



European Multilateral Clearing Facility N.V.

REGULATION

pursuant to article 2.2.1, 2.2.3, 3.5.8, 8.4.1 of the Clearing Rule Book

FEES AND PENALTIES

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 **3 May 2011**.

1 Pricing principles

Settlement fees are set to recover the costs for using the CSD involved and to cover the internal costs of EMCF.

The fail management fees are based on the administrative costs and funding costs of EMCF and include the out-of-pocket expenses EMCF pays to the different CSDs in relation to settlement fail management.

The administration fee on the buy-in is based on the administrative costs of EMCF.

On a monthly basis, each Trading Participant has the option to choose whether he would like to be charged per order or per execution. Self clearing participants can submit appendix A of this Regulation to EMCF, whereas Trading Participants who use a General Clearing Participant (GCP) need to ask their GCP to complete the form on their behalf. The GCP will then have to send this appendix A to EMCF.

Appendix A needs to be send to mcf@emcf.com not later then 2 business days prior to the last business day of the month in order to be effective per the next month.

All fees will be charged in EURO.

2 Clearing and settlement fees

Market Segment	Clearing fee in €				Settlement fee per net settlement instruction	Remarks / other fees
	Per order		Per execution			
	A	B	C	D		
Austria	0.05	0.03	0.03	0.01	4.50	
Belgium	0.05	0.03	0.03	0.01	1.70	
Czech Republic	0.05	0.03	0.03	0.01	15.10	
Denmark	0.05	0.03	0.03	0.01	3.00	For each partial settlement a separate fee of € 13.51 will be charged.
Netherlands	0.05	0.03	0.03	0.01	1.70	
Finland	0.05	0.03	0.03	0.01	2.33	
France	0.05	0.03	0.03	0.01	1.70	
Germany	0.05	0.03	0.03	0.01	1.23	
Hungary	0.05	0.03	0.03	0.01	7.95	
IDRs	0.05	0.03	0.03	0.01	7.00	
Ireland	0.05	0.03	0.03	0.01	1.32	
Italy	0.05	0.03	0.03	0.01	2.05	
Norway	0.05	0.03	0.03	0.01	2.50	
Portugal	0.05	0.03	0.03	0.01	3.50	
Spain	0.05	0.03	0.03	0.01	1.90 *	* + the cost that the Spanish Stock Exchange, and the Spanish CSD Iberclear will charge EMCF according to their applicable and published tariffs per execution and subsequent settlement of each individual split put-through transaction.
Sweden	0.05	0.03	0.03	0.01	1.49	
Switzerland	0.05	0.03	0.03	0.01	2.90	
UK	0.05	0.03	0.03	0.01	1.32	



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Clearing fee per order, column A:

If one or more Trading Participants, clearing with the same Clearing Participant, have opted for being charged clearing fee per order instead of per execution, then for the first 75,000 orders cleared per day in total for the Clearing Participant, the fee in column A will be charged.

Clearing fee per order, column B:

If one or more Trading Participants, clearing with the same Clearing Participant, have opted for being charged clearing fee per order instead of per execution, then for all orders cleared per day in total for the Clearing Participant, in excess of 75,000, the fee in column B will be charged.

Clearing fee per execution, column C:

For the first 100,000 executions cleared per day in total for a Clearing Participant, excluding the executions that were part of an order that was charged under columns A or B, the fee in column C will be charged.

Clearing fee per execution, column D:

For all executions cleared per day in total for a Clearing Participant in excess of 100,000, excluding the executions that were part of an order that was charged under columns A or B, the fee in column D will be charged.

2.1 Family rebate on clearing fee

For Clearing Participants (CPs) belonging to the same consolidating legal entity, a family rebate is available upon request. In order to benefit from this rebate, the CPs involved must (1) jointly request EMCF for application of this rebate and (2) demonstrate the family ties. EMCF will decide upon such request within 5 business days, the rebate will apply as from the first of the month following the month in which this decision is made.

Family rebate is calculated and applied in two stages:

- A. When calculating the monthly clearing fee invoice, EMCF will calculate the clearing fee (both execution and order based) for each CP separately as well as combined. 50% of the difference between the separate and combined fee calculation will be deducted from the fee due immediately pro rata for each CP to which the family rebate applies.

For a calculation example please see below:

	exec. p/d	cl fee	amount		Family rebate %	Rebate amount
Participant A	100.000	0,03	3.000			
Participant B	40.000	0,03	1.200	4.200		
Family (A+B)	140.000					
re-calculation	100.000	0,03	3.000			
	40.000	0,01	400	3.400		
				800	50%	400

New fee per CP after rebate

	Old fee	Rebate	New Fee
Participant A	3.000,00	285,71	2.714,29
Participant B	1.200,00	114,29	1.085,71
totals	4.200,00	400,00	3.800,00

- B. A second family rebate can be obtained if the total number of executions, eligible for execution based clearing fee, in a calendar year exceeds 87,500,000, or if the total the number of orders, eligible for order based clearing fee, exceeds 66,250,000. In such cases, an additional rebate of 25% of the difference between the separate and combined fee calculation is granted. This rebate is applied onwards as from the calendar month in which this threshold is passed. The rebate over the preceding months is settled through recalculation of the previous invoices. The additional rebates are applied pro rata in the same way as the base family rebate.
- C. A third and full family rebate can be obtained if the total number of executions in a calendar year exceeds 106,250,000, or if the total the number of orders exceeds 81,250,000. In such cases, an additional rebate of 25% of the difference between the separate and combined fee calculation is granted. This rebate is applied onwards as from the calendar month in which this threshold is passed. The rebate over the preceding months is settled through recalculation of the previous invoices. The additional rebates are applied pro rata in the same way as the base family rebate.

3 General

3.1 Fail management fee (all home markets except Spanish home market)

Fail management fees are charged for each Fail for each business day the obligation to deliver or receive Equities remains unsettled, calculated per calendar month.

Only the actual costs per month, will be charged to the CPs that have had failed settlements. Where possible, this will be calculated and charged per market segment. Costs that can not be attributed to a specific market segment, will be shared by all CPs that have had failed settlement in a specific month.

If EMCF could not deliver securities to a specific CP due to a lack of funds or due to failure to instruct, of the receiving CP, then this CP will be charged with the funding costs (base interest rate + 1% over the effective settlement amount, multiplied by the number of days of failure) for this specific failure, per market. The costs charged in this manner to specific CPs, will be deducted from the total amount of overnight funding costs for the month, before this is divided over all CPs.



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The base interest rates used per currency are:

CHF = TOMNEXT (Tomorrow Next)
DKK = TOMNEXT (Tomorrow Next)
EUR = EONIA (Euro Overnight Index Average)
GBP = TOMNEXT (Tomorrow Next)
NOK = TOMNEXT (Tomorrow Next)
SEK = TOMNEXT (Tomorrow Next)

(Can be found on the LIBOR page from REUTERS)

3.2 Reimbursement partial settlement

For each partial settlement that is made at the request of EMCF in accordance with the Regulation Settlement (under 2), EMCF will reimburse the Clearing Participant involved in the partial settlement for € 5.

3.3 Administration fee buy-in procedure (all home market except Spanish home market)

An administration fee of € 150 will be charged to the failing Clearing Participant as per the start of each individual buy-in procedure (See Regulation Buy-in Procedure under 1.3).

3.4 Penalties Spanish home market

EMCF will charge a Clearing Participant with the Iberclear "short sale fine" as well as the Iberclear "late settlement fine" when the CP's original delivery instruction towards EMCF is rejected by Iberclear on T+2 (for non-matching) or T+3 (for non-settlement). Currently, these penalties are calculated as follows:

1. late settlement fine:
cash value of the delivery x EONIA (with a minimum of 2%) / 360, per business day.
2. short sale fine:
10 basis points per business day between the Trade Date of the sale and the Trade Date of the purchase.

The fines charged and received under 1 and 2 above, will be passed on in full to the Clearing Participants that have not received securities from EMCF (due to the non-delivery to EMCF), on a pro rata basis, looking at the settlement value. All penalties and pass-on credits will be included in the monthly invoice.

Furthermore, EMCF will charge any penalties (including but not limited to buy-in costs and charges) it incurs itself from the Spanish CSD, Iberclear, to the Clearing Participant that caused the charging of the penalty to EMCF.

3.5 Penalties Italian home market

EMCF will charge a Clearing Participant the penalties it incurs from the Italian CSD Monte Titoli. These penalties are charged to EMCF in case of delayed cash payment in the day cycle or fail to short securities positions. The penalties will be automatically applied if the settlement rate at the end of the day cycle will be below the end of day parameters defined by Monte Titoli. Monte Titoli determine the end of day parameters every year. The end of day parameters for 2011 that will determine the application of penalties are:



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- 1) 98.5% in terms of number of settled instructions;
- 2) 97.4% in terms of settled counter value.

The penalty on fails related to short securities positions will be EUR 200.00 per ISIN and applicable to any participant showing effectively a short position for that security in the night cycle, considering all the securities instructions present into the settlement system.

3.6 Custody fee Collateral

3.6.1 Custody fee for collateral is in general a matter between the collateral custodian and the Clearing Participant involved.

3.6.2 If EMCF is charged with fees or costs by custodians or CSDs for collateral services, these costs will be charged directly to the Clearing Participant involved, without any surcharge.

3.7 Custody fee Clearing Fund

No custody fee will be charged for bonds that have been deposited to cover a Clearing Fund Contribution.

3.8 Collateral movements

Collateral movements will be free of charge.

3.9 Interest on cash collateral

Interest on cash collateral is a matter between the Collateral Agent and the Clearing Participant involved. Please contact your Collateral Agent for the current interest rates.

3.10 Cash settlement fee

If a Clearing Participant has opted for non-standard strange net handling (the standard way of handling strange nets is that when a strange net occurs, all buys and sells will be aggregated and netted separately) and the netting process results in a cash settlement only (debit or credit; no securities settlement), a fee of € 2.50 will be charged for each cash settlement.

If the amount of the cash settlement in this respect is below € 10 (debit or credit), then no cash settlement will take place and no fee will be charged.

3.11 Other fees

Other fees for Clearing Participants are currently waived by EMCF

3.12 Internalised trades

Internalised trades (trades whereby the buyer and seller are the same trading BIC) will be charged at € 0.01 each.

3.13 Invoicing

EMCF will invoice all fees on a monthly basis within the first five (5) business days of the month over the previous calendar month. All invoices will be payable within thirty (30) calendar days from the date of the invoice.



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In accordance with article 2.2.3 of the Clearing Rule Book, a penalty may be charged when full payment of the invoiced amount is not received within thirty (30) calendar days. This penalty will be € 100 per invoice sent that remains unpaid after thirty (30) calendar days. This penalty will be charged on the next regular invoice to the party involved.

The Fees and penalties have to be paid to EMCF on its account 24.01.04.587 with BIC FTSBNL2R with ABN AMRO Bank N.V.

3.14 V.A.T.

All fees mentioned in this Regulation are excluding V.A.T.



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APPENDIX A

Request to change existing fee calculation

We, [full name, address and client number of the Clearing Participant]

hereby request EMCF to use the following fee-base:

- Order-based fee: every order is charged at € 0.05, regardless the number of executions.
- Execution-based fee: every execution is charged at € 0.03

for the following Trading Participant [full name]

EMCF has to apply this fee as per 1st of

BIC of the Trading Participant

BIC of the Clearing Participant

Date and place of signing by the Clearing Participant:	
Date	
Place	
Authorized signature(s) and firm stamp of the Trading Participant:	

Please send a scanned and signed version of this Appendix to mcf@emcf.com 2 business days prior to the last business day of the month. The above fee will be applicable as of the first business day of the flowing month.