

29/04/2021

General Conditions Part II

CC&G Services

1. -Definitions

- 1.1** Capitalized terms used in these General Conditions Part II shall be understood, unless indicated otherwise, to have the same meaning as the definitions contained in the General Conditions Part I and in the Annexes.
- 1.2** In this part of the General Conditions, the term:
- **"Market"**: indicates the market (or segment thereof) relating to the Section identified by the option(s) provided in the Request for Services (by way of example, the Share Market, the Derivatives Market and the Bond Market).
 - **"Clearing and guarantee service"**: indicates the activity performed upon the assumption by CC&G, as guarantor, of the position of central counterparty in relation to contracts concerning the financial instruments specified in the agreement with the Management Company, traded in each Market.
- 1.3** The provisions of the following articles are of a general character and are applicable consistently with the provisions of the Management Company and CC&G.

2. -Purpose of the Clearing and guarantee service for the General Clearing Member

- 2.1** From the moment that the Contract indicated in the Request for Services becomes fully effective pursuant to paragraph 2.5 of the General Conditions Part I, CC&G succeeds, according to the provisions of the Annexes, to the Contractual Positions assumed from that moment on the reference Market, in relation to the types of contracts for which the Clearing and Guarantee Service operates, by the General Clearing Member and by Trading Clients who use its services, under the terms set out in the Regulations pursuant to Part B.1 "General Provisions" and B.3.1.1. "Effects of the concluded transactions". The types of contract indicated above are made

available by the methods of communication indicated at paragraph 6.2 of the General Conditions Part I.

2.2 With respect to the Bond Section, the Transfer Orders are executed for the contracts provided for therein only, concluded in exchange with an operator that, with respect to that Section, is a Member of the Central counterparty guarantee System managed by CC&G, or member of a guarantee system managed by a Special Clearing Member.

2.3 By appropriate agreement between CC&G and the relevant Management Company, the clauses of the General Conditions and the Annexes shall be extended, without prejudice to the right of withdrawal pursuant to Article 11 of the General Conditions Part I, to new markets, or new financial instruments traded on the markets and included in the section of which the General Clearing Member is a member. CC&G will inform Members of the signing of such agreements by means of communication as indicated at paragraph 6.2 of the General Conditions Part I.

3. -Purpose of the Clearing and guarantee service for Individual Clearing Member

3.1 From the moment that the Contract indicated in the Request for Services becomes fully effective pursuant to paragraph 2.5 of the General Conditions Part I, CC&G succeeds, according to the provisions of the Annexes, to the Contractual Positions assumed from that moment by the Individual Clearing Member on the Market of reference, in relation to the types of contracts for which the Clearing and Guarantee Service operates, pursuant to the provisions of the Regulations in Part B.1 "General Provisions" and B.3.1.1 "Effects of the transactions concluded". The types of contract indicated above are made available by the methods of communication indicated at paragraph 6.2 of the General Conditions Part I.

3.2 With respect to the Bond Section, the Transfer Orders are executed for the contracts provided for therein only, concluded in exchange with an operator that, with respect to that Section, is a Member of the Central counterparty guarantee System managed by CC&G, or member of a guarantee system managed by a Special Clearing Member.

3.3 By appropriate Agreement between CC&G and the relevant Management Company, the provisions of the General Conditions and the Annexes shall be extended, without prejudice to the right of withdrawal pursuant to Article 11 of the General Conditions Part I, to new markets (or segments), or new instruments traded on the markets and included in the section of which the Client is a member. CC&G will inform Members of the signing of such agreements by means of communication as indicated at paragraph 6.2 of the General Conditions Part I.

4. -Purpose of the Clearing and guarantee service for the Trading Client

4.1 From the moment that the Contract indicated in the Request for Services becomes fully effective pursuant to paragraph 2.5 of the General Conditions Part I, the Trading Client may use, for the Market of reference, the services of the System as provided in the Annexes.

Consequently, the General Clearing Member and CC&G succeed to the Contractual Positions assumed on the Market from that moment by the Trading Client, in relation to the types of contracts for which the Clearing and Guarantee Service operates, under the terms set out in the Regulations pursuant to Part B.1 "General Provisions" and B.3.1.1 "Effects of the transactions concluded". The types of contract indicated above are made available by means of communication as indicated at paragraph 6.2 of the General Conditions Part I.

4.2 The Contractual Positions registered with CC&G in the name of the General Clearing Member and which relate to the Trading Client shall be understood as exclusively belonging to the legal relationships existing between CC&G and the General Clearing Member. Therefore, the Trading Client may not make any claim against CC&G or assert any power over the said Contractual Positions or over the said accounts, as such registrations do not give rise to any relationship between the Trading Client and CC&G.

4.3 The Trading Client remains bound, including vis-à-vis CC&G as administrator of the System, by all the provisions of the agreements that it has concluded with the General Clearing Member and communicated to CC&G. CC&G, upon its receipt of such agreements, is entitled to perform credit or debit transactions arising therefrom in accordance with the provisions of the Annexes.

4.4 With respect to the Bond Section, the Transfer Orders are executed for the contracts provided for therein only, concluded in exchange with an operator that, with respect to that Section, is a Member of the Central counterparty guarantee System managed by CC&G, or member of a guarantee system managed by a Special Clearing Member.

4.5 By appropriate Agreement between CC&G and the relevant Management Company, the clauses of the General Conditions and the Annexes shall be extended, without prejudice to the right of withdrawal pursuant to Article 11 of the General Conditions Part I, to new markets (or segments), or new financial instruments traded on the markets and included in the section of which the Trading Client is a member. CC&G will inform Members of the signing of such agreements by the methods of communication indicated at paragraph 6.2 of the General Conditions Part I.

4.6 The art. 4 bis shall also apply to Non Clearing Member, which requires to General Clearing Member the registration of Contractual Positions and guarantees in a segregated third party account, when a Designated Clearing Member has not been appointed.

4. bis - Subject of the clearing and guarantee service for the Member Pro-tem

4.1 bis Notwithstanding the provision of Article B.6.1.2 of the Regulations, the Member Pro-tem shall transmit to CC&G - within 5 open days of CC&G - the agreement with the Designated Clearing Member for the purpose of governing the portability of the Contractual Positions and of the guarantees.

4.2 bis In the above-mentioned period of time the Member Pro-tem shall not operate on the System and CC&G requires to Member Pro-tem to provide to the payment of the Margins in the manner notified by CC&G from time to time.

4.3 bis The provisions of Article B.6.2.1 of the Regulations shall apply to the Member Pro-tem which does not perform the obligations provided in Clauses 4.1-bis and 4.2-bis above.

5. - Obligations of the Client of the Clearing and guarantee service

5.1 From the moment that the Contract indicated in the Request for Services becomes fully effective pursuant to paragraph 2.5 of the General Conditions Part I and of the Regulations, with regard to the Member Pro-tem, a Client who is Clearing Member is bound to settle with CC&G, either directly or through a Settlement Agent according to the general options duly chosen, the Margins on Contractual Positions registered in the accounts in their name and, where provided, payments to the Default Fund and other due amounts, within the deadlines and according to methods established by CC&G and communicated pursuant to Article 6 of the General Conditions Part 1.

5.2 Provided that CC&G is authorized to make transfers and/or to liquidate Contractual Positions on the Market in the specific cases provided for in the Annexes, the Client is bound, acting as guarantor vis-à-vis CC&G, to include appropriate clauses in contracts with its customers that authorise the Client to accept the procedures indicated in the said Annexes in relation to the transfer and settlement on the Market of Contractual Positions registered in third party accounts and, where existing, in sub-accounts, being CC&G completely extraneous to relations between the Client and its respective customers.

5.3 Without prejudice to the provisions of Article 8 of the General Conditions Part I, the Client remains obligated to the Service Providing Company to introduce specific safeguard clauses in contracts with its customers which provide that the said customers are required to advance any claim directly or indirectly connected with the relationship established with the Client exclusively against the Client itself, without prejudice to the liability of the Service Providing Company to the Client pursuant to Article 8 of the General Conditions Part I.

5.4 With reference to Clearing and guarantee service in the Agricultural Commodity Derivatives in case of alternative delivery under art.B.5.2.9 of the Regulations the Client or the different entity withdrawing the underlying, is bound to make use of the structures identified in the Instructions for the storage of the underlying according to the contractual provisions and the fees provided therein. In case of complaint about the quality of the wheat, the Client or the above mentioned person may use the structures identified in the Instructions for taking samples and making the analysis of the wheat according to the contractual provisions and the fees provided therein.

6. - Suspension of the effects of the Client's withdrawal from the Clearing and guarantee service

6.1 The Client is bound to close all the Contractual Positions registered in the accounts corresponding to it by the date of effect of the withdrawal indicated in the relevant notice.

6.2 In the event that the Client does not comply with the provisions of paragraph 1 above, the withdrawal shall have effect from the expiry of the Contractual Positions still existing on the said date. In the intervening period, only the effects expressly provided for in the Regulations shall be produced.

7. - Suspension from execution of the Clearing and guarantee service, its cessation and default procedures

7.1 The execution of the Clearing and guarantee service with respect to the Client may be totally or partially suspended by CC&G, as indicated in the Regulations, including with respect to the effects of any such suspension.

7.2 CC&G may exclude Clients from the Clearing and guarantee system in application of the provisions of Article 12 of the General Conditions Part I, and, more specifically, of the Regulations, with the effects provided for therein.

7.3 In cases of exclusion, the provisions of Article B.2.2.5 of the Regulations shall apply.

8. - The Technological Infrastructure

8.1 The Clearing and guarantee service includes, inter alia, the provision of the Technological Infrastructure selected by the Client via membership portal (Member Portal) and governed

according to the provisions of the Annexes. CC&G arranges the sending of the codes, the relevant passwords and, where provided, the electronic files containing the instructions for obtaining the digital certificate by electronic means. CC&G also provides technical-operational assistance to enable the Client to connect its hardware and software equipment to the Technological Infrastructure provided by CC&G in accordance with the provisions of the Annexes.

8.2 The Technological Infrastructure enables the Client to exchange data and information with CC&G and send and receive orders and instructions relating to the Clearing and guarantee system using distance communication means.

8.3 CC&G continuously records contracts using the electronic network connection between CC&G and the Client. Proof of transactions carried out by the Clients, and any other communication sent over the Technological Infrastructure, is validly provided by the recordings of electronic connections made by CC&G. The Technological Infrastructure enables the Client to acquire durable evidence of all information, requests and instruction exchanged using the Infrastructure.

8.4 The Client is also bound to take all necessary measures to prevent unauthorised use of the Technological Infrastructure.

9. - Intellectual and/or industrial property rights

9.1 The trademarks belonging to Cassa di Compensazione e Garanzia: CC&G, BCS, ICWS, MARS, MoVE and Cloud2Clear are the property of Cassa di Compensazione e Garanzia and the Borsa Italiana trademark is the property of Borsa Italiana. The said trademarks and any other trademarks owned by the companies of the Group CC&G belongs to cannot be used without the prior written consent of the company that is the owner of the trademark.

9.2 The Technological Infrastructure the layout and content of the CC&G's websites, www.memberportal.lseg.com, www.borsaitaliana.it and the Clearing and guarantee service, including, by way of example, all the data, information, communications, editorial content, software, photographs, videos, graphics, music, designs, sounds, procedures for acquisition and management of data and in general any material and service present therein, where not indicated otherwise, are the exclusive property of the company indicated in the sites themselves and are protected by copyright and intellectual property law.

10. – Fiscal Rules

10.1 According to the FATCA rules and to the Directive 2014/107/EU, as implemented by the Italian D.M. of the 28th December 2015, which requires to the financial administrations of any EU Member State to send automatically and yearly the fiscal information, based on the OCSE Common Reporting Standard (CRS), the Client is also required to send to the Supplier the specific form, attached to the Contract, duly filed and signed.

11. – Business continuity

11.1 CC&G shall perform its obligations with all due care and professional diligence and shall take all appropriate measures on its systems to ensure the continuity of the Service pursuant to its business continuity plan, drafted in accordance with the specific guidelines issued by its competent supervisory authorities and approved on an annual basis by such authorities, it being understood that CC&G shall remain responsible for the correct operation of its business continuity plan in order to manage the different stress case scenarios included therein.

CC&G's business continuity plan takes into account different stress case scenarios based at least on the following risk factors, consequential to natural events or human activities, including serious damages caused by employees:

- destruction or inaccessibility of structures where operational units or critical equipment are located;
- unavailability of critical information systems;
- unavailability of essential staff for the operation of business processes;
- interruption of the infrastructures' operations (including electricity, telecommunications networks, interbank networks, financial markets);
- alteration or loss of data and critical documents.

The business continuity plan includes procedures to restore from the emergencies, with particular care to damage detection, management of all restore operations, testing of the restored services operation.

11.2 In case the Services are interrupted, suspended, delayed or subject to anomalies, in whole or in part, CC&G – to the extent possible and subject to prior notice to the Client, if deemed necessary – shall take all appropriate remedial actions in connection with the relevant issues,

according to the business continuity plan referred to in the previous paragraph, an abstract of which is published on CC&G's website.

11.3 CC&G undertakes to communicate the names of its emergency contacts to the Client where required.

* * * * *