

**SUPPLEMENTAL AGREEMENT
FOR THE TRANSITION OF EONIA TO €STR
UNDER THE MASTER AGREEMENT FOR FINANCIAL TRANSACTIONS
PUBLISHED BY THE BANKING FEDERATION OF EUROPEAN UNION**

dated as of [_____ 2021]

between

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

Party A and Party B jointly hereinafter referred to as "**Parties**".

WHEREAS:

- (1) The Parties have previously entered into a [2001] [2004] Master Agreement for Financial Transactions (including General Provisions, Special Provisions, the Margin Maintenance Annex and any other annex(es)) based on the forms published by the Banking Federation of the European Union and dated as of [_____] (the "**Master Agreement**");
- (2) With regard to the EU Benchmark-Regulation (Regulation (EU) 2016/1011) the Parties now intend to modify the Master Agreement by setting out additional provisions for the replacement of the Euro OverNight Index Average (EONIA) benchmark in this supplemental agreement (the "**Supplemental Agreement**").

THEREFORE THE PARTIES AGREE THAT:

1. Replacement of EONIA by a Replacement Reference Rate

- (1) Where Covered Provisions contain references to EONIA, such reference is – as of the Agreed Effective Date – deemed to be a reference to the agreed Replacement Reference Rate. Any spreads agreed in addition to EONIA continue to apply, also if the Modified €STR has been elected as Replacement Reference Rate.
- (2) [No compensation payment is due for such replacement.]
[Where "€STR (plus compensation payment)" is agreed between the Parties as the Replacement Reference Rate for a Covered Provision, a one-time payment of the compensation – as separately agreed – is payable. The Parties will determine the amount of compensation, the Party obligated to pay, as well as any payment modalities in a separate agreement.]
- (3) Where an Agreed Effective Date falls in a then current calculation period of a Covered Provision, the calculation will be made in accordance with the applicable Transition Method.

2. Fallback provision in the case of an Index Cessation Event in relation to €STR

- (1) Where (i) Covered Provisions contain references to €STR (here being specified that a replacement in accordance with Clause 1 sub-Clause (1) of this Supplemental Agreement is also deemed to constitute a reference), and (ii) an Index Cessation Event has occurred in respect of €STR, such reference – as of the Cessation Date

(a) is deemed to be a reference to the ECB-Recommended Rate; or

- (b) if such an ECB Recommended Rate is not recommended before the end of the TARGET Settlement Date following this Index Cessation Event, is deemed to be a reference to the Modified DFR.
- (2) Where (i) Covered Provisions refer to the ECB Recommended Rate (here being specified that a replacement in accordance with the above sub-Clause (1) will also be deemed to constitute a reference) and (ii) an Index Cessation Event has occurred in respect of the ECB Recommended Rate, such reference will – as of the Cessation Date – be deemed to be a reference to the Modified DFR.
- (3) The reference rate determined in accordance with the above sub-Clause (1) or (2) will – for the purposes of the conversion of the Modified €STR (where applicable) – replace the €STR (where used as calculation component), so that the spread contained in the Modified €STR will be added to the reference rate determined in accordance with such sub-Clause (1) or (2). Any additionally agreed spreads in respect of the reference rate, including any spread in accordance with Clause 1 sub-Clause (1) of this Supplemental Agreement (where applicable), shall continue to apply.
- (4) Where the Cessation Date falls in a current calculation period of a Covered Provision, the reference rate to be replaced in accordance with the above sub-Clause (1) or (2) remains applicable for the period as of the day of the beginning of the relevant calculation period (including) until the Cessation Date (excluding), and the reference rate determined in accordance with such sub-Clause (1) or (2) applies for the period from the Cessation Date (including) until the end of the relevant calculation period.

3. Limitation of Scope

- (1) This Supplemental Agreement does not affect the applicability of provisions in the Master Agreement concerning the treatment of negative interest rates.
- (2) In the event that the Parties have – prior to the entering into this Supplemental Agreement – already agreed on special provisions applicable to the Covered Provisions (as defined in Clause 4 below) with regard to changes or cessation of a benchmark, a reference basis or the transition from EONIA to €STR, this Supplemental Agreement shall supersede and prevail. Any future agreements with regard to changes or cessation of a benchmark, a reference basis or the transition from EONIA to €STR shall only prevail this Supplemental Agreement if made in writing by way of an amendment signed by both Parties.

4. Definitions

For the purpose of this Supplemental Agreement:

“**Administrator**” means each natural or legal person exercising control over the provision of a benchmark.

“**Agreed Effective Date**” means the EONIA Index Cessation Date or [INSERT RELEVANT DATE] if this day is earlier than the EONIA Index Cessation Date.

“**Cessation Date**” means the day (including) on which the relevant benchmark is no longer provided because of an Index Cessation Event.

“**Covered Provisions**” means

- (1) Section 3 (5) “Late Payment” of the General Provisions of the Master Agreement;
- (2) in case the Parties have agreed on EONIA as applicable rate for the purpose of section 2 (4) "Cash Margin" of the Margin Maintenance Annex of the Master Agreement, the provisions of such agreement; [and
- (3) any other provisions¹ referring to EONIA as applicable rate under the Master Agreement.]²

“**ECB Recommended Rate**” means the interest rate (including any spreads and adjustments) recommended (i) by the European Central Bank (or a replacement administrator for the €STR) or (ii) by an entity officially nominated by the European Central Bank (or a replacement administrator for the €STR) as a replacement for €STR.

¹ This Supplemental Agreement is NOT intended to cover transactions (in particular OTC-derivative transactions) referring to EONIA.

² Delete and/or complete as appropriate.

“**DFR Spread**” means (i) where an Index Cessation Event occurs and if no ECB Recommended Rate is recommended before the end of the first TARGET Settlement Day following the day on which the €STR Index Cessation Event occurs, the arithmetic mean of the daily difference between the €STR and the Eurosystem Deposit Facility Rate over an observation period of 30 TARGET Settlement Days, or (ii) where an Index Cessation Event occurs in relation to an ECB Recommended Rate, the arithmetic mean of the daily difference between the ECB Recommended Rate and the Eurosystem Deposit Facility Rate over an observation period of 30 TARGET Settlement Days. The relevant observation period starts 30 TARGET Settlement Days (including) prior to the day on which the relevant Index Cessation Event occurs and ends on the TARGET Settlement Day (including) immediately preceding the day on which the relevant Index Cessation Event occurs.

“**EONIA**” means the (i) Euro OverNight Index Average for a day as determined by the European Money Market Institute (EMMI) (or a replacement administrator) as Administrator of this benchmark and published on the EMMI website for this day, or (ii) the Euro OverNight Index Average for a day as determined by the European Central Bank and published by Bloomberg, Reuters or comparable sources for this day. Any reference to EONIA in the Covered Provisions is deemed to be a reference to EONIA regardless of the explicit spelling or designation.

“**EONIA Index Cessation Date**” means the day (including) as of which the Euro OverNight Index Average is no longer provided by the European Money Market Institute (EMMI) as Administrator of the benchmark. This is expected to be 3 January 2022 at the latest.

“**€STR**” means the Euro Short Term Rate (€STR) for a day, as determined by the European Central Bank (or a replacement-administrator) for this day as administrator of this benchmark and published on the ECB-website.

“**€STR (plus compensation payment)**” means €STR provided that a one-time compensation amount is to be paid in accordance with Clause 2 sub-Clause 2.

“**Eurosystem Deposit Facility Rate**” means the interest rate on the deposit facility (generally referred to as Eurosystem Deposit Facility Rate), which applies to overnight deposits made with the Eurosystem and which is published on the ECB website.

“**Index Cessation Event**” means – in relation to €STR or the ECB Recommended Rate – the occurrence of any of the following events: (i) A public statement or publication of information by or on behalf of the Administrator of the relevant rate, announcing that it has ceased or will cease to provide the benchmark permanently or indefinitely, or (ii) a public statement or publication of information by the regulatory authority for the Administrator of the relevant rate, the competent central bank for the currency of denomination of the relevant rate, the competent insolvency administrator for the Administrator, the competent resolution authority for the Administrator or an official with comparable insolvency or resolution authority over the Administrator, stating that the Administrator of the relevant rate has ceased or will cease to provide the relevant rate permanently or indefinitely. The events specified under items (i) and (ii) shall not constitute an Index Cessation Event if – at the time of such public statement or publication of information – there is a replacement administrator that will continue to provide the relevant rate.

“**Modified DFR**” means in respect of a day the total amount of (i) the reference rate in the amount of the Eurosystem Deposit Facility Rate published for this day plus (ii) the DFR spread.

“**Modified €STR**” means the total amount of (i) the €STR interest rate published by the Administrator plus (ii) 0,085%.

“**Replacement Reference Rate**” means [for the purposes of the Margin Maintenance Annex for Euro Cash Margin [Modified €STR][€STR (plus compensation payment)][€STR][**OTHER REFERENCE RATE**]] [and] [for all [other] purposes [€STR][**OTHER REFERENCE RATE**]] [**the relevant market standard successor rate as agreed by the Parties acting in a commercially reasonable manner**].

“**TARGET Settlement Day**” means any day on which TARGET2 (the Trans-European Automated Real-time Gross Settlement Express Transfer System) is open for the settlement of payments in Euro.

“**Transition at the beginning of the calculation period**” means the Transition Method according to which the Replacement Reference Rate is applicable in place of EONIA for the entire relevant calculation period.

“**Transition at the beginning of the next calculation period**” means the Transition Method according to which EONIA is applicable for the current calculation period and the Replacement Reference Rate is applicable for the next calculation period.

“**Transition Method**” means the [Transition at the beginning of the calculation period][Transition at the beginning of the next calculation period][Transition on the Agreed Effective Date].

“**Transition on the Agreed Effective Date**” means the Transition Method according to which (i) EONIA shall be applicable as of the day of the beginning of the calculation period (including) until the Agreed Effective Date (excluding), and the Replacement Reference Rate is applicable as of the Agreed Effective Date (including) until the end of the relevant calculation period excluding).

5. Miscellaneous

- (1) This Supplemental Agreement constitutes the entire agreement and understanding of the Parties with respect to this subject matter and supersedes all oral communications and prior writings (except as otherwise provided herein) with respect thereto.
- (2) Except as specifically modified by this Supplemental Agreement, all other terms and provisions of the Master Agreement are hereby reaffirmed and shall remain in full force and effect.
- (3) This Supplemental Agreement will be governed by and construed in accordance with the laws [of _____] [or [as specified in the Special Provisions of the Master Agreement]].
- (4) This Supplemental Agreement may be executed and delivered in counterparts, each of which will be deemed an original.

IN WITNESS WHEREOF, the Parties hereto have caused this Supplemental Agreement to be executed and delivered by their respective authorized officers as of the day and year first above written.

(Name of Party A)

(Name of Party B)

By:

By:

Name(s):
Title:

Name(s):
Title: