

Outline Agreement between General Clearing Member and Trading Client admitted to Fixed Income Sections¹ (Minimum Clauses)

BETWEEN

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

AND

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

The General Clearing Member and the Trading Client may be hereinafter referred to individually as a "Party" and jointly as the "Parties".

WHEREAS

¹ Please note that, in line with the Regulations, this document only applies to MOT Market, Euronext Access Milan and Hi-MTF and to any Trading Client, whose General Clearing Member is onboarded on the old clearing infrastructure (i.e. LCS infrastructure).

- a) the General Clearing Member and the Trading Client intend to enter into this agreement with respect to the Sections identified and validated by the Parties by the membership process to the Central Counterparty Guarantee System (hereinafter, the "System"), managed by Cassa di Compensazione e Garanzia S.p.A. (hereinafter, "Euronext Clearing");
- b) When executing this Agreement the member declares to:
 - ☐ vest with the role of General Clearing Member, according to the definition contained in the Regulations;
 - ☐ vest with the role of Designated Clearing Member according to the definition contained in the Regulations;
- c) Euronext Clearing's Rules (hereinafter the "Rules") provide that, in order to avail themselves of the System the General Clearing Member and the Trading Client shall execute an appropriate "Request for Services" and that they execute this agreement "Agreement between General Clearing Member - Trading Client admitted to Fixed Income Sections (Minimum Clauses)" pursuant to which a General Clearing Member shall assume vis-à-vis Euronext Clearing, inter alia, the Positions assumed by the Trading Client on the Market;
- d) the General Clearing Member and the Trading Client declare to be aware of the Rules and the relevant Instructions (hereinafter, the "Instructions" and jointly with the Rules hereinafter referred to as the "Regulations"), the General Conditions for the provisions of services by Euronext Clearing (hereinafter, the "General Conditions"), and all other provisions that govern the System;
- e) the Parties declare that they are aware of the contractual characteristics of the contracts entered into on the Market/s guaranteed by Euronext Clearing and of the rules and regulations concerning it/them and of the operating rules of the Settlement Services and of the T2 System;
- f) the Parties declare that they shall undertake to remain informed of all changes in the documents and the provisions set out in paragraphs d) and e) above, and the characteristics of new Financial Instruments that may be guaranteed in the context of the Section(s);
- g) by this deed the Parties intend to execute an agreement of the type indicated in paragraph c) above for the performance by the General Clearing Member of its obligations also as result of the Transfer Orders provided for under the Regulations both in the event that the Trading Client decides to hold the guarantees and Positions in accordance with the provision of Article 39, paragraph 3 of EMIR Regulation ("segregation by individual client") and in the event that it chooses to hold the guarantees and Positions in accordance with the provision of Article 39, paragraph 2 of EMIR Regulations and with the provision of Article 30 of MiFIR Regulation and of Article 4 paragraph 2 of the COMMISSION DELEGATED REGULATION (EU) 2017/2154;
- h) the Clearing Member participating in the Bond Section shall join the Pre-settlement Service provided by Monte Titoli (also, "Euronext Securities Milan") also on behalf of the Trading Client for whom it assumes the role of General Clearing Member.

NOW, THEREFORE, IN CONSIDERATION OF THE ABOVE PREMISES, THE PARTIES AGREE AS FOLLOWS

Article 1 – Recitals and definitions

- 1.1** The recitals are an integral and substantial part of this Agreement.
- 1.2** Capitalized terms when used herein shall have the same meaning – unless otherwise indicated – as the definitions contained in the Rules, the Instructions, and the General Conditions.

Article 2 – Subject

- 2.1** From the moment this Agreement enters into force, the provisions of the Rules and in particular of Articles B.1.1.1 and B.3.1.1 of the same shall apply to the Transfer Orders. Starting from that moment the General Clearing Member is bound to provide to the final settlement of the Positions of the Trading Client.
- 2.2** By effect of the provisions of the preceding paragraphs, on receipt of the Transfer Orders for the transactions of the Trading Client on the Market/s, Euronext Clearing shall immediately proceed to register the corresponding Positions Accounts of the General Clearing Member according to what provided by the Regulations in:
- ☐ Gross Omnibus Segregated Account Structure;
 - ☐ Net Omnibus Segregated Account Structure;
 - ☐ Individual Segregated Account Structure;
- as further indicated by the Clearing Member in the membership process.
- 2.3** It is understood that changes to the Rules and/or the Instructions that result in provisions that are not compatible with those contained in this agreement, shall prevail and shall replace the latter, without prejudice to the right of withdrawal provided in Article 10, paragraph 3.

Article 3 – Mandates and authorizations

- 3.1** The General Clearing Member may authorize the Trading Client, through the dedicated area of Euronext Clearing Internet site, to consult the Reports and Data Files indicated at Article B.1.2.3, paragraph 1, of the Instructions.

Article 4 – Supplementary Agreements

- 4.1** The Parties undertake to define the guarantees necessary for performing the obligations undertaken vis-à-vis each other and those undertaken by the General Clearing Member with Euronext Clearing by virtue of the Transfer Orders, the replacement mechanism indicated at Article 2, the management of possible fails of the Trading Client, the General Clearing Member's expenses, and the refund of any costs, including any other aspect considered appropriate by the said parties.
- 4.2** Any matter arising here from that is not provided in this agreement shall be agreed separately between the said parties as reciprocal accessory requirements, it remaining understood, however, by mutual agreement between the parties, that the provisions of the present agreement shall prevail for all effects over any conflicting or incompatible provisions contained in the said separate agreements.

Article 5 – Default of the Trading Client

- 5.1** The Trading Client undertakes to fulfil its obligations to the General Clearing Member arising from the Transfer Orders indicated in Article 2, according to the provisions of the Regulations, in due time for the General Clearing Member to fulfil its corresponding obligations to Euronext Clearing.
- 5.2** It is understood that in the event that the General Clearing Member notifies Euronext Clearing within the required deadline of the failed performance by the Trading Client of its settlement obligations, in whole or in part, the General Clearing Member under its sole responsibility is bound to close the Positions of the Trading Client, pursuant to the provisions of Articles B.6.1.1 and B.6.2.2 of the Rules and Euronext Clearing shall perform the activities provided therein for the Trading Client, there being no obligation however, for Euronext Clearing to ascertain the truthfulness of the notification by the General Clearing Member.

Article 5.1 bis – Default of the General Clearing Member

- 5.1 bis** In case of default of the General Clearing Member, the Trading Client may avail itself - without the consent of the Defaulting General Clearing Member - of a Designated Clearing Member to which the Positions and relevant existing guarantees of the Trading Client shall be transferred on the terms and conditions indicated in the Regulations. The Designated Clearing Member shall be allowed to operate only if it has entered into with the Trading Client the "Agreement between General Clearing Member and Trading Client admitted to Fixed Income Sections (Minimum Clauses)" pursuant to the provisions of the Rules and better explained in paragraph g) of the recitals. The Designated Clearing Member shall take on the role of General Clearing Member from the transfer to him of Positions and guarantees of the Trading Client.

Article 6 – Confidentiality clause

- 6.1** The Trading Client recognises that the General Clearing Member has, at all times, a direct interest in being aware of the activities of the Trading Client on the Market(s), and therefore permits the General Clearing Member to obtain the relevant information from Euronext Clearing, or from another company engaged by Euronext Clearing.

- 6.2** The General Clearing Member undertakes to observe and to ensure that the personnel of which it avails itself, including when not directly employed, practice all due confidentiality in relation to data, facts, and other information known or knowable within the context or in relation to the obligations assumed under this agreement.

Article 7 – Communication obligations

- 7.1** The General Clearing Member shall remain obligated – for the purposes of the execution of the agreements set out in preceding articles – to inform Euronext Clearing, including on behalf of the Trading Client, of the conclusion of this agreement by sending a copy hereof with original signatures by the Parties, as a condition for the Trading Client's operations in the Section(s). Euronext Clearing, after carrying out the necessary verifications, shall proceed to notify the Parties of the date from which this agreement shall therefore take effect.
- 7.2** Following the notification from Euronext Clearing as indicated in paragraph 1, both Parties shall be considered as entering into obligations also in relation to Euronext Clearing – and Euronext Clearing shall be authorised to carry out the credit and debit transactions pursuant to the provisions of this agreement in accordance with the Regulations and other rules of the System.
- 7.3** Each Party undertakes to notify the other, simultaneously with the notification to Euronext Clearing, of the exercise of their right of withdrawal from the Section(s).

Article 8 – Suspension of the Trading Client

- 8.1** The Trading Client acknowledges and accepts that, according to the provisions of the Rules, the General Clearing Member may – under its own exclusive responsibility – request Euronext Clearing to suspend the Trading Client pursuant to Article B.2.2.2 of the Rules. Euronext Clearing shall not have the right or obligation to verify the appropriate use of this power, nor its correspondence with any agreements on the subject established pursuant to article 4.
- 8.2** The Trading Client declares to be aware that the General Clearing Member shall in all cases remain obligated to carry out its obligations arising from the Positions registered in the accounts indicated at Article 2, paragraph 2. Therefore the suspended Trading Client, even if suspended for other reasons pursuant to the Rules, shall in all cases remain obligated to fulfil its obligations concerning Positions deriving from contracts entered into in the Market(s) of reference of the Section(s) and to pay all sums due to the General Clearing Member.

Article 9 – Express Termination Clauses

- 9.1** Without prejudice in all cases to the Parties' mutual obligations and their obligations to Euronext Clearing in relation to Positions existing at that time, this agreement shall be terminated by force of law in the event and at the time of termination, dissolution or loss of effect for any reason, including withdrawal and exclusion from the Section(s), of the relevant contractual relationship between Euronext Clearing and the General Clearing Member and/or the Trading Client.

9.2 The termination of this agreement pursuant to paragraph 1 above concerning only one Section shall not give rise to the termination of this agreement for any further Section(s). In such cases, the Parties may exercise their right of withdrawal from these Section(s) pursuant to Article 10.

Article 10 – Effective Date, Term and withdrawal

10.1 This agreement shall have effect from the date indicated by Euronext Clearing pursuant to Article 7, paragraph 1. This Agreement shall be for an indefinite term by agreement between the Parties.

10.2 Either Party may terminate this agreement at any time, by sending a notice of withdrawal to be received by the other Party and by Euronext Clearing according to the provisions of the Regulations and the Instructions.

10.3 The provisions of Articles 2 and 8 shall continue to apply to trades made by the Trading Client during the period of notice of withdrawal and up to the moment at which the withdrawal becomes effective, and the Trading Client shall be obligated to perform all the consequent obligations.

Article 11 – Replacement of the General Clearing Member

11.1 In the event that the Trading Client replaces the General Clearing Member (hereinafter referred to as the "Ceasing General Clearing Member") with another General Clearing Member:

- a) the Parties declare that they agree that effective from the time when Euronext Clearing receives the "Agreement between General Clearing Member - Trading Client admitted to Fixed Income Sections (Minimum Clauses)" signed with the new General Clearing Member and notifies the effectiveness of the same to the New General Clearing Member and to the Ceasing General Clearing Member, the new General Clearing Member shall take over in its relationships with Euronext Clearing, all the Positions already registered with Euronext Clearing in the name of the Trading Client;
- b) Euronext Clearing shall transfer the guarantees relating to the Trading Client and deriving from the membership of this to the Section/s through the (former) General Clearing Member.

The foregoing is applicable within the limits allowed by the chosen account structure.

11.2 The provisions of the previous paragraphs shall be applied as far as they are compatible with the prevailing rules of the Settlement Services, including those relating to preliminary verification requirements, with particular reference to the positions to be settled within the most stringent timeframes.

11.3 The two General Clearing Members shall separately establish appropriate understandings with the Trading Client to define, between themselves, the effects of the aforementioned transfers. The Trading Clients shall notify it to Euronext Clearing by letter, copying the two General Clearing Members, before the effective date of the new Agreement between the General Clearing Member – Trading Client admitted to Fixed Income Sections (Minimum Clauses) according to Article 10, paragraph 1.

11.4 In case of replacement of the General Clearing Member due to default on its part, pursuant to Article B.6.2.1 of the Regulations, Article 5bis shall apply.

Article 12 – Jurisdiction and applicable law

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

(Place and date)

(The General Clearing Member)

(The Trading Client)



This Agreement, duly filled in and signed, shall be be digitally signed and returned to the Euronext Clearing Membership & Onboarding Department at the following address: ccp-membership@euronext.com.