

# 2020 WIRECARD AG CREDIT DERIVATIVES AUCTION SETTLEMENT TERMS

published on July ~~14~~27, 2020

by DC Administration Services, Inc. ("**DCAS**") on behalf of the International Swaps and Derivatives Association, Inc.<sup>1</sup>

Any capitalized term used but not defined in these 2020 Wirecard AG Credit Derivatives Auction Settlement Terms (these "**Credit Derivatives Auction Settlement Terms**") shall have the meaning given to the relevant capitalized term in (a) the 2014 ISDA Credit Derivatives Definitions (the "**2014 Definitions**") (as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**")) or (b) the Credit Derivatives Determinations Committees Rules, as amended from time to time and as most recently published by the DC Secretary on behalf of ISDA on the Website as of the date hereof (the "**Rules**"), as applicable. In the event of any inconsistency between the 2014 Definitions and these Credit Derivatives Auction Settlement Terms, these Credit Derivatives Auction Settlement Terms shall govern.

For purposes of Article VI (Terms Relating to Auction Settlement) of the 2014 Definitions, the DC Secretary has published these Credit Derivatives Auction Settlement Terms on behalf of ISDA to enable parties to Auction Covered Transactions to settle such Auction Covered Transactions based upon an Auction Final Price determined according to an auction procedure on the terms set out below.

In circumstances where these Credit Derivatives Auction Settlement Terms are published following (a)(i) a Restructuring for the purpose of settling Credit Derivative Transactions incorporating the Updated 2003 Definitions for which "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable", as applicable, is specified in the related Confirmations, or (ii) an M(M)R Restructuring in the case of a Credit Derivative Transaction incorporating the 2014 Definitions, and (b) more than one Designated Range of Scheduled Termination Dates is specified in Schedule 1, these Credit Derivatives Auction Settlement Terms shall be construed as constituting two or more separate sets of Credit Derivatives Auction Settlement Terms, each referencing a different set of Permissible Deliverable Obligations, each specifying a different Designated Range of Scheduled Termination Dates, each specifying a different Maximum Initial Market Bid-Offer Spread and each relating to a separate set of Auction Covered Transactions, but each otherwise identical in all respects (except as otherwise specified). The procedures set forth in these Credit Derivatives Auction Settlement Terms shall be conducted by the Administrators separately for each set of Auction Covered Transactions (each such auction procedure for purposes of the relevant set of Credit Derivatives Auction Settlement Terms, an "**Auction**"), except that the procedures set forth in Sections 1 and 2 of these Credit Derivatives Auction Settlement Terms shall be conducted once and applied to each Auction.

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<sup>1</sup> DCAS has been appointed by ISDA as the DC Secretary pursuant to the Rules. These Credit Derivatives Auction Settlement Terms are published on behalf of ISDA by the DC Secretary on the Website pursuant to the requirement of Section 6.7 of the 2014 Definitions.

"**Other Initial Bidding Period**" is not applicable.

"**Other Originally Scheduled Initial Bidding Period**" is not applicable.

"**Other Originally Scheduled Subsequent Bidding Period**" is not applicable.

"**Other Subsequent Bidding Period**" is not applicable.

"**Quotation Amount Increment**" means ~~EUR50,000~~EUR100,000.

"**RAST Notional Amount Increment**" means EUR500,000.

"**Reference Auction Obligation**" is not specified.

"**Relevant Credit Derivatives Physical Settlement Matrix**" means the Credit Derivatives Physical Settlement Matrix published by ISDA on January 27, 2020.

"**Relevant Credit Event**" means the Bankruptcy that is the subject of DC Issue 2020062601.

"**Relevant Currency**" means EUR.

"**Relevant Pricing Increment**" means one-eighth of one per cent.

"**Relevant Transaction Type(s)**" means European Corporate and Standard European Corporate.

"**Rounding Amount**" means ~~EUR50,000~~EUR100,000.

"**Subsequent Bidding Information Publication Time**" means 3:00 p.m. Relevant City Time.

**Form of Participating Bidder Letter**

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**[Letterhead of Participating Bidder]**

**[Date]**

**Markit Group Limited**

**Send to: cea@ihsmarkit.com**

**Creditex Brokerage LLP or Creditex Securities Corporation, as applicable, in its capacity as the Relevant Creditex Entity**

**Send to: CEA@creditex.com**

**DC Administration Services, Inc.**

**Send to: dcsecretary@cdsdeterminationscommittees.org**

~~Dear Sirs~~ To whom it may concern,

We write to inform you that we wish to be a "Participating Bidder" with respect to each auction to be held for the purpose of settling credit derivatives transactions referencing Wirecard AG (each, an "**Auction**"). Capitalized terms used in this Participating Bidder Letter but not defined herein shall have the meanings specified in the 2020 Wirecard AG Credit Derivatives Auction Settlement Terms governing each such Auction as published by the DC Secretary on behalf of ISDA on July ~~1~~27, 2020 (the "**Credit Derivatives Auction Settlement Terms**").

We hereby notify you that it is our intention that, pursuant to the Credit Derivatives Auction Settlement Terms, any Dealer Physical Settlement Request we submit with respect to an Auction will, at the time of submission, be, to the best of our knowledge and belief, on the same side of the market as, and will not exceed, our Market Position.

By signing and returning this Participating Bidder Letter to you, we represent, as of the date of this Participating Bidder Letter, that:

- (a) from time to time we regularly trade, or one of our Affiliates regularly trades, in one or more obligations of the types of obligations listed as Deliverable Obligations in the secondary market and/or we regularly trade, or one of our Affiliates regularly trades, credit default swaps with Wirecard AG as the Reference Entity;
- (b) either:
  - (i) we have, or one of our Affiliates has, participated as a Participating Bidder in no fewer than either five or, if fewer, all Non-LCDS Auctions that have been held during the twelve calendar months immediately preceding the date of this letter and for which one or more of the Relevant Transaction Types specified in the Credit Derivatives Auction Settlement Terms was also a Relevant Transaction Type for purposes of each such Non-LCDS Auction, provided that for purposes of this representation, the auction exemptions available to Global Dealer Voting Members and Regional Dealer Voting Members in Section 1.10(e) and Section 1.10(f) of the Rules shall have been available to us to the same extent as they would be available to: (1) a Participating Dealer Institution for purposes of the application of the

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**Form of Customer Physical Settlement Request Letter**

[Letterhead of Customer]

[Date]

**Send to: [Participating Bidder]**

~~Dear Sirs~~ To whom it may concern,

We write to inform you that we wish to submit a Customer Physical Settlement Request as defined in the 2020 Wirecard AG Credit Derivatives Auction Settlement Terms, as published by the DC Secretary on behalf of ISDA on July ~~1~~27, 2020 (the "**Credit Derivatives Auction Settlement Terms**"). Capitalized terms used in this letter but not defined herein have the meanings specified in the Credit Derivatives Auction Settlement Terms.

By signing and returning this Customer Physical Settlement Request Letter to you, we represent and agree that:

- (a) a Governing Master Agreement has been entered into or otherwise put in place between you, or one of your Affiliates, and us;
- (b) the Customer Physical Settlement Request set out below is, to the best of our knowledge and belief,
  - [(i) on the same side of the market as and not in excess of our Dealer-Specific Market Position, and
  - (ii)<sup>4</sup> on the same side of the market as and (when aggregated with all Customer Physical Settlement Requests submitted by us or our Affiliates to one or more Participating Bidders) not in excess of our Market Position; and
- (c) either:
  - (i) we are not, as of the date of this Customer Physical Settlement Request Letter, subject to any requirement that would make it impossible or illegal for us to Deliver or accept Delivery of any of the Deliverable Obligations; or
  - (ii) if we are, as of the date of this Customer Physical Settlement Request Letter, subject to any requirement that would make it impossible or illegal for us to Deliver or accept Delivery of any of the Deliverable Obligations, we will procure a designee to whom you consent and for whom it is not impossible or illegal to Deliver or accept Delivery of the relevant Deliverable Obligations, provided that by your acceptance of our Customer Physical Settlement Request, you will be deemed to agree that you will not unreasonably withhold your consent to such designation and provided further that such consent will be deemed given in the case where the relevant designee is a Participating Bidder for whom it is not impossible or illegal to Deliver or accept Delivery of the relevant Deliverable Obligations.

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<sup>4</sup> Delete as applicable.

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**Form of Notice of Physical Settlement**

Attention: [client contact]

By Fax: [facsimile]

By Phone: [telephone]

[Recipient of Notice of Physical Settlement]

~~Dear Sirs~~

To whom it may concern

**NOTICE OF PHYSICAL SETTLEMENT**

Credit Derivative Transaction Details:<sup>7</sup>

Representative Auction-Settled Transaction, formed pursuant to the 2020 Wirecard AG Credit Derivatives Auction Settlement Terms, published by the DC Secretary on behalf of ISDA on July ~~1~~27, 2020 (the "**Credit Derivatives Auction Settlement Terms**") entered into between [SELLER], as Seller (i.e., the party identified by the Auction Administrators as having an obligation to accept Delivery of Deliverable Obligations), and [BUYER] as Buyer (i.e., the party identified by the Auction Administrators as having the obligation to Deliver Deliverable Obligations), and for which the Floating Rate Payer Calculation Amount is [*Relevant Currency and amount*]<sup>8</sup>.

Reference is made to the Credit Derivative Transaction described above (the "**Transaction**").

- (1) Pursuant to the Credit Derivatives Auction Settlement Terms, the Credit Event Resolution Request Date for the Transaction is the date specified as such in Schedule 1 to the Credit Derivatives Auction Settlement Terms.
- (2) Any capitalized term not otherwise defined in this Notice of Physical Settlement will have the meaning, if any, assigned to such term in the Credit Derivatives Auction Settlement Terms or, if no meaning is specified therein, in the 2014 Definitions.
- (3) We hereby confirm that we will settle the Transaction and require performance by you in accordance with the terms relating to Physical Settlement in the 2014 Definitions. Subject to the terms of the Transaction, we will deliver to you on or before the Physical Settlement Date the following Deliverable

<sup>7</sup> These Transactions Details will need to be adjusted appropriately where this form is used with respect to a transaction between a customer and a Participating Bidder.

<sup>8</sup> The Quotation Amount of the Transaction identified by Auction Administrators or, in the case of a Representative Auction-Settled Transaction between a Participating Bidder and a customer, the amount specified by such Participating Bidder.