

29/04/2021

# Outline Agreement between Clearing Member and Settlement Agent (Minimum Clauses)

## (April 2021 edition)

BETWEEN

Name / Corporate name ..... (hereinafter,  
the "**Clearing Member**"), with registered office in .....  
Address ..... Post code .....  
VAT number ..... Tax code .....  
First name and family name of Legal Representative .....  
Position held in the Company .....

AND

Name / Corporate name ..... (hereinafter,  
the "**Settlement Agent**"), with registered office in .....  
Address ..... Post code .....  
VAT number ..... Tax code .....  
First name and family name of Legal Representative .....  
Position held in the Company .....

WHEREAS

- a) the Settlement Agent declares that it is aware of all the provisions governing the Central Counterparty Guarantee System (hereinafter, the System), managed by Cassa di Compensazione e Garanzia S.p.A. (hereinafter, the CC&G), with registered offices in Rome at Via Tomacelli no. 146, and specifically the Bank of Italy Regulation adopted – pursuant to Articles 79-sexies and subsequent provisions of Legislative Decree no. 58 issued on February 24<sup>th</sup> 1998 – by agreement with CONSOB, the CC&G Regulations (hereinafter, the Regulations), and the relevant Instructions (hereinafter, the Instructions), the General Conditions for the provisions of services by CC&G (hereinafter, the General Conditions), and all other provisions that govern the System;
- b) the Regulations and Instructions provide that each Clearing Member of the System may enter into agreements with Settlement Agents to delegate the performance of all the obligations deriving from the Contractual Positions registered in the accounts in the said Member's name at CC&G;
- c) that the Clearing Member participate/intends to participate:

c<sup>1</sup>)  in the Share Section of the System, in the capacity of

Clearing Member       Individual

General

c<sup>2</sup>)  in the Bond Section of the System, in the capacity of

Clearing Member       Individual

General

c<sup>3</sup>)  in the Equity Derivatives Section of the System, in the capacity of

Clearing Member       Individual

General

c<sup>4</sup>)  in the Energy Derivatives Section of the System, in the capacity of

Clearing Member       Individual

General

<sup>c5)</sup> in the Agricultural Commodities Derivatives Section of the System, in the capacity of

Clearing Member  Individual

General

<sup>c6)</sup> in the I-CSD Bond Section of the System, in the capacity of

Clearing Member  Individual

General

- d) the Settlement Agent declares that it is aware of the provisions that govern the operations and procedures of the service(s) that it undertakes to provide and that it possesses the necessary equipment to operate in the capacity assumed under this agreement;
- e) if the Clearing Member participating in the Share, Bond and Equity Derivatives Sections makes use of a Settlement Agent to join the Settlement Services the latter should participate in the Presettlement Service provided by Monte Titoli;
- f) if the Clearing Member has delegated a Settlement Agent to forward the requests for transfer/return of cash and/or the Financial Instruments, the Clearing Member must request to the Settlement Agent to activate the electronic application ICWS to execute said transactions.

The Clearing Member and the Settlement Agent are hereinafter also referred to individually as a "Party" and jointly as the "Parties".

NOW, THEREFORE, IN CONSIDERATION OF THE ABOVE PREMISES

THE PARTIES COVENANT AND AGREE AS FOLLOWS

## **Article 1 – Premises and Definitions**

**1.1** The premises form an integral and substantial part of this Agreement.

**1.2** The terms used herein shall have the same meaning – unless otherwise indicated – as the definitions contained in the Regulations, the relevant Instructions, and the General Conditions.

## **Article 2 – Scope**

**2.1** By entering into this mandate agreement from the Clearing Member to the Settlement Agent, the latter shall undertake the following functions:

- a. Settlement Agent for the execution of all obligations to be fulfilled in euro at Target 2 System, arising from the Clearing Member’s membership of the System;
- b. Settlement Agent for the execution, at the Settlement Service, of the Contractual Positions registered in the name of the Clearing Member and guaranteed in the context of the Section indicated in the Premises;
- c. Settlement Agent to handle the margins using the Financial Instruments.

**2.2** If the mandates indicated in the foregoing paragraphs are not granted, the Clearing Member shall perform the relevant obligations directly or by other Settlement Agents as established by Regulations and the Instructions.

**2.3** The obligations on the Settlement Agent indicated at previous paragraphs shall concern all obligations on the Clearing Member and/or in its favour deriving from Contractual Positions registered in its name, in the accounts indicated at Article B. 4.3.2 of the Regulations.

**2.4** It is understood between the Parties that, both the mandate indicated at paragraph 1 lett. a., and the mandate indicated at paragraph 1 lett. c. (if granted) concern obligations relating to Sections indicated in this agreement. If, for any reason, the Clearing Member does not participate any further to a Section for which the mandate is effective, or is excluded from a Section, the Clearing Member shall inform, according to the terms established by Regulations and the Instructions, the Settlement Agent and CC&G of such occurrences. Such information will modify this agreement.

**2.5** It is understood between the Parties that the mandate indicated at paragraph 1 lett. b. (if granted) concerns obligations relating to the Sections indicated in this agreement, without prejudice for the case in which the Clearing Member shall limit the mandate to the Settlement Agent in each Section for one or more Non Clearing Members and/or Clients for which it operate; in which cases it remains understood that the Clearing Member shall operate directly with respect to the activities not expressly covered by

the above mentioned mandate. If, by any reason, the Clearing Member does not participate any further to a Section for which the mandate is effective, or is excluded from a Section, the Clearing Member shall inform, according to the terms established by Regulations and the Instructions, the Settlement Agent and CC&G of such occurrences. Such information will modify this agreement.

- 2.6** It is understood that changes to the Regulations and/or the Instructions that result in provisions that are not compatible with those contained in this agreement, shall prevail and shall replace the latter, without prejudice to the right of withdrawal provided in Article 8.

### **Article 3 – Mandates to the Settlement Agent**

#### **3.1** The Clearing Member delegates:

- **3.1.A [Mandate grantable if the mandate indicated at Article 2, paragraph 1, lett. a. is activated]** the Settlement Agent the power to forward requests for credit/cash transfer on its behalf, pursuant to Article B.3.3.1, paragraph 3, of the Instructions.
- **3.1.B [Mandate grantable if the mandate indicated at Article 2, paragraph 1, lett. c. is activated]** the Settlement Agent the power to forward requests for return/transfer of Financial Instruments on its behalf, pursuant to Article B.3.3.2, paragraph 6, and B.3.3.3, paragraph 8, of the Instructions.

**3.2** The Clearing Member has the right to unilaterally revoke at any time one or both the mandates granted at paragraph 1 by forwarding to CC&G, and to the said Settlement Agent, an appropriate written notification with prior notice of at least five CC&G open days before the date on which it intends to withdraw the said mandate. The Clearing Member and the Settlement Agent may agree on a subsequent restoration or new activation of the said mandates, forwarding appropriate written notification to CC&G, even separately, with prior notice of at least five CC&G open days before the date in which they intend to activate the new mandate.

**3.3** The mandates indicated above shall in all cases lapse effect from the moment in which the withdrawal indicated at Article 8 takes effect.

**3.4** Where the mandates set out at paragraph 1 are activated, the Clearing Member shall forward to CC&G, with at least five CC&G open days' prior notice, specimen signatures

of the persons authorized by the Settlement Agent to forward the requests made under the said mandates, on behalf of the Member. In the event of a change in the list of authorized persons, the Clearing Member must forward the new specimen signatures in due time.

#### **Article 4 – Execution of the mandate**

- 4.1** The Settlement Agent undertakes – by the methods and within the terms established by the Regulations and the Instructions – to maintain sufficient funds in its PM Account in CC&G Target 2 System and to receive from CC&G credits to its PM Account as indicated by the Settlement Agent according to the provisions of Article B.1.1.1 paragraph 1 d) of the Instructions, in relation to Margins in euro, payments to the Default Fund (where provided) or sums payable for any other reason (except those to be settled through the Settlement Services) to or from the Clearing Member.
- 4.2** The Settlement Agent undertakes – by the methods and within the terms established by the Regulations and the Instructions – to perform the obligations, for Financial Instruments and cash, derived from the Contractual Positions registered with CC&G in the name of the Clearing Member, on the basis of the balances determined and notified by CC&G or by the Presettlement Service. The Settlement Agent shall also receive, in the framework of the Settlement Services, the amounts to which the Clearing Member is entitled.
- 4.3** The Settlement Agent shall proceed to make deposits of Financial Instruments suitable for establishing the Margins due from the Clearing Member to appropriate securities accounts opened by CC&G at Monte Titoli S.p.A, and shall be entitled to receive from CC&G to its securities account and cash account as indicated by the Clearing Member in the membership process to the System, the related restitution of the Financial Instruments arranged by CC&G, according to the provisions of the Regulations and the Instructions, and the cash distribution related to such Financial Instruments.
- 4.4** The Settlement Agent shall execute all the communications and/or instructions of CC&G without raising any objections, but possibly advising the Clearing Member of any criticalities.
- 4.5** No objection against CC&G shall be raised, nor shall any claim be made that is based on the performance of this agreement, the Parties being bound to settle any dispute on the matter between themselves.

- 4.6** The performance of the mandate granted pursuant to Article 2, paragraph 1 lett. c., may be expressly limited by the Clearing Member, by the method indicated at article 8, to only some of the Sections in which it operates, if it intends to fulfil the requirements of the other Sections directly or by other Settlement Agents as established by Regulations and Instructions.
- 4.7** The Clearing Member shall keep the Settlement Agent informed, of all amendments to the Regulations, the Instructions, the General Conditions, and all other provisions that govern the System.
- 4.8** The Clearing Member hereby grants mandate to the Settlement Agent to make and receive any other communications and to perform any other payable and/or receivable transactions that are provided under the Regulations and/or under the Instructions with reference to the Settlement Agent for the services indicated in the preceding paragraphs.

#### **Article 5 – Supplementary agreements**

- 5.1** A separate agreement shall be/has been stipulated between the Parties to define the means of provision and/or the guarantees necessary for the execution of the mandate indicated in article 2 and the movement of securities and cash between the said Parties arising from transactions registered in the System, including the Settlement Agent's expenses, the refund of any costs, and any other item considered appropriate.
- 5.2** Any matter arising that is not provided in this agreement in relation to other aspects of the service assumed by the Settlement Agent and reciprocal supplementary requirements shall be governed by separate agreements between the said Parties, it being understood, however, by mutual agreement between the Parties, that the clauses of this agreement shall prevail for all effects over any conflicting or incompatible clauses contained in the said separate agreements.

#### **Article 6 – Confidentiality clause**

- 6.1** The Clearing Member recognises that for the execution of this agreement, the Settlement Agent needs to be aware of the data relating to the settlement corresponding to the said Member, and therefore permits the Settlement Agent to make use of the relevant information through the Pre-settlement Service, CC&G, or another company engaged by the latter.
- 6.2** The Settlement Agent undertakes to observe and to ensure that personnel engaged, including when not directly employed, observe all due confidentiality in regards to

data, facts, and other information known or knowable within the context or in relation to the obligations assumed under this agreement.

## **Article 7 – Notice and effects**

**7.1** The Clearing Member – for the purposes of the execution of the preceding paragraphs – shall notify CC&G, also in the name and on behalf of the Settlement Agent, of the stipulation of the present agreement by forwarding an original copy thereof signed by both Parties. The forwarding of the said original copy shall also serve as confirmation of the Settlement Agent’s mandate with CC&G with respect to the powers of this agreement and situations arising therefrom in the Regulations and/or the Instructions. The forwarding to CC&G of the original copy of the agreement shall also entitle CC&G to perform the operations – credit or debit – consequent on it, including in relations with the Settlement Agent, in accordance with this agreement, the Regulations, the Instructions, the General Conditions, and other rules of the System.

**7.2** CC&G shall inform the Parties of the date on which this agreement shall take effect.

**7.3** Communications from CC&G to the Settlement Agent pursuant to the preceding paragraph 2 shall be addressed to the following e-mail address  
\_\_\_\_\_ and subsequently confirmed by  
registered mail with return receipt to the following address:

\_\_\_\_\_.

Other communications from CC&G to the Settlement Agent shall be transmitted in the cases, within the deadlines, and by the methods established by the Regulations, the Instructions and/or the General Conditions.

**7.4** The Clearing Member is obliged to inform the Settlement Agent if it decides to alter its own position, within a Section, from that of an Individual Clearing Member to a General Clearing Member or *vice versa*, submitting notice at least ten CC&G open days before the modification shall take effect. Notwithstanding the right of withdrawal under the terms indicated at Article 8, this change shall take immediate effect, from the moment in which the new position is implemented by CC&G, in relation both to the consequent requirements of CC&G and to the corresponding obligations of the Settlement Agent.

**7.5** By forwarding a copy of the agreement as indicated in paragraph 1, and from the date indicated in the CC&G communication indicated at paragraph 2, both the Clearing Member and the Settlement Agent, shall be considered under obligation to CC&G, with



all legal consequences, for all the provisions of this agreement that may be of importance or interest, including in solely organisational terms, to CC&G.

**7.6** In the event of merger or incorporation of the Clearing Member or Settlement Agent with other entities or a transfer of relevant company departments, the Clearing Member and Settlement Agent shall remain obliged, reciprocally and to CC&G, to notify the other Party and CC&G in writing with at least thirty calendar days' notice, of the period remaining until, and the date on which the merger or transaction shall take effect. The Clearing Member and the Settlement Agent shall remain responsible – which shall also affect the incorporating and the entity resulting from the merger or transfer – for all effects and damages that may arise from any delay in notifying CC&G, including the cases where the delay involves suspension by CC&G of the Clearing Member, the incorporating and the entity resulting from the merger, and/or the transferee for the time necessary for it to fulfil its obligations.

## **Article 8 – Date of effect, term, and withdrawal**

- 8.1** This agreement shall be effective as of the date indicated by CC&G pursuant to Article 7, paragraph 2. The duration of this agreement shall be indefinite by agreement between the Parties.
- 8.2** The Clearing Member may withdraw from this agreement by giving at least five CC&G open days' notice to the Settlement Agent. Within this period, the Clearing Member shall notify CC&G of the said withdrawal by e-mail, confirmed by registered letter with return receipt.
- 8.3** The Settlement Agent may withdraw from this agreement by giving notice of at least ten CC&G open days' notice to the Clearing Member. On the day in which the said notification is received, the Clearing Member shall forward notice of the said withdrawal to CC&G by e-mail, confirmed by registered letter with return receipt.
- 8.4** The forwarding of the notifications indicated in paragraphs 2 and 3 shall be understood as effected also on behalf of the Settlement Agent.
- 8.5** The notice period for exercising the right of withdrawal referred to in paragraphs 2 and 3 may be shortened by agreement between the Settlement Agent, the Clearing Member, and CC&G.
- 8.6** It is understood that the Settlement Agent shall act, until the withdrawal takes effect, to perform all the obligations incumbent upon the Clearing Member arising from

transactions made by the Clearing Member, notwithstanding the provisions of article 9, paragraph 4.

**8.7** In the event of default proceedings being taken against the Clearing Member pursuant to Article B.6.2.1 of the Regulations the Settlement Agent shall not settle the said Member's Contractual Positions intended to be settled after the opening of the said proceedings, notwithstanding in any case the rules governing the Settlement Services established by Legislative Decree no. 210 of April 12<sup>th</sup>, 2001.

**8.8** The Clearing Member may exercise the right to reduce the mandate indicated at Article 4, paragraph 3, by the same methods as are provided for withdrawal at paragraph 3 of this Article. In this case, the provisions of paragraphs 5, 6, and 7 shall also be applied.

## **Article 9 – Termination**

**9.1** This agreement shall be automatically terminated in all cases in which for any reason, including withdrawal and exclusion, membership of all Sections currently subject to the mandate is cancelled, and in any case in which the Settlement Agent can no longer exercise the mandate in accordance to the Article 2.

**9.2** This agreement shall also be automatically terminated with immediate effect in the event of default by the Settlement Agent, without prejudice to the latter's liabilities to the Clearing Member, including for effects that may arise pursuant to the Regulations.

**9.3** Each Party remains obliged to immediately notify the other and CC&G, where necessary, in the event of the occurrence of any of the events indicated in the preceding paragraphs.

**9.4** Where the Clearing Member does not provide the Settlement Agent with the means necessary for the fulfilment of its obligations pursuant to article 1719 of the Italian Civil Code, and the Settlement Agent considers that it can no longer fulfil the provisions of Article 2, the Settlement Agent must immediately notify CC&G - by the methods, with the effects and within the terms established by the Regulations and the Instructions - of this circumstance. CC&G shall take note of such notice without any obligation to verify its legitimacy or correctness, and shall adopt the consequent measures, which the Parties assert that they know, according to the provisions of the Regulations and/or the Instructions.

## **Article 10 – Disagreement Procedure**

- 10.1** If the Settlement Agent intends to enforce the Disagreement Procedure in order to revoke one or more payment instructions or do not provide Additional intraday Margins in Financial Instruments, it shall contact CC&G and the Clearing Member immediately within the terms indicated respectively at Article B.1.1.6 paragraph 8 or Article B.1.1.6 paragraph 9 of the Instructions.
- 10.2** The Disagreement Procedure shall not be activated to revoke payment instructions submitted on a PM Segregated Account, as provided by art. B.1.1.6, paragraph 8 or by Article B.1.1.6 paragraph 9 of the Instructions.
- 10.3** CC&G shall acknowledge the notification referred to in paragraph 1, without any obligation to verify its grounds and correctness, or the insufficiency of the PM Segregated Account referred to in paragraph 2, without any obligation to verify the reasons and shall adopt the consequent measures, of which the Parties declare to be aware, as provided under the Regulations and/or the Instructions.

## **Article 11 – Jurisdiction and applicable law**

- 11.1** Unless otherwise provided in the agreements indicated at article 4, paragraph 1 above, the Parties accept the jurisdiction of the Courts of Milan for any disputes or proceedings that are or should be referred to a judge, and the laws of Italy as the laws governing this agreement, specifically accepting, in particular, without exclusion, as far as the form, interpretation and validity requirements of the agreement are concerned, the obligations deriving therefrom (including those relating to the compensation of damages) and their performance. Said performance shall take place, in any event, in Italy.
- 11.2** The parties mutually acknowledge that the content of this agreement was not prepared unilaterally by any of them, having both decided by mutual agreement to adopt the outline agreement prepared by CC&G.

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*(Place and date)*

*(The Clearing Member)*

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*(The Settlement Agent)*

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This Agreement, duly filled in and signed, shall be sent by mail (and in advance by e-mail, as appropriate) to:

CASSA DI COMPENSAZIONE E GARANZIA S.p.A.

Risk Management & Membership

Piazza degli Affari, 6

20123 Milano

e-mail: [CCG-membership@euronext.com](mailto:CCG-membership@euronext.com)

The Italian text of this document shall prevail over the English version