
Heidi Reiles T +35-2-243-36361
Gösta Feige T +35-2-243-32394

or refer to the following link:

www.clearstream.com > Publications & Downloads > Global Securities Financing > Collateral Management > Triparty Collateral Management (CmaX)

2.6 User registration

All Eurex Repo participants are committed to request individual access codes (login IDs) for each of their Eurex Repo trading system users (i.e. trader, system administrator, back-office employee). Eurex Repo offers the opportunity to restrict access to certain system functionalities, such as specific login IDs with “read-only authorisation” or “trading authority” for the “Production” and “Simulation” environments.

The application for the login ID (trading functionalities) is linked to the trader admission. For this purpose, the submission of the “Trader Application” form and the corresponding “Trader Data Sheet” is required.

Note: It is not necessary to pass any trader examination for operating the Eurex Repo Euro Market and GC Pooling trading system. We are pleased to provide training for your traders in your workplace.

Login IDs with “read-only authorisation”, can be ordered at any time by the “Info User of Eurex Repo” form.

The number of login IDs is unlimited and free of charge. After applying, Eurex Repo will send the login details via mail to your nominated internal contact person.

2.7 Participation from abroad / Mail Authority

In the case that the applying institution is based outside of Germany, it additionally has to submit a "Power of Attorney" for the mail correspondence. This is to provide evidence that the applying institution has authorised a person resident in Germany with the "Mail Authority". According to German law, legally effective notification must be able to be delivered within the borders of the country at any time. Naturally, general mail correspondence will be always sent to the postal address of the applying institution. Only in the event that notification is not feasible, the mail correspondence will be sent to the authorised person who is located in Germany.

2.8 Fee model

The participant itself is responsible for the applied fee model. Within the application process the participant decides which fee model is most harmonious with their requirements, and selects the appropriate fee model in the "Reference Data Sheet". The chosen fee model is applied for the Euro- and GC Pooling® Market. At the end of every year there is the opportunity to review and request to change the fee model for the following year. To request and change in fee model, please send a letter to Eurex Repo or instead contact your respective Eurex Repo Sales Manager.

	Liquidity Provider I		Liquidity Provider II		Liquidity Taker	
	Non-Aggressor	Aggressor	Non-Aggressor	Aggressor	Non-Aggressor	Aggressor
Min. fee per trade in €	5,-		5,-		10,-	
Q N/TN (in Basis points p.a.)	0,1	0,6	0,4	0,6	0,6	0,6
All other terms	0,1	0,3	0,2	0,3	0,3	0,3
Annual fee	100.000,-		25.000,-		10.000,-	

The three tier fee models do not differentiate whether the participant receives or provides liquidity. Furthermore, the fee model is designed to offer an incentive to participants who quote actively. The referring pricing as either aggressor or non-aggressor occurs automatically through Eurex Repo and depends on the trading behaviour of the participant.



Definitions:

- Liquidity Provider I + II

These two price models have higher annual fees and in return lower transaction costs. Participants who quote actively receive a discount (non-aggressor).

-Liquidity Taker

In comparison to the other price tiers, the annual fee is lower and the transaction costs are higher. There is no distinction as to whether the participant quotes actively or not.

- Non-Aggressor

Participants, who actively quote on the buy- and/or sell-side.

- Aggressor

Participants, who trade on an existing quote of another participant on the trading platform.

3 Simulation

To become familiar with the Eurex Repo trading system and its applications we offer you a simulation environment to perform test trades. If you are already connected to Eurex Clearing AG you will also receive preselected reports for your test trades. It is only necessary to complete at least one "Application for Admission as Trader" (Form), the "Application for Set-up/Deletion/Change of CCP Settlement Accounts" plus the "Reference Data Sheet (Form) and simulation can be commenced immediately. A simulation calendar of when the test environment is available can be found on our website via the following link:

www.eurexrepo.com > Publications > Eurex Repo Euro Markt

For any further questions please do not hesitate to contact our functional helpdesk:

Functional Helpdesk
Phone +41 (0)58-854-2424
Fax +41 (0)58-854-2455
Email: funchelp@eurexrepo.com



4 Checklist

No.	<u>Proofs + Forms</u>	DONE BY:
	Required documents for granting a trading admission	
1	Application for Participating on Eurex Repo (Form)	
2	Connection Agreement regarding the Participation in Trading on Eurex Repo (Form)	
3	Reference Data Sheet Eurex Repo (Form)	
4	Application for Participating on GC Pooling (Form)	
5	Application for Admission as Trader (Form)	
6	Reference Data Sheet Trader (Form)	
7	Info User of Eurex Repo - for persons with "reading authorisation" only (Form)	
8	Confirmation that the applicant is under the regulation of a domestic regulatory authority and is either a credit institution or has the status of a financial service provider, according to the definition of Article 1, § 1 + 2 and Article 4, § 1 of EU Council Directive "Markets in Financial Instruments Directive" ("MiFID") 2004/39/EG (Proof)	
9	Excerpt from the commercial register (Attested copy)	
10	List of authorised signatures (Proof)	
11	Application for Participating on Xemac (Form)	
12	Clearstream – Collateral Management Agreement (incl. Appendix): 2 x for „Collateral Giver + 2 x for „Collateral Receiver" (Contracts)	
13	Clearstream – Transaction Bank Agreement (Contract)	
14	Clearstream – Auto Assign Supplement (Contract)	
	Additional required documents for participants from abroad	
15	Mail authority (Form)	



Admission to the GC Pooling® Market

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If you are already participating in the Euro Market, you just need to submit the following documents:

No.	Proofs + Forms	DONE BY:
1	Application for Participation in GC Pooling® Market (Form)	
2	Eurex Clearing AG – CCP Setup Sheet (Form)	
3	Application for Participation on Xemac (Form)	
4	Clearstream – Collateral Management Agreement (incl. Appendix): 2 x for „Collateral Giver + 2 x for „Collateral Receiver” (Contracts)	
5	Clearstream – Transaction Bank Agreement (Contract)	
6	Clearstream – Auto Assign Supplement (Contract)	



5 Further information and guidelines

- **Terms and Conditions for Participating and Trading on Eurex Repo GmbH**
www.eurexrepo.com > Publications > Eurex Repo Euro Markt
- **Clearing Conditions of Eurex Clearing AG**
www.eurexclearing.com > Documents > Rules & Regulations > Clearing Conditions
- **Hardware und Software Requirements**
www.eurexrepo.com > Publications > Eurex Repo General
- **Guideline Clearing Admission**
Please contact your Eurex Repo Sales Manager
- **Eurex Repo Installation Guide**
Please contact your Eurex Repo Sales Manager
- **Eurex Repo Trading GUI / User Manuel for Traders in the Repo Market**
Please contact your Eurex Repo Sales Manager
- **“Welcome-Package“ of Eurex Repo Technical Helpdesk**



6 Contact

For any further questions please do not hesitate to contact us at any time.

Eurex Repo Sales - Frankfurt

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L - 1855 Luxembourg

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