

EURONEXT CLEARING REGULATIONS

9 OCTOBER 2023

THE ITALIAN TEXT SHALL PREVAIL OVER THE ENGLISH VERSION



EURONEXT CLEARING

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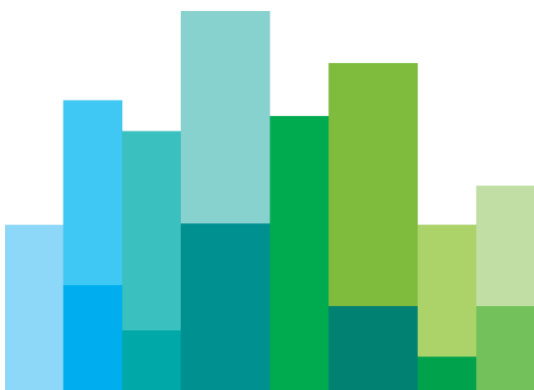
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SECTION A

GENERAL PROVISIONS



Article A.1.1.1 Definitions

1 The following definitions shall apply to these *Regulations*:

"Settlement Agent": shall mean the legal person appointed in the context of the *System*, by a *Clearing Member*, through a mandate agreement to fulfill the obligations set out under Article B.2.1.2, paragraph 8 of the Regulations and Articles B.1.1.6 or B.1.1.6-*bis* of the Instructions, entrusted to it by the Clearing Member. The obligations included under the mandate agreement which shall be compliant with the contractual form available on Euronext Clearing's website, may include the following functions: (i) to pay and to receive, on behalf of the said *Member*, the cash payments to cover *Margins* and, *Default Funds* contributions, the contractually provided charges in Euros, and/or (ii) to handle on behalf of the said *Member* the *Collateral* in *Financial Instruments* and/or (iii) to provide for the final execution and settlement of contracts entered into on the Market.

"Euronext Clearing": shall mean the commercial name of Cassa di Compensazione e Garanzia S.p.A., also Euronext Clearing.

"Central Depository": shall mean the entity authorised pursuant to European Regulation No. 909/2014 as amended and supplemented.

"Settlement Service": a settlement service as per Section A, letter c) of the Annex to Regulation no. 909/2014.

"Client": the entity linked to a *Clearing Member* by a contractual relationship that permits such entity to clear its operations through Euronext Clearing, including *Trading Clients*.

"Close-Out Amount" shall mean the single net positive or negative amount denominated in Euro determined by the non-defaulting *Clearing Member* pursuant to Article B.6.2.2-*ter* in accordance with Legislative Decree 21 May 2004 No. 170.

"Close-Out Date" shall mean the *Euronext Clearing open day* upon which the *Positions* recorded in the non-defaulting *Clearing Member's* account structure will be terminated and the corresponding *Close-Out Amount* is liquidated pursuant to Article B.6.2.2-*ter*.

"Cash Sections": shall mean, in the context of the *System*, the *BITA Share Section*, the *Bond Section* and the *ICSD Bond Section*.

"BITA Sections": shall mean, in the context of the System, the *BITA Share Section*, the *Bond Section*, the *ICSD Bond Section*, the *Equity Derivatives Section*, the *Agricultural Commodity Derivatives Section* and the *Energy Derivatives Section*.

"Euronext Clearing Force Majeure Event" shall mean any event beyond the control of *Euronext Clearing* that could not be avoided by the exercise of such standard of care as is reasonable in ordinary circumstances, including but not limited to fire, flood, earthquake, explosion, accidents, natural or technical disasters howsoever caused, as well as any impediment or obstacle to the ordinary operations arising from the application of any law, decree, regulation, measure, penalty or order of any national or international supervisory body, organisation or authority (including judicial authorities);

"Derivatives Sections": shall mean, in the context of the System, the *Equity Derivatives Section*, the *Agricultural Commodity Derivatives Section* and the *Energy Derivatives Section*.

"BITA Share Section": shall mean, in the context of the System, the section relating to contracts on *Non-Derivative Financial Instruments*, admitted to trading on the securities *Markets* organized and managed by the *Management Companies* specified in Article B.10.1.3 of the *Instructions*, according to the provisions of the *Instructions*. The Section is also managed by *Euronext Clearing* by virtue of Agreements stipulated between *Euronext Clearing* and the said *Management Companies*.

"Bond Section": shall mean, in the context of the System, the section relating to contracts on *Non-Derivative Financial Instruments*, admitted to trading on the bond *Markets* organized and managed by the *Management Companies* according to the provisions of the *Instructions*. The Section is also managed by *Euronext Clearing* by virtue of Agreements stipulated between *Euronext Clearing* and the said *Management Companies*.

"ICSD Bond Section": shall mean, in the context of the System, the section relating to contracts on *Non-Derivative Financial Instruments*, admitted to trading on the *Markets* organized and managed by the *Management Companies* according to the provisions of the *Instructions* and settled at the *Settlement Services* managed by *Foreign Entities*. The section is also managed by *Euronext Clearing* by virtue of Agreements stipulated between *Euronext Clearing* and the said *Management Companies*.

"Equity Derivatives Section": shall mean, in the context of the System, the section relating to contracts on *Derivative Financial*

Instruments of shares and the relevant indices, yields and other financial measures, admitted to trading on the *Markets* organized and managed by the *Management Companies* according to the provisions of the *Instructions*. The *Section* is also managed by *Euronext Clearing* by virtue of Agreements stipulated between *Euronext Clearing* and the said *Management Companies*.

“Energy Derivatives Section”: shall mean, in the context of the *System*, the section relating to contracts on *Derivative Financial Instruments* of energy and the related indices, admitted to trading on the *Markets* organized and managed by the *Management Companies* according to the provisions of the *Instructions*. The section is also managed by *Euronext Clearing* by virtue of Agreements stipulated between *Euronext Clearing* and the said *Management Companies*.

“Agricultural Commodity Derivatives Section”: shall mean, in the context of the *System*, the section relating to contracts on *Derivative Financial Instruments* based on agricultural commodities admitted to trading on the markets organised and managed by the *Management Companies* in accordance with the *Instructions*. The section is managed by *Euronext Clearing* including by virtue of Agreements stipulated between *Euronext Clearing* and said *Management Companies*.

“Notices”: shall mean the general notices to *Members* of the *System* issued by *Euronext Clearing* pursuant to the provisions of these *Regulations* and the *Instructions*.

“DCA RTGS”: the Dedicated Cash Account RTGS held by a participant to the *T2 System*.

“Default Fund”: shall mean the guarantee funds operating severally in the context of the *System*, made up of the sum of relevant payments of *Clearing Members* of the *Bond*, *ICSD Bond Sections*, the *Energy Derivatives Section*, the *Agricultural Commodity Derivatives Section* the *BITA Share Section*, the *Euronext Equity Section*.

“Euronext Equity Section”: shall mean, in the context of the *System*, the section relating to contracts on *non-Derivative Financial Instruments*, admitted to trading on the *Markets* organised and managed by the *Management Companies* specified within Article B.10.1.3-bis of the *Instructions*, according to the provisions of the *Instructions*. The *Section* is also managed by *Euronext Clearing* by virtue of Agreements stipulated between *Euronext Clearing* and the said *Management Companies*.

“Guarantor”: shall mean the bank or insurance company – with legal headquarters in Italy or in another member country of the European Union – that, as a guarantee of the obligations arising from relations governed by the *System*, issues the guarantee in favour of *Euronext Clearing* for the purposes of fulfilling the capital requirements required for membership as a *Clearing Member* of the *System* (Article B.2.1.2, paragraph 5).

“Euronext Clearing open day”: shall mean any day in which at least one Market to which *Euronext Clearing* operates in whole or in part as Central Counterparty, or for which it manages a *Contract Guarantee Fund*.

“Investment Firm”: shall mean a Società d’Intermediazione Mobiliare or the Community or extra-Community investment firm provided for by article 1, paragraph 1 (h) of the CLF.

“Instructions”: shall mean the provisions issued by *Euronext Clearing* that, by implementing these *Regulations*, define the operational aspects of the *System*.

“Indirect Client”: solely with regard to the *Derivatives Sections*, it means the client of a *Client* of a *Clearing Member*, to which indirect clearing services are provided under *Indirect Clearing* arrangements.

“Indirect Clearing”: solely with regard to the *Derivatives Sections*, it means all the contractual relationships between *Euronext Clearing*, the *Clearing Member*, the *Client* and the *Indirect Client* enabling the *Client* to provide clearing services concerning financial derivatives to the *Indirect Client*, in accordance with Article 30 of the MiFIR.

“Finality Decree” shall mean the Legislative Decree 12 April 2001, No. 210 implementing Directive 98/26/EU concerning the finality of transfer orders entered in a system.

“NOSA Indirect”: An *Omnibus Segregated Account Structure* available to *Indirect Clients*, which makes it possible to distinguish the *Positions* of the *Indirect Clients* of the *Clearing Member* from those of the other *Clients*, by recording them in specific accounts.

“GOSA Indirect”: An *Omnibus Segregated Account Structure* available to *Indirect Clients*, which makes it possible to distinguish the *Positions* of each *Indirect Client* from those of the other *Indirect Clients*, by recording them in specific accounts.

“Services Manual”: shall mean the manual containing the operating rules and technical information necessary for use of the *System*, and the methods for calculating the *Margins*.

“Margins”: shall mean any obligation to pay *Margins*, including initial margin, variation margin and intraday margins calculated by the *Central Counterparty*, and any additional margin for each *Clearing Member* which may be applied by the CCP pursuant to these *Regulations*.

“Collateral”: shall mean the assets such as cash or securities designated as a guarantee and/or due from *Members* of the *System* for the purpose of guaranteeing the performance of the obligations of *Member’s* arising from participation to the *System*, and which are subject to the protection set forth within Articles 41 and 42 of *EMIR Regulation* and Article 79-septies, paragraph 1 of the *CLF* and established pursuant to the Decree 21 May 2004 No.170.

“Market”: shall mean a regulated market or a multilateral trading facility pursuant to Article 4, paragraph 1, point (21) and (22) of the Directive 2014/65/EU (MIFID2), or the trades executed outside the regulated markets and the multilateral trading facilities, to which the services rendered by the *System*.

“Transfer Order”: shall mean the instruction given by a *Member* to the *System* for the purposes of the provisions of article 1, paragraph 1 sub-paragraph (m) of Legislative Decree no. 210 of 12th April 2001, on the finality of transfer orders realised through the replacement mechanism in *Positions* and consequent operations, according to the provisions of the rules of the *System*. For this purpose, the said instructions are compared with those given by the *Special Clearing Member* on behalf of other *Management Companies*.

“Members” or “Members of the System”: shall mean the legal persons admitted to the system as *Clearing Members* or *Trading Clients admitted to Italian Markets*. Said definition does not include *Trading Clients admitted to Euronext Legacy Markets*.

“Designated Clearing Member”: shall mean a legal person admitted to the *System* as a *Clearing Member*, which enters into contractual agreement with a *Clearing Member* and the *Clients* for the purposes of implementing portability pursuant to Article 48 of the *EMIR Regulation*, in case of default by another *Clearing Member*.

“Clearing Member”: shall mean a legal person admitted to the *System* as a *General, Individual or Special Clearing Member*.

“General Clearing Member”: shall mean a legal person that, in the context of the *System*, becomes a counterparty of *Euronext Clearing* for *Market* operations on its own behalf and/or on behalf of its own *Clients* who use its services.

“Individual Clearing Member”: shall mean a legal person that, in the context of the *System*, becomes a counterparty of *Euronext Clearing* for *Market* operations on its own behalf and/or on behalf of its own *Clients* other than *Trading Clients*.

“Trading Client”: the entity which is a *Client* admitted to trading on a *Market* linked to a *General Clearing Member* by a contractual relationship enabling it to clear the transactions executed on the *Market* through *Euronext Clearing*, which includes *Trading Clients admitted to Italian Markets* and *Trading Clients admitted to Euronext Legacy Markets*. Unless otherwise indicated, all the provisions applicable to *Clients* are applicable to the *Trading Client*.

“Trading Client admitted to Italian Markets”: the entity which is a *Client* admitted to trading on an *Italian Market* and linked to a *General Clearing Member* by a contractual relationship enabling it to clear the transactions executed on the *Market(s)* set out under Chapter B.10 of the *Instructions* through *Euronext Clearing*.

“Trading Client admitted to Euronext Legacy Markets”: the entity which is a *Client* admitted to trading on a *Euronext Legacy Market* and linked to a *General Clearing Member* by a contractual relationship enabling it to clear the transactions executed on the *Market(s)* set out under Chapter B.10-bis of the *Instructions* through *Euronext Clearing*.

“Italian Markets”: a *Market* organised and managed by a *Management Company* specified under Chapter B.10 of the *Instructions* (other than Chapter B.10-bis of the *Instructions*).

“Euronext Legacy Market”: a *Market* organised and managed by a *Management Company* specified under Chapter B.10-bis of the *Instructions*.

“CCPRR Regulation”: Regulation (EU) No. 23/2021 of the European Parliament and of the Council of 16 December 2020, as amended and supplemented.

“MiFIR Regulation”: Regulation (EU) no. 600/2014 of the European Parliament and of the Council of 15 May 2014, as amended and supplemented.

“SME Growth Market”: shall mean a multilateral trading facility registered as a *SME Growth Market* pursuant to Article 33 of Directive 2014/65/EU (MIFID2).

“Special Clearing Member”: the central counterparty authorized or recognized pursuant to the *EMIR Regulation* who assumes the position

of counterparty against *Euronext Clearing* for *Market* operations undertaken by operators who are members of that system or service.

“Supervisory Capital”: shall mean the capital of the *Clearing Member*, determined according to the criteria indicated in the supervisory provisions imposed by a competent authority in the country of origin.

“Defaulting Period”: the period starting from the occurrence of an event of default of *Clearing Members* set out under Article B.6.1.1 and the completion of the establishment of the *Minimum Value of the Default Fund* under Article B.4.2.3, paragraph 1.

“Losses Suffered by Euronext Clearing”: for each default event under Article B.6.1.1, the sum of a) the losses already suffered by *Euronext Clearing* due to the closure of the defaulting member *Positions* and b) the estimated losses that could be suffered to close the remaining *Positions* for which the closing order has not yet been executed. The estimation of previous point b) can be based on current market values or, if deemed appropriate, on values determined on the basis of the stress test scenarios.

“Position”: the set of obligations and rights arising from a contract entered into on a *Market* and registered into the *System* upon CCP’s interposition, covering the obligation for a *Clearing Member* to pay sums or an obligation to deliver *Financial Instruments* or a commodity underlying a derivatives contract, in accordance with Article B.1.1.1 of these *Regulations*.

“Position in Delivery” shall mean the *Position* of a *Member* in the *Agricultural Commodity Derivatives Section* and in the *Energy Derivatives Section* in relation to contracts on *Derivative Financial Instruments* that have completed the trading phase according to the provisions of the *Contractual Scheme*.

“House Account Structure”: *The Account Structure* opened by *Euronext Clearing* in the name of each *Clearing Member*, related to *Positions* registered on the *Clearing Member’s* own behalf.

“Client Account Structure”: *The Account Structure* opened by *Euronext Clearing* in the name of each *Clearing Member*, related to *Positions* registered by the *Clearing Member* on its *Client’s* or *Clients’* behalf. A *Client Account Structure* may be an *Individual Segregated Account Structure* or one of the two possible *Client Omnibus Segregated Account Structures*.

“Client Omnibus Account Structure”: either a *Gross Omnibus Segregated Account Structure* or a *Net Omnibus Segregated Account structure*.

“Gross Omnibus Segregated Account Structure (GOSA)”: A *Client Omnibus Segregated Account Structure* including several *Margin Accounts* and one *Collateral Account*. *Clients’ Position Accounts* are linked to several *Margin Accounts*, where *Margins* are calculated for each *Client Position Account*.

“Net Omnibus Segregated Account Structure (NOSA)”: A *Client Omnibus Segregated Account Structure*, including one *Margin Account* and one *Collateral Account*, where all the *Clients’ Position Accounts* are linked to said single *Margin Account*.

“Individual Segregated Account Structure (ISA)”: includes one or several *Position Accounts*, one *Margin Account* and one *Collateral Account* pertaining exclusively to a single individual *Client*.

“Position Account”: shall mean the *Clearing Member’s* account, where *Positions* are registered in accordance with these *Regulations* and the provisions of the *Instructions*.

“House Position Account”: shall mean the *Clearing Member’s* account, where *Positions resulting from a transaction executed by the Clearing Member* on its own behalf are registered.

“Client Position Account”: shall mean the *Clearing Member’s* account, where *Positions resulting from a transaction executed by the Clearing Member* for the benefit of a *Client* are registered.

“Margin Account”: shall mean the *Clearing Member’s* account used for the purpose of calculating *Margins* due pursuant to Article B.4.1.1 of these *Regulation* by the *Clearing Member* on the net *Positions* registered in its *Position Accounts*.

“House Margin Account”: shall mean the *Clearing Member’s* account used for the purpose of calculating *Margins* due pursuant to Article B.4.1.1 of these *Regulation* by the *Clearing Member* on the net *Positions* registered in its *House Position Account*.

“Client Margin Account”: shall mean the *Clearing Member’s* account used for the purpose of calculating *Margins* due pursuant to Article B.4.1.1 of these *Regulation* by the *Clearing Member* on net *Positions* registered in its *Client Position Account*.

“Collateral Account”: shall identify the *Clearing Member’s* account used by the CCP to register eligible *Collateral*, provided to cover the

obligations of the *Member* arising from membership to the *System*, e.g. *Margins* and *Default Fund* contributions.

"House Collateral Account": shall identify the *Clearing Member's* account used by the CCP to register eligible *Collateral*, provided by the *Clearing Member* in respect of the *Positions* registered within its *House Position Account*

"Client Collateral Account": shall identify the *Clearing Member's* account used by the CCP to register eligible *Collateral*, provided by the *Clearing Member* in respect of the *Positions* registered within its *Client Position Account*

"Delivery Account": shall mean the account opened in the name of the *Clearing Member* within Euronext Clearing to manage the Pre-settlement Service, solely in respect of the Euronext Equity Section, in accordance with these *Regulations* and the provisions of the *Instructions*, where *Positions* are netted to calculate settlement balances.

"Settlement Address": shall mean the identification details related to a securities account opened in the relevant *Settlement Service* opened in the name of the *Clearing Member* or in the name of the designated *Settlement Agent*.

"Failed Position": a *Member's Position* that is not settled in accordance with the provisions contained in the *Contractual Scheme*.

"Settlement Price": shall mean the price determined by the *Management Companies*, pursuant to the *Regulations* of the *Markets*, for the purpose of final settlement of contracts in *Derivative Financial Instruments*.

"Buy in Procedure" shall mean the mandatory procedure (buy in) for *Failed Positions* that have not been settled due to a failure to deliver *Non-Derivative Financial Instruments*.

"Sell out Procedure" shall mean the mandatory procedure (buy in) for *Failed Positions* that have not been settled due to a failure to deliver cash.

"Bank of Italy Regulation": Bank of Italy and CONSOB Joint Regulation: shall mean the Regulation of the 13th of August 2018– as subsequently amended –adopted by Bank of Italy and Consob, concerning the rules governing regulation of central counterparties, central securities depositories and centralised management activities.

"Regulations": these rules governing the organisation and operation of the *System* managed by *Euronext Clearing*.

“EMIR Regulation”: EU Regulation no. 648/212 of 4 July 2012 of the European Parliament.

“Pre-settlement Service”: shall mean the service – managed by *Euronext Clearing* or by the companies indicated in the *Instructions* with whom *Euronext Clearing* has established contractual agreements – that determines and sends to the *Settlement Services* those balances that relate to *Non-Derivative Financial Instruments*.

“Contractual Scheme”: shall mean the contract specifications, defined by the *Management Company*, of contracts on *Financial Instruments* traded on the *Market*.

“Investment Services”: shall mean the activities pursuant to article 1, paragraph 5, of the *CLF*.

“Centralised maintenance of accounts”: shall mean the highest level of the accounts central maintenance referred to in Section A(b) of the Annex to Regulation No. 909/2014.

“Settlement Services”: shall mean the management of a settlement system referred to in Section A(c) of the Annex to Regulation No. 909/2014.

“System”: shall mean the notified system in accordance with 98/26/EC Directive, in which *Euronext Clearing* assumes the role of central counterparty for each *Section*, as defined in Article 2(1) of the *EMIR Regulation* against *Clearing Members* under Section B of these *Regulations*, and including the clearing and guarantee mechanisms existing between *Euronext Clearing* and *Clearing Members*, among the *Clearing Members* themselves, and between each *General Clearing Member* and *Trading Client* to which they refer. Only for purposes of the *Agricultural Commodity Derivatives Section*, the service performed by *Euronext Clearing* is the guarantee of the fulfillment the obligations of delivery of the goods, within the limits and in the manner specified in these *Regulations* and *Instructions*, in accordance with the requirements of the Legislative Decree 21 May 2004 no. 170.

“Ancillary System”: an ancillary system pursuant to the BCE/2007/2 address of 26th April 2007.

“T2 System”: the real-time gross settlement (RTGS) system owned and operated by the Euro system.

“Management Company”: shall mean the Management Company of a *Market*.

“Foreign Entity”: a foreign entity that provides services analogous to the central depository services subject to supervisory measures equivalent to those in the Italian legal system.

“Financial Instruments”: shall mean the financial instruments pursuant to article 1, paragraph 2, of the *CLF*.

“Derivative Financial Instruments”: shall mean the *Financial Instruments* pursuant to article 1, paragraph 2, sub-paragraph d), e), f), g), h), i) e j) of the *CLF*.

“Non-Derivative Financial Instruments”: shall mean the *Financial Instruments* pursuant to article 1, paragraph 2, sub-paragraphs a), b) and c) of the *CLF* and, in the ambit of this *Regulations*, the other *Financial Instruments* admitted at the *Central Depository Service*.

“Guaranteed Financial Instruments”: shall mean the *Financial Instruments* that give rise to *Positions* guaranteed by *Euronext Clearing* that, compatibly with the *Contractual Scheme*, can be settled by *Euronext Clearing* at a *Settlement System*.

“CLF”: shall mean the legislative decree of 24th February 1998, no. 58 (Consolidated Law on Financial Intermediation) as amended.

“CLB”: shall mean the legislative decree of 1st September 1993, no. 385 (Consolidated Law on banking) as amended.

“Organisational Unit”: operating room, desk or branch identified in the *Market* by a specific code of access to the trading.

“Minimum Value of the Default Fund”: the amount of the resources sufficient to cover the default of the two most exposed *Clearing Members* towards *Euronext Clearing* as well as any additional *Participants* belonging to the same group of those on the basis to the results of the latest available stress tests, calculated net of the exposure of the defaulted *Clearing Member* under Article B.6.1.1.

Article A.1.1.2 Subject of the Regulations

1. These *Regulations* are adopted in accordance with the *EMIR Regulation* *MiFIR Regulation* and the *CLF*.
2. These *Regulations* regulate the organisation and functioning:
 - a) of the System; and
 - b) in the context of the *System*, of the interoperability agreements, entered into pursuant to Article 51 and seq., of the *EMIR Regulation*.
3. These *Regulations*, together with the General Conditions for the supply of services, govern the relationships between *Euronext Clearing* and *Members*. The *Regulations* govern also the relationships among *Members* themselves and between *Members* and *Settlement Agents*. The *Instructions* and the *Services Manual*, in their operational aspects, are an integral part of this set of regulations.

Article A.1.1.3 Organisational principles

1. *Euronext Clearing* exercises the activities contained in these *Regulations* in a transparent and non-discriminatory manner and on the basis of general criteria and procedures designed to mitigate counterparty risk and to enable access to the system by the market infrastructures and entities so requesting, regardless of the trading venue on which they operate, provided they comply with the applicable requirements set out in these *Regulations* and in national and EU legislation.
2. *Euronext Clearing* employs and maintains sound corporate governance structures and practices, in line with the organisational requirements provided under the *EMIR Regulation* and the *MiFIR Regulation*.
3. *Euronext Clearing* employs and maintains information systems procedures that permit the physical and logical safeguarding of data relating to the *System*, including the continuity and accuracy of processing.
4. *Euronext Clearing* employs and maintains recovery, re-activation, and restoration procedures for data processing that ensure the continuity of the service.

5. Upon occurrence of a *Euronext Clearing Force Majeure Event*, *Euronext Clearing* reserves the right, for risk containment measures, after having consulted with Bank of Italy and Consob, to carry out any measure deemed necessary to limit any prejudicial consequences to the *System*.

Article A.1.1.4 Method of communication and information exchange

1. The *Regulations*, the General Conditions for the supply of services, the *Instructions* and the *Services Manual*, together with the Request of Services are made available on the *Euronext Clearing* Internet site (www.euronext.com/it/posttrade/euronextclearing).
2. *Euronext Clearing* publishes *Notices to Members* relating to amendments to the *Regulations* and to the *Instructions*, or in contingent situations shall provide them on its Internet site (www.euronext.com/it/posttrade/euronextclearing).

Article A.1.1.5 Guarantees deposited at Euronext Clearing

1. *Euronext Clearing* manages the guarantee systems indicated in Section B.
2. *Clearing Members* of the *System* shall pay the *Margins* and where necessary, shall make payments to the *Default Funds*.
3. The financial guarantees indicated at paragraph 2 are equated for all effects to the replacement guarantees contained in these *Regulations* and the accrued interest on cash assets deposited by each *Member*.
4. All sums and the *Financial Instruments* deposited by *Members* or however available to *Euronext Clearing*, as a guarantee of *Members'* obligations to *Euronext Clearing*, including where they temporarily exceed the required *Margins* and payments to *Default Funds* are title transferred to *Euronext Clearing* pursuant and for the effect of the Legislative Decree 21 May 2004 no. 170.
5. The *Clearing Members* to the *System* shall make the payments referred to in the preceding paragraphs pursuant to Articles 41 and

42 of the *EMIR Regulation* and of the Article 79-septies of the *CLF* except for the payments made in the *Agricultural Commodity Derivatives Section*, from the time of the matching of the counterparties to the end of trading phase of the contract, where the guarantees are established only pursuant and for the effect of the Legislative Decree 21 May 2004 no. 170, where expressly mentioned, and for which the *Euronext Clearing* ensures and maintains internal evidence to enable the identification of the date of the setting up and the financial assets designated as guarantee.

Article A.1.1.6 Relations between Euronext Clearing and the Management Companies

1. *Euronext Clearing* shall enter into one or more Agreements with each *Management Company* in which the guarantee system pre-selected by the *Market* is determined and the relationships and activities necessary for the correct management of the system are regulated.
2. The Agreements entered into between *Euronext Clearing* and each *Management Company* shall establish, inter alia, the types of contracts relating to *Guaranteed Financial Instruments*, the procedures to be followed in case of events regulated by either party, and procedures for information and data exchange in observance of current data processing regulations, including data relating to individual Members expedient for the efficient functioning of the *Markets* and of the *System*.
3. With reference to the *System*, the Agreements shall determine the control procedures for the completeness and accuracy of data and the procedures by which *Euronext Clearing* assumes on its own, through *Transfer Orders* and according to the rules of the *System*, the *Positions* arising from operations concluded on the *Markets*.
4. *Markets* with which *Euronext Clearing* has entered into Agreements are listed in the Instructions, with an indication of the relevant Sections. *Markets* for which an interoperability agreement is in place with a *Special Clearing Member*, are listed as well.

SECTION B

CENTRAL COUNTERPARTY SYSTEM



PART B.1 - General provisions

Article B.1.1.1 Clearing and guarantee process for the sections other than the *Agricultural Commodity Derivatives Section*

1. The *Transfer Order* relating to guaranteed *Financial Instruments* shall be understood as effected and entered into the *System*, and *Euronext Clearing* shall assume the role of Central Counterparty.

As a result of registration, the contract is novated and *Euronext Clearing* shall assume the role of counterparty of the *Clearing Member* and become subject to the rights and obligations arising from the contract registered in the name of the *Clearing Member*. It is assumed that *Euronext Clearing* guarantees the receipt of contracts except where reasons for failed or incorrect receipt in the *System* are out of *Euronext Clearing* control. *Euronext Clearing* informs the *System* in cases of incorrect or failed receipt of contracts by means of a Notice.

2. On those *Markets*, where the central counterparty service is operated jointly by *Euronext Clearing* and a *Special Clearing Member* according to the previous paragraph, from the time *Euronext Clearing* registers a contract concluded on the *Clearing Market* between a *Member* of the *System* and a member that participates in a Central Counterparty Guarantee system managed by a *Special Clearing Member* by virtue of the necessary agreements between all the interested parties, the *Transfer Order* shall be understood as effected and entered into the *System*, and *Euronext Clearing* shall assume the role of Central Counterparty against the *Special Clearing Member* and the *Clearing Member*.
3. The *System* processes are as follows:
 - a) acquisition, pursuant to paragraph 1, of the *Transfer Order* through the *Management Company* and registration of the identification data of the contract concluded on the *Market* by the *Member* of the *System*;
 - b) registration of *Positions* in relevant *Position Accounts*;
 - c) clearing and determination of the relevant net balances of the *Positions*;

- d) calculation of the Margins and payments due to Default Funds;
 - e) settlement of the Margins, including intraday Margins, payments due to Default Funds, and amounts charged;
 - f) calculation of net settlement balances and generation of relevant settlement instructions to relevant *Settlement Services*;
 - g) final settlement of Positions;
 - h) management of the Failed Positions;
 - i) management of any default procedure.
4. Article 2 of Legislative Directive no. 210 of 12th April 2001 shall apply to the *Transfer Orders*, the clearing, and the execution of the contracts indicated in the preceding paragraphs.
 5. Upon the acquisition by *Euronext Clearing* of the Transfer Order, the said Transfer Order shall be considered irrevocable pursuant to the said Legislative Decree n. 210 of 2001.

Article B.1.1.2 Clearing and guarantee process for the Agricultural Commodity Derivatives Section

1. A *Transfer Order* relating to guaranteed *Financial Instruments* shall be understood as effected and entered into the *System*, and *Euronext Clearing* shall assume the role of Central Counterparty pursuant to and for the purposes of Article 79-septies CLB, from the time of conclusion of a contract on the *Market* by a *Clearing Member*. Such *Transfer Order* shall be understood as effected and entered into the *System*, and the *General Clearing Member* shall assume the role of counterparty of the *Trading Client* and *Euronext Clearing* shall assume the role of counterparty of the *General Clearing Member* from the time of conclusion of a contract on the *Market* by a *Trading Client*.

2. At the end of the trading phase of the contract, *Euronext Clearing* shall match the *Clearing Members* and, on behalf of these, of any *Clients* and/or any *Indirect Clients* with open positions. As an effect of the matching, the *Euronext Clearing's Positions in Delivery* (and in withdrawal) are understood to have been transferred to the matched counterparties. From then on, the *Members* shall replace *Euronext Clearing* in the relationships deriving from the contract and be responsible for fulfilling the obligations concerning the underlying of the contract. From then on, *Euronext Clearing* shall remain obligated, in the event of a default by one of the parties, in accordance with Part B.6 of the *Regulations*, to the payment of the cash pursuant and for the effects of the Legislative Decree 21 May 2004 no. 170.
3. Paragraphs 3, 4 and 5 of Article B.1.1.1 shall apply.

PART B.2 - Membership

Chapter B.2.1 Membership

Article B.2.1.1. Entities admitted to the System

1. The following categories of entities can access the System by assuming the obligations deriving from the *Transfer Orders* within the *System*:
 - a) Italian banks and EU banks, as defined in the Consolidated Law on Finance, as well as Central Banks of the European Union, Poste Italiane S.p.A. and Cassa Depositi e Prestiti, as bodies listed in Article 2, paragraph 5, point 2 of Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013, pursuant to article 1, paragraph 1, letter h), n. 1 of the *Finality Decree*;
 - b) investment firms and EU investment firms, as defined by the Consolidated Law on Finance, pursuant to article 1, paragraph 1, letter h), no. 2 of the *Finality Decree*;
 - c) companies from third countries that carry out activities corresponding to those of the subjects referred to in letters a) and b), pursuant to article 1, paragraph 1, letter h), no. 4 of the *Finality Decree*;
 - d) public authorities, or public enterprises as defined in Article 8 of Regulation No. 3603/93 of the EC Council of 13 December 1993, such as the Ministry of Economy and Finance, as well as companies whose activities are supported by a public guarantee, pursuant to Article 1, paragraph 1, letter h), no. 3, of the *Finality Decree*;
 - e) authorised or recognised central counterparties in accordance with EMIR Regulation, pursuant to article 1, paragraph 1, letter g) of *Finality Decree*.

The categories of admission to the *System* are: *General Clearing Members*, *Individual Clearing Members*, and *Trading Clients*

admitted to Italian Markets and Special Clearing Member based on what is specified in the following paragraphs. The same qualifications, or different qualifications, also within a *Section*, can be applied to the *BITA Share and Euronext Equity Share, Bond, ICSD Bond, Equity Derivatives, Energy Derivatives, Agricultural Commodity Derivatives Sections*.

2. Banks and *Investment Firms* authorised respectively to carry out banking business or provide one or more *Investment Services* in Italy pursuant to the Consolidated Law on Banking or to the Consolidated Law on Finance or EU banks and EU investment firms authorised in accordance with Directive 2014/65/EU or Directive 2013/36/EU and related implementing provisions may be granted the status of *General or Individual Clearing Members*.
3. Furthermore non-EU banks and *Investment Firms* which are not authorised in Italy to carry out banking business or provide *Investment Services* in Italy pursuant to the Consolidated Law on Banking or to the Consolidated Law on Finance may also acquire the status of *General or Individual Clearing Members* provided that
 - in the context of a procedure to recognise the activities of the central counterparty in their State of origin, with the involvement of the Bank of Italy and Consob - the simultaneous presence of the following conditions has been established:
 - a) provisions in the State of origin which are equivalent to those applicable in Italy with respect to the supervision of banks and brokerage companies;
 - b) the State of origin applies provisions which are equivalent to those contained in the EMIR Regulation with respect to *clearing*;
 - c) the State of origin has in place equivalence arrangements with respect to access to the central counterparty;
 - d) appropriate agreements are in place between the Bank of Italy, Consob and the competent authorities of the State of origin.
4. Legal persons acting as banks and investment firms indicated at paragraph 2, and other legal persons admitted to trading on the reference *Markets* that have entered into the agreement indicated at Article B.2.3.1 and/or the agreement indicated under Article B.2.3.1.-bis with a *General Clearing Member* are considered for the purposes of these Regulations *Trading Clients*.

5. Central Banks of the European Union may participate in the *System* as a *Clearing Member*; Poste Italiane S.p.A. and Cassa depositi e prestiti S.p.A. as *Members*.
6. The ministry of Economy and Finance, pursuant to article 67 of the *CLF*, may participate in the *System* as a *Member* of the *Bond Section*.
7. Other central counterparties authorized and recognized pursuant to *EMIR Regulation* may participate in the *System* as *Special Clearing Members*. Without prejudice to the provisions of the *EMIR Regulation* (in terms of interoperability agreements), all the provisions of these *Regulations* for *Clearing Members* shall, where compatible, also apply to *Special Clearing Members*, together with the amendments and exceptions explicitly provided for *Special Clearing Members* in the *Regulations*, the *Instructions*, and in the agreements of interoperability entered into between *Euronext Clearing* and the said *Special Clearing Members*.

Article B.2.1.2 Requirements for membership of the System

1. Legal persons that intend to join one or more of the *BITA Share*, *ICSD Bond*, *Equity Derivatives*, *Energy Derivatives* or *Agricultural Commodity Derivatives* or *Euronext Equity Section* must meet the following capital requirements:
 - a) For *General Clearing Members*, a *Supervisory Capital* equal to at least:
 - € 25,000,000, increased by a variable amount in ratio to the total *Trading Client* with which they have entered into the agreements indicated at Article B.2.3.1, as defined hereunder:
 - € 5,000,000 from the second to the fifth *Trading Client* inclusive or;
 - € 10,000,000 up to the tenth *Trading Client* inclusive or;
 - € 15,000,000 after the tenth *Trading Client*.
 - b) For *Individual Clearing Members* which are banks or *Investment Firms*, a *Supervisory Capital* equal to at least:
 - € 3,000,000, in the case of membership to the *Euronext Equity* and/or *BITA Share Section*;

- € 10,000,000, in the case of membership to further Sections, or to only one of the following Sections: *ICSD Bond Section*, *Equity Derivatives Section*, *Energy Derivatives Section*, *Agricultural Commodity Derivatives Section*.
2. Legal persons that intend to join the *Bond Section* must meet the following capital requirements:
 - a) For *General Clearing Members*, *Supervisory Capital* at least equal to a € 400,000,000;
 - b) For *Individual Clearing Members*, *Supervisory Capital* equal to at least € 100,000,000.
 3. The capital requirements set out in paragraph 2 above shall not apply to *General Clearing Members* and to *Individual Clearing Members* that, in the context of the *Bond Section*, exclusively carry out trading on: (i) the *DomesticMOT* section – *MOT Market*; (ii) the multilateral trading facility *ExtraMOT*; (iii) the multilateral trading facility *EuroTLX*; and (iv) the multilateral trading facility *Hi-MTF*, on which are admitted to trading *Financial Instruments* liquidated through the liquidation service managed by Euronext Securities Milan. To these legal entities apply the capital requirements specified under paragraph 1 above, respectively at letter a) and b) second line.
 4. In the event of the adoption of different membership status among the various *Sections* or of the same *Section*, the higher of the asset requirements indicated in the paragraphs above shall be required.
 5. Legal Persons that intend to join as *General Clearing Members* and *Individual Clearing Members* that do not meet the capital requirements indicated in the preceding paragraphs 1, 2 and 3, but which respectively own:
 - a. For *General Clearing Members*:
 - i. a *Supervisory Capital* equal to at least € 15,000,000 in the case referred to in paragraphs 1 and 3,
 - ii. a *Supervisory Capital* equal to at least € 200,000,000 in the case referred to in paragraph 2;
 - b. For *Individual Clearing Members*:

i. a *Supervisory Capital* equal to at least € 3,000,000 in the case referred to in paragraphs 1 and 3,

ii. a *Supervisory Capital* equal to at least € 50,000,000 in the case referred to in paragraph 2;

must constitute a guarantee of an amount in euros at least equal to the difference between *Supervisory Capital*, or net capital for legal persons other than credit institution and *Investment firm*, held and the amount indicated in the preceding paragraphs.

6. The guarantee indicated at paragraph 5 must be provided to *Euronext Clearing* according to the methods indicated in the *Instructions* from a single *Guarantor* not belonging to the same group as the guaranteed *Clearing Member*, of *Euronext Clearing's* approval, taking account of the existence of any long-term ratings assigned to the *Guarantor*, of the total amount of the guarantees released by the *Guarantor* in favour of *Euronext Clearing*, and of the *Guarantor's* total assets.

7. The guarantee shall have effect with *Euronext Clearing* only if received directly from the *Guarantor*, and has effect for relations with the *Member* concerned from the date notified by *Euronext Clearing*.

8. Clearing Members must:

- a) be the holders of a DCA RTGS in *T2 System* in for the execution, through the procedures provided for *Ancillary Systems*, except for special cases indicated in the *Instructions*, of obligations, denominated in euros, arising from membership of the *System*,
- b) join a *Centralised Securities Depository* indicated in the *Instructions* for the purpose of handling the *Margins* in Financial Instruments,
- c) join the *Settlement Services* for the final settlement of contracts guaranteed by the *System*, exclusively in the cases of admission to the *Euronext Equity Section*, *Cash Sections* and/or the *Equity Derivatives Section*,

9. For the requirements referred to in paragraph 8, letters a) and b), *Clearing Members* may use the services of a *Settlement Agent*, permanently and by way of replacement. The *Clearing Member* may entrust different *Settlement Agents*, with autonomous responsibilities in accordance with the conditions set out in Article

B.1.1.6 or B.1.1.6-bis of the *Instructions* and specified in the contractual form available on *Euronext Clearing's* website.

10. For the requirements referred to in paragraph 8, letter c), *Clearing Members* may use the services of a *Settlement Agent*, in compliance with the provisions set out under Article B.1.1.6 or B.1.1.6-bis of the *Instructions* and specified in the contractual form available on *Euronext Clearing's* website.
11. *Clearing Members* must possess an organisational structure and technological and information technology systems that guarantee the ordered, continuous, and efficient management of relations and activities arising from membership of the *System*.
12. Where the entity that intends to apply for membership to the *System* is subject to the national legislation of a state which is not part of the European Union, it must provide a legal opinion given by a lawyer qualified to practice in the country in which the entity is domiciled. The said legal opinion must attest that no impediments exist to the substantive observance of the provisions of these *Regulations*, the relevant *Instructions*, and the laws or other regulations concerning obligations arising from membership of the *System*, with particular reference to the provisions on Settlement Finality established by Legislative Decree No. 210 of 12 April 2001, the regulations on default set out at Heading B.6.1 and those relating to failure to maintain requirements, suspension and exclusion set out at Heading B.2.2.
13. Where the entity that intends to join the *System* is a non-EU bank or Investment Firm pursuant to article B.2.1.1. paragraph 3, the opinion pursuant to paragraph 12 must also certify that the entity applying is authorised and actually carries out banking activities or provides services equivalent to *Investment Services* and activities in the State of origin, alternatively, the license must be provided
14. With reference to certain non-EU jurisdictions, *Euronext Clearing*, upon notice to Consob and Bank of Italy, may decide to waive the requirements foreseen in preceding paragraph 12, provided that *Euronext Clearing* has requested a legal opinion addressing the same topics. This opinion shall be shared with relevant *Members* upon request. In any case, the entity that intends to join the *System* shall satisfy the requirement set out under article B.2.1.2 paragraph 13.

15. *Clearing Members* of the *System* must maintain adequate recovery, reactivation and restoration procedures for data processing.
16. *Members* of the *System* must notify the names of referents for each *Section* they intend to join, who shall be competent for the activities provided by these *Regulations* according to the requirements of the *Instructions*.
17. For entities referred to in Article B.2.1.1, paragraphs 5 and 6, the assessment of the membership requirements shall be carried out, also in derogation from the capital requirements set forth in paragraphs from 1 to 7 of this Article.
18. For *Special Clearing Members* indicated at Article B.2.1.1, paragraph 7, the assessment of membership requirements will be carried out, also in derogation from the provisions of the preceding paragraph taking into considerations the provisions in force in the country of origin and the rules governing the functioning of those systems;
19. In order to be admitted to the *System*, in cases provided by the *Instructions*, *Members* must be members of the *Pre-settlement Service for BITA Share Section and BITA Bonds Section*.
20. Newly established entities, that do not yet dispose of a *Supervisory Capital*, must send to *Euronext Clearing* a declaration, signed by a company's legal representative, stating that the amount of the member's own funds at the moment of the application is determined in accordance with the criteria laid down in the supervisory provisions provided by the competent Authorities of the competent State and that meets the capital requirements provided in this Article. As soon as it is available, such entities must provide *Euronext Clearing* with by the *Supervisory Capital* certificate pursuant to the *Instructions*.

Article B.2.1.3 Applications for membership in the System

1. Legal persons applying for membership to the *System*, or to one or more *Sections*, or existing *System* members that intend to join a further *Section* or with a different membership qualification also

within a *Section*, must forward the Request of Services and the relevant documentation to *Euronext Clearing*.

2. During the period between the forwarding of the Request of Services indicated at paragraph 1 and the notice of the result of the application:
 - a) applicants must notify *Euronext Clearing* of any new fact of relevance to the discharge of the obligations arising from participation in the *System*;
 - b) *Euronext Clearing* may request further data and information necessary for assessment of the application.
3. *Euronext Clearing* shall notify the outcome of the application within one month of the receipt of the completed documentation, stating the grounds for any rejected application. Where additional examination becomes necessary, *Euronext Clearing* may prolong the term not more than once, and for a maximum term of one month, notifying the applicant of the grounds for such a delay. In the case of an application for membership as a *Trading Client admitted to Italian Markets*, notice of the outcome shall also be sent to the *General Clearing Member* whose services it intends to use.
4. *Euronext Clearing* shall inform the relevant *Management Company* of the result of the application.
5. Membership to the *Section* or with a different membership qualification also within the same *Section*, shall have effect from the date indicated by *Euronext Clearing*.
6. Membership to the *System* implies the complete assumption by the *Member* of the obligations provided by the provisions indicated at Article A.1.1.2, paragraph 3.

Article B.2.1.4 Start of operations

1. The start of operations for *Clearing Members* admitted to the *System*, for one or more *Sections*, is dependent on payment to the *Default Funds*, where due, and payment of membership fees or other fees as indicated in the *Instructions*.

Article B.2.1.5 Maintenance of membership requirements and obligations of Members

1. Each *Clearing Member* of the *System* shall guarantee the availability of an organisational structure and technological and information technology systems that guarantee the ordered, continuous, and efficient management of relations and activities arising from membership in the *System*.
2. Each *Member* of the *System* must promptly notify, with the effects provided for by the Instructions, of any changes in the appointment of referents indicated at Article B.2.1.2, paragraph 15. For each Section, at least one of the said references must always be available during the course of each *Market* business day.
3. Each *Member* of the *System* must promptly notify *Euronext Clearing* of the failure to maintain the requirements indicated at Article B.2.1.1, paragraphs 2, 3 and 4.
4. Each Clearing Member must promptly notify *Euronext Clearing* of:
 - a) the failure to maintain asset requirements indicated at Article B.2.1.2, paragraphs 1, 2, 3, 4 and 5 as well as the related modalities of re-establishment pursuant to Article B.2.2.1, paragraph 1;
 - b) a reduction of more than 30% in the Supervisory Capital, or of the net capital for legal persons other than banks and *Investment Firms*, from the last notified value, without prejudice to the provisions of letter a) in cases of loss of the minimum asset requirements requested therein;
 - c) the expiry for any reason of the guarantee referred to in Article B.2.1.2, paragraph 5;
 - d) any data, information or document that has been requested for the purposes of *System* management activities or to verify the permanence of the requirements for membership to the *System* and to the *Section*;
 - e) any relevant data or information relating to extraordinary corporate transactions involving the *Clearing Members* (such as, for example, mergers, demergers, contributions or transfers of businesses or branches or businesses) from which it is possible to infer the characteristics of the transaction and the potential

effects of the same in relation to continued compliance with the membership requirements to the *System*.

5. Each *Clearing Member* must notify *Euronext Clearing*, with prior notice of at least five *Euronext Clearing* trading days, of the failure to maintain any one of the requirements indicated at Article B.2.1.2, paragraph 8, or the loss of effect, for any reason, of the agreement with the *Settlement Agent*.
6. The *General Clearing Member* and the *Trading Client admitted to Italian Markets* must promptly notify *Euronext Clearing* of the loss of effect of the agreement indicated at Article B.2.3.1. The said notice, regardless of which party has issued it, shall be understood as accomplished, including on behalf of the other party. With respect to *Trading Clients admitted to Euronext Legacy Markets*, the *General Clearing Member* must promptly notify *Euronext Clearing* of the loss of effect of the agreement indicated under Article B.2.3.1-*bis*.
7. Following the conclusion of a transaction pursuant to paragraph 4, letter e) of this Article, the *Member* resulting from the transaction which does not yet dispose of a *Supervisory Capital*, must provide *Euronext Clearing* as soon as possible with a declaration signed by a company's legal representative, stating that the amount of the *Member's* own funds, when the transactions is completed, is determined in accordance with the supervisory provisions laid down by the Authorities of the competent State and that meets the capital requirements laid down in Article B.2.1.2 of the *Regulations*. The *Member* must provide *Euronext Clearing* with the *Supervisory Capital* certificate, pursuant to the provisions set out in the *Instructions*. In the cases where, following the extraordinary corporate transaction, the *Member* resulting from the transaction does not meet the capital requirements laid down in Article B.2.1.2, Chapter 2.2 shall apply.

Chapter B.2.2 Failure to maintain requirements, suspension, exclusion and withdrawal

Article B.2.2.1 Failure to maintain requirements *and restoration methods*

1. In cases where the *Supervisory Capital*, or the net capital for *Individual Participants* other than banks and *Investment Firms*, is reduced below the levels indicated in Article B.2.1.2, paragraphs 1, 2, 3 4, and 5, *Euronext Clearing* may fix a term, not greater than 180 calendar days, as from the calendar day following the deadline for supervisory capital reporting to *Euronext Clearing* as specified in the Annexes to the Instructions, for its restoration, notifying Bank of Italy, *Consob*, the *Management Company*, and any *Trading Client*. In compliance with provisions of Article B.2.1.2, paragraph 5, *Clearing Members* may, alternatively to the restoration of supervisory capital, establish or integrate a guarantee within 30 calendar days. In this case, the provisions of paragraph 3 of this Article, and paragraph 6 of Article B.2.1.2, with reference to the manner in which the guarantee must be provided, shall apply.
2. In the event of failure, for any reason, of the guarantee indicated in Article B.2.1.2, paragraph 5 *Euronext Clearing* may fix a term, not greater than 30 calendar days, for its restoration, notifying Bank of Italy, *Consob*, the *Management Company*, and any *Trading Clients*.
3. In cases case of participation in more than one *Section*, the *Supervisory Capital* which is no longer complying with the highest requirement pursuant to Article B.2.1.2 paragraph 4 does not compromise the continuation of operations on the other *Sections*, provided that compliance with the relevant membership requirements is ensured. This provision also applies in the case of participation through different membership qualifications within the *Bond Section* only, in accordance with the provisions set forth in Article B.2.1.2 paragraph 3.
4. In the cases indicated in the previous paragraphs as well as in case of late submission to *Euronext Clearing* of *Supervisory Capital* reporting after the deadlines envisaged in the *Annexes* to the *Instructions*, *Euronext Clearing* may concomitantly establish risk

containment measures, including requesting increased *Margins* or the suspension from the *System* pursuant to Article B.2.2.2. Where *Euronext Clearing* considers that it cannot grant the terms indicated in the previous paragraphs, the exclusion pursuant to B.2.2.4 shall be applied.

5. *Euronext Clearing* may apply the risk containment measures indicated under the preceding paragraph also in case of failure by the *Member* to communicate, within the timeframes specified under Annex B.114 of the *Annexes to the Instructions*, any variation of the referents indicated pursuant to Article B.2.1.2, paragraph 15, or of the contractual representative indicated in the *Request for Services*.
6. The requirement to send the declaration on *Supervisory Capital* to *Euronext Clearing* pursuant to the *Annexes to the Instructions* is suspended for *Members* in respect of which have been adopted, pursuant to the Legislative Decree no. 180 of 2015, the *Consolidated Law on Banking* and the *Consolidated Law on Finance*, a crisis prevention or management measure or a measure for compulsory administrative liquidation with the continuation of the business activity set out at the assignment act of the liquidators, or equivalent measures provided by other jurisdictions, for as long as the relating procedures are ongoing. For the purposes of risk reduction, *Euronext Clearing* may apply an increase in margins during the period when such procedures are in progress.
7. *Euronext Clearing* shall publicly disclose any breaches by the *Members* of the requirements indicated under Articles B.2.1.1 and B.2.1.2 and of transparency requirements concerning prices and commissions as specified in Article B.8.1.3, pursuant to paragraph 1 of Article 38 of *EMIR Regulation*, except in cases where the competent authority, following consultation with ESMA, considers that such public disclosure represents a serious danger to the financial stability or the reliance on the market or can cause serious risk to the financial markets or bring about disproportionate damage to the parties involved.
8. The adoption, pursuant to the Legislative Decree no. 180 of 2015, the *Consolidated Law on Banking* and the *Consolidated Law on Finance* of a crisis prevention or management measure, or of a measure for compulsory administrative liquidation with the continuation of the business activity set out at the assignment act of the liquidators, or equivalent measures provided by other

jurisdictions, does not constitute a cause for suspension pursuant to Article B.2.2.2 nor exclusion pursuant to Article B.2.2.4., provided the *Member* fulfils its obligations of establishment and payment of *Margins* pursuant to Chapter B.4.1 and contributions to the *Default Fund* pursuant to Chapter B.4.2 arising from its participation in the *System*.

Article B.2.2.1-bis Requests for information

1. In order to assess the *Clearing Member's* continuous compliance with these Regulations, *Euronext Clearing* is entitled to ask the *Clearing Member* to respond to all requests for information concerning the clearing activity, on a regular or exceptional basis, that may be issued by *Euronext Clearing* for this purpose and within the timeframes specified by the latter.
2. For the same purpose, *Euronext Clearing* may require the *Clearing Member* to provide information and documents and any other written evidence concerning the clearing activity, within the timeframes specified by *Euronext Clearing*.
3. Based on the results of the requests mentioned in the preceding paragraphs, *Euronext Clearing* reserves the right to adopt, provided the relevant conditions are met, the measures foreseen in Article B.4.1.1 or a decision of suspension from one or more *Sections* pursuant Article B.2.2.2, paragraph 3.

Article B.2.2.1-ter Exemptions

1. The provisions specified within Article B.2.2.1-bis, shall apply to any *Member* of the *System*, except for Central Banks of the European Union, the Italian Ministry of Economy and Finance and Members in respect of which the measures set out under Article B.2.2.1. paragraph 6 have been adopted.

Article B.2.2.2 Suspension

1. *Euronext Clearing* shall suspend from the *System* or from a *Section*, notifying Bank of Italy, Consob and the *Management Company* concerned:
 - a) a *Member* in cases where *Euronext Clearing* has received notice of serious breach of contract by the said *Member* in another guarantee and/or settlement system;
 - b) a *Clearing Member*, in the event of loss of any one of the requirements indicated at Article B.2.1.2, paragraph 8, or the cessation of effect of the agreement with the *Settlement Agent*, for any reason, unless by way of exception the obligations pertaining to the *Clearing Member* vis-à-vis *Euronext Clearing* are nevertheless fulfilled. To this end, *Euronext Clearing* verifies the possibility of transferring to a different Settlement Agent the positions of the Clearing Member to be settled and the related assets they had deposited with the insolvent Settlement Agent.
2. *Euronext Clearing* shall suspend a *Trading Client admitted to Italian Markets*, from the *Section*, notifying Bank of Italy, Consob and the *Management Company*:
 - a) in the event of a request for its suspension from the *General Clearing Member*, according to the provisions of Article B.2.3.3, paragraph 1.
 - b) if, for any reason, the agreement with the *General Clearing Member* indicated at Article B.2.3.1 has failed or become ineffective in any way, without a *General Clearing Member* having entered into a new agreement with the *Trading Client admitted to Italian Markets* in time for *Euronext Clearing* to verify its suitability for the purposes of the *System*.
 - c) when its *General Clearing Member* has been suspended.
3. *Euronext Clearing* may suspend a Member of the System from the System itself or from a Section, or from a membership qualification within a *Section* notifying Bank of Italy, Consob and the Management Company:
 - a) in the event of the suspension of the *Member* from trading on a *Market*;

- b) in the event of injunctive proceedings being issued pursuant to articles 51 and 52 of the *CLF* or equivalents issued by the competent supervisory Authority;
 - c) if the *Member* fails to provide the information or documents required pursuant to Article B.2.1.5, paragraph 4, sub-paragraph c) and sub-paragraph e) or the information required pursuant to Article B.2.2.1-bis, paragraph 1 and 2;
 - d) in the event of serious violation of the provisions of *Euronext Clearing*;
 - e) in the event indicated at Article B.2.2.1, paragraph 4.
4. The maximum duration of the suspension is 120 calendar days from the *Notice* by e-mail or fax pursuant to paragraph 5.
 5. The act of suspension shall be communicated by e-mail or fax, and confirmed by registered mail with return receipt to the *Member* of the *System* and, if a *Trading Client admitted to Italian Markets*, also to the *General Clearing Member* whose services the *Trading Client admitted to Italian Markets* uses.

Article B.2.2.3 Effects of suspension

1. From the moment of suspension from the *System* or *Section*, *Euronext Clearing* shall not enter further modifications to the *Positions* of the suspended *Member* of the *System*. *Euronext Clearing* may, however, allow modifications of *Positions* in place relating to the *Derivatives Sections* due to the exercise of options or through the transfers indicated at Article B.3.1.5, intended to reduce the suspended *Member's* exposure to risk.
2. During the period of suspension, *General Clearing Members* and *Individual Clearing Members* are obliged to fulfil their obligations to *Euronext Clearing*, and *Trading Client* are obliged to fulfil their obligations to *General Clearing Members* arising from their membership to the *System* or to the *Section*, according to the provisions of the documents indicated at Article A.1.1.2, paragraph 3.
3. In relation to the provisions of paragraph 2, concomitantly with the suspension measure and/or during the period of suspension,

Euronext Clearing may establish risk containment measures, including requesting increased *Margins*.

4. The suspension shall not be revoked until the conditions that gave rise to it have been resolved.

Article B.2.2.4 Exclusion

1. *Euronext Clearing* shall exclude a *Member* from the *System* – with the effect of withdrawal without notice from all contractual relationships entered into with the *Member* – giving notice to Bank of Italy, Consob and the *Management Company*:
 - a) except in the case of compulsory administrative liquidation with the continuation of the business activity set out at the assignment act of the liquidators, in the case of revocation by the competent Authorities of the authorisation for the exercise of its activities, or the adoption of equivalent measures in the presence of activities subject to reciprocity measures, or in any case in breach of its authorisation to exercise its activities;
 - b) in the event of a default pursuant to Article B.6.1.1.
2. *Euronext Clearing* shall also exclude the following members from the *System* or *Section* – with the effect of withdrawal without notice from all contractual relationships entered into with the *Member* – giving notice to Bank of Italy, Consob and the *Management Company*:
 - a) the *Clearing Member* upon failure to maintain the asset requirements indicated at Article B.2.1.2, paragraphs 1, 2, 3, 4, and 5 unless the latter has restored them pursuant to Article B.2.2.1 paragraphs 1 and 2 and without prejudice of the provisions of paragraph 3 of Article B.2.2.1 with reference to the *Bond Section* or has not complied with the risk containment measures pursuant to Article B.2.2.1 paragraph 4, and Article B.2.2.3, paragraph 3 or in the case it failed to submit to *Euronext Clearing* the declaration on the *Supervisory Capital* over 180 calendar days commencing from the submission deadline specified in the Annexes and in the Instructions;
 - b) any *Member* of the *System*, if on the date of expiry of the period of suspension indicated at Article B.2.2.2, the conditions that provoked the suspension have not been resolved;

- c) any *Member* that exercises its right of withdrawal pursuant to Article B.4.2.4, should it not proceed to close or transfer the *Positions* within the terms provided;
 - d) the *Trading Client admitted to Italian Markets* if the *General Clearing Member* whose services it uses has been excluded;
 - e) The *Trading Client admitted to Italian Markets* if it has been excluded from trading on a *Market* relating to the *Section* of which it is a *Member*.
3. *Euronext Clearing* may also exclude from the *System* or from a *Section* a *Clearing Member* who has been excluded from trading on a *Market* – with the same effects as indicated at paragraph 2 - notifying Bank of Italy, Consob, and the *Management Company*.
 4. The act of exclusion shall be communicated by e-mail or fax, and confirmed by registered mail with return receipt to the *Member* of the *System* and, if a *Trading Client*, also to the *General Clearing Member* whose services it uses.

Article B.2.2.5 Effects of exclusion

1. In the event of exclusion of a *Clearing Member* pursuant to Article B.2.2.4, paragraph 1, letter a) the default procedures indicated at Article B.6.2.1 shall apply.
2. In the event of exclusion of a *Trading Client admitted to Italian Markets* pursuant to Article B.2.2.4, paragraph 1, sub-paragraph a), the *General Clearing Member* is responsible for closing the *Positions* referable to the *Trading Client admitted to Italian Markets*, while informing *Euronext Clearing* of the actions taken for this purpose.
3. In the event of exclusion of a *Member* of the *System* pursuant to B.2.2.4, paragraph 1, sub-paragraph b), the provisions for the default procedures indicated at Article B.6.2.1 and Article B.6.2.2. shall be applied.
4. The exclusion of a *Clearing Member* from the *System* or a *Section*, pursuant to Article B.2.2.4, paragraphs 2, sub-paragraphs a) and b) and 3, shall have effect from the date in which the excluded *Member* does not have any *Positions* registered in the accounts

indicated at Article B.3.1.2. Until the said date, the provisions indicated at Article B.2.2.3 shall be applied to the excluded *Member*.

5. The exclusion of a *Trading Client admitted to Italian Markets* from the *System* or *Section* pursuant to Article B.2.2.4, paragraph 2, letters b) and e), shall have effect from the date in which the excluded *Trading Client* has no more *Positions* registered in the *General Clearing Member* “client” accounts referable to the *Trading Client admitted to Italian Markets*. Until the said date, the provisions indicated at Article B.2.2.3 shall be applied to the said contracts.
6. In the event of exclusion of a *Trading Client admitted to Italian Markets* pursuant to Article B.2.2.4, paragraph 2, sub-paragraph d), the said *Member’s Positions* shall be regulated, according to the reasons for exclusion of the *General Clearing Member*, pursuant to paragraphs 1, 3, and 4.
7. On conclusion of the procedures indicated in the preceding paragraphs, *Euronext Clearing* shall proceed to close the excluded *Member’s* accounts in the *System*, calculating, in the case of exclusion of a *Clearing Member*, any losses and costs incurred by the intervention, attributing them, according to the method indicated at Article B.6.2.3, and returning the outstanding amount to the entitled party.
8. Any losses and costs incurred by the *General Clearing Member* at the end of the procedures indicated in the preceding paragraphs shall be fully charged to the said *General Clearing Member*, who shall cover the said losses and costs by using the *Margins* deposited with it by the excluded *Trading Client*.
9. In executing the transfer request by the *Clearing Member* indicated in the preceding paragraphs, *Euronext Clearing* shall not be liable for any further verification, only requiring the approval of the *Member* into whose accounts the *Positions* are transferred.

Article B.2.2.6 Withdrawal

1. *Members* may exercise their right to withdraw from membership or from one or more *Sections* or from the membership qualification within a *Section*, at any time – by registered letter with return

receipt which must be received by *Euronext Clearing* on pain of invalidity, previously sent by e-mail or fax – giving notice of not less than 30 calendar days, unless otherwise agreed with *Euronext Clearing*.

2. In the event of amendment of the General Conditions for the supply of services and the other documents indicated at Article A.1.1.2, paragraph 3, *Members* of the *System* may exercise the right of withdrawal within the term indicated in the notification by which *Euronext Clearing* notifies the said amendments. The term assigned shall not in any case be less than 10 (ten) calendar days. For amendments adopted in cases of urgency, following orders issued by the competent Authorities or for technical – operational reasons, the withdrawal cannot be notified before 13:00 hours of the business day before that in which the amendment shall have effect.
3. Withdrawal from membership shall have effect with respect to each *Section* or from the membership qualification within a *Section* from the date of expiry of the *Positions* still outstanding on expiry of the notice period.
4. Upon expiry of the notice period indicated at paragraph 1, the provisions indicated at Article B.2.2.3, paragraphs 1, 2 and 3 shall apply to the *Member* of the *System*.
5. Where, following withdrawal from *Sections*, the *Member* is no longer a member of any *Section* or from the membership qualification within a *Section*, membership to the *System* shall be understood as ceasing from that moment.
6. *Euronext Clearing* shall immediately notify the *Management Company* of the withdrawal from membership to the *Section* and the *System* and, in the case of a *General Clearing Member*, shall also notify *Trading Clients admitted to Italian Markets* that use its services.
7. In the event of withdrawal of a *General Clearing Member*, the relevant *Member* is obliged to notify the *Trading Clients* that use its services. In the event of withdrawal from membership of a *Trading Client admitted to Italian Markets*, the relevant *Member* must notify the *General Clearing Member* whose services it uses.

The said notifications must be sent concomitantly to those indicated at paragraph 1.

Article B.2.2.7 Modification of membership qualifications

1. Members of the System may modify their membership qualification to each Section by exercising preventive withdrawal pursuant to Article B.2.2.6, paragraph 1, while contemporaneously fulfilling the requirements indicated at Article B.2.1.3.

Chapter B.2.3 Relations between General Clearing Members and Trading Clients

Article B.2.3.1 General Clearing Member – Trading Client admitted to Italian Markets Agreement

1. *Trading Clients admitted to Italian Markets* shall sign an agreement with a *General Clearing Member*, complying with the outline provided by *Euronext Clearing* and which specify the structure of the accounts applied to each *Trading Client*.
2. The *General Clearing Member* that the *Trading Client admitted to Italian Markets* uses may be different for each *Section* and, whether the trading activity of the *Trading Client admitted to Italian Markets* takes place through different *Organisational Units*, *Euronext Clearing* reserves to allow the *Trading Client admitted to Italian Markets* to avail themselves of different *General Clearing Members* for different *Organisational Units*, also within the same *Section*.
3. The agreements indicated in the preceding paragraphs must be received by *Euronext Clearing*, in order to allow *Euronext Clearing* to carry out its own verification, with advance notice of not less than five *Euronext Clearing* open days, unless agreed otherwise with *Euronext Clearing*.

Article B.2.3.1-bis General Clearing Member - Trading Client admitted to Euronext Legacy Markets Agreement

1. *General Clearing Members* which clear transactions on behalf of *Trading Clients admitted to Euronext Legacy Markets*, shall sign an agreement for the purpose of the clearing of a contract entered into on a *Market* which includes, under the responsibility of the *General Clearing Member*, the minimum provisions mandated by *Euronext Clearing* which are available on Euronext Clearing's website and which specify the structure of the accounts applied to such *Trading Client*. *Euronext Clearing* shall not be liable for any loss arising from any such agreement.
2. The minimum provisions under paragraph 1 may allow the *Trading Client admitted to Euronext Legacy Markets* to use different *General Clearing Members* for each *Section* and, whether the trading activity of said *Trading Client* takes place through different *Organisational Units*, to avail themselves of different *General Clearing Members* for different *Organisational Units*, also within the same *Section*.
3. The *General Clearing Member* shall promptly provide *Euronext Clearing* confirmation concerning the signing of the agreements indicated in the preceding paragraphs.

Article B.2.3.2 Settlement of Positions relating to the Trading Client

1. The agreement between the *General Clearing Member* and the *Trading Client* provides that the former shall effect the final settlement of the *Positions* of the *Trading Client* transferred to it.

Article B.2.3.3 Suspension upon request of the General Clearing Member of the Trading Member admitted to Italian Markets

1. The agreement between the *General Clearing Member* and the *Trading Client admitted to Italian Markets* indicated at Article B.2.3.1 provides for *Euronext Clearing's* suspension of the *Trading Client admitted to Italian Markets* from membership to *Section* or *Sections* – at any time and for a maximum duration of 20 calendar

days on simple request and under the sole responsibility of the *General Clearing Member*. *Euronext Clearing* shall not have any obligation or right to verify the expediency or conformity of such a request to the contractual agreements existing between the *General Clearing Member* and the *Trading Client*. *Euronext Clearing* shall immediately notify the *Management Company* of the suspension. The suspended *Trading Client admitted to Italian Markets* shall continue to be obliged to settle sums outstanding with the *General Clearing Member* in relation to *Margins* or other items.

2. In the event of circumstances indicated in paragraph 1, and of other cases of suspension pursuant to Article B.2.2.2, the *General Clearing Member* shall remain responsible to *Euronext Clearing* for all the *Positions* referable to the *Trading Client admitted to Italian Markets*, subject to the circumstances indicated in Article B.2.2.3.
3. On elapse of the maximum period of suspension indicated at paragraph 1, the suspended *Member* shall be re-admitted to operate in the *Section* in its capacity as *Trading Client admitted to Italian Markets*, unless it has exercised its right of withdrawal from the agreement pursuant to Article B.2.3.1 and the notice period indicated at Article B.2.3.4, paragraph 1 has elapsed, and another agreement pursuant to Article B.2.3.1 has not been forwarded to *Euronext Clearing* according to the terms and methods indicated in Article B.2.3.1. *Euronext Clearing* shall immediately report any re-admission to Bank of Italy, Consob and the *Management Company*.

Article B.2.3.3-bis Request by the Clearing Member to halt registration of Positions pertaining to the Trading Clients admitted on Euronext Legacy Markets

1. The agreement between the *General Clearing Member* and the *Trading Client admitted to Euronext Legacy Markets* indicated at Article B.2.3.1-bis provides that the *General Clearing Member* is entitled to ask *Euronext Clearing*, at any time and without justification, to halt any activity pertaining to the latter, preventing the registration of new *Positions* or any modifications of existing *Positions* referable to the mentioned *Trading Client*.
2. *Euronext Clearing* shall implement the request without delay and immediately notify the relevant *Management Company*.

3. The *General Clearing Member* shall remain responsible vis-à-vis Euronext Clearing for all the *Positions* referable to the *Trading Client admitted to Euronext Legacy Markets*, subject to the circumstances indicated under the agreement entered into under Article B.2.3.1-*bis*.

Article B.2.3.4 Withdrawal from the agreement

1. Any withdrawal from the agreement pursuant to Article B.2.3.1 and Article B.2.3.1-*bis* must be notified by the withdrawing *Member* to the other contracting *Member* and simultaneously to *Euronext Clearing* and the *Management Company* with minimum notice of 15 calendar days. In case of suspension of the *General Clearing Member* or default of the *Trading Client*, the withdrawal may be executed without notice. In all cases, for the purposes of paragraph 3, and Article B.2.3.3, paragraph 3, the term shall begin from the date of receipt by *Euronext Clearing* of the notice of withdrawal.
2. The term indicated at paragraph 1, may be shortened by mutual agreement expressed by the *Members* involved and with the approval of *Euronext Clearing* with reference to the agreement under Article B.2.3.1.
3. In the event of the stipulation of a new agreement between the *Trading Client admitted to Italian Markets* and another *General Clearing Member*, *Euronext Clearing* shall notify the date from which the said new agreement shall have effect, it being understood that the requirements of settlement or proof of the relevant relationship may take it necessary to suspend the *Trading Client admitted to Italian Markets* from the *Section* pursuant to Article B.2.2.2, paragraph 2, and sub-paragraph b). GG&G shall promptly notify the *Management Company* of such suspension.
4. The provisions of Article B.2.3.3, paragraph 2 shall apply to any withdrawal pursuant to paragraph 1, including where suspension does not occur, with reference to the *Positions* registered on the expiry of the notice period for the withdrawal, unless the *Positions* and collaterals are transferred to the new *General Clearing Member*, by agreement among the *Members* concerned, where this is technically possible.
5. In the event of a *Trading Client* replacing the *General Clearing Member* with another *General Clearing Member*, the transfers of the relevant *Positions* and collaterals shall be effected by *Euronext*

Clearing with the contractually expressed agreement of all *Members* involved, if within the time limit set by the rules governing final settlement of contracts and relevant preliminary requirements.

Chapter B.2.4 Relations with Clients

Article B.2.4.1 Porting Agreements for Individual Segregated Account Structures (ISAs)

1. The *Clearing Member*, at the time of opening of the *Individual Segregated Account Structure* shall sign an agreement with the *Client*, adopting the minimum provisions provided by *Euronext Clearing* and available on its website concerning the transfer of the *Positions* and collateral of the *Clients* in the event of the opening of a default procedures as indicated under Article B.6.2.1 with respect to the mentioned *Clearing Member*.
2. In case, prior to occurrence of an event of default pursuant to Article B.6.1.1, paragraph 1, the *Client* has selected a *Clearing Member* to which to transfer the *Positions* and *Collateral* recorded in an *Individual Segregated Account Structure*, the *Designated Clearing Member* shall sign an *ad hoc* agreement with the *Client* for the purposes of administering the portability of the *Positions* and *Collateral*. When the *Positions* registered by the *Client* on its own account are distinguished from those made on behalf of others, the porting agreement will have to indicate whether that distinction also has to be maintained at the *Designated Clearing Member*.
3. For *Trading Clients* the provisions indicated in paragraphs 1 and 2 above are included in the *General Clearing Member/ Trading Client* agreement, as indicated in Part B.2.3, Articles B.2.3.1 and B.2.3.1. bis of these *Regulations*.
4. In the case where no *Designated Clearing Member* has been identified at the time when an event of default affecting the *Clearing Member* occurs pursuant to Article B.6.1.1, paragraph 1 the *Client* may sign, within four hours from the default event, the agreement envisaged in paragraph 2 with the *Designated Clearing Member* to regulate the porting of *Positions* and *Collateral*. Said time limit may

be amended by *Euronext Clearing* taking into account the circumstances, through a specific communication.

5. The *Designated Clearing Member* shall promptly provide *Euronext Clearing* confirmation of the signature of the agreements mentioned in paragraphs 2, 3 and 4, on the basis of a specific form provided by *Euronext Clearing*, which shall include separate evidence of the *Clients'* identification details. Any withdrawal from the mentioned agreements must be communicated by the *Clearing Member* to *Euronext Clearing* promptly; until it receives the withdrawal notice, *Euronext Clearing* will operate on the basis of the agreements received.

Article B.2.4.2 Porting Agreements for GOSA Indirect

1. If in the *Indirect Clearing* arrangements *Indirect Clients* requested that their *Positions* and *Collateral* be recorded in a *GOSA Indirect* pursuant to Article, B.3.0.1, paragraph 6, letter b) the *Clearing Member* may sign with said *Clients* an agreement to the effect that the *Clearing Member* related to the transfer of the *Indirect Clients'* *Positions* and *Collateral* recorded in such accounts in the event of the default procedure pursuant to Article B.6.2.1, on condition that the *Member* provides *Euronext Clearing* with its *Clients'* identification details.
2. If, prior to occurrence of an event of default pursuant to Article B.6.1.1, paragraph 1, the *Clients* have selected a *Designated Clearing Member* to which to transfer the *Positions* and *Collateral* of *Indirect Clients* registered in the *GOSA* for *Indirect Clients*, said *Member* shall sign an *ad hoc* contract with the *Clients* for the purposes of regulating the portability of the *Positions* and *Collateral*. Withdrawal from the agreement between the *Clients* and the *Designated Clearing Member* must be communicated to *Euronext Clearing* promptly; until it receives the withdrawal notice, *Euronext Clearing* will operate on the basis of the agreements received.
3. If no *Designated Clearing Member* was selected in advance, on occurrence of an event of default by a *Clearing Member* pursuant to Article B.6.1.1, paragraph 1, the *Clients* may sign the agreement envisaged in paragraph 2 with the *Designated Clearing Member* within the terms indicated under Article 2.4.1, paragraph 4 to

regulate the portability of the *Positions* and *Collateral* of *Indirect Clients*.

4. The *Designated Clearing Member* shall promptly provide *Euronext Clearing* with confirmation of the signature of the agreements mentioned in paragraph 1, 2 and 3 on the basis of the minimum provisions provided by *Euronext Clearing*, which shall include separate evidence of the *Clients'* identification details. Any withdrawal from the mentioned agreements must be communicated by the *Clearing Member* to *Euronext Clearing* promptly.

PART B.2.5 Porting agreements on “Client Omnibus Account Structures and NOSA Indirect

Article B.2.5.1 Porting Agreements for *Client Omnibus Account Structures* and *NOSA Indirect*

1. Where *Clients* of a *GOSA Structure* or a *NOSA Structure* ask the *Clearing Member* before occurrence of an event of default pursuant to Article B.6.1.1, paragraph 1 the transfer of their *Positions* and *Collateral* to a *Designated Clearing Member*, the *Clearing Member* shall sign an agreement with a *Designated Clearing Member* drafted on the basis of the minimum provisions provided by *Euronext Clearing*, for the purpose of regulating the portability of the *Positions* and *Collateral* limited to the aspects of their interest, and which documents:
 - a. the acquisition by *Clearing Member* of the request referred above;
 - b. the acceptance on the part of the *Designated Clearing Member* of the transfer of the *Positions* and *Collateral* recorded in the *GOSA* or *NOSA* of the *Clearing Member* and the confirmation of having adopted an agreement with the *Clients* of that *GOSA* or *NOSA*, confirming its commitment. For the *Trading Client* admitted on Italian

Markets, the *Designated Clearing Member* must also transmit the agreement as indicated in the above Part 2.3.

2. The *Designated Clearing Member* shall provide to Euronext Clearing confirmation of the signature of the agreement indicated in the preceding paragraph in the fashion set forth in following paragraph 3.
3. Withdrawal from said agreement must be promptly communicated by the *Clearing Member* to *Euronext Clearing*; until it receives the withdrawal notice, *Euronext Clearing* will operate on the basis of the agreement received.
3. If no *Designated Clearing Member* is identified at the time when a *Clearing Member's* default event occurs, pursuant to Article B.6.1.1, paragraph 1, *Clients of a GOSA or of a NOSA* structure may sign the agreement envisaged in the preceding paragraph with a *Designated Clearing Member*, within 4 hours after the default event. This time limit may be amended by *Euronext Clearing* taking into account the circumstances, through a specific communication.

The *Designated Clearing Member* shall promptly provide *Euronext Clearing* with confirmation of the signature of the agreements mentioned in paragraph 1 and in the preceding paragraph, on the basis of a specific form provided by *Euronext Clearing*, which shall include separate evidence of the *Clients'* identification details.

The *Designated Clearing Member* must also provide *Euronext Clearing* evidence of the fact that the *Positions* being transferred refer to all the *Clients* of the relevant NOSA or GOSA structure.

4. The provisions on portability agreements included in this Article applicable to *NOSA* structures shall also apply with respect to *NOSA* structures for *Indirect Clients* referenced within Article B.3.0.1, paragraph 6, letter a).

PART B.3 Clearing

Chapter B.3.0 Account Structures

Article B.3.0.1 Account Structure

1. *Euronext Clearing* shall open an *Account Structure* in the name of each *Clearing Member*, according to the *Clearing Member's* instructions, in compliance with these *Regulations*.
2. Each *Account Structure* shall be composed of at least one of each of the following *House* or *Clients* accounts, as defined within Article A.1.1.1:
 - a. *Position Account*
 - b. *Margin Account*
 - c. *Collateral Account*
 - d. *Delivery Account*
3. *Euronext Clearing* shall open, at the request of the *Clearing Member*, the following *Clients Account Structures*, as defined within Article A.1.1.1:
 - *Individual Segregated Account Structure (ISA)*, which includes one or several *Client Position Accounts*, one *Client Margin Account* and one *Client Collateral Account* pertaining exclusively to a single individual *Client*.
 - *Gross Omnibus Segregated Account Structure (GOSA)*, which includes several *Client Positions Accounts*, several *Client Margins Accounts*, and one *Clients Omnibus Collateral Account*. *Margins* due are calculated for each *Margin Account* separately.
 - *Net Omnibus Segregated Account (NOSA) Structure*, which includes several *Client Position Accounts*, one *Clients Omnibus Margin Account* and one *Clients Omnibus Collateral Account*. *Margins* due are calculated in a single *Margin Account*, on the total *Clients' Positions*.

In respect to BITA Sections, NOSA Structures may exclusively be opened with a single Client Position Account.

4. In the cases introduced in preceding paragraph 3, *Positions* originating from transactions concluded by the *Clients* on their own behalf, can be distinguished from the *Positions* originating from transactions concluded by *Clients* on behalf of their clients.
5. The *Clearing Member* may request *Euronext Clearing*, the opening of one or several *Individual Segregated Account Structures* and *Omnibus Segregated Account Structures* for the account of its *Clients*.
6. In addition to the accounts envisaged under the previous paragraphs, but only in respect of the *Derivatives Sections*, the *Clearing Member* acting as broker for *Indirect Clearing*,—may request *Euronext Clearing* the opening of the following *Account Structures* for *Indirect Clients*:
 - a. a *Net Omnibus Segregated Account Structure*, for the *Positions* pertaining to the *Clearing Member's Indirect Clients*, where *Indirect Clients* relate to different *Clients* and *which* makes it possible to distinguish the *Positions* of *Indirect Clients* from those of the other *Clients*, by recording them in specific accounts.
 - b. a *Gross Omnibus Segregated Account Structure*, for the *Positions* of *Indirect Clients* of each *Client* of the *Clearing Member*, which makes it possible to distinguish the *Positions* of each *Indirect Client* from those of the other *Indirect Clients*, by recording them in specific accounts.
7. For the opening of the *Account Structures for Indirect Clients* specified within paragraph 6, the *Clearing Member* shall ensure that the *Clients* are a credit institution, an authorised investment firm or an equivalent credit institution or investment firm of a third country. The *Clearing Member* shall provide *Euronext Clearing* with a declaration to this effect.
8. With regard to the *Gross Omnibus Segregated Account Structures* for *Indirect Clients* referred to in paragraph 6, the *Clearing Member* shall provide *Euronext Clearing* with all the information necessary to identify the *Positions* held for the account of each *Indirect Client* by each *Client* at least on a daily basis and in any case as soon as

such information is available, to enable recording of such positions in the dedicated accounts.

Chapter B.3.1 Registration of operations and clearing of positions

Article B.3.1.1 Effects of concluded operations

1. With the *Transfer Order* indicated at Articles B.1.1.1 and B.1.1.2:
 - a) *Euronext Clearing* assumes with the *Clearing Member* the *Position*, credit or debit, of the *Market* counterparty of the *Clearing Member* that has effected the operation;
 - b) *Euronext Clearing* assumes with the *Special Clearing Member* the *Position*, credit or debit, assumed by the *Member* of the *System* against the *Market* counterparty that is a member of the guarantee system managed by the *Special Clearing Member*.
2. By virtue of membership of the *System*, each *Member* shall not claim from its market counterparty the fulfilment of obligations arising from contracts entered into with it in the *Market* to which paragraph 1 shall apply, nor may it oppose *Euronext Clearing* with respect to objections concerning relations with the said counterparty, nor any other objection arising from contracts stipulated on the *Market* by parties for which the transfer mechanisms indicated at paragraph 1 operate.
3. The causes of invalidity or unenforceability of operations effected in the *Market* and related compensatory or restitution actions can be asserted only between market counterparties.

Article B.3.1.2 Registration of *Positions*

1. *Upon the CCP's interposition, Euronext Clearing* shall register the *Positions* in the name of a *Clearing Member* into the following *Position Accounts*:

- i) a *House Position Account*, in case of *Positions* resulting from a transaction executed by the *Clearing Member* on its own behalf and own account;
 - ii) a *Client Position Account*, in case of *Positions* resulting from a transaction executed for the benefit of a *Client*.
- 2. The *Clearing Member* may require *Euronext Clearing* to open in his own name several additional *Position Accounts*, in compliance with the rules of the *System*.
- 3. A *Clearing Member* may request registration of *Positions* related to its own or client trading activity as *Liquidity Provider*, in dedicated *Position Accounts*, under the conditions set forth within the *Instructions*.
- 4. *Positions* are recorded amongst the various *Clearing Member's Position Accounts* pursuant to the provisions contained in the *Instructions* and depending on the *Section* concerned.
- 5. For *Positions* relating to the *Agricultural Commodity Derivatives Section*, the registration of *Clients' Positions* on subaccounts is mandatory. The opening of such subaccounts and the registration on the same of *Clients' Positions* does not give rise to any relationship between *Euronext Clearing* and the *Client* in question. The information is used by *Euronext Clearing* and the *Market Management Company* exclusively for the purpose of monitoring the positions and managing the underlying delivery phase. The *Instructions* specify the manner, information and timetable for the opening of the subaccounts and the registration of the *Positions*.

Article B.3.1.3 Clearing

1. The *Positions*, at the time of registration in each of the accounts indicated at Article B.3.1.2 shall be cleared with the *Positions* already registered in the same accounts with the same characteristics.

Article B.3.1.4 Operations relating to client accounts

1. *Euronext Clearing* shall not be held to verify the *Member's* powers for market operations that involve the "client" accounts registered to it.
2. Registration in "client" accounts shall not give rise to any legal relationship between *Euronext Clearing* and parties other than the *Member* to whom the said accounts are registered.

Article B.3.1.5 Transfer of Positions

1. The execution of *Transfer Orders* between *Members* or between the accounts of the same *Member* of *Positions* of the *Derivatives Sections* already registered in the *System* is possible, with the consent of the receiver, on the days, at the prices, and according to the terms and methods indicated in the *Instructions*.
2. The transfer of *Positions* relating to *Cash Sections* and the *Euronext Equity Section* is effected according to the provisions of the *Instructions*.
3. The registration of *Transfer Orders* by *Euronext Clearing* pursuant to the preceding paragraphs, shall produce the effects indicated at Article B.3.1.1.

Article B.3.1.6 Adjustment operations

1. In the event of company operations or operations of a general character that have an impact on the *Positions* - such as, inter alia capital operations, dividend distributions, public offers of takeover

- *Euronext Clearing* shall make the necessary adjustments according to the provisions of the *Instructions*.

Article B.3.1.7 Error Management

1. Upon request and under the responsibility of the *Management Company*, and in any case in accordance with the provisions of Legislative Decree no. 210 of 12th April 2001, *Euronext Clearing* shall execute the *Transfer Orders*, issued in the context of error management with the same effects as those indicated in Article B.3.1.1.

PART B.4 Guarantee System

Chapter B.4.1 Margins

Article B.4.1.0 Margin Account

1. Each *Position Account* mentioned in Article B.3.1.2 shall be linked to a *Margin Account* opened in the name of the *Clearing Member*.
2. *Margin Accounts* are used for the purpose of calculation of *Margins* due by the *Clearing Member*, based on the *Positions* registered within the relevant *Clearing Member's Position Accounts*. *Euronext Clearing* shall calculate *Initial Margins* according to the principles described in Article B.4.1.1, paragraph 1.
3. Each *Clearing Member* shall require *Euronext Clearing* to open in his own name, at least:
 - (i) one *House Margin Account* in the *House Account Structure* of such *Clearing Member*; and
 - (ii) one *Client Margin Account* in each *Client Account Structure* of such *Clearing Member*.

The *Clearing Member* may require *Euronext Clearing* to open in his own name as many additional *Margin Accounts* as needed.

4. A *Client Margin Account* may be linked to one or more *Client Position Account* depending on the *Client Account Structure* of the relevant *Clearing Member* according to Article B.3.0.1.

Article B.4.1.1 Initial Margins

1. *Euronext Clearing* calculates *Margins* due by *Clearing Members* at *Margin Account Level*.
2. The *Initial Margins* due to *Euronext Clearing* are calculated on the basis of the following principles:
 - a) by assuming variations in the risk factors identified on the basis of statistical analysis and market conditions, taking account of the correlations between *Financial Instruments* that are considered significant;
 - a) determining, with a “confidence interval”, the amount of potential loss from *Clearing Member’s Positions* during a pre-set time span. For *Positions* in delivery and, in the period established in the *Instructions*, for the *Position* of the *Agricultural Commodity Derivatives Section*, the *Margins* are calculated pursuant the modalities and timings indicated in the *Services Manual* (“initial *Margins* on positions in delivery”).
3. The methods indicated at paragraph 2 are applied for the *Cash Sections*, the *Euronext Equity Section*, the *Equity Derivatives Section* and the *Energy Derivatives Section* on the *Positions* referenced in each *Margin Account* referred to in Article B.4.1.0.
4. For the *Agricultural Commodity Derivatives Section* the methods indicated at paragraph 2 are applied as follows:
 - a. to the net *Positions* referenced in each *Margin Account* referenced to in Article B.4.1.0 up to the *Euronext Clearing Open Day* preceding the “*Positions* monitoring day” specified in the *Instructions*;
 - b. to the *Positions* referenced in each *Margin Account* referred to in Article B.4.1.0, starting from the “*Positions* monitoring day”, specified in the *Instructions*, until the closing of each position.

Provisions in paragraph 4 will enter into force with a subsequent Notice

In the transition period the following apply:

4. For the *Agricultural Commodity Derivatives Section* the methods indicated at paragraph 2 are applied as follows:

- a) to the net *Positions* referenced in each *Margin Account* referred to in Article B.4.1.0 up to the “maturity day”, specified in the *Instructions*;
 - b) to the gross *Positions* referenced in each *Margin Account* referred to in Article B.4.1.0 starting from the first *Euronext Clearing open day* following the “maturity day”, specified in the *Instructions*, until the closing of each position.
-

5. Calculation of *Margins* is performed by *Euronext Clearing* separately for each *Section* of the *System*. However, *Euronext Clearing* shall make a joint calculation of the *Margins* for the *Positions*.

- of the *Bond* and *ICSD Bond Sections*,
- of the *BITA Share Section* and the *Equity Derivatives Section*,

in the latter case, attributing, where necessary, the said *Margins* to the reference *Section* on the basis of a proportionality criteria with respect to the separately determined *Margins*.

6. The *Individual Clearing Member* and the *General Clearing Member*, including in relation to the *Positions* recorded in the *Clients Position Accounts*, may require as a service, including for information purposes only, that *Euronext Clearing* calculates the *Margins* separately for the *BITA Share Section* and the *Equity Derivatives Section*. In this case, the *Clearing Member* shall also specify whether it intends to make the payment of the requested amount in the context of daily settlement on the basis of the calculation of the *Margins* either jointly or separately for each *Section*.

7. In the context of risk management procedures and according to non-discriminatory methods, *Euronext Clearing* may differentiate

the extent of initial *Margins* applied to *Members*, giving notice to Bank of Italy and Consob.

8. In the context of the *System*, the Initial *Margins* are paid:
 - a) to *Euronext Clearing*, in the amount specified in paragraphs 2, 3, 4 and 7, by *General Clearing Members*, in respect of operations effected on their own behalf and on behalf of its own *Clients*;
 - b) to *Euronext Clearing*, in the amount specified in paragraphs 2, 3, 4 and 7, by *Individual Clearing Members*, in relation to operations effected on their own behalf and on behalf of its *Clients*;
 - c) to *Euronext Clearing* in the amount specified in paragraphs 2, 3, 4 and 7, by *Special Clearing Members* in relation to operations by *Management Companies* that are members of the guarantee system managed by the operators themselves.
9. The payment of Initial *Margins* by the Clearing Member shall occur within the deadlines set forth in Article B.5.1.1. paragraph 5.
10. *Euronext Clearing* requires *Special Clearing Members* to establish also an additional initial *Margin*, determined on the basis of initial *Margins* calculated over a reference period.

Article B.4.1.2 Daily variation Margins

1. The daily variation *Margins* are determined by *Euronext Clearing* on a daily basis and calculated for each *Position* in futures registered within the relevant *Clearing Member's Position Accounts* until the last day of trading of the contract.
2. The amount of the daily variation *Margins* is equal to:
 - a) for *Positions* arising from operations on the current trading day, the difference between the daily settlement price of the current day and the trading price;
 - b) for *Positions* arising from operations on previous trading days, the difference between the daily settlement price of the current day and the daily settlement price on the previous *Market* business day.

3. The daily variation *Margins* are paid between *Euronext Clearing* and *Clearing Members*.
4. *Margins* in the form of premiums, applied to *Positions* in options, are paid between *Euronext Clearing* and *Clearing Members* on the *Euronext Clearing open day* following the trading day.
5. The payment of daily variation *Margins* by the *Clearing Member* shall occur within the timeframes referred to in Article B.5.1.1. paragraph 5.

Article B.4.1.3 Additional Intraday Margins

1. Additional intraday *Margins* may be requested if the fluctuations in prices of *Financial Instruments* or the variation of risk factors significantly increases *Euronext Clearing's* exposure to risk, or in any other case in which the *Clearing Member* has assumed an overall risk position considered by *Euronext Clearing* to be high.
2. The supplement due to *Euronext Clearing* as additional intraday *Margins* is equal to the difference, if positive, between:
 - a) the total mount of initial *Margins*, daily variation *Margins*, *Margins* in the form of premiums and of final settlement of differentials, calculated on the *Positions* outstanding at the time of their calculation and valued at current market values or, subordinately, taking account of the theoretical values, and
 - b) *Collateral* to the same effect already deposited at the time of calculation.
3. Alternatively, *Euronext Clearing* may, in cases of urgent necessity, establish the amount indicated at paragraph 2, letter a) as a percentage of the amount of the initial *Margins*, indicated at Article B.4.1.1, paragraphs 2 and 3, in relation to the *Positions* outstanding at the end of the previous *Market* business day.
4. The term, which shall not be less than thirty minutes, within which the payment must be made in cash or in *Financial Instruments* pursuant to the subsequent Article B.4.3.1, shall be notified simultaneously with the request for supplement.
5. In exceptional cases, for the *BITA Share Section*, *Euronext Equity Section* and for the *Derivatives Sections*, *Euronext Clearing* may

request the *Management Company* to suspend trading for the period necessary to request the additional intraday *Margins*.

6. *Euronext Clearing* may require *Clearing Members* to deposit additional intraday *Margins* on a daily basis, identified on the basis of general application criteria.

Article B.4.1.4 Daily Settlement Prices

1. The daily settlement prices used by *Euronext Clearing* to calculate the *Margins* are calculated by *Euronext Clearing* according to the provisions of the *Instructions*.

Article B.4.1.5 Calculation of Margins

1. *The Margins* and the daily settlement prices which are calculated by *Euronext Clearing* and reported to *Clearing Members* shall be valid exclusively for relationships between *Euronext Clearing* and the said *Members*.
2. *The Margins*, where requested by *Members* of the *System* to their *Clients*, shall be directly calculated by the *Members* themselves, without any intervention or responsibility on the part of *Euronext Clearing*.

Chapter B.4.2. Default Funds

Article B.4.2.1 Establishment and contribution

1. *Euronext Clearing* shall establish the following separate *Default Funds*:

- one relating to the *Euronext Equity Section*, the *BITA Share and Equity Derivatives Sections*;
- one relating to the *Energy Derivatives Section*;
- one relating to the *Agricultural Commodity Derivatives Section*;
- and one relating to the *Bond, ICSD Bond Sections*.

The said *Default Funds* to be used to partially cover charges deriving from necessary default procedure operations regarding *Clearing Members* and the *Positions* of the relevant *Sections*.

2. The total amount of each *Default Fund* is determined periodically by *Euronext Clearing* and notified by the methods set out in Article A.1.1.4, paragraph 2.

3. The *Default Fund* for the *Euronext Equity Section*, *BITA Share Section* and the *Equity Derivatives Sections* is made up exclusively of the payments of *Clearing Members* to the said *Sections*. The *Default Fund* for the *Bond, ICSD Bond Sections* is made up exclusively of the payments of *Clearing Members* to these *Sections*. The *Default Fund* for the *Energy Derivatives Section* is established exclusively from payment of *Clearing Members* to that *Section*. The *Default Fund* for the *Agricultural Commodity Derivatives Section* is established exclusively from the payments of *Clearing Members* to that *Section* and from the time of the matching of the counterparties to the end of trading phase of the contract, the *Default Fund* is established only pursuant and for the effect of the Legislative Decree 21 May 2004 no. 170 and for which the *Euronext Clearing* ensures and maintains internal evidence to enable the identification of the date of the setting up and the financial assets designated as guarantee.

4. The payments indicated at paragraph 3 are established in the manner indicated by *Euronext Clearing* on the basis of *Initial Margins* paid, for the respective *Sections*, by *Clearing Members* in

a reference period. The *Initial Margins* considered also include those relating to *Positions* registered in the “client” accounts. *Euronext Clearing* establishes a minimum contribution to the *Default Fund*.

5. Methods for calculation, adjustment, and depositing of the payments indicated at paragraph 4 are indicated in the *Instructions*.
6. The adjustment of cash payments takes place under the terms indicated at Article B.5.1.1, paragraph 5.
7. *Special Clearing Members*, Central Banks of the European Union and the Ministry of Economy and Finance do not participate to *Default Fund* and therefore they cannot be requested to pay any financial resources as a contribution to the *Default Fund* pursuant to Article B.4.2.5 and Article B.6.2.3 of the *Regulations* in the event of activation of a default procedure pursuant to Chapter B.6.2.

Article B.4.2.2 Use

1. Each *Default Fund* is used by the methods and in the order indicated in Article B.6.2.3.
2. The *Default Fund* can be used for more than one time during the course of the default procedure.

Article B.4.2.3 Establishment of a new Default Fund

1. Where, following an event of default pursuant to Article B.6.1.1, the resources of the *Default Fund* fall below the *Minimum Value of the Default Fund*, *Euronext Clearing* shall request the *Clearing Members* other than the defaulting *Clearing Member* to establish a new *Default Fund*, the amount of which shall be at least equal to the *Minimum Value of Default Fund*. The establishment of the new *Default Fund* shall be completed by the non-defaulting *Clearing Members* by the deadline indicated in the *Instructions*.
2. Following the establishment of the *Minimum Value of Default Fund* indicated in paragraph 1, and in any case no later than 30 *Euronext*

Clearing open days thereafter, *Euronext Clearing* shall proceed to recalculate the amount of the new *Default Fund*. Following this recalculation, *Euronext Clearing* shall request *Clearing Members* other than the defaulting *Clearing Member* to pay the remaining amount regarding the new *Default Fund*. The payment of the remaining amount of the new *Default Fund* shall be made by the non-defaulting *Clearing Members* within the deadline indicated in the *Instructions*.

3. Payments for establishment pursuant to paragraph 1 and 2 can not be used to meet charges arising from the default procedures preceding such establishment.

Article B.4.2.4 Withdrawal and exclusion following the request of establishment of a new Default Fund

1. Following the request by *Euronext Clearing* for the establishment of a new *Default Fund*, pursuant to the previous Article, the *Clearing Member* may notify its withdrawal from the *Sections* for which the *Default Fund* has been used, within the term of 2 *Euronext Clearing open days* following the request for establishment indicated, in derogation of the terms of prior notice indicated at Article B.2.2.6, paragraph 1. In such case the establishment of the new *Default Fund* is not due.
2. For the *Clearing Member* who withdraws pursuant to the previous paragraph, the provisions under Article B.2.2.3 shall apply. The withdrawal shall be effective from the date of the closing or of the transfer of the existing *Positions*, which shall in any event take place no later than 20 *Euronext Clearing open days* from the date on which the withdrawal has been notified. In the case the withdrawing *Clearing Member* does not proceed to the closure or the transfer within that timeframe, *Euronext Clearing* will proceed with the exclusion of the *Clearing Member* from the *Section* concerned pursuant to Article B.2.2.4 and with the closure of its *Positions* on the market.
3. The *Clearing Member* who has withdrawn, during the period before the withdrawal has effect, may not establish new *Positions*, and shall be subject to an increase in *Margins* equal to 50% of the *Margins* paid. During said period, the contributions to the *Default Fund* of the withdrawing *Clearing Member* may be used, besides for

covering the default procedure preceding the establishment of the new *Default Fund*, also in case of default of the withdrawing *Clearing Member* during the said period.

4. In cases of withdrawal from a *Section*, the payment to the relevant *Default Fund* is returned after all the withdrawing Member's obligations arising from the *Section* have been fulfilled pursuant to Article B.2.2.3, paragraph 2, and provided the said amount is not usable pursuant to paragraph 3.
5. In cases of a withdrawal other than those indicated by Article B.4.2.3, or in the case of exclusion from *Sections* pursuant to Article B.4.2.1, paragraph 1 the payment – where not usable for default procedures, including those started in the notice period – is returned to the *Member* on the *Euronext Clearing* open day following that in which the withdrawal or exclusion has effect, unless in wider terms it is not necessary for the *Euronext Clearing* interventions indicated in Article B.6.2.1 and subsequent interventions.

Article B.4.2.5 Request for payment of additional resources

1. *Euronext Clearing* shall request *Clearing Members* other than the defaulting *Clearing Member* to make a further contribution to the *Default Fund* for the *Section* in question, where as a result of the *Losses Suffered by Euronext Clearing* following an event of default that has occurred under Article B.6.1.1, the resources in the *Default Fund* fall by or below 30% or more of its amount. This request for payment constitutes a recovery measure of *Euronext Clearing*, as provided for by the CPMI-IOSCO Report on the recovery of financial market infrastructures, published in October 2014.
2. The payment indicated in paragraph 1 shall be requested to the *Clearing Members* other than the defaulting *Clearing Member* within the limit equal to the respective contributions to the *Default Fund* of the *Section* concerned established under Article B.4.2.1 e shall be made within 1 *Euronext Clearing* open day following the date of the request for payment on the part of *Euronext Clearing*, notified to the *Clearing Members* of the *System* in question in the form of a special *Notice*. The payment of the contribution under paragraph

- 1 may be requested also through different tranches during the default management procedure.
3. The contributions of each *Clearing Member* to the *Default Fund* established under Article B.4.2.1 and the additional resources paid under this Article B.4.2.5 may be used to meet the losses arising from one or more events of default which may occur during the *Defaulting Period*.

Article B.4.2.6 Withdrawal and exclusion

1. In cases of a withdrawal other than those indicated by Article B.4.2.4, or in the case of exclusion from *Sections* pursuant to Article B.2.2.4, the payment – where not usable for default procedures, including those started in the notice period – is returned to the *Member* on the *Euronext Clearing open day* following that in which the withdrawal or exclusion has effect, unless in wider terms it is not necessary for the *Euronext Clearing* interventions indicated in Article B.6.2.1 and subsequent interventions.

Chapter B.4.3 Rules governing Collateral

Article B.4.3.0 Collateral Account

1. Each *Margin Account* referred to in Article B.4.1.0, shall be linked to a *Collateral Account* opened in the name of the *Clearing Member*, for the guarantee of *Positions* registered in its own name.
2. Each *Clearing Member* shall request *Euronext Clearing* to open at least:
 - (i) one *House Collateral Account* in the *House Account Structure* of such *Clearing Member*; and
 - (ii) one *Client Collateral Account* in each *Client Account Structure* of such *Clearing Member*.
3. Each *Clearing Member* shall request *Euronext Clearing* to open one dedicated *Collateral Account* in its name for the *Collateral* transferred for the payment of *Default Fund* contributions.
4. The *Clearing Member* may request *Euronext Clearing* to open in his own name as many *Collateral Accounts* as it needs.
5. A *Collateral Account* of a *Client* may be linked to one or more *Client Margin Account*, depending on the *Client Account Structure* requested by the relevant *Clearing Member*, amongst those listed in Article B.3.0.1.

Article B.4.3.1 Eligible Collateral

1. Initial *Margins* may be fulfilled according to the provisions of the *Instructions*:
 - a) in euros;
 - b) through financial instruments accepted by the European System of Central Banks;

- c) in shares, pursuant to paragraph 6.
- 2. The daily variation *Margins* and those in the form of premium, are fulfilled exclusively in euros.
- 3. Requests for additional intraday *Margins* shall be in euros, or, exclusively for *BITA Sections*, if requested after the time and the terms specified in the *Instructions*, also in the financial instruments referred to in paragraph 1(b), if the *Participant* so requested in advance *Euronext Clearing*.
- 4. *Euronext Clearing* shall calculate
 - a) the haircut to apply to the market value or, for certain money market instruments, the nominal value of *Financial Instruments* indicated at paragraph 1, sub-paragraph b) and c), to an extent judged suitable to cover the potential risk from price variations in the said instruments;
 - b) the limits of concentration that are applied to eligible assets deposited or provided as initial *Margin* by each *Member*, in order to ensure adequate diversification of the *Collateral*.
- 5. The deposit and restitution of *Margins* between *Euronext Clearing* and *Clearing Members* shall be effected through:
 - a) DCA RTGS held in in *T2 System* for cash in euros;
 - b) *accounts* held at the *Central Depository Service*, or at the *Foreign Entity* providing *Central Depository Services* for *Financial Instruments* indicated at paragraph 1, sub-paragraphs b) and c), as set forth in Chapter B.12 of the *Instructions*.
- 6. *Euronext Clearing* may allow, to cover particular *Positions* indicated by *Euronext Clearing* in the *Instructions*, the deposit as *Margins* of *Non-Derivative Financial Instruments*, object of the contracts from which the said *Positions* originate, or the underlying assets of *Derivative Financial Instruments*.

Article B.4.3.2 Registration of deposited assets

- 1. *Euronext Clearing* shall register the *Collateral* in cash as indicated at Article B.4.3.1, paragraphs 1, sub-paragraph 1.a) and 2, deposited by each *Clearing Member*, in the relevant *House* or *Client*

Collateral Account, Positions registered in the respective accounts as indicated in Article B.3.1.2. The payment in euros to the *Default Funds* shall be entered into the dedicated *House Collateral Account* for *Default Fund* contribution.

2. *Euronext Clearing* shall register the *Collateral* in financial instruments as indicated in Article B.4.3.1, paragraph 1, subparagraphs 1.b) and 1.c) and paragraph 3, deposited by each *Clearing Member*, in the relevant *House* or *Client Collateral Account* as a guarantee of the *Positions* registered in the respective accounts as indicated in Article B.3.1.2.
3. *Euronext Clearing* shall register the *Collateral* in financial instruments as indicated in Article B.4.3.1, paragraph 6, deposited by each *Clearing Member* in the relevant *House* or *Client Collateral Account*, as a guarantee of the *Positions* registered in the respective accounts, as indicated in Article B.3.1.2.
4. *Euronext Clearing* shall record the excess *Collateral* in the *ISA Client Collateral Account*. *Clearing Members* that have collected an amount from their *Clients* in excess of the amount requested under Article B.4.1.1, shall deposit these amounts with *Euronext Clearing* as excess *Collateral*, unless otherwise specified by the *Indirect Clearing* arrangements entered into in regard to the *Positions* and *Collateral* registered in the accounts envisaged in Article B.3.0.1, paragraph 6, letter b).
5. The *Participant to the System* shall post the *Collateral* referred to in the preceding paragraphs pursuant to Articles 41 and 42 of the *EMIR Regulation* and pursuant of the Article 79-septies of the *CLF*. However, for the payments made in the *Agricultural Commodity Derivatives Section*, from the time of the matching of the counterparties to the end of trading phase of the contract, the guarantees are established only pursuant and for the effect of the *Legislative Decree 21 May 2004 no. 170*, where expressly mentioned, and for which *Euronext Clearing* ensures and maintains internal evidence to enable the identification of the date of the setting up and the financial assets designated as guarantee.
6. Provisions concerning *Collateral* management are specified within the *Instructions*, depending on the relevant *Section* of the *System* concerned.

PART B.5 Settlement

Chapter B.5.1 Daily Settlement

Article B.5.1.1 Daily Settlement

1. *Euronext Clearing* shall calculate and communicate, at least on a daily basis, and according to the general criteria that it shall establish, the amounts in cash relating to the Collateral to be transferred to cover *Margins liabilities*, the final settlement of differentials, and other items that each *Clearing Member* must pay or receive.
2. *Euronext Clearing* shall advise *Members*, including *Settlement Agents*, of cash amounts subject to daily settlement indicated in paragraph 1.
3. The amounts of Collateral to cover liabilities paid in cash to Euronext Clearing by *Clearing Members*, or returned by Euronext Clearing to these same *Members*, shall be paid separately with the reference to accounts indicated at Article B.4.3.2, paragraph 1..
4. Euronext Clearing shall attribute the deposited assets in the following order: Collateral to cover *Margins liabilities*, final settlement of differentials, commissions, membership or other fees, and other obligations to Euronext Clearing.
5. The payment of amounts in cash due to *Euronext Clearing* by *Clearing Members* must be made prior to and no later than the time specified in the Instructions per each Section and in accordance with the methods contained therein.

Chapter B.5.2 Final Settlement of Positions

Article B.5.2.0 Calculation of net balances of Positions

1. *Positions* are aggregated into net balances calculated according to the criteria of *Pre-settlement Services* available for each Section as specified in the Instructions.

Article B.5.2.1 Final settlement of Positions of Cash Sections

1. The final settlement of *Positions* shall be made in the context of the *Settlement Services* in the currency and in accordance with the schedule set out in the *Contractual Scheme*. In compliance with these terms *Euronext Clearing* provides to forward the *Positions* to the *Settlement Services* also on behalf of the *Clearing Members* according to the arrangements defined for each Section. For the *Euronext Equity Section*, Euronext Clearing instructs relevant Settlement Services, as defined in Article B.12.1.1 Bis of the Instructions, via power of attorneys. Deadlines for submission to those systems are established in the *Instructions*.
2. For *Positions* that are not settled in accordance with paragraph 1 above, the provisions contained in Section B.5.3. shall apply.

Article B.5.2.2 Final settlement of Positions of Derivatives Sections

1. The final settlement of *Positions* on *Derivative Financial Instruments* may take place through differential settlement in cash or by delivering the underlying asset, according to the provisions of the relative *Contractual Scheme* and by the methods indicated in the following articles.

Article B.5.2.3 Final settlement of Positions of Equity Derivatives with delivery of underlying assets

1. The final settlement of *Positions* of the *Equity Derivatives Section* with delivery of underlying assets shall be carried out in the context of the *Settlement Service*.
2. All of the obligations and rights arising from the final settlement provided for in paragraph 1 above shall constitute *Positions* on *Non-Derivative Financial Instruments*.
3. The *Positions* shall be sent to the *Settlement Services* at the end of the trading day preceding the relevant settlement date.
4. For *Positions* that are not settled in accordance with the provisions of paragraph 1, the provisions of Section B.5.3. shall apply.
5. *Euronext Clearing* shall determine the balances in cash and *Financial Instruments* to be paid and received within the context of the *Settlement Services* in exchange with *Euronext Clearing*, and advise the *Clearing Members* and/or *Settlement Agent* thereof, according to the methods indicated in the *Instructions*.
6. The cash amounts indicated at paragraph 5, shall not be subject to clearing with the cash amounts indicated at Article B.5.1.1.

Article B.5.2.4 Final settlement of differentials of Positions of the Derivatives Sections

1. The final settlement of differentials shall be made by payment of an amount equal to:
 - a) for *Positions* in futures of the *Equity Derivatives Section*:
 - arising from operations on the last trading day, the difference between the *Settlement Price* and the trading price;
 - arising from operations on previous trading days, the difference between the *Settlement Price* and the daily settlement price of the penultimate day of trading;
 - b) for *Positions* in futures of the *Energy Derivatives Section*, the difference between the *Settlement Price* and the daily settlement price of the last day of trading;

- c) for *Positions* in options, the difference between the *Settlement Price* and the exercise price.
- 2. The amount indicated at paragraph 1 is paid between *Euronext Clearing* and *Clearing Members* included.
- 3. The amount indicated in paragraph 1, due to *Euronext Clearing* by *Clearing Members* shall be paid according to the provisions of Article B.5.1.1, paragraph 5.

Article B.5.2.5 Exercise of Positions in options relating to the Equity Derivatives Section and consequent final settlement

- 1. In the event of the exercise of an option by a *Member* of the *System*, *Euronext Clearing* shall in turn exercise the same right against another *Member* or *Members* who at the end of the trading day have the corresponding opposing *Positions*, identifying them according to a random criteria.
- 2. The exercise of the option shall be irrevocable in all cases.
- 3. The right of early exercise shall be suspended in cases established in general terms by the competent *Management Company*.
- 4. The *Positions* relating to exercised options shall be subject to final settlement pursuant to Articles B.5.2.3 or Article B.5.2.4 according to the provisions of the *Contractual Scheme*.
- 5. The methods of communicating the exercise of options shall be set out in the *Instructions*.

Article B.5.2.6 Final settlement of the Positions of the Agricultural Commodity Derivatives Section

- 1. The final settlement of the *Positions* of the *Agricultural Commodity Derivatives Section* shall take place through delivery of the underlying, according to the provisions of the relevant *Contractual Scheme*. The underlying shall be delivered according to the rules of the *System*, although *Members* may, in the manner and within the time limits specified in these *Regulations*, adopt alternative

delivery methods, thereby freeing *Euronext Clearing* from its obligations towards *Members*.

Article B.5.2.7 Final settlement of the Positions of the Agricultural Commodity Derivatives Section – Covering sales positions

1. *Clearing Members* holding sales *Positions* in *Derivative Financial instruments*, on its own behalf or on behalf of their clients, as of the start of the “*Positions* monitoring day” are required to give *Euronext Clearing* confirmation of the covering of the sales positions by the end of the “day for the attestation of the covering of sales positions”, according to the procedures specified in the *Instructions*. *Trading Client* and *Customers* holding sales *Positions* in *Derivative Financial instruments* are required to give confirmation to the *Member* they use of the covering of the sales positions.
2. By way of derogation from paragraph 1, and in relation to the opening of new sales *Positions*, *Members* may give *Euronext Clearing* confirmation of the covering of the sales positions in the “period for the late attestation of the covering of sales positions”. The sales positions not covered by underlyings in this period shall be subject to the increase in the “*Initial Margins* for positions in delivery”, as specified in the *Instructions*.
3. In the event of omission of the attestation of the covering by underlyings of all or some sales positions, as specified in paragraphs 1 and 2, *Euronext Clearing* shall declare the *Member* in default and apply the procedure specified in paragraph 2 of Article B.6.2.1.
4. The “*Positions* monitoring day”, the “day for the attestation of the covering of sales positions” and the “period for the late attestation of the covering of sales positions” shall be specified in the *Instructions*.

Article B.5.2.8 Final settlement of the Positions of the Agricultural Commodity Derivatives Section – Rules for matching and alternative delivery

1. Pursuant to paragraph 1 of Article B.5.2.6, in the “first phase of alternative delivery”, specified in the *Instructions*, *Clearing Members* shall notify *Euronext Clearing*:
 - a. of the *Positions in Delivery* of the opposite sign for which they and/or their *Customers* or the *Trading Clients* that use them and/or the latter’s *Clients Customers* have agreed on delivery outside the *System*;
 - b. of the *Positions in Delivery* for which they and/or their *Customers* or the *Trading Clients* that use them and/or the latter’s *Customers* have agreed on delivery outside the *System* with subjects having positions of the opposite sign referable to another *Clearing Member*.
2. On the next *Euronext Clearing Open Day*, *Euronext Clearing* shall repay the *Margins* relating to the *Positions in Delivery* to be delivered by an alternative method.
3. *Positions in Delivery* for which notice has not been given of the intention to adopt alternative delivery shall subsequently be matched by *Euronext Clearing* using a method designed to minimize deliveries between different *Members*.
4. *Members*, on the basis of the matches referred to in paragraph 3 and as part of the “second phase of alternative delivery”, specified in the *Instructions*, may again agree on the manner of delivering the underlying outside the *System*. In such case the *Direct Members* shall inform *Euronext Clearing* accordingly. For the repayment of the *Margins*, paragraph 2 shall apply.
5. The timetable for the procedure referred to in the preceding paragraphs and the manner of communicating with *Euronext Clearing* shall be specified in the *Instructions*.

Article B.5.2.9 Final settlement of the Positions of the Agricultural Commodity Derivatives Section – Delivery procedure

1. *Clearing Members* and *Trading Clients* with *Positions in Delivery* shall notify their *Customers* of the identity of the counterparties for the execution of the contract.
2. The withdrawal of the goods must take place at the delivery points specified in the *Instructions* by the end of the “last delivery day”, except as established differently by *Euronext Clearing* in the cases specified in the *Instructions*.
3. The withdrawing party may have recourse to the procedures for verifying the goods within the time limits and in the manner specified in the *Instructions* or accept the goods while renouncing the right to raise objections about their quality.
4. By the end of the business day following acceptance or positive ascertainment of the quality of the goods, the buyer shall make payment.
5. *Clearing Members* shall verify that their matched *Clients* and the *Indirect Clients* of their execute the contract and notify *Euronext Clearing*.
6. After receiving notification of the execution of the contract, on the next *Euronext Clearing Open Day*, *Euronext Clearing* shall repay the *Margins* related to the settled *Positions*.
7. In the event of failure to settle *Positions in Delivery*, *Euronext Clearing* shall declare the *Member* in default and apply the procedure specified in paragraph 2 of Article B.6.2.1.
8. The timetable for the procedure for executing contracts referred to in the preceding paragraphs and the manner of communicating with *Euronext Clearing* shall be specified in the *Instructions*.

Chapter B.5.3 Failed Positions, Buy in and Sell out Procedures

Article B.5.3.1 Management of Failed Positions Buy-in Procedure

1. Failed Positions shall be settled in accordance with the Instructions. Taking account of the provisions of the *Contractual Scheme*, in case of *Failed Positions*, *Euronext Clearing* can cancel the original contract and provide for cash settlement of a sum that it quantifies, or the inclusion in the Settlement System of a new settlement instruction under the terms and procedures indicated in the *Instructions*.
2. *Failed Positions* shall be registered in the accounts referred to in Article B.3.1.2, separately from the *Positions*.
3. The clearing in each account referred to in Article B.3.1.2 shall not occur between *Positions* and *Failed Positions*. Clearing between *Failed Positions* shall take place within the limits set out in the *Instructions*.
4. *Initial Margins* and, if requested, *Additional Intraday Margins* shall apply to *Failed Positions* separately from those that apply to *Positions*.
5. The provisions of this article shall not apply to *Failed Positions* resulting from failure to settle contracts on *Derivative Financial Instruments* based on agricultural commodities.

Article B.5.3.1-bis Settlement of Failed Positions of Euronext Equity Section

1. *Failed Positions* shall be settled within the timeframe set-out in the *Instructions*.
2. For the purposes of the management of the *Failed Positions* and the *Buy-in Procedure* *Euronext Clearing* can suspend the settlement or cancel the original contract and provide for cash settlement or enter new settlement instructions into the *Settlement Service*.

3. Offsetting of *Failed Positions* shall take place within the limits set out in the *Instructions*.
4. *Initial Margins* and, if requested, additional *Intraday Margins* shall apply to *Failed Positions* separately from those that apply to other *Positions*.

Article B.5.3.2 Buy-in Procedure

1. *Euronext Clearing* shall initiate the *Buy-In Procedure* with respect to *Failed Positions* that are not settled due to a failure to deliver *Non-Derivative Financial Instruments* in accordance with the methods contained in the *Instructions*.
2. When, subsequent to the initiation of the *Buy-In Procedure*, *Failed Positions* are not settled in accordance with the timeframe contained in the *Instructions*, *Euronext Clearing* shall execute the *Buy-In Procedure* against the *Clearing Member* in fail and fulfil the final settlement obligations of the *Failed Positions* with respect to the *Clearing Member* that is non in fail ("in bonis") in accordance with the methods contained in the *Instructions*.
3. In the event that *Non-Derivative Financial Instruments* are not available, *Euronext Clearing* shall terminate the *Buy-In Procedure* in accordance with the *Instructions* by way of a cash settlement of the failed transaction, in accordance with the methods contained in the *Instructions*.

Article B.5.3.3 Costs of the Buy-in Procedure and price differential

1. The costs incurred by *Euronext Clearing* in managing the *Buy-In Procedure*, shall be borne by the *Clearing Member in Fail*.
2. *Euronext Clearing* shall notify the *Member in Fail* of the amount of the costs incurred for managing the *Buy-In Procedure* that are payable as part of the Daily Settlement of the *Euronext Clearing Open Day* following the date when the notice is sent.
3. Any gain arising from the *Buy-In Procedure* shall be kept by *Euronext Clearing* and paid to *Clearing Members* according to the criteria defined in the *Instructions*.

Article B.5.3.4 Sell Out Procedure

1. *Euronext Clearing* shall execute the *Sell-Out Procedure* with respect to *Failed Positions* that are not settled due to a failure to deliver cash, in accordance with the methods contained in the *Instructions*.
2. The costs incurred by *Euronext Clearing* in managing the *Sell-Out Procedure*, and the costs incurred or the penalties applied by the *Settlement Services* as a consequence of *Positions* not being settled within the time limits prescribed by the *Scheme* any losses arising from its execution shall be borne by the *Clearing Member* in fail.
3. Any gain arising from the *Sell-Out Procedure* shall be kept by *Euronext Clearing* as a commission.
4. The provisions of this article shall not apply to *Failed Positions* resulting from failure to settle contracts on *Derivative Financial Instruments* based on agricultural commodities.

Article B.5.3.5 Collection and Distribution of Penalties related to Failed Positions

1. Pursuant to Article 19(1)(b) and (c) Delegated Regulation (EU) 1229/2018 (SDR), *Euronext Clearing* shall collect and redistribute the penalties applied to *Failed Contractual Positions*, based on the information sent from the Central depository that manages the Settlement Service where the *Failed Positions* are settled.
2. *Euronext Clearing* shall notify the *Clearing Members* and the *Settlement Agents* of the debit and credit penalty amounts through daily reports.
3. The penalty collection and redistribution procedures shall be carried out on a monthly basis within the time indicated in the *Instructions*. To that end, *Euronext Clearing* shall inform the Members of the amounts of the debit and credit penalties applied in the previous month, aggregated into net balances.
4. The settlement of the debit and credit penalty amounts shall take place in the manner set out in the *Instructions*.
5. *Euronext Clearing* shall redistribute the penalties only up to the amount actually collected from the *Clearing Members*. In the event of non-payment of penalties by a *Clearing Member*, *Euronext*

Clearing shall redistribute the collected penalties by proportionately reducing the credit amounts of the Members *in bonis*, except for the penalties associated with the *Positions* of the *Special Clearing Members*.

PART B.6 Default

Chapter B.6.1 Conditions of default

Article B.6.1.1 Default of Members

1. The *Clearing Member* shall be considered in default:
 - a) in the event and at the time of non-fulfilment or partial fulfilment, under the terms provided by these *Regulations*, of the obligations
 - i. to pay *Margins* to *Euronext Clearing*,
 - ii. to deposit payments to the *Default Funds*
 - iii. to final cash settlement of *Positions* in the *Derivatives Sections*,
 - iv. to settle the amounts due for the adjustment of *Positions in Fail*,
 - v. to attest the complete or partial covering of sales positions or the settlement of *Positions* in the *Agricultural Commodity Derivatives Section*, or to settle the amounts due for the adjustment of *Positions in Fail*,
 - vi. to cover losses, of deposit of amounts due, and costs arising from the execution of the *Buy-In* or *Sell-Out Procedures*;
 - b) in the event of, and at the time at which an insolvency proceeding is open, as defined in article 1, paragraph p) of Legislative Decree of 12th April 2001 no. 210, pursuant to article 3 of the said Decree;
 - c) in the event of overshooting of the position limits specified by the *Contractual Scheme* according to the indications of the

Management Company, Euronext Clearing shall apply paragraph 1, letter d) of Article B.6.2.1.

2. Does not constitute a cause of default of the *Clearing Member* the adoption, against him, pursuant to the Legislative Decree no. 180 of 2015, the *Consolidated Law on Banking* and the *Consolidated Law on Finance*, of a crisis prevention or management measure or of a measure for compulsory administrative liquidation with the continuation of the business activity set out at the assignment act of the liquidators, or equivalent measures provided by jurisdictions, provided the *Clearing Member* fulfils its obligations arising from its participation in the *System*.
3. The *Special Clearing Member* shall be considered in default:
 - a) in the event of and at the time of non-fulfilment or partial fulfilment, under the terms provided by these *Regulations*, of the obligations to:
 - i. pay *Margins* to *Euronext Clearing*;
 - ii. pay amounts due following the cash settlement resulting from the fact that a *Special Clearing Member* cease to operate the central counterparty service for its clearing members;
 - b) in the event of and at the time at which insolvency is declared by the competent authority or insolvency proceedings are initiated pursuant to the legislation applicable to this.
4. The *Trading Client* shall be considered in default, other than in the cases indicated in paragraph 1, sub-paragraph b), also in the event that a *Clearing Member* whose services it uses, notifies *Euronext Clearing* under its individual responsibility of non-fulfilment or partial fulfilment, within the term provided, by the *Trading Client* of the obligation to settle toward him deriving from the operation with *Euronext Clearing*.
5. Occurrence of the default event indicated in paragraphs 1, 3 and 4 shall trigger the default procedure indicated at Chapter B.6.2, subject to the provisions of Article B.6.1.2.
6. In the event of default as indicated in the above paragraph 1, letter a) subject to the provisions of Article B.6.1.2, and to paragraph 3, *Euronext Clearing* shall inform Bank of Italy, Consob, the *Management Company* and the *Clients*.

7. Failure by the *Settlement Agent* to fulfil the payment obligations as indicated under the above paragraph 1, letter a), shall render the *Clearing Member*, as its principal, in default for all effects with exception of the circumstances indicated in Article B.6.1.2.

Article B.6.1.2 Justified Default

1. *Euronext Clearing* may allow a deferral of the payments due from the *Clearing Member*, as indicated under Article B.6.1.1, paragraph 1, establishing the term within which the payment is due if there are well-grounded reasons to believe that the temporary default is due exclusively to technical and/or operational reasons.
2. If the *Clearing Member* demonstrates that the failure is due to a case of force majeure, *Euronext Clearing* shall grant an extension establishing the term within which the payment is due.

Article B.6.1.3 *Euronext Clearing* default

1. *Euronext Clearing* shall be considered in default:
 - a) except where the failure is a result of a *Euronext Clearing Force Majeure Event*, in the event of non-fulfilment or partial fulfilment of the obligation to make a payment or delivery due by *Euronext Clearing* to a *Clearing Member* (other than to a defaulting *Clearing Member* under Article B.6.1.1) under any *Position* where such failure has not been cured within 30 (thirty) days from the date the obligation to pay or to deliver fell due; or
 - b) in the event of and at the time at which *Euronext Clearing* becomes subject to the insolvency procedure pursuant to article 83, paragraph 2 of CLF (*liquidazione coatta amministrativa*).

Chapter B.6.2 Default procedure

Article B.6.2.1 Default of a Clearing Member

1. In the event of a default indicated in Article B.6.1.1, paragraph 1 by a *Clearing Member*, subject to the provisions of Article B.6.1.2, *Euronext Clearing*:
 - a) shall transfer, to the *Designated Clearing Member* the *Positions* and *Collateral* recorded in the *ISA* envisaged in Article B.3.0.1., paragraph 3 and the *Positions* and *Collateral* recorded in the *GOSA Indirect* referred to in Article B.3.0.1., paragraph 6, letter b), if the confirmation provided for in Article B.2.4.1, paragraph 5 and in Article B.2.4.2, paragraph 4 has been transmitted to *Euronext Clearing* before the default event;
 - b) shall transfer to the *Designated Clearing Member* the *Positions* and *Collateral* recorded in the *GOSA* or *NOSA* envisaged in Article B.3.0.1, paragraph 3 and in the *NOSA Indirect* pursuant Article B.3.0.1., paragraph 6, letter a), if the confirmation referred to Article B.2.5.1, paragraph 2 has been sent to *Euronext Clearing* before the default event;
 - c) if no *Designated Clearing Member* had been identified at the time an event of default occurred, shall transfer the *Positions* and the *Collateral* registered in the *ISA* envisaged in Article B.3.0.1, paragraph 3 to the *Designated Member*, if the confirmation indicated in Article B.2.4.1, paragraph 5, is transmitted by the deadline indicated in paragraph 4 of the same Article. In the same circumstance, the CCP shall also transfer the *Positions* and the *Collateral* registered in the *GOSA Indirect* referred to in Article B.3.0.1., paragraph 6, letter b) to the *Designated Member*, if the confirmation indicated in Article B.2.4.2, paragraph 4, is transmitted by the deadline indicated in paragraph 3 of the same Article.

If the confirmation pursuant to Article B.2.4.1, paragraph 5, or Article B.2.4.2, paragraph 4, is not transmitted by the indicated deadline, the procedure described in paragraph e) below shall be implemented.

- d) If no *Designated Member* is identified when an event of default occurs, shall transfer the *Positions* and the *Collateral* registered in the *GOSA* or *NOSA* referenced in Article B.3.0.1., paragraph 3, and in the *NOSA Indirect* to the *Designated Member* Article B.3.0.1., paragraph 6, if the confirmation indicated in Article B.2.5.1., paragraph 3, is transmitted by the deadline indicated in the same paragraph. If the requested documentation is not sent by that deadline, the procedure described in paragraph e) below shall be implemented;
- e) in relation to the *Positions* which have not been transferred:
- i. *Euronext Clearing* shall appoint a *Member* to close the *Positions* on the market, including any resulting from offsetting between accounts and any sub-accounts indicated in Article B.3.1.2, in *Derivative Financial Instruments*;
 - ii. *Euronext Clearing* shall request the exclusion from the *Pre-settlement Service* or from the *Settlement Services* of the operations relating to the *Positions* that refer to the defaulting *Member*, without prejudice of the rules of functioning of such services on entry and irrevocability of the transmission orders pursuant to Directive 98/26/EC;
 - iii. *Euronext Clearing* shall offset the *Positions* and *Failed Positions* relating to the defaulting *Member* excluded from the *Pre-settlement Service*, from the *Settlement Service*;
 - iv. *Euronext Clearing* shall appoint a broker to negotiate the contracts necessary to enable settlement of balances resulting from the offsetting activities referred to in the preceding sub-paragraph;
 - v. also in derogation of what is indicated in the above points, *Euronext Clearing* can adopt any other measures considered necessary for managing the default in order to limit the effects on the market and on the other *Members*.

- f) in relation to the untransferred *Positions* of the *Equity Derivatives Section* relating to Single Stock Dividend Futures and Futures on the FTSE MIB Dividend Index contracts, *Euronext Clearing*, as an exception to letter e) above, in the event of severe market illiquidity, shall implement the cash settlement of the *Positions* referred to in this letter f), by assigning those *Positions* to another *Member* or other *Members* with corresponding *Positions* of the opposite sign, identified on a random basis;
 - g) in relation to *Positions* of the Agricultural Commodity Derivatives Section and of the Energy Derivatives Section, sub-paragraph e), from i) to iv) shall not apply. In relation to such *Positions* *Euronext Clearing* shall:
 - i. appoint a *Member* to close the *Positions*, on the *Market* except for *Positions in Delivery*, including any resulting from offsetting between accounts and subaccounts referred to in Article B.3.1.2;
 - ii. if the market is highly illiquid, settle the differentials of *Positions* except for *Positions in Delivery* by assigning such *Positions* to another *Member* or other *Members* with corresponding *Positions in Delivery* of the opposite sign, identified on a random basis;
 - iii. settle the differentials of *Positions in Delivery* according to the *Instructions* by assigning such *Positions* to another *Member* or other *Members* with corresponding *Positions in Delivery* of the opposite sign, identified on a random basis.
2. By way of derogation from paragraph 1, in relation to of the *Agricultural Commodity Derivatives Section*:
- a) in cases of default due to failure to attest the complete or partial covering of sales positions, *Euronext Clearing* shall settle the differentials of the *Positions in Delivery* that give rise to the default according to paragraph 1, letter e);
 - b) in cases of failure to make final settlement due to the quality of the underlying, *Euronext Clearing* shall indemnify the assigned counterparty by way of settlement of the cash differential;
 - c) in cases of failure to pay the value of the underlying, *Euronext Clearing* shall indemnify the selling counterparty for the entire value of the *Position in Delivery* that give rise to the default.

In such cases – without prejudice to subsequent recovery actions against the defaulter – *Euronext Clearing* shall settle the amount due, by charging it to the *Margins* and, for any excess in the daily settlement referred to in Article B.5.1.1; if it is not possible to settle the differential in the daily settlement, *Euronext Clearing* shall apply paragraph 1.

3. Once all defaulting member's positions have been closed, *Euronext Clearing* shall proceed to close the accounts of the defaulting *Member*, and shall calculate the costs incurred in the operation, charging them according to the method indicated at B 6.2.3.

Article B.6.2.2. Default of Trading Clients

1. Where one of the cases of default of a *Trading Client* indicated in Article B.6.1.1, paragraph 1 letter b) or paragraph 4 occurs, *Euronext Clearing* shall without delay halt any activity pertaining to the latter, preventing the registration of new *Positions* or any modifications of existing *Positions* referable to the mentioned *Trading Client*, while the *General Clearing Member* remains solely responsible for the liquidation of the *Positions* referring to the defaulting *Trading Client*. As an exception to the above, the *General Clearing Member*, under its own responsibility, may, amongst other risk management measures:
 - a. request that CC&G record new *Positions* referable to the defaulting *Trading Client*, that permit reduction of the risks related to the latter's portfolio;
 - b. carry out clearing among the *Positions* referable to the defaulting *Trading Client*, without prejudice to the regular fulfilment of obligations for the delivery of *Non-Derivative Financial Instruments* due to *Euronext Clearing*.

The *Clearing Member* is responsible for informing *Euronext Clearing* of the actions undertaken for the purposes of liquidating the *Positions* of the defaulting *Trading Client*.

2. If a *Trading Client* acting as broker for *Indirect Clearing* incurs one of the cases of default referred to in Article B.6.1.1, paragraph 1, letter b) and paragraph 4, the *General Clearing Member* is responsible for closing the *Positions* of the defaulting *Trading*

Client, unless otherwise provided by the indirect clearing agreements in relation to the trigger of the porting procedures designed to transfer the *Indirect Clients' Positions* and collateral.

3. If the defaulting *Trading Client admitted to Italian Markets* arranges, in the context of the *Settlement Services*, for the final settlement of the *Positions* vis-à-vis the *Clearing Member*:
 - a) the *Clearing Member* must still arrange for final settlement in due time with *Euronext Clearing* of the transactions referable to the defaulting *Trading Client*;
 - b) *Euronext Clearing* shall request – on behalf of the *General Clearing Member* – exclusion from the *Pre-settlement Service* or from the *Settlement Services* of operations guaranteed by the *System* that refer to the *Trading Client*, without prejudice of the rules of functioning of such services on entry and irrevocability of the transmission orders pursuant to Directive 98/26/EC;
4. Any losses and costs incurred by the *General Clearing Member* at the end of the default procedure indicated in this article shall be at the entire expense of the said *General Clearing Member*.

Article B.6.2.2 bis Default of the Special Clearing Member or its service termination

1. Where one of the cases of default indicated in Article B.6.1.1, paragraph 3 by a *Special Clearing Member* takes place, *Euronext Clearing*:
 - i. requests the exclusion from the *Pre-settlement Service* or from the *Settlement Service* of all the *Positions* referred to the *Special Clearing Member*, without prejudice to the operational rules of such services in the matter of insertion and irrevocability of transfer orders pursuant to Directive 98/26/EC;
 - ii. requests to the *Management Company(ies)* that trading be suspended on the relevant *Market*;
 - iii. clears the *Positions* as indicated in the preceding point i), modifying the terms of the contracts traded as regards the expiry and may adopt any other necessary measure for managing the default in order to minimise the impacts for the market and for *Members*;

- iv. proceeds to cash settlement of the *Positions* at a price determined on a reasonable commercial basis, as indicated in the *Instructions*.
2. In derogation from the provisions of Article B.6.2.3, *Euronext Clearing* – without prejudice to any subsequent recovery actions against the defaulting *Special Clearing Member* – shall allocate the losses and costs sustained in the event of activating the default procedure of a *Special Clearing Member* as indicated in Article B.6.1.1, paragraph 3, in the following order:
- a) to the *Margins* paid by the *Special Clearing Member* and to the proceeds from clearing of the *Positions* as provided above;
 - b) to the assets of *Euronext Clearing*, within the limits established through a specific *Notice*;
 - c) pro rata to the *Members* with positive balances following cash settlement, as indicated under the preceding paragraph 1, point iv), through a proportional reduction of the sums due from *Euronext Clearing*; any remaining losses are allocated to the *Members* pro rata to their contribution to the *Default Fund* of the *Bond Section*, taking as reference the date of the default of the *Special Clearing Member*.
3. Where the *Special Clearing Member* ceases the central counterparty service in respect to its own members and also proceeds to cash settlement with *Euronext Clearing*, *Euronext Clearing* reserves the right to execute the cash settlement against the participant of the relevant *Market* and to adopt any other necessary measure for managing the default in order to minimise the impacts for the market and for Members pursuant to this article.

Article B.6.2.2-ter Default of Euronext Clearing

- 1. In the event of:
 - a) a *Euronext Clearing* default pursuant to Article B.6.1.3 letter a), the non-defaulting *Clearing Member* may notify *Euronext Clearing* a written statement specifying a *Close-Out Date* for the termination and liquidation of all *Positions* registered in its account structure; or

- b) a *Euronext Clearing* default pursuant to Article B.6.1.3 letter b), *Euronext Clearing* will make available a notice on its website specifying the *Close-Out Date*. In case of failure by *Euronext Clearing* to make available such notice on its website on the *Euronext Clearing open day* following the *Euronext Clearing open day* on which *Euronext Clearing* becomes subject to the insolvency procedure pursuant to article 79-vicies, paragraph 2 of CLF, then each individual non-defaulting *Clearing Member* shall be entitled to designate a *Close-Out Date* by notice in writing to *Euronext Clearing*.
- 2. As from the *Close Out Date* pursuant to paragraph 1, neither *Euronext Clearing* nor the non-defaulting *Clearing Member*, shall be obliged to make any further payment or delivery under any *Position* between them which would have fallen due for performance on or after the *Close-Out Date*.
- 3. Following *Euronext Clearing's* default pursuant to one of the conditions of Article B.6.1.3, paragraph 1, the non-defaulting *Clearing Member*, having duly notified the *Close Out Date*, determines on the *Close-Out Date* or as soon as possible after such date, the *Close-Out Amount*, by calculating:
 - a) its total loss or total gain, as the case may be, in respect of each *Position* expressed in Euro; and
 - b) the value of any other amounts which it owes to *Euronext Clearing* and which *Euronext Clearing* owes to it, in each case whether future, liquidated or unliquidated.

The calculation under letter a) and b) shall be undertaken separately with respect to the *Positions Accounts* referred to in Article B.3.1.2, related to: (i) the House Account Structure; (ii) each *Client Omnibus Account Structure*; (iii) each *Individual Segregated Account Structure* and (iv) each *NOSA Indirect Account Structure* and (v) each *GOSA Indirect Account Structure* and (vi) each sub-account of each *GOSA Indirect Account Structure*. Once calculation of the *Close-Out Amount* is made, the non-defaulting *Clearing Member* shall notify as soon as possible such amount in writing to *Euronext Clearing* showing in reasonable detail how it has been calculated.

- 4. For the purposes of calculation of the *Close-Out Amount* pursuant to paragraph 3 (a) above, the non-defaulting *Clearing Member* shall:

- a) Aggregate all positive and negative amounts related to the *Positions* registered in the *House Position Account* pursuant to Article B.3.1.2 to produce one net amount; and
 - b) aggregate: (i) all positive and negative amounts related to the *Positions* registered within the *Client Position Accounts* related to each *Client Omnibus Account Structure* and each *NOSA Indirect Account Structure* pursuant to Article B.3.1.2, to produce one net amount for each of such accounts; and (ii) all positive and negative amounts related to the *Positions* registered within the *Client Position Accounts* related to each *Individual Segregated Account Structure* and each *GOSA Indirect Account Structure* and each sub-account of each *GOSA Indirect Account Structure*, pursuant to Article B.3.1.2. to produce a net amount for such accounts.
5. For the purpose of the calculation to be made pursuant to paragraph 3 letter b) above, the non-defaulting *Clearing Member* will determine the value of *Margins* that, as of the *Close-Out Date*, *Euronext Clearing* is due to return to it in accordance with these *Regulations*.
6. In the event that the *Close-Out Amount* in respect of an account is: (i) a positive amount, *Euronext Clearing* shall pay it to the non-defaulting *Clearing Member*; and (ii) a negative amount, the non-defaulting *Clearing Member* shall pay it to *Euronext Clearing*.
7. The non-defaulting *Clearing Member's* rights pursuant to this Article B.6.2.2-ter shall be in addition to, and not in limitation or exclusion of, any other rights which the *Clearing Member* may have.
8. This Article B.6.2.2-ter shall be without prejudice to the rights that *Euronext Clearing* may have pursuant to the *Regulations* against any *Clearing Member* prior to the occurrence of *Euronext Clearing's* default pursuant to Article B.6.1.3.

Article B.6.2.3. Costs for management of default procedures of a *Clearing Member*

1. Subject to subsequent recovery actions against the party in default, where the default procedure indicated at Article B.6.2.1 is triggered, *Euronext Clearing* shall allocate the losses and costs in the following order:
 - a) to the *Collateral* posted to fulfil *Margins* obligations and payments to the *Default Funds* in accordance with Article A.1.1.5, deposited by the *Member* in default and to the sums arising from the closing of the *Positions*;
 - b) to the guarantee, if deposited by the defaulting *Member*, indicated at Article B.2.1.2, paragraph 5;
 - c) to the assets of *Euronext Clearing* within the limits of the amount calculated in compliance with article 35 of the Regulation no. 153/2013 of the European Commission, implementing article 45 of the *EMIR Regulation* and published on its internet website: www.euronext.com/it/posttrade/euronextclearing);
 - d) to the contributions to the *Default fund* of the other *Clearing Members* of the *Section* concerned, pro rata to the payments made and limited to the losses and costs incurred in relation exclusively to the *Positions* of the *Section*;
 - e) to the assets of *Euronext Clearing*, within the limits of the amount calculated in compliance with article 9, paragraph 14 and 15 of *CCPRR Regulation* and related Commission Delegated Regulation and published on its internet website: www.euronext.com/it/posttrade/euronextclearing);
 - f) to the additional resources paid by the *Clearing Members* pursuant to Article B.4.2.5 pro rata to their contribution to the *Default Fund* of the *Section* concerned.

Any remaining losses following the actions set out under the preceding points will be allocated by *Euronext Clearing* pro rata to the *Clearing Members* to the *Section* concerned up to a maximum amount equal to 50% of the payment of the additional resources pursuant to Article B.4.2.5.

2. In the event of default of a *Clearing Member*:

- a) the assets held in the *Clients Collateral Accounts* shall not be used for allocation of losses related to the liquidation of *Positions* registered in the *House Position Account* and any existing sub-accounts;
 - b) the assets held in the *House Collateral Account* shall be used, where necessary, for the allocation of losses related to the liquidation of the *Positions* registered *within the Clients Position Accounts* pursuant to Article B.3.1.2 and any existing sub-accounts;
3. At the end of the procedures indicated in this Article, any balances of the defaulting *Clearing Member* in excess of the amount necessary to cover any losses sustained shall be returned by *Euronext Clearing* to the *Clearing Member* itself, with indication of the assets of each *Client Collateral Account* pursuant to Article B.4.3.0, where in managing the default procedure *Euronext Clearing* did not succeed in transferring the relevant positions and assets.

Article B.6.2.4. Recovery of losses and costs

1. *Euronext Clearing* shall proceed against the defaulting *Clearing Member* with appropriate recovery operations for losses and costs incurred by interventions indicated in Article B.6.2.1 and subsequent articles, on its own behalf and on behalf of *Members* of the *Default Funds* where it is used.
2. *Sums* recovered pursuant to paragraph 1 – net of costs incurred by *Euronext Clearing* for administration of the default – shall be returned to their rightful claimants in the inverse order with respect to that indicated in Article B.6.2.3, paragraph 1. *Sums* due to *Members* are returned to each in proportion to the use of the relative payment to the *Default Funds*.

PART B.7 Service Closure

Article B.7.1.1 Service Closure Procedure

1. *Euronext Clearing* retains the power, for risk containment reasons, of closing the central counterparty service, with reference to the *Section* concerned upon Notice to the competent Authorities. To this end, *Euronext Clearing* may consider, by way of example, the following elements: the relevance of the mitigation of counterparty risk for *Clearing Members*, the number of *Clearing Members*, the amount of guaranteed countervalues.
2. Where the closing of service is determined, *Euronext Clearing*:
 - i. requests exclusion from the *Pre-settlement Service* or the *Settlement Services* of the transactions deriving from the *Positions* referable to the *Section* concerned, without prejudice to the operational rules of such services as concerns insertion and irrevocability of transfer orders, pursuant to EC Directive 98/26;
 - ii. requests the *Management Company* to suspend trading on the *Market* concerned;
 - iii. proceeds to cash settlement of the *Positions* at a price determined according to reasonable commercial conditions, as indicated in the *Instructions*.

PART B.8 Fees, Interest and Transparency of prices and commissions

Article B.8.1.1 Fees

1. For the use of the guarantee system managed by *Euronext Clearing*, *Members* shall pay the fees established by the Price List annexed to the General Conditions for the provision of Services.
2. The amount of fees due from each *Member* is communicated to them in the clearing reports indicated in the *Services Manual*.

Article B.8.1.2 Interest

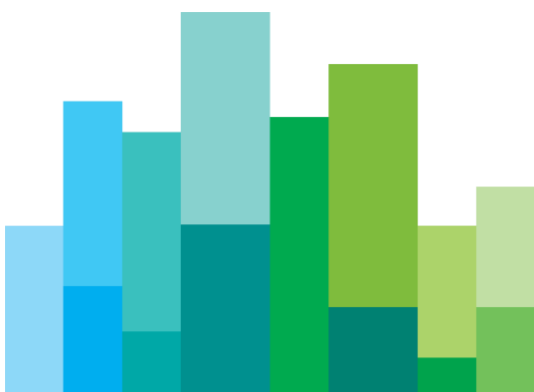
1. Interest at a rate indicated in the *Notices* shall be paid on cash guarantees deposited with *Euronext Clearing*.

Article B.8.1.3 Transparency of prices and commissions applied

1. *Euronext Clearing* and the *Clearing Members* shall publicly disclose the prices and commissions for the services provided, with separate publication of the prices and commissions of each service, including discounts and reductions, as well as the conditions to be met for qualifying for such benefits.

SECTION C

TEMPORARY PROVISIONS



Article C.1.1.1 Gross margination of sub-accounts

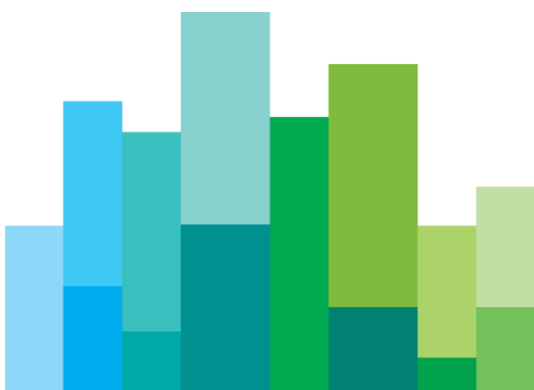
1. Following the provisions of Article B.1.1.4, paragraph 3, letter a), *Euronext Clearing*, shall indicate the methods of activation of gross margination of the sub-accounts by means of the relevant *Notice* for the sections where this service has not yet activated.

Article C.1.1.2 Entry into Force

1. Amendments of provisions contained in these *Regulations* shall apply in whole or in part starting from the date or dates indicated by *Euronext Clearing* by way of the appropriate *Notices*, including with respect to *Positions* existing on the said date or dates.

SECTION D

FINAL PROVISIONS



Article D.1.1.1 Jurisdiction

1. The present *Regulations, Instructions*, and other provisions concerning the operations of the *System* and the services, and successive amendments and supplements, are governed by Italian law.

Article D.1.1.2 Disputes

1. Disputes concerning the fees as indicated in Part B.7 shall be submitted to the exclusive jurisdiction of Italian judicial system and are the exclusive competence of the Court of Milan.
2. Any disputes other than those provided for under paragraph 1, which derive directly or indirectly from the *Regulations* (including those concerning compensation for damages), shall first be submitted to preliminary evaluation by a Board of Advisers.

Article D.1.1.3 Board of Advisers

1. The Board of Advisers is composed of three members appointed by the *Euronext Clearing* Board of Directors, which also elects the president from among the three members. The legal seat of the Board of Advisers is at the *Euronext Clearing*.
2. The members of the Board of Advisers are independent persons chosen for their proven competence in issues of financial markets.
3. The duration of the Board of Advisers appointment is for three years and can be renewed. Where one of the members retires from the Board prior to completion, the *Euronext Clearing* Board of Directors provides for appointment of a substitute; such appointment shall last until the completion of the current Board.

4. The evaluations of the Board of Advisers shall be prepared with explanation, according to legal and adversarial principles, and issued within 30 (thirty) days from the moment the Board receives the case.
5. The president of the Board of Advisers may assign, in agreement with the other members, the evaluation of the issue to a sole member of the Board. The language for procedures shall be Italian.
6. The evaluations by the Advisers are promptly communicated to the Participants in written form. The evaluations are not binding on the parties and where one of these initiates an arbitration procedure as indicated in paragraph 7, do not have any binding effect on the arbitrators appointed, who shall have wide opportunity and power to undertake a total and full re-examination of the dispute, without preclusion.
7. Any potential disputes between *Euronext Clearing* and a Member concerning and/or arising from the Regulations, which have not been resolved through participation of the Parties in the evaluation by the Board of Advisers as indicated in the previous paragraph, are referred to a Board of Arbitrators.
8. The honoraria for the members of the Board of Advisers shall be allocated to the losing party.

Article D.1.1.4 Board of Arbitrators

1. The Board of Arbitrators is composed of three members, appointed through the following procedure:
 - a) the claimant must notify the respondent, according to the procedure provided under Article 810, paragraph 1 of the civil procedures code, by a document containing the declaration of the claimant's intention to initiate an arbitration procedure, with indication of the disputed issue and designation of the claimant's arbitrator;
 - b) within 20 (twenty) days of this notification, the Respondent must, by the same procedure, designate the second arbitrator;

in absence of such appointment, Article 810, paragraph 2, of the civil procedures code shall apply;

- c) within the 20 (twenty) days following the notification of the Claimant of the document containing the appointment of the second arbitrator, the arbitrators thus appointed – each duly informed by the Party that nominated him or her – shall proceed in mutual agreement for the appointment of the third arbitrator, who shall serve as president. In case of delay or failure to agree within the time periods indicated above, either party can make request to the president of the Court of Milan for the appointment of the second and/or third arbitrator.

In the case of substitution of the arbitrators the same procedures shall be followed as for the initial appointments.

2. The procedures before the Board of Arbitrators must be initiated, subject to forfeiture, within 60 (sixty) days from receiving the communication of the provisions concerning the Member.
3. The legal seat of the Board of Arbitrators shall be in Milan at the place established by its president. However the Board of Arbitrators may conduct its meetings in any place of the Republic of Italy, as established by the Board. The Board shall proceed according to legal principles and decide according to the rule of Italian law.
4. The arbitral decision must be issued within 90 (ninety) calendar days of the acceptance of appointment on the part of the President of the Board, a term which can be extended for not more than a further 90 (ninety) days, only in the case that the Board of Arbitrators considers it necessary to obtain reports from technical experts. The decision shall contain the calculation and the allocation of the arbitration expenses and the compensation for the arbitrators. The language of arbitration proceedings shall be Italian. It is understood that the Parties can ask for registration and execution of the decision under the code of civil procedure in effect. The decision can be challenged for violation of the rule of law concerning the issue in dispute, pursuant to Article 829, paragraph 3, of the code of civil procedure. For disputes not considered under the present article, the provisions of the above-noted Article 806 and following of the code of civil procedure shall apply.



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