

part of eex group



Parent company  
guarantee payable  
on first demand -  
DCP Clearing  
Member

29.06.2020  
Leipzig

Ref. DCP03b  
Release 003

# Parent company guarantee payable on first demand

**European Commodity Clearing AG**  
**Augustusplatz 9**  
**D 04109 Leipzig**

We, the undersigned company

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(enter name of parent company)

have been notified that

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(hereinafter referred to as "Principal")

intends to file an application for granting of a DCP Clearing Licence by European Commodity Clearing AG (hereinafter referred to as "ECC") or has already done so. We are aware that the granting of a DCP Clearing Licence requires proof that the applicant company has equity capital<sup>1</sup> in the amount stipulated by ECC. Where the stipulated amount of equity capital of the applicant is insufficient for the granting of a DCP Clearing Licence, pursuant to ECC Clearing Conditions, the shortfall may be compensated for by a parent company guarantee on first demand issued in favour of ECC. This parent company guarantee on first demand will serve for collateralization of the entire contractual obligations of the DCP Clearing Member and all other claims of ECC vis-à-vis the DCP Clearing Member in connection with clearing the DCP Clearing Member's contracts.

We herewith confirm and assure that we control the Principal that intends to file an application for granting of a DCP clearing Clearing Licence by ECC or has already done so. Control is presumed to exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity unless, in exceptional circumstances, it can be clearly demonstrated that such ownership does not constitute control. Control also exists when the parent owns half or less of the voting power of an entity when there is:

- (a) power over more than half of the voting rights by virtue of an agreement with other investors;
- (b) power to govern the financial and operating policies of the entity under a statute or an agreement;
- (c) power to appoint or remove the majority of the members of the board of directors or equivalent governing body and control of the entity is by that board or body; or
- (d) power to cast the majority of votes at meetings of the board of directors or equivalent governing body and control of the entity is by that board or body.

On this basis, we hereby irrevocably commit ourselves, waiving any and all potential and possible defenses or objections, to pay without delay, upon first written demand, to ECC an amount not exceeding

Euro (EUR):

(in words):

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In the event that the guarantee amount is requested by ECC, we will remit the requested guarantee amount to the bank account of ECC notified to us by ECC in their guarantee request.

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<sup>1</sup> Equity Capital shall be understood as equity including subscribed capital, capital reserves, retained income, deducting any intangible assets and losses incurred in the course of the year. Increases of the subscribed capital during a given year shall be proven by means of the submission of the official confirmation by the competent registrar of companies.

We issue this guarantee subject to the condition precedent that our Principal will be granted a DCP Clearing License by ECC.

ECC's entitlements and rights under this guarantee cannot be assigned.

This guarantee is abstract and independent of the underlying legal relationship between the DCP Clearing Member and ECC. In addition to a request in line with this guarantee document, further proof of the existence of our payment obligation towards ECC is not required. A request below this guarantee can be submitted as of the issue date of this guarantee.

This guarantee shall expire (even if this instrument is not returned) in case of revocation, withdrawal or return of the clearing license of the Principal at ECC one month after the notification of revocation, withdrawal or return of the clearing license to the Principal or one month after the day on which all contracts, which the Principal was obliged to settle pursuant to the CM-Agreement entered into with ECC, have been settled, whichever occurs later.

Furthermore, this guarantee shall expire if we have paid out the amount guaranteed to ECC in accordance with the above conditions.

Upon the expiry of this guarantee, ECC shall return this letter of guarantee to us without delay.

The guarantee can be used once or in partial amounts up to the total of the guarantee amount. If only a part of the guarantee amount is requested and paid by us, the guarantee shall continue in the amount of the remaining balance.

Our receipt of the letter of demand (in original via regular mail) from ECC is decisive for compliance with any time-limits set.

Any amendment of this guarantee or of the guarantee conditions shall require the approval of ECC. The guarantee amount can only be reduced or increased with the approval of ECC.

This guarantee shall be subject to, construed in accordance with and governed by the laws of Germany. The exclusive jurisdiction for all conflicts arising in connection with this guarantee shall be Leipzig, Germany.

Place	Date	Signature of Guarantor