

**MASTER AGREEMENT
FOR FINANCIAL TRANSACTIONS**

dated as of _____

between

_____ and _____
("Party A") ("Party B")

SPECIAL PROVISIONS

1. Nature of Agreement

This contractual arrangement (the "Special Provisions"), together with the General Provisions (the "General Provisions") and any annex (each an "Annex") referred to below, constitutes a master agreement (the "Master Agreement") under which the parties may enter into financial transactions.

2. Incorporation of Documents

The following documents, all in the _____ language, published by the FBE are hereby incorporated into and shall accordingly form part of the Master Agreement:

- (a) the General Provisions, Edition 2020

(b) the following Annex[es]¹:

Product Annex[es] for : Repurchase Transactions, Edition January 2020 Securities Loans, Edition January 2020 Derivative Transactions, Edition 2020 Supplement for Foreign Exchange Transactions, Edition 2004 Supplement for Interest Rate Transactions, Edition 2020 Supplement for Option Transactions, Edition 2004 Deposits and Loans, Edition 2020
Margin Maintenance Annex, Edition 2020 ² EMIR-Annex, Edition 2020 Clearing Annex, Edition 2020
Other Supplements (give details)

3. Addresses for notices (Section 8(1) of the General Provisions)

The addresses for notices and other communications between the parties are: ...

4. Governing law, Settlement of Disputes, Jurisdiction, Arbitration (Section 11(1) and (2) of the General Provisions)

The law governing the Agreement is _____ law.

Settlement of Disputes:

Jurisdiction³: The court(s) referred to in Section 11(2) is/are _____.

Arbitration⁴: The rules of arbitration referred to in Section 11(2) are the Rules of Arbitration of⁵ [Euro Arbitration – European Center for Financial Dispute Resolution] [the International Chamber of Commerce] §§ [other] §§ [with which each party agrees to comply].

The parties agree to submit those disputes to [a single] [three] arbitrator[s].

Such arbitration shall take place in _____.

The language[s] in which arbitration shall be conducted [is] [are] _____.

5. Other provisions

_____ ⁶

(Name of Party A)

(Name of Party B)

By:

By:

Name(s):
Title(s):

Name(s):
Title(s):

¹ Delete and/or complete the references in this paragraph (b) as appropriate

² In line with Section 3(9) of the General Provisions, parties can agree to provide margin under a Title Transfer Margin or Security Interest Margin arrangement. Accordingly, selection of Margin Maintenance Annex under 2b) above constitutes an agreement between the parties to exchange margin under a Title Transfer Margin arrangement. A Security Interest Margin arrangement to address the exchange of initial margin and the segregation requirements outlined in the Delegated Regulation (EU) 2016/2251 will be developed in due course.

³ Delete if not applicable

⁴ Delete if not applicable

⁵ If arbitration is selected, specify which rules apply

⁶ Insert amendments (which may be provisions from the attached Appendix) or state "None"

**Appendix (Checklist)
Elections and Amendments⁷**

I. General Provisions

[(1) Section 3(3) (Withholding Right)]

Section 3(3) shall be replaced with the following provision:

[Withholding Rights. (i) Upon the occurrence of an Event of Default or event which by the lapse of time or the giving of notice (or both) would become an Event of Default with respect to a party, the other party may withhold performance of its payment or delivery obligations under a Transaction or its obligation to transfer or return Margin for as long as such event continues, but not later than the Withholding End Date or, if designated or deemed to occur, until the Early Termination Date, whichever occurs first. (ii) Upon giving notice pursuant to Section 6(2)(b), either party may withhold performance of its payment or delivery obligations under the Affected Transaction(s) until the Early Termination Date, and if all Transactions are Affected Transactions, the terminating party may additionally withhold performance of its obligation to transfer or return Margin until the Early Termination Date.]

“Withholding End Date” means the date which falls [90] days after the date upon which the Defaulting Party has given notice to the Non-Defaulting Party identifying the respective Event of Default and informing the Non-Defaulting Party that it seeks to apply this provision, provided that if such date is not a Business Day, the first Business Day falling after such date.]

(1) Section 3(4) (Payment Netting)

The principle set forth in Section 3(4), first sentence, of the General Provisions is hereby extended so as to apply also to:

- mutual payments in the same currency in respect of [the following types of Transactions: ...][all types of Transactions][entered into between any of the following pair of branches: [°°°]] and
- mutual deliveries of assets that are fungible with each other and are due in respect of [the same Transaction] [the following types of Transactions: ...] [all types of Transactions] [entered into between any of the following pair of branches: [°°°]].

(2) Section 3(5) (Late Payment)

The interest surcharge referred to in Section 3(5) shall be ... per cent per annum.

(3) Section 3(8) (Market Value)

The price source for determining the Market Value of Securities shall be ...

⁷ These provisions refer to clauses of the Master Agreement contemplating possible choices or modifications to be made in the Special Provisions. When any such provision is not inserted, the relevant fallback provision specified in the Master Agreement will apply. Parties may insert these provisions (or any other clause amending the terms of the Master Agreement) in paragraph no 5 (Other provisions) of the Special Provisions

(4) Section 5(2) (Guarantor/Guarantee)

Guarantor means

in relation to Party A: ... (whose jurisdiction of organisation/incorporation is ...)
in relation to Party B: ... (whose jurisdiction of organisation/incorporation is ...).

Guarantee means

in relation to Party A: ...
in relation to Party B: ...

(5) Section 6(1)(a)(v) (Default under Specified Transactions)

Section 6(1)(a)(v) will apply to [Party A][Party B][both parties] and "Specified Transactions" are (e.g.: derivative and other trading transactions (to be specified) entered into with the other party to the Agreement and/or with any third party).

(6) Section 6(1)(a)(vi) (Cross Default)

Section 6(1)(a)(vi) shall not apply/apply only to Party [A] [B] and not to the other party/apply with the following modifications:
...

The Default Threshold is:

in relation to Party A: ...
in relation to Party B: ...

(7) Section 6(1)(a)(viii) (Insolvency Events)

The following shall, in addition to each party's country of organisation, incorporation, principal office or residence, be a Specified Jurisdiction:

in relation to Party A: ...
in relation to Party B: ...

Sub-paragraph (viii) (5) (B) shall not apply/shall apply with a period of ... days instead of thirty days/shall apply only to Party [A] [B].

(8) Section 6(4) Applicability to Guarantor or Relevant Entity

Relevant Entity means

in relation to Party A: ... (whose jurisdiction of organisation/incorporation is ...)
in relation to Party B: ... (whose jurisdiction of organisation/incorporation is ...).

(9) Section 6(1)(b) (Automatic Termination)

Section 6(1)(b), second sentence, shall not apply/shall apply only in relation to Party [A][B].

(10) Section 6(2)(a)(v) Additional Change of Circumstances

Each of the following events shall constitute an Additional Change of Circumstances for the purpose of Section 6(2)(a)(v):

.....

For the purposes of the foregoing Additional Change of Circumstances, the Affected Party shall be

(11) Section 7(1)(b) (Conversion)

"Base Currency" means ...

(12) Section 8(1) (Manner of Giving Notices)

The electronic messaging system(s) for purposes of Section 8(1) is/are: ...

(13) Section 9(1) (Booking Offices)

Booking Offices may be

- | | |
|-----------------------------|--|
| in relation to Party A: | - for Repurchase Transactions: ... |
| | - for Securities Loans: ... |
| | - for Derivative Transactions: ... |
| | - for Deposits and Loans: ... |
|
in relation to Party B: |
- for Repurchase Transactions: ... |
| | - for Securities Loans: ... |
| | - for Derivative Transactions... |
| | - for Deposits and Loans: ... |

(14) Section 10(4) (Documents)

The following documents shall be delivered by Party A and Party B, respectively, by the dates specified below:

	Type of document	To be delivered by (date)	Section 5(1)(j) applicable
Party A:	
Party B:	

(15) Section 10(9) (Previous Transactions)

[Specify relevant transactions (if any) and further details (e.g. effect/cessation of effect of contractual terms governing previous transactions)]

(16) Section 11(3) (Service of Process)

The Process Agent (Section 11(3)) is

- in relation to Party A: ...
in relation to Party B: ...

II. Margin Maintenance Annex(1) Transactions and groups of Transactions covered

Net Exposure shall be calculated, and Margin transferred, in respect of the following Booking Offices and types of Transactions:

- (i) [all Booking Offices in the aggregate]
[each Booking Office of Party A/B]⁸
[each pair of Booking Offices of Party A and Party B]⁹
[other arrangement]
- (ii) [the aggregate of all Repurchase Transactions, Securities Loans Derivative Transactions and Deposits and Loans]¹⁰,
[the aggregate of all Repurchase Transactions, of all Securities Loans, of all Derivative Transactions and of all Deposits and Loans, in each case separately],
[the aggregate of all Transactions relating to fixed income Securities, of all Transactions relating to equity Securities, of Derivative Transactions and of Deposits and Loans, in each case separately],
[each Transaction separately],

⁸ If one Party acts through more than one office

⁹ If both parties act through more than one office

¹⁰ If the variation margin rules of Commission Delegated Regulation (EU) 2016/2251 of 4 October 2016 supplementing Regulation (EU) No 648/2012 (the "EMIR RTS") (as amended from time to time), apply to the Derivatives Transactions, this option may not be elected.

[other arrangement].

[(iii) For the purposes of Net Exposure, Derivatives Transactions shall exclude: [spot contracts as such term is defined in Article 38(2) of Commission Regulation (EC) No 1287/2006 of 10 August 2006 implementing Directive 2004/39/EC]¹¹ / [spot contracts with a settlement cycle of T+2]¹² [and []]¹³.]

(2) Eligible Margin

(i) Repurchase Transactions¹⁴

Cash Margin: eligible currencies (other than the Base Currency):

Currency	Valuation Percentage	Transferring party	
[]	[]%	[Party A]	[Party B]

Interest payable on Cash Margin¹⁵:

... Margin Securities:

	Eligible Securities	Valuation Percentage ¹⁶	Transferring party	
(i)		[]%	[Party A]	[Party B]
(iii)	Other:		[Party A]	[Party B]

Valuation Methodology for Repurchase Transactions (select one only):

Margin Ratio

Haircut¹⁷ , applicable discount:

(ii) Securities Loans

Cash Margin: eligible currencies (other than the Base Currency):

Currency	Valuation Percentage	Transferring party	
[]	[]%	[Party A]	[Party B]

Interest payable on Cash Margin¹⁸:

Margin Securities:

	Eligible Securities	Valuation Percentage	Transferring party	
(i)	[]	[]%	[Party A]	[Party B]
(ii)	[]	[]%	[Party A]	[Party B]
(iii)	Other:		[Party A]	[Party B]

(iii) Derivatives Transactions

¹¹ Insert if parties do not wish to collateralise spot contracts as defined under the Regulation.

¹² Insert if parties do not wish to collateralise spot but wish to adopt a strict T+2 settlement threshold.

¹³ If parties wish to remove other Derivatives Transactions from the scope of margining this should be specified here.

¹⁴ Separate categories are to ensure that the categories of Eligible Margin for Derivatives Transactions does not apply to Repurchase Transactions or Securities Lending.

¹⁵ In line with the Interest Reference Rate definition to be considered to include fallback language in case the interest rate is no longer provided.

¹⁶ Parties may want to consider applying identical haircuts and valuation percentages when dealing with the same ISIN on the repo and on the collateral side.

¹⁷ Parties may want to consider applying identical haircuts and valuation percentages when dealing with the same ISIN on the repo and on the collateral side.

¹⁸ In line with the Interest Reference Rate definition to be considered to include fallback language in case the interest rate is no longer provided.

Cash Margin: eligible currencies (other than the Base Currency):

Eligible Currency	Valuation Percentage	Transferring party	
[]	[]%	[Party A]	[Party B]

Interest payable on Cash Margin¹⁹:

Margin Securities:

[If the variation margin rules of Commission Delegated Regulation (EU) 2016/2251 of 4 October 2016 supplementing Regulation (EU) No. 648/2012 apply to the Derivatives Transactions, insert the following here: "Where the currency in which the Margin Securities are denominated does not match an eligible currency, the Valuation Percentage agreed for such Margin Securities between the parties will be reduced by 8 percentage points.]

	Eligible Securities	Valuation Percentage ²⁰	Transferring party	
(i)	Negotiable debt obligations issued by the Government of [] having an original maturity at issuance of not more than [one year]	[]%	[Party A]	[Party B]
(ii)	Negotiable debt obligations issued by the Government of [] having an original maturity at issuance of more than [one year] but not more than 10 years	[]%	[Party A]	[Party B]
(iii)	Other:		[Party A]	[Party B]

(iv) Deposits and Loans

Cash Margin: eligible currencies (other than the Base Currency):

Currency	Valuation Percentage	Transferring party	
[]	[]%	[Party A]	[Party B]

Interest payable on Cash Margin²¹:

Margin Securities:

	Eligible Securities	Valuation Percentage	Transferring party	
(i)	[]	[]%	[Party A]	[Party B]
(ii)	[]	[]%	[Party A]	[Party B]
(iii)	Other:		[Party A]	[Party B]

(3) "Valuation Agent" means: ...

(4) Valuation Procedure

(a) "Valuation Date" means each [Business Day/Monday...]

(b) "Independent Amount" means
 - with respect to Party A: ...
 - with respect to Party B: ...

(c) "Exposure Threshold" means:

¹⁹ In line with the Interest Reference Rate definition to be considered to include fallback language in case the interest rate is no longer provided.

²⁰ If the variation margin rules of the EMIR RTS apply to the Derivatives Transactions, the valuation percentages set out in the EMIR RTS must be inserted here.

²¹ In line with the Interest Reference Rate definition to be considered to include fallback language in case the interest rate is no longer provided.

[if aggregating all Repurchase Transactions, Securities Loans, Derivative Transactions and Deposits and Loans:

- in relation to the Net Exposure of Party B to Party A: ...
- in relation to the Net Exposure of Party A to Party B: ...]²²

[if aggregating all Repurchase Transactions, all Securities Loans, Derivative Transactions and Deposits and Loans separately:

- in relation to the Net Exposure of Party B to Party A for all Repurchase Transactions: ...
- in relation to the Net Exposure of Party A to Party B for all Repurchase Transactions: ...
- in relation to the Net Exposure of Party B to Party A for all Securities Loans: ...
- in relation to the Net Exposure of Party A to Party B for all Securities Loans: ...
- in relation to the Net Exposure of Party B to Party A for all Derivative Transactions²³: ...
- in relation to the Net Exposure of Party A to Party B for all Derivative Transactions²⁴: ...
- in relation to the Net Exposure of Party B to Party A for all Deposits and Loans: ...
- in relation to the Net Exposure of Party A to Party B for all Deposits and Loans: ...

[if aggregating all Transactions relating to fixed income Securities, all Transactions relating to equity Securities, Derivative Transactions and Deposits and Loans:

- in relation to the Net Exposure of Party B to Party A: ...
- in relation to the Net Exposure of Party A to Party B: ...]²⁵

[for each Transaction separately:

- in relation to the Net Exposure of Party B to Party A: ...
- in relation to the Net Exposure of Party A to Party B: ...]

[other arrangement]

(d) "Minimum Transfer Amount" means: ...

(5) Negative Interest

Negative Interest

The provisions of Section 2(4)(i) of the Margin Maintenance Annex [shall apply] / [shall not apply] to Repurchase Transactions; [shall apply]/[shall not apply] to Securities Loans; [shall apply]/[shall not apply] to Derivatives Transactions..²⁶

(6) Compounding

The provisions of Section 2(4)(ii) of the Margin Maintenance Annex [shall apply] / [shall not apply] to Repurchase Transactions; [shall apply]/[shall not apply] to Securities Loans; [shall apply]/[shall not apply] to Derivatives Transactions.²⁷

[(7) ²⁸For the purpose of Section 2(4)(a) of the Margin Maintenance Annex, for Cash Margin in the form of the Base Currency, "Interest Reference Rate" means by way of derogation from Section 3(5) of the General Provisions, the euro short-term rate "€STR" provided by the European Central Bank (or any successor administrator) plus 0.085²⁹.]

(8) €STR fallback provisions

In case €STR ceases to be provided permanently or indefinitely, the Interest Reference Rate for the purpose of Section 2(4)(a) of the Margin Maintenance Annex for Euro Cash Margin in respect of an interest period commencing on or after the cessation date shall be a rate (inclusive of any spreads or adjustments) recommended by the European Central Bank (ECB) (or any successor administrator) in replacement of the €STR as published or provided by the administrator thereof in respect of that day, if that day is a Business Date, or in respect of the Business Day immediately preceding that day, if that day is not a Business Day.

²² If the variation margin rules of the EMIR RTS apply to the Derivatives Transactions, this option may not be elected.

²³ If the variation margin rules of EMIR apply to the Derivatives Transactions, Exposure Threshold must be zero for each party and calculated separately.

²⁴ If the variation margin rules of EMIR apply to the Derivatives Transactions, Exposure Threshold must be zero for each party and calculated separately.

²⁵ If the variation margin rules of the EMIR RTS apply to the Derivatives Transactions, this option may not be elected.

²⁶ To be completed.

²⁷ To be completed.

²⁸ Parties to consider whether there is a need to deviate from the standard Interest Reference Rate definition for purposes of Euro cash margin and add a specific fallback from EONIA to ESTR plus spread, where existing Master Agreements are replaced with the updated 2020 EMA documentation.

²⁹ With respect to existing Master Agreements in case of an upgrade to the new 2019 EMA, parties to consider whether they would like to replace EONIA with €STR plus spread or €STR flat, and in case of the latter, whether there is a need for a compensation payment.

If no such rate is recommended by the ECB (or any successor administrator) or any other recommended body by the ECB (or successor administrator) or if the rate recommended by the ECB (or any successor administrator) or any other recommended body by the ECB (or successor administrator) ceases to be provided permanently or indefinitely, the Interest Reference Rate for the purpose of Section 2(4)(a) of the Margin Maintenance Annex for Euro Cash Margin in respect of an interest period commencing on or after the respective cessation date, shall be (i) the Eurosystem Deposit Facility Rate (EDFR) as published or provided by the administrator thereof in respect of that day, if that day is a Business Day, or in respect of the Business Day immediately preceding that day, if that day is not a Business Day, plus (ii) the EDFR Spread.

“EDFR Spread” means:

- (i) If no rate is recommended by the ECB (or any successor administrator) or any other recommended body by the ECB (or successor administrator), the arithmetic mean of the daily difference between €STR and the EDFR over an observation period of 30 Business Days starting 30 Business Days prior to the day on which the €STR ceased to be provided and ending on the Business Day immediately preceding the day on which the €STR ceased to be provided); or
- (ii) If the rate recommended by the ECB (or any successor administrator) or any other recommended body by the ECB (or successor administrator) ceases to be provided permanently or indefinitely, the arithmetic mean of the daily difference between the recommended rate and the EDFR over an observation period of 30 Business Days starting 30 Business Days prior to the day on which the recommended rate ceases to be provided and ending on the Business Day immediately preceding the day on which the recommended rate ceases to be provided.

“Eurosystem Deposit Facility Rate” means the rate on the deposit facility, which banks may use to make overnight deposits with the Eurosystem and which is published on the ECB’s Website.

“ECB’s Website” means the website of the European Central Bank at <https://www.ecb.europa.eu/home/html/index.en.html>, or another published source that has been officially designated by the European Central Bank or, in respect of €STR, a successor administrator of €STR.

(9) In relation to Section 1(3) of the Margin Maintenance Annex, the relevant location to determine close of business in calculating Potential Final Settlement Amount shall be: [Brussels] / [].

(10) In relation to Section 2(2) of the Margin Maintenance Annex, the Notification Time shall be: [12 p.m. Brussels time]/[]³⁰.

(11) In relation to Section 2(8) of the Margin Maintenance Annex, the Resolution Time shall be: [2 p.m. Brussels time]/[].

III. Other Annexes

Repurchase Annex

Section 2(7)(v) shall apply.

Securities Lending Annex

Section 2(6)(v) shall apply.

Derivatives Annex

Section 1(2)(c)

The provisions of Section 1(2)(c) of the Derivatives Annex shall apply to the following types of Derivative Transactions:

types of Derivative Transactions

[].

Section 2

³⁰ Parties should note that where the variation margin rules of EMIR RTS apply to the Derivatives Transactions, Section 3, Article 9(3) requires that where two parties are not located in the same time-zone, calculation must be based on values of transactions entered into before 16.00 on the immediately preceding Business Day of the time-zone where it is first 16.00.

The Market Standard Documentation(s) set out below shall be incorporated into the terms of the following types of Derivative Transactions:

<u>Market Standard Documentation(s)</u>	<u>types of Derivative Transactions</u>
[]	[].

The terms in the Market Standard Documentation(s) which have been incorporated into the terms of a Derivative Transaction shall be construed in accordance with the following law(s) as set out below:

<u>Market Standard Documentation(s)</u>	<u>law</u>
[]	[].

Deposit and Lending Annex

Section 1(2)(b)

The Master Agreement and the Deposit and Lending Annex shall apply to all Deposits or Loans between the parties except for a Deposit or Loan that is a

- (i) deposit or loan evidenced or represented by a certificate, like a certificate of deposit (CD) or a *Schuldscheindarlehen*; bond, note, commercial paper, share or other security;
- (ii) deposit or loan taken or granted by way of credit support, margin, collateral or security interest (including any cash distribution made on securities taken or granted by way of credit support, margin, collateral or security interest);
- (iii) deposit encumbered with a mortgage, pledge, lien or a right of a third party;
- [(v) deposit or loan under which the rights of the Lender to receive interests or principal are subordinated to those of other creditors;
- (vi) deposit or loan whose Initial Final Maturity is longer than [] days; “Initial Final Maturity” means the period beginning with (but excluding) the Payment Date and ending with (and including) the last Repayment Date;]

Section 2

The Market Standard Documentation(s) set out below shall be incorporated into the terms of the following types of Deposits or Loans:

<u>Market Standard Documentation(s)</u>	<u>types of Deposits or Loans</u>
[ACI The Financial Market Association Model Code (version 2000, updated version March 2006)]	[Deposits and Loans]
[]	[].

The terms in the Market Standard Documentation(s) which have been incorporated into the terms of a Deposit or Loan shall be construed in accordance with law(s) as set out below:

<u>Market Standard Documentation(s)</u>	<u>law</u>
[]	[].

[Section 3(5)(b) (Failure by Borrower)

“For the purposes of the Deposit and Lending Annex only, the interest provided for in Section 3(5) of the General Provisions is zero”]

EMIR AnnexSection 1(3) (Business Day)

The following cities shall be relevant for purposes of Section 1(3) (Business Day):

Section 2(1) (Determination of Clearing Status)

Party A represents that it is a [Non-]Financial Counterparty for purposes of EMIR and [not] subject to the Clearing Obligation Party

B represents that it is a [Non-]Financial Counterparty for purposes of EMIR and [not] subject to the Clearing Obligation Section 2(2)

(Change of Clearing Status)

The notification regarding a change of the Clearing Status has to be sent to the address specified below.

Party A:

Party B:

Section 4 (Timely Confirmation)

The parties agree that if one party sends to the other a Confirmation and the receiving party does not send either a Confirmation or an objection notice regarding the received Confirmation by the time required under Regulation No 149/2013, the Confirmation sent by the first party shall be deemed to have been accepted by the receiving party.

Section 5 (Portfolio Reconciliation)

a) "Data Transferor" means:

b) "Transfer Time" means:

c) "Reconciliation Date" means:

(i) in relation to weekly reconciliation required under Section 5(2)(a)(ii):

(ii) in relation to a quarterly reconciliation required under Section 5(2)(a)(iii) or Section 5(2)(b)(i):

(iii) in relation to a yearly reconciliation required under Section 5(2)(b)(ii):

d) "Materiality Threshold" means:

e) "Valuation Date" means:

Clearing Annex

Section 3 (Rejection and early termination by way of cash settlement)

For the purposes of Section 3(2) the Calculation Agent shall be the Calculation Agent as specified in Section 4 of the Derivatives Annex, unless no such Calculation Agent is specified, in which case the Calculation Agent shall be:

[Party A][Party B][both parties together].