

Selected best practice recommendations impacting GMRA documentation

| Paragraph(s) of guide | Best practice recommendation | Rationale | Documentation impact |
|-----------------------|--|--|---|
| 2.14 | Consider and agree what "close of business" means | Provides certainty in relation to effectiveness of notices | Include in Annex I to GMRA (or in confirmations if not practicable) |
| 2.15 | Consider and agree what "Business Day" means | Provides certainty in relation to public holidays | Include in Annex I to GMRA (or in confirmations if not practicable) |
| 2.21 & 2.23 | Agree period and deadline for delivery of termination notices and return of collateral in relation to open repo | Provides certainty where ICMA recommended deadlines do not apply (see para 2.21, table 2 of guide) | Include in Annex I to GMRA (or in confirmations if not practicable) |
| 2.24 | Make explicit that transactions to be given up to a CCP are not to give rise to transactions between the parties | Covers the situation should the give-up fail for any reason | Include in Annex I to GMRA (or in confirmations if not practicable) |
| 2.28 | Agree details of any substitution arrangements (including any increase to the repo rate as a result) | Provides certainty | Include in relevant confirmation(s) |
| 2.30 & 2.31 | Agree and record the interest rate applicable to late payments (if the relevant GMRA does not provide a rate or if the parties wish to specify a different rate) and/or that overdraft charges incurred as a result of late payment are to be reimbursed to the party that incurs them | Provides certainty | Include in Annex I to GMRA |
| 2.62 | Agree that, in the case of a failure to deliver in repo at negative rates, the failed party may retrospectively reclaim any negative repo interest paid to the failing party | Helpful where large volumes of repo transactions between the parties preclude an operational fix | Include in Annex I to GMRA (or in confirmations if not practicable) |
| 2.66 | Agree the repo rate that is to apply if the collateral in any transaction goes on special | Maintains representative repo rate | Include in Annex I to GMRA (or in confirmations if not practicable) |
| 2.73 | Agree method for calculating Repurchase Price of overnight floating-rate repo | Best practice | Include in Annex I to GMRA (or in confirmations if not practicable) |
| 3.36 - 3.41 | Where applicable, ensure that exposure thresholds and minimum transfer amounts are clear as are the implications for the elimination of Net Exposure | Best practice | Include in Annex I to GMRA |
| 3.42 | Agree deadlines for margin calls | Gives the recipient of a margin call ample time to respond | Include in Annex I to GMRA (or in confirmations in not practicable) |
| 4.6 & 4.8 | Agree that sell-back price will be changed to reflect any failure by the issuer to pay coupon or any mid-term change to the coupon on a floating-rate security used as collateral | Maintains representative repo rate | Include in Annex I to GMRA (or in confirmations if not practicable) |
| 4.16 & 4.17 | Amend notices provision to cater for subsequent addressees and notices by email | Provides certainty | Include in Annex I to GMRA |

Please note that the above table is a summary only. Refer to the ICMA guide for full detail or speak to your usual Fieldfisher contact.