

LCH.Clearnet SA Fees SECFINEX MARKET

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For further information on fees, please send your request to lchclearnetsa_BILLINGINFO@lchclearnet.com



All the fees described in this fee grid (except the indemnity due to fail on initial transactions, cf. the dedicated section) are collected on the 10th open business day of the following month (monthly charged).

Clearing fee

LCH.Clearnet SA charges 0.015% (incremental annualised rate) on the loan value (two sides) each day from initial transaction registration in its system until the intended settlement date (incl. first and last days). The clearing fees calculation and collection is made on a monthly basis.

Sample: for a loan value of 1 million of Euros, initial transaction date of 6 April 2010 and intended settlement date of 9 July 2010 (i.e. 95 days)

Clearing fees charged for April 2010: €1,000,000 x 0.015% x 25 days / 360 = €10.42

Clearing fees charged for May 2010: €1,000,000 x 0.015% x 31 days / 360 = €12.92

Clearing fees charged for June 2010: €1,000,000 x 0.015% x 30 days / 360 = €12.50

Clearing fees charged for July 2010: €1,000,000 x 0.015% x 9 days / 360 = €3.75

Corresponding to a total clearing fee of: €39.59

Clearing Services

- **Settlement related costs**

LCH.Clearnet SA's policy is to recharge clearing members with settlement related costs prorata each clearing member's settlement volume. Any settlement charge or fee's modification will be automatically passed on to clearing members.

The settlement related costs represent Euroclear Bank settlement charges and SWIFT messages costs. LCH.Clearnet SA charges back a variable fee of approximately €1.00 per instruction sent (gross basis) to settlement in Euroclear Bank.

The amounts of the settlement related costs are subject to quarterly review if needed.

- **Penalties on fails on return and/or recall transactions**

The fails are related to a lack of payment from the Lending clearing member and/or a lack of delivery from the Borrowing clearing member. All fails are subject to a penalty due by the relevant clearing member to LCH.Clearnet SA.

As soon as a fail is detected in Euroclear Bank, LCH.Clearnet SA calculates the penalty owed by the clearing member based on the daily valuation of the fail.

- a) **Fails due to a lack of delivery**

The provisions set out hereafter are related to the penalties due by the borrowing clearing member, which does not fulfil its delivery obligation on the intended settlement date of the return or recall transaction.

The penalty related to the lack of securities delivery is calculated as follows:

- A fixed fee of € 15.00 per fail, per clearing day, and;



- A variable fee ("EONIA-based rate" /360 x fail amount), capped at € 500.00 per clearing day per fail-
Currently, the "EONIA-based rate" used is 1.00%; unless significant changes are registered, such a rate will be revised each semester

The penalty is calculated per clearing day and cumulated on a calendar month period.

b) Fails due to a lack of payment

The provisions set out hereafter are related to the penalties due by the lending clearing member which does not fulfil its payment obligation on the intended settlement date of the return or recall transaction.

The penalty related to the lack of payment is calculated per clearing day and cumulated on a calendar month period, as follows: [Amount of the fail X ("EONIA-based rate" + 2%)] divided by 360

Currently, the "EONIA-based rate" used is 1.00%; unless significant changes are registered, such a rate will be revised each semester

- **Buy-in / Purchase costs**

A fee of € 150.00 is charged for each buy-in process initiated by LCH.Clearnet SA in addition to any amount due to meet the cost of purchasing the securities.

If a member commits to delivering securities in the context of a buy-in procedure and LCH.Clearnet SA notes that this Member fails to deliver them, a penalty of 10% of the closing price multiplied by the quantity of non delivered securities will be applied to the clearing member that had committed to delivering the securities.

Indemnity due to fail on initial transactions

An indemnity is applied to fails (lack of payment and/or delivery) on initial transactions. The indemnity amount is equal to the loan value X EONIA **rate at trade date** X 2/360 days; it will be:

- charged by LCH.Clearnet SA to the failing clearing member
- and passed on to the clearing member suffering the fail

The indemnity calculation is processed on the fail detection day (i.e. on settlement date, corresponding to the transaction date + 1 day) and should be debited/credited the business day after the fail.