EURONEXT CLEARING REGULATIONS

~~*6 AUGUST*~~ ***2 NOVEMBER*** *2026*

INDEX

SECTION A GENERAL PROVISIONS 9

Article A.1.1.1 Definitions 10

Article A.1.1.2 Subject of the Regulations 23

Article A.1.1.3 Organisational principles 23

Article A.1.1.4 Method of communication and information exchange 24

Article A.1.1.5 Guarantees deposited at Euronext Clearing 24

Article A.1.1.6 Relations between Euronext Clearing and the Management Companies 24

SECTION B CENTRAL COUNTERPARTY SYSTEM 26

PART B.1 - General provisions 27

Article B.1.1.1 Clearing and guarantee process for the sections *other than the Soft Commodity Derivatives Section* 27

Article B.1.1.2 Clearing and guarantee process for the *Soft* Commodity Derivatives Section 28

PART B.2 - Membership 30

Chapter B.2.1 Membership 30

Article B.2.1.1. Entities admitted to the System 30

Article B.2.1.1-bis Requirements for membership of the System for Public Entities for the Fixed Income Section 32

Article B.2.1.2 Requirements for membership of the System 33

Article B.2.1.3 Applications for membership in the System 37

Article B.2.1.4 Start of operations 38

Article B.2.1.5 Maintenance of membership requirements and obligations of Members 38

Chapter B.2.2 Failure to maintain requirements, suspension, exclusion and withdrawal 40

Article B.2.2.1 Failure to maintain requirements *and restoration methods* 40

Article B.2.2.1-bis Requests for information 42

Article B.2.2.1-ter Exemptions 42

Article B.2.2.2 Suspension 44
Article B.2.2.3 Effects of suspension 45
Article B.2.2.4 Exclusion 46
Article B.2.2.5 Effects of exclusion 47
Article B.2.2.6 Withdrawal 48
Article B.2.2.7 Modification of membership qualifications 49
Chapter B.2.3 Relations between General Clearing Members and Trading Clients 49
Article B.2.3.1 General Clearing Member - Trading Client Agreement 49
Article B.2.3.2 Settlement of Positions relating to the Trading Client 49
Article B.2.3.3 Request by the Clearing Member to halt registration of Positions pertaining to the Trading Clients 50
Article B.2.3.3-bis Request by Euronext Clearing to halt registration of Positions pertaining to the Trading Clients 50
Article B.2.3.4 Withdrawal from the agreement 51
Chapter B.2.4 Relations with Clients 51
Article B.2.4.1 Porting Agreements for Individual Segregated Account Structures (ISAs) 51
Article B.2.4.2 Porting Agreements for Gross Omnibus Segregated Account Structures for Indirect Clients (GOSA Indirect) 52
PART B.2.5 Porting agreements on "Client Omnibus Account Structures and NOSA Indirect 53
Article B.2.5.1 Porting Agreements for *Client Omnibus Account Structures* and *NOSA Indirect* 53
PART B.3 Clearing 54
Chapter B.3.0 Account Structures 54
Article B.3.0.1 Account Structure 54
Chapter B.3.1 Registration of operations and clearing of positions 56
Article B.3.1.1 Effects of concluded operations 56
Article B.3.1.2 Registration of *Positions* 57

Article B.3.1.3 Clearing 58
Article B.3.1.4 Operations relating to client accounts 58
Article B.3.1.5 Transfer of Positions 58
Article B.3.1.6 Adjustment operations 58
Article B.3.1.7 Error Management 58
PART B.4 Guarantee System 59
Chapter B.4.1 Margins 59
Article B.4.1.0 Margin Account 59
Article B.4.1.1 Initial Margins 59
Article B.4.1.2 Daily variation Margins 61
Article B.4.1.3 Additional Intraday Margins 61
Article B.4.1.4 Daily Settlement Prices 62
Article B.4.1.5 Calculation of Margins 62
Chapter B.4.2. Default Funds 63
Article B.4.2.1 Establishment and contribution 63
Article B.4.2.2 Use 64
Article B.4.2.3 Establishment of a new Default Fund 65
Article B.4.2.4 Withdrawal and exclusion following the request of establishment of a new Default Fund 65
Article B.4.2.5 Request for payment of additional resources 66
Article B.4.2.6 Withdrawal and exclusion 67
Article B.4.2.7 Request for payment of additional resources by the Resolution Authority (Resolution cash call) 67
Chapter B.4.3 Rules governing Collateral 69
Article B.4.3.0 Collateral Account 69
Article B.4.3.1 Eligible Collateral 69
Article B.4.3.2 Registration of deposited assets 71
Chapter B.4.4 Rules governing the monitoring of Position limits 72
Article B.4.4.1 – Monitoring of Position limits in respect to Soft Commodity Derivatives Section 72
PART B.5 Settlement 73

Chapter B.5.1 Daily Settlement 73

Article B.5.1.1 Daily Settlement in EURO 73

Article B.5.1.2 Daily Settlement in currencies other than EURO 73

Chapter B.5.2 Final Settlement of Positions 74

Article B.5.2.0 Calculation of net balances of Positions.....74

Article B.5.2.1 Final settlement of Positions of Equity Section 74

Article B.5.2.2 Final settlement of Positions within the Financial Derivatives Section 75

Article B.5.2.3 Final settlement of Positions of the Financial Derivatives Section with delivery of underlying assets 75

Article B.5.2.4 Final settlement of differentials of Positions of the Financial Derivatives Sections.....75

Article B.5.2.4-bis Final settlement of Positions of the Power Derivatives Sections.....76

Article B.5.2.5 Exercise of Positions in options relating to the Derivatives Sections and consequent final settlement.....76

Article B.5.2.6 Final settlement of the Positions held in respect to the Soft Commodity Derivatives Section 77

Article B.5.2.7 Final settlement of Positions held in respect to cash settled Derivatives Financial Instruments of the *Soft* Commodity Derivatives Section 77

Article B.5.2.8 Final settlement of Positions in Delivery held in respect to physically delivered Derivatives Financial Instruments of the *Soft* Commodity Derivatives Section 77

Article B.5.2.9 Netting of Positions held in respect to physically delivered Derivatives Financial Instruments of the *Soft* Commodity Derivatives Section 78

Article B.5.2.10 Final settlement of the Positions in Delivery held in respect to physically delivered Derivatives Financial Instruments of the *Soft* Commodity Derivatives Section – coverage of selling Positions subject to physical delivery 78

Article B.5.2.11 Final settlement of the Positions in Delivery held in respect to physically delivered Derivatives Financial Instruments of the *Soft* Commodity Derivatives Section – Minimum quantity eligible to delivery 79

Article B.5.2.12 Final settlement of the Positions in Delivery held in respect to physically delivered Derivatives Financial Instruments of the *Soft* Commodity Derivatives Section – Determination of Position in Delivery after the contract's expiry day 79

Article B.5.2.13 Final settlement of the Positions in Delivery held in respect to physically delivered Derivatives Financial Instruments of the *Soft* Commodity Derivatives Section – Matching of counterparties 80

Article B.5.2.14 Final settlement of the Positions in Delivery held in respect to physically delivered Derivatives Financial Instruments of the *Soft* Commodity Derivatives Section – choice of retained delivery procedure..... 80

Article B.5.2.15 Final settlement of the Positions in Delivery held in respect to physically delivered Derivatives Financial Instruments of the *Soft* Commodity Derivatives Section – obligations pertained to the CCP Guaranteed Delivery Procedure 81

Article B.5.2.16 Final settlement of the Positions in Delivery held in respect to physically delivered Derivatives Financial Instruments of the *Soft* Commodity Derivatives Section – Payment of amounts due for the value of the goods against delivery of underlying commodities 81

Chapter B.5.3 Failed Positions, Buy in and Sell out Procedures 82

Article B.5.3.1 Management of Failed Positions Buy-in Procedure 82

Article B.5.3.2 Buy-in Procedure 82

Article B.5.3.3 Costs of the Buy-in Procedure and price differential 83

Article B.5.3.4 Sell Out Procedure 83

Article B.5.3.5 Allocation of net residual amounts resulting from the application of the penalty mechanisms in Regulation (EU) No. 909/2014 and Delegated Regulation (EU) No. 1229/2018 83

PART B.6 Default 84

Chapter B.6.1 Conditions of default 84

Article B.6.1.1 Default of Members..... 84

Article B.6.1.2 Justified Default..... 86

Article B.6.1.2bis Justified Default under the Soft Commodity Derivatives Section 87

Article B.6.1.3 *Euronext Clearing* default 87

Chapter B.6.2 Default procedure 87

Article B.6.2.1 Default of a Clearing Member 87

Article B.6.2.1-bis Transfer of Positions and Collateral registered within Clients Account Structures 89

Article B.6.2.1-ter Risk mitigation measures 90

Article B.6.2.1-quater Liquidation via Clearing members or by appointed brokers 91

Article B.6.2.1-quinques Direct Sale 92

Article B.6.2.1-sexies Auction 92

Article B.6.2.1-septies Mandatory Participation in auction and preparedness 94

Article B.6.2.1-octies Voluntary participation in auction and preparedness 95

Article B.6.2.1-nonies - Default of a Clearing Member in respect to Position related to Soft Commodity Derivatives Section 96

Article B.6.2.1-decies - Default of a Clearing Member in respect to Position in Delivery related to Soft Commodity Derivatives Section 96

Article B.6.2.1-undecies – Specific liquidation procedure applied to Position in Delivery of the Soft Commodity Derivatives Section ... 97

Article B.6.2.2. Default of Trading Clients 98

Article B.6.2.2 bis Default of the Special Clearing Member or its service termination 99

Article B.6.2.2-*ter* Default of Euronext Clearing 100

Article B.6.2.3. Costs for management of default procedures of a *Clearing Member* 102

Article B.6.2.3-bis Incentive measures related to auctions 104

Article B.6.2.4. Recovery of losses and costs 107

PART B.7 Service Closure 107

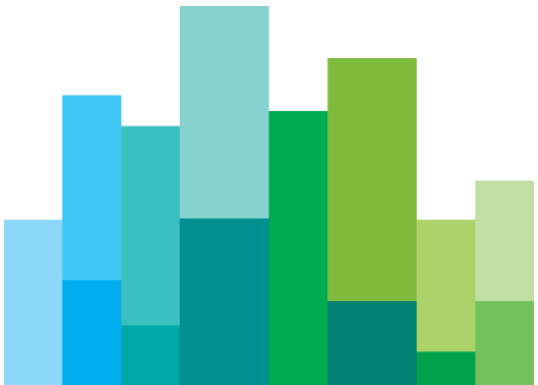
Article B.7.1.1 Service Closure Procedure 107

PART B.8 Fees, Interest and Transparency of prices and commissions 108

Article B.8.1.1 Fees 108

Article B.8.1.2 Interest 108
Article B.8.1.3 Transparency of prices and commissions applied 108
Section C Temporary Provisions 109
Article C.1.1.1 Gross margination of sub-accounts 110
Article C.1.1.2 Entry into Force 110
Chapter C.1.2 - Transitional provisions for the transfer of Positions from LCH.SA to Euronext Clearing 110
Article C.1.2.1 – Definitions 110
Article C.1.2.2 – Scope and purpose 110
Article C.1.2.3 - Effects of the transfer of Migrating Positions from LCH.SA' Derivatives Clearing Infrastructure to Euronext Clearing 111
Chapter C.1.3 - Transitional provisions for the transfer of Positions from Nasdaq Clearing AB to Euronext Clearing applicable with respect to the Power Derivatives Section 113
Section D Final Provisions 117
Article D.1.1.1 Jurisdiction 118
Article D.1.1.2 Disputes 118
Article D.1.1.3 Board of Advisers 118
Article D.1.1.4 Board of Arbitrators 119

SECTION A
GENERAL PROVISIONS



Article A.1.1.1 Definitions

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

"Alternative Delivery Procedure": shall mean, in respect to the *Soft Commodity Derivatives Section*, the delivery procedure offered to *Clearing Members*, to exit from the Guaranteed Delivery Procedure, to perform the physical delivery of the underlying commodity on the physical market under an amicable agreement, in accordance with the enforceable Trading Terms and Conditions (the latter terms having the meaning given in the Instructions).

"Ancillary System": an ancillary system pursuant to the Guideline (EU) 2022/912 of the European Central Bank of 24 February 2022

"Auction Participant"*: shall mean either a 'Mandatory Auction Participant' or a 'Voluntary Auction Participant'.*

"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.

"Fixed Income 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*, specified in Chapter B.10 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*.

"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*.

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

"Central Bank Guarantee": means the guarantee, issued by the Dutch National Bank (DNB) in favour of *Euronext Clearing*, for the guarantee of the *Clearing Member*'s *Initial Margins* and *Default Fund* obligations within the limits and conditions set forth in Article B.4.3.1.

[Provisions regulating Central Bank Guarantees will enter into force with a subsequent Notice]

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

"Centralised maintanance 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.

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

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

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

"**Clearing Member active on a single Segment"** means, in relation to a *Segment* of the Default Fund relating to the Equity, Financial Derivatives Section and Soft Commodity Derivatives Section, a Clearing Member which and at the time of the occurrence of an Event of Default: (i) is admitted to clearing in at least one Market included in that Segment; and ii) has open Positions recorded in Euronext Clearing's system, as at the moment of the declaration of the Event of Default, in respect of contracts cleared by Euronext Clearing and referring exclusively to markets belonging to that Segment.

"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.*

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

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

"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.

"**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*.

"Collateral": shall mean the assets such as cash or securities designated as a guarantee and/or due from *Members* of the S*ystem* 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*.*

"Collateral Account": shall identify the *Clearing Member*'s account used by *Euronext Clearing* 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.

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

***"Cyber-Security Event"*:** means any event related to unauthorized access to, unauthorized use of, unauthorized disclosure of, compromise of, loss of, corruption of, or other incident involving or affecting the confidentiality, integrity, or availability of its information technology systems, networks, databases, applications, or information (including, without limitation, market data, trade data, position data, margin information, settlement instructions, collateral records, personal data, or any other confidential or proprietary information, whether of Euronext Clearing, another Clearing Member, or any participant in the System) that are owned, operated, maintained, or otherwise within the custody, control, or oversight of such Clearing Member, or that otherwise directly or indirectly impact

or could reasonably be expected to impact Euronext Clearing, its operations, its regulatory obligations, or the integrity of the System.

"*Daily Variation Margins*": means Margins paid out or collected by *Euronext Clearing* from *Members* of the *System* to reflect current exposures resulting from actual changes in market price, including also payments for option premium. Daily Variation Margins are calculated within the fashion set forth in Article B.4.1.2 of the Regulations.

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

"Default Fund": shall mean the several guarantee funds operating in the context of the *System,* which are made up of the sum of relevant payments of *Clearing Members* related to the relevant *Section* of the *System* pursuant the provisions of Chapter B.4.2.

"**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.

"Default Fund Segmentation" means the loss allocation mechanism applied by *Euronext Clearing* with respect to the *Default Fund* relating to the Equity Section, the Financial Derivatives Section and the Soft Commodity Derivatives Section, whereby losses arising from the default of a Clearing Member, once the defaulter's resources have been exhausted, are allocated to non-defaulting Clearing Members on a segmented basis, taking into account the scope of activity of the defaulting Clearing Member pursuant to Article B.4.2.1 of the Regulations.

"Delivery Account": shall mean the account opened in the name of the Clearing Member within Euronext Clearing to manage in accordance with these *Regulations* and the provisions of the *Instructions*, *Positions* to calculate balances and create related settlement instructions.

"*Delivery Margins*": shall mean, in respect to the Positions in Delivery held as part of the *Soft Commodity Derivatives Section*, any obligation to pay *Margins,* calculated by the *Central Counterparty* to cover the risks associated to the physical delivery of the underlying commodities.

"Designated Clearing Member": shall mean a legal person admitted to the *System* as a *Clearing Member,* which enters into contractual agreement with the *Clients* for the purposes of

implementing portability pursuant to Article 48 of the *EMIR Regulation*, in case of default by the Clients' *Clearing Member*.

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

"Derivatives Sections": shall mean, in the context of the *System,* the *Financial Derivatives Section* and the *Soft Commodity Derivatives Section* the *Power Derivatives Section*.

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

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

"***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);

"***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 is open.

"*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 Chapter B.10 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*.

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

"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.

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

Instruments, admitted to trading on the *Markets* organised and managed by the *Management Companies* specified within Chapter B.10 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*.

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

"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.

"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.

"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*.

"Guaranteed Delivery Procedure": shall mean, in respect to the physical delivery of Derivatives Financial Instruments in the *Soft Commodity Derivatives Section*, the obligations of Euronext Clearing and Clearing Members towards each other, until final settlement of the respective Commodity Derivatives Financial Instrument.

"**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*.

"Guarantor": shall mean the bank or insurance company – with legal headquarters in Italy or in another Member State 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).

"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.

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

"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*.

"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.

"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*.

"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*.

"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.

"*Initial Margins*": means the margins collected by *Euronext Clearing* from *Clearing Members* of the *System,* including *Special Clearing Members* to cover potential future exposures in the interval between the last Margin collection and the liquidation of *Positions* following a default of a Clearing Member or Special Clearing Member. Initial Margins are calculated in the fashion set forth in Article B.4.1.1 of the Regulations.

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

"**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*.

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

"**Losses Suffered by *Euronext Clearing":*** for each default event under Article B.6.1.1, the sum of a) the losses incurred by *Euronext Clearing* due to the liquidation of the defaulting Member's *Positions***,** and b) the estimated losses that could be suffered to liquidate the remaining *Positions*. The sum of previous point a) can be calculated, depending on the liquidation tool, as a sum of losses incurred on single ISINs or as unitary amount at portfolio level. 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.

"Management Company": shall mean the Management Company of a *Market.*

"Mandatory Auction Participant": shall mean a *Clearing Member,* which has been selected by Euronext Clearing for a given *Section* or *Sections* of the *System*, pursuant to Article B.6.2.1 septies as mandatory participant within an auction procedure. Within the default waterfall, contributions of *Mandatory Auction Participan*ts are subject to the provisions set forth in Article B.6.2.3bis, paragraphs 3 and 4.

"Mandatory CCP Provisions": applicable to *Clearing Members* active on all *Sections of the System*, means the mandatory provisions that shall be included, upon the *Clearing Member's* responsibility, in the agreement entered with its *Clients* registered within an ISA, including *Trading Clients.*

"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*.

"Margins": shall mean any obligation to pay *Margins*, including Initial Margin, Daily Variation Margin and intraday margins calculated by the *Central Counterparty,* and any additional margin for each *Clearing Member* which may be applied by *Euronext Clearing* pursuant to these *Regulations.*

"Market": shall mean a Trading Venue pursuant to Article 4, paragraph 1, point (24) of the Directive 2014/65/EU (MIFID2), or the trades executed outside those venues, to which the services rendered by the *System apply*.

"Members" or "Members of the System": shall mean the legal persons admitted to the system as *Clearing Members* or *Trading Clients.*

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

"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.

"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.

"Net Omnibus Segregated Account Structure (NOSA)": A Client *Omnibus Segregated Accoun*t *Structure*, including one *Margin Account* and one *Collateral Account, where a*ll the *Clients' Position Accounts* are linked to said single *Margin Account.*

"**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*.

"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*.

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

"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 of a derivatives contract, in accordance with Article B.1.1.1 and B.1.1.2 of these *Regulations*.

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

"**Position in Delivery**" shall mean the *Position* of a *Member* in the in the *Soft Commodity Derivatives Section* in relation to contracts on *Derivative Financial Instruments* which have reached their maturity date or expiry date on the Market, and which are eligible to physical delivery according to the provisions of the *Contractual Scheme*.

"Power Derivatives Section": shall mean, in the context of the *System,* the section relating to contracts on *Derivative Financial Instruments* on Power and related indices, admitted to trading on the *Markets* organized and managed by the *Management Companies* specified in Chapter B.10 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*.

"Public Entities*":* shall mean the legal entities entrusted with public functions and exempted from the application of EMIR, which are specified within Article 1, paragraphs 4 and 5 thereof.

~~**"Qualificative Price"**: a price, determined by Euronext Clearing in the context of an auction, for a sub-portfolio of Positions referring to a defaulting Clearing Member calculated based on the fair price of the auctioned sub-portfolio, based on the most recent prices of *Financial Instruments* included in each sub-portfolio. In case a Mandatory Auction Participant submits a bid below said price Article B.6.2.3 bis, paragraph 3 shall apply.~~

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

"Resolution Action" means the exercise of any *Resolution Powers* by the *Resolution Authority* in accordance with *CCPRR Regulation*;

"Resolution Authority" means the resolution authority designated by the Republic of Italy under CCPRR Regulation and in accordance with article 3 of the Italian Legislative Decree 6 December 2023 No 224, implementing CCPRR Regulation;

"Resolution Powers" means any action in respect of the assets, contracts, rights, obligations and liabilities of a *Clearing Member* existing from time to time under, and exercised in compliance with, *CCPRR Regulation and* any law or regulation in effect in Italy.

"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.

"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.

"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.*

"**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 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, 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; (iv) to handle the *Margins* in currencies other than Euro.

"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.*

"Settlement Service"*:* a settlement service as per Section A, letter c) 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.

"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).

"**Soft Commodity Derivatives Section**": shall mean, in the context of the *System*, the section relating to contracts on *Derivative Financial Instruments* based on commodities admitted to trading on the markets organised and managed by the *Management Companies* specified within Article B.10.1.3-*bis* of the Instructions, in accordance with the *Instructions*. The section is managed by *Euronext Clearing* by virtue of Agreements stipulated between *Euronext Clearing* and said *Management Companies*.

"**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.

"**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.

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

"Triparty Collateral Agent": shall mean, in the context of the Triparty Collateral Management Tool*,* the third party entrusted to provide the collateral management service, according to the applicable contractual arrangements of the Triparty Collateral Management Tool and Euronext Clearing's Regulations. The list of eligible Triparty Collateral Agents, with whom Euronext Clearing has entered into a contractual relationship in the context of the functioning of the System, is specified within the Instructions.

"Triparty Collateral Management Tool": shall mean, in the context of the *System,* the service provided by a Triparty Collateral Agent, which facilitates the selection, allocation, substitution and deposit of Financial Instruments posted as Collateral for the purpose of guaranteeing Margin obligations arising from participation within

the System, in line with Article A.1.1.5 of the Regulations. The use of the Triparty Collateral Management Tool is also governed by the relevant contractual arrangements established between Euronext Clearing, Clearing Members and the Triparty Collateral Agent. The Triparty Collateral Management Tool is available to Members active on the Sections specified within the Instructions.

"Voluntary Auction Participant": shall mean a Clearing Member, or, where applicable a Trading Client participating under the sponsorship of a single *Clearing Member*, which has been invited by *Euronext Clearing* to participate in an auction procedure, other than in case of mandatory participation. Within the default waterfall, contributions of *Voluntary Auction Participants* may be subject to the incentive measures referred to in Article B.6.2.3bis~~, paragraph 5~~ **and in Chapter B.14 of the Instructions**.

"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,* Unless otherwise indicated, all the provisions applicable to *Clients* are applicable to the *Trading Client.*

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 guaranteed systems indicated in Section B.
2. *Clearing Members* of the *System* shall pay the *Margins* and 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 and securities 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*.

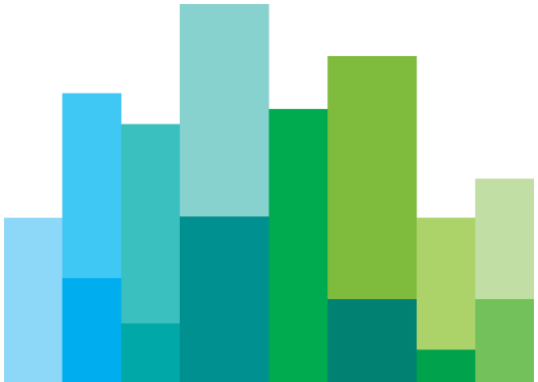
Article A.1.1.6 Relations between Euronext Clearing and the Management Companies

1. *Euronext Clearing* shall enter into one or more Agreements with each *Management Company* in which the guaranteed 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 Soft Commodity Derivatives Section*

1. The *Transfer Order* relating to guaranteed *Financial Instruments* shall be understood as effected and entered into the *System*, and *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 *Soft* 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. 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*, including Delivery Margins, and payment due to *Default Funds*;

e) settlement of the *Margins*, including Delivery Margins, and payments due to *Default Funds*, and amounts charged;

f) final settlement of Positions held on cash settled commodity derivatives financial instruments, in accordance with the relevant Contractual Scheme;

g) final settlement of Positions in Delivery held on physically delivered commodity derivatives financial instruments in accordance with the relevant Contractual Scheme;

h) management of any default procedure, including any non-fulfilment of Clearing Members' obligations related to physical delivery of underlying commodities.

3. 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.

4. 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.

5. At the contract's expiry day, Euronext Clearing shall match the Clearing Members and, on behalf of these, of any Clients and/or any Indirect Clients with Positions in Delivery. As an effect of the matching, the Euronext Clearing 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 physical delivery of the underlying of the contract on the physical commodity market, pursuant to the relevant applicable commodity physical market regulation, as specified in the relevant Annexes dedicated to each commodity contract.

   As from the matching of counterparties, in accordance with Part B.6 of the Regulations, Euronext Clearing shall remain obligated, in the event of a default deriving from non-fulfilment of obligations by one of the parties to the payment of the cash compensation.

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 Entities*, 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 Special Clearing Member* based on what is specified in the following paragraphs. In case of membership to multiple Sections, it is possible to hold the same membership qualification or different qualifications, also within the same Section.

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. with a *General Clearing Member* are considered for the purposes of these Regulations *Trading Clients*.
5. Poste Italiane S.p.A. and Cassa depositi e prestiti S.p.A. may participate in the *System* as *Members.*
6. *Public Entities* may participate within the Fixed Income Section as *Clearing Members* under the requirements of Article B.2.1.1bis.
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.2.1.1-bis Requirements for membership of the System for Public Entities for the Fixed Income Section

1. Euronext Clearing may exempt *Public Entities* from certain obligations arising from participation within the System.
2. In particular, Euronext Clearing, upon request of the relevant *Clearing Member,* being a *Public Entity*, may:
    a) differentiate the extent of initial margins applied, including waiving the application of certain add-on components of the margin methodology, pursuant Article B.4.1.1, paragraph 7;
    b) waive the obligation to contribute to Default Funds established by Euronext Clearing, including the obligation to comply with related requests for additional financial resources, pursuant Article B.4.2.1, paragraph 7;
3. Euronext Clearing may grant the exemption(s) referred to in paragraph 2 only upon written request of the Clearing Member, being a *Public Entity*. The request may be directed to Euronext clearing either at onboarding stage or at a later stage.
4. Euronext Clearing shall assess any request on the basis of a dedicated risk assessment carried out in accordance with its internal policy. Said internal policy shall, at a minimum, outline the assessment framework to be applied by Euronext Clearing, to ensure that:
    (a) the applicant's credit risk remains within Euronext Clearing's established risk-appetite metrics; and
    (b) adequate monitoring arrangements are in place that allow Euronext Clearing to modify the terms of, or revoke, the applicant's participation without undue delay should the underlying risk profile change.
5. The exemption shall be deemed granted only upon receipt of the written communication of Euronext Clearing's decision to the relevant Clearing Member. Within its decision, Euronext Clearing

may impose conditions to the exemption(s), or other limitations to its effects.

6. Euronext Clearing may revoke or modify an approved exemption(s) at any time, giving previous communication to the affected Clearing Member. Euronext Clearing shall set within the communication a deadline from which the decision shall be effective. Outside the case of objective risk management reasons, the revocation or amendment of an approved exemption(s) shall not be effective earlier than 10 calendar days of the foresaid communication.
7. With the notice mentioned in paragraph 6, Euronext Clearing may suspend the Clearing Member, with the effects of Article B.2.2.3. Euronext Clearing reserves in any case the right to apply risk containment measures, including requesting increased Margins.
8. Before the end of the notice period, the Clearing Member shall confirm Euronext Clearing in writing that no impediments exist to the substantial compliance with the rules of the System, being the original exemption(s) revoked or modified.
9. If the confirmation mentioned in paragraph 8 is not received, Euronext Clearing shall exclude the Clearing Member from the System pursuant to Article B.2.2.4, paragraph 1, letter c). Article B.2.2.5, paragraph 3 applies.
10. Upon receipt of the communication referred to in paragraph 6 and during the notice period, the Clearing Member, being a Public Entity, shall have the right to withdraw pursuant to Article B.2.2.6, in this case providing Euronext Clearing with at least 10 calendar days' prior notice. The withdrawal shall become effective upon the expiration or liquidation of any Positions that remain open at the end of the notice period. Until such date, the provisions of Article B.2.2.3, paragraphs 1, 2 and 3, shall continue to apply.
11. Based on the results of the assessment mentioned in paragraph 4, Euronext Clearing may deny admission to a Public Entity.
12. Euronext Clearing provides disclosure, on its website, of any exemption awarded to Public Entities pursuant to the provisions of this Article.

Article B.2.1.2 Requirements for membership of the System

1. Legal persons that intend to join one or more of the*, the Equity Section, the Financial Derivatives Section or Soft Commodity*

Derivatives Section, Power Derivatives Section or the Fixed Income Section (without prejudice to paragraph 2) 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 number of *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 Equity *Section*;
- € 10,000,000, in the case of membership to further Sections, or to only one of the following Sections: *ICSD Bond Section, Financial Derivatives Section*, *Soft Commodity Derivatives Section, Power Derivatives Section.*

2. Legal persons that intend to join the Fixed Income Section and carrying out trading on the wholesale Markets set out under Article B.10.1.1 paragraph 1 of the Instructions must meet the following capital requirements:

c) For *General Clearing Members, Supervisory Capital* at least equal to a € 400,000,000;

d) For *Individual Clearing Members, Supervisory Capital* equal to at least € 100,000,000.

3. 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.

4. 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, and 2 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.

5. 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.

6. 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*.

7. Clearing Members must:

a) be the holders of a DCA RTGS in *T2 System* 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*, and, in case of currencies other than euro, be the holders of the relevant designated cash account, where applicable;

b) be the holders of a securities account in a *Centralised Securities Depository* indicated in the *Instructions* for the purpose of handling the *Margins* in Financial Instruments,

c) be the holders of a securities account in the *Settlement Services* for the final settlement of contracts guaranteed by the *System*,

except in case of admission exclusively to the Soft Commodity 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,* either permanently and by way of replacement or on an indirect basis. The *Clearing Member* may entrust different *Settlement Agents,* with autonomous responsibilities in accordance with the conditions set out in Article B.1.1.6 of the *Instructions*.

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 of the *Instructions*.

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 consideration the provisions in force in the country of origin and the rules governing the functioning of those systems;

19. 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.
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*; including any *Cyber Security Event* which prevents the *Clearing Member* to properly ensure its ability to guarantee the availability of its information technology systems.
   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. 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 to Article B.2.2.2, paragraph 3.

Article B.2.2.1-ter Inspections

1. In order to assess the *Clearing Member*'s continuous compliance with these *Regulations* and to ensure the proper functioning of the *System,* Euronext Clearing reserves the right to carry out an inspection in respect of the *Clearing Member*.

2. *Euronext Clearing* is therefore entitled to examine the *Clearing Member'*s risk management and organizational arrangements, technological, information technology systems and related internal procedures, that the *Clearing Member* has implemented, in order to ensure compliance with the membership requirements foreseen within these *Regulations* and any other aspect deemed relevant for the evaluation of the clearing relationship between the Clearing Member and Euronext Clearing.
3. The inspection may be conducted either (1) on site, at the premises of the *Clearing Member* and of third parties providing services to the *Clearing Member*, or (2) remotely. The *Clearing Member* undertakes to provide Euronext Clearing with all support and information needed to complete such inspections, including ensuring cooperation of relevant third parties and facilitating remote access or connectivity where necessary.
4. Upon completion of the inspection and in respect of the findings thereof, Euronext Clearing may take the following measures:
    a. issue a written request to comply with the *Regulations* and *Instructions* and/or rules of conduct, by taking appropriate corrective measures within the timeframes specified by Euronext Clearing;
    b. request increased *Margins*;
    c. a suspension from one or more *Sections* pursuant to Article B.2.2.2.
5. The Clearing Member shall not refuse to submit its clearing activity to inspections and to provide the requested information, except where explicitly prevented from doing so by an applicable provision of law or regulation. The Clearing Member may object to the participation of specific representatives, experts or other designated persons by Euronext Clearing to carry out the inspection, where the Clearing Member demonstrates the existence of an actual, direct and material conflict of interest
6. Specific *Instructions* complement these provisions.

Article B.2.2.1- quater Exemptions

1. The provisions specified within Article B.2.2.1-*bis* and Article B.2.2.1-ter apply to any *Member* of the *System*, except for Members in respect of which the measures set out under Article B.2.2.1. paragraph 6 have been adopted. The provisions of Article B.2.2.1-bis and B.2.2.1-ter do not apply to Special Clearing Members and Public Entities, except in case of objective risk management reasons.

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.
   c) when its *General Clearing Member* has been suspended.
2. *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 d) 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;

f) with respect to a *Clearing Member* being a *Public Entity*, in the case indicated at Article B.2.1.1-bis.

g) in the event Euronext Clearing becomes aware of the occurrence or the treatment of occurrence of a Cyber-Security Event which prevents the Clearing Member to properly ensure its ability to guarantee the availability of its information technology systems;

h) in the cases indicated at Article B.2.2.1-*ter*, paragraph 4;

3. The maximum duration of the suspension is 120 calendar days from the *Notice* by e-mail pursuant to paragraph 5.

4. The act of suspension shall be communicated by e-mail, and confirmed by registered mail with return receipt to the *Member* of the *System*.

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*.

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;

   c) in the case of Article B.2.1.1-bis, paragraph 9, with respect to a Clearing Member being a Public Entity.

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;

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 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 *Member* of the *System* pursuant to B.2.2.4, paragraph 1, sub-paragraphs b) and c), the provisions for the default procedures indicated at Article B.6.2.1 and Article B.6.2.2. shall be applied.
3. 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*.
4. 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.
5. 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.
6. 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 – 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*.
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.

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 Agreement

1. *General Clearing Members* which clear transactions on behalf of *Trading Clients*, shall sign an agreement for the purpose of the clearing of a contract entered into on a *Market* adopting, under the responsibility of the *General Clearing Member*, the *Mandatory CCP Provisions* provided 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 agreement under paragraph 1 may allow the *Trading Client* 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 Request by the Clearing Member to halt registration of Positions pertaining to the Trading Clients

1. The agreement between the *General Clearing Member* and the *Trading Client* 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* referrable 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*, subject to the circumstances indicated under the agreement entered into under Article B.2.3.1.

Article B.2.3.3-bis Request by Euronext Clearing to halt registration of Positions pertaining to the Trading Clients

1. *Euronext Clearing* shall request the *Management Company* to halt any activity pertaining to *Trading Clients* (excluding *Fixed Income Sections*), preventing the registration of new *Positions* or any modifications of existing *Positions* referrable to the mentioned *Trading Clients*, notifying Bank of Italy, Consob and the *Management Company*:
    a) if, for any reason, the agreement with the *General Clearing Member* indicated at Article B.2.3.1~~bis~~ has failed or become ineffective in any way, without a *General Clearing Member* having entered into a new agreement with the *Trading Client* in time for *Euronext Clearing* to verify its suitability for the purposes of the *System*;
    b) in case of default of a *Trading Client* under Article B.6.1.1, paragraph 1 letter b) or paragraph 4 and in accordance with the procedure described under *Article B.6.2.2*.
2. *Euronext Clearing* shall 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.*

Article B.2.3.4 Withdrawal from the agreement

1. Any withdrawal from the agreement pursuant to Article B.2.3.1 must be notified by the withdrawing party to the other contracting party and simultaneously to *Euronext Clearing*. In case of suspension of the *General Clearing Member* or default of the *Trading Client*, the withdrawal may be executed without notice.
2. The provisions of Article B.2.3.3, paragraph ~~2~~ **3** 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.
3. 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. At onboarding stage, a *Client,* including *Trading Client,* registered within an *Individual Segregated Account Structure,* may designate a Clearing Member (*Designated Clearing Member*) for the transfer of the *Positions* and *Collateral* held by the Client's reference Clearing Member on the Client's behalf in the event of the opening of a default procedure pursuant to Article B.6.1.1, paragraph 1, with respect to its refence *Clearing Member.*
2. In case where, prior to an event of default affecting the Client's reference Clearing Member pursuant to Article B.6.1.1, paragraph 1, the Client has not identified any *Designated* Clearing Member, the *Client* may designate, within four hours from the default event, a *Designated Clearing Member* for the transfer of the *Positions* and *Collateral* of the *Client.* Said time limit may be amended by *Euronext Clearing* taking into account the circumstances, through specific communication.

3. In the cases of the previous paragraphs 1 and 2, the *Designated Clearing Member* and the *Client* shall sign an agreement*,* adopting, as applicable, the *Mandatory CCP Provisions* or minimum provisions provided by *Euronext Clearing* and available on its website for the purposes of managing the transfer of the *Positions* and *Collateral*. these provisions are included in the agreement referenced within Article B.2.3.1~~–bis~~ of these *Regulations*. Euronext Clearing shall not proceed to the transfer of Positions and Collateral unless it receives from the *Designated Clearing Member* confirmation of the signature of the agreement mentioned in this paragraph and the necessary Client's identification details, within the fashion set forth in the following paragraph.
4. The *Designated Clearing Member* shall promptly provide *Euronext Clearing* confirmation of the signature of the agreement mentioned in the previous paragraph, using a specific form provided by *Euronext Clearing*, which shall include separate evidence of the necessary *Client or Trading Client* 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 confirmations that have been received.

Article B.2.4.2 Porting Agreements for Gross Omnibus Segregated Account Structures for Indirect Clients (GOSA Indirect)

1. When the *Indirect Client* of a Client, to which *Indirect Clearing* services are provided under *Indirect Clearing* arrangements, has requested that their *Positions* and *Collateral* be recorded in a *GOSA Indirect* pursuant to Article, B.3.0.1, paragraph 6, letter b), the Client may designate a Clearing Member (*Designated Clearing Member*) for the transfer of the *Positions* and *Collateral* of said Indirect Client, in the event of the opening of a default procedure pursuant to Article B.6.1.1, paragraph 1, with respect to the reference *Clearing Member.*
2. In case where, prior to an event of default affecting the *Client's Clearing Member* pursuant to Article B.6.1.1, paragraph 1, the Client has not identified any *Designated Clearing Member*, the *Client* may designate, within four hours from the default event, a *Designated Clearing Member* for the transfer of the *Positions* and

Collateral of the *Indirect Client.* Said time limit may be amended by Euronext Clearing taking into account the circumstances, through a specific communication.

3. In the cases of the previous paragraphs 1 and 2, the *Designated Clearing Member* and the *Client* shall sign, in compliance with applicable onboarding requirements, an agreement for the purpose of regulating the portability of the *Positions* and *Collateral of Indirect Clients*, these provisions are included in the agreement referenced within Article B.2.3.1 of these *Regulations*. Euronext Clearing shall not proceed to the transfer of Positions and Collateral of said Indirect Client unless it receives by the Designated Clearing Member confirmation of the signature of the agreement mentioned in this paragraph and the necessary Client's identification details within the fashion set forth in the following paragraph.
4. The *Designated Clearing Member* shall promptly provide *Euronext Clearing* with confirmation of the signature of the agreement mentioned in the previous paragraph, which shall include separate evidence of the *Client* 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. At onboarding stage, *Clients*, including *Trading Clients*, registered within a *Client Omnibus Segregated Account Structure,* may jointly designate a single Clearing Member (*Designated Clearing Member*) for the transfer of the *Positions* and *Collateral* held by the Clients' reference Clearing Member on their behalf in the event of the opening of a default procedure pursuant to Article B.6.1.1, paragraph 1, with respect to their refence *Clearing Member.*
2. In case where, prior to an event of default affecting the Clients' reference Clearing Member pursuant to Article B.6.1.1, paragraph 1, said Clients have not jointly identified a *Designated Clearing Member,* these *Clients* may jointly designate, within four hours from the default event, a *Designated Clearing Member* for the transfer of

the *Positions* and *Collateral* held by their reference *Clearing Member* on their behalf. This time limit may be amended by *Euronext Clearing* taking into account the circumstances, through a specific communication.

3. In the cases of the previous paragraphs 1 and 2, the *Designated Clearing Member* shall sign, in compliance with applicable onboarding requirements, the agreements with all of those Clients, for the purposes of managing the transfer of the *Positions* and *Collateral*, these provisions are included in the agreement referenced within Article B.2.3.1 of these *Regulations*. Euronext Clearing shall not proceed to the transfer of Positions and Collateral unless it receives by the *Designated Clearing Member* confirmation of the signature of the agreements with all those Clients registered within the *Client Omnibus Segregated Account Structure* and the necessary Clients' identification details within the fashion set forth in the following paragraph.
4. The *Designated Clearing Member* shall promptly provide *Euronext Clearing* with confirmation of the signature of the agreements mentioned in the previous paragraph with all of the Clients registered within the *Client Omnibus Segregated Account Structure*, including separate evidence of the necessary *Clients'* identification details, using a specific form provided by *Euronext Clearing*, which shall include separate evidence of the necessary *Clients or Trading Clients* identification details.
5. The provisions on portability agreements included in this Article applicable to *Omnibus Segregated Account Structure* shall also apply with respect to *Net Omnibus Segregated Account* 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, where applicable, *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 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 Collateral Account. Margins* due are calculated in a single *Margin Account*, on the total *Clients*' *Positions*.

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 *Client 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 affected 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 its client activity related to a specific trading capacity*,* 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.

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 the *Fixed Income Sections* and the *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;

b) determining, with a "confidence interval", the amount of potential loss from *Clearing Member*'s *Positions* during a pre-set time span.

3. The methods indicated at paragraph 2 are applied on the *Positions* referenced in each *Margin Account* referred to in Article B.4.1.0.

4. For *Positions in Delivery* of the *Euronext Soft Commodity Derivatives Section, Euronext Clearing* also applies a *Delivery Margin*, calculated pursuant the modalities and timings indicated in the Instructions.

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 *Equity Section* and the *Financial Derivatives Section,*

   in the latter cases, 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. 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. To that end, *Euronext Clearing* may assess qualitative or quantitative elements, which show an increase in the credit risk of the *Participant*, including evidences which may arise from the performance of the activities specified within Article B.2.2.1-*bis* and B.2.2.1-*ter.*

7. 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.

8. The payment of Initial *Margins* by the Clearing Member shall occur within the deadlines set forth in Article B.5.1.1. paragraph 5.
9. *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 Margin* is 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 Margin* 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. *Daily Variation Margins* are paid between *Euronext Clearing* and *Clearing Members*.
4. *Daily Variation 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 Margin* by the *Clearing Member* shall occur within the timeframes referred to in Article B.5.1.1. paragraph 5.
6. In respect to *Financial Derivatives Instruments* denominated in a currency other than EURO, *Daily Variation Margins* are paid in the currency of denomination, in the manner and timeframes referred to in Article B.5.1.2.

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 amount 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 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. *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 determined according to the Trading Rules of the relevant *Market* and communicated to E*uronext Clearing*, according to the provisions of the *Instructions.*

Article B.4.1.5 Calculation of Margins

1. *The Margins* 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 segregated *Default Funds*:

    (a) one relating to the *Equity Section, Financial Derivatives Section* and the *Soft Commodity Derivatives Section*;

    (b) one relating to the Fixed Income Section;

    (c) one relating to the *Power Derivatives Section.*

Euronext Clearing shall make use of said Default Funds to cover losses deriving from necessary default procedures operations regarding *Clearing Members* and the *Positions* of the relevant *Sections*.

With respect to the *Default Fund* relating to *the Equity Section, Financial Derivatives Section and the Soft Commodity Derivatives Section* referred to in letter (a) above, *Euronext Clearing* applies a *Default Fund Segmentation* mechanism for the purpose of allocating losses among non-defaulting *Clearing Members*, by distinguishing between:

- Segment "EQDER": *Equity* and *Financial Derivatives Segment*;
- Segment "COMDER": *Soft Commodity Derivatives Segment*.

The above-described *Default Fund Segmentation* shall apply exclusively to the allocation of losses to non-defaulting *Clearing Members'* contributions, without affecting the structure or calculation of the *Default Fund* itself and shall apply only with respect to *Clearing Members active on a single Segment.*

Default Fund Segmentation shall be activated in case an event of default occurs with reference to a *Clearing Member active in a single Segment* of the Default Fund relating to the Equity, Financial Derivatives and Soft Commodity Derivatives Section (either, in the Segment EQDER or in the Segment COMDER). In this context, in case an event of default has been managed by Euronext Clearing through an *Auction* with respect to a *Clearing Member active on a single Segment* of the Default Fund, Euronext Clearing shall allocate losses amongst the non-defaulting Clearing Members' contributions across the tranches set out under Article B.6.2.3-bis with priority to the affected Segment of the Default Fund.

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 mentioned in paragraph 1, letter a)* for the *Equity Section, Financial Derivatives Section and Soft Commodity Derivatives Section* is made up exclusively of the payments of *Clearing Members* to the said *Sections.* The *Default Fund* mentioned in paragraph 1, letter b) for the Fixed Income Section is made up exclusively of the payments of *Clearing Members* to the said *Section.* The *Default Fund* mentioned in paragraph 1, letter c) for the *Power Derivatives Section* is made up exclusively of the payment of *Clearing Members* to that *Section*.
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,* the Italian Ministry of Economy and Finance, the Bank of Italy and those *Public Entities,* which have been waived by Euronext Clearing pursuant to Article B.2.1.1-bis, paragraph 2, letter b), do not participate to *Default Funds* and cannot therefore 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.

Article B.4.2.7 Request for payment of additional resources by the Resolution Authority (Resolution cash call)

1. After a *Resolution Action* has been taken in relation to *Euronext Clearing* by the *Resolution Authority* in accordance with *CCPRR Regulation*, the *Resolution Authority* may request *Clearing Members* other than the defaulting *Clearing Member* to make a further contribution in cash up to twice to the respective contributions to the *Default Fund* established under Article B.4.2.1. The *Resolution Authority* may exercise the resolution cash call regardless of whether all contractual obligations requiring cash contributions from non-defaulting *Clearing Members* have been exhausted.
2. The payment indicated under paragraph 1 shall be payable immediately on demand of the *Resolution Authority*. In case the required amount is not paid, the *Resolution Authority* may require

Euronext Clearing to place that *Clearing Member* in default pursuant to Article B.6.2.1 of the *Regulations*.

3. If, after the exercise of the Resolution cash call, the *Resolution Authority* determines that the total amount obtained exceeds the amounts needed to cover the default losses or the non-defaulting losses, it may require Euronext Clearing to reimburse said excess amount. In this case, *Clearing Members* impacted by the resolution cash calls will be reimbursed accordingly on a pro rata basis.
4. *Clearing Members* acknowledge and accept to be bound by any *Resolution Action* and the effects thereof.

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 or in one of the currencies specified in Article B.3.3.1-ter of the *Instructions*;
   b) through financial instruments accepted by the European System of Central Banks and, outside of this condition, other financial instruments identified by Euronext Clearing;
   c) through the provision of a *Central Bank Guarantee,* pursuant to paragraph 7, available only in respect to *Clearing Members* established in the Netherlands.
2. The *Daily Variation Margins*, including those in the form of premium, are fulfilled exclusively, in the currency of denomination of the *Derivatives Financial Instrument*.

3. Requests for additional intraday *Margins* are fulfilled exclusively in euros or, exclusively for the *Fixed Income Section*, 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) to an extent judged suitable to cover the potential risk from price variations in the said instruments or any potential exchange rate risk, for non-EURO denominated *Financial 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*.
   c) the limits of concentration and haircuts applicable to non-EURO currencies referenced in paragraph 1, letter a);
   d) the limits and other relevant parameters which shall regulate the use by *Clearing Members* of *Central Bank Guarantees;*
   e) the limits of concentration and other relevant parameters which shall regulate the use of Triparty Collateral Management Tool;
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(s)* as identified pursuant Chapter B.11 of the *Instructions,* for *Financial Instruments* indicated at paragraph 1, sub-paragraphs b).
   c) Accounts held within an *Eligible credit institution,* as identified pursuant the *Instructions*, for cash in currencies other than EURO;
   d) Accounts held within an eligible Triparty Collateral Management Agent, as identified pursuant instructions, for Financial Instruments indicated at paragraph 1, sub-paragraphs b) posted by Triparty Collateral Management Tool.
6. *Euronext Clearing* accepts *Central Bank Guarantees* as an alternative solution to the transfer of *Collateral* to fulfil *Margins* and

Default Fund obligations, within the limits and conditions set forth in the *Instructions*.

7. Default Fund obligations are fulfilled in euro and, exclusively for *Clearing Members* established in the Netherlands, through the provision of a *Central Bank Guarantee.* In the latter case, *t*he provision of paragraph 4, letter d) applies*.*

[*The provisions regulating Central Bank Guarantees and eligibility of non-euro cash Collateral will enter into force with a subsequent Notice*]

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*, as a guarantee of the *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, sub-paragraph 1.b) and paragraph 3, deposited by each *Clearing Member* either directly or through the use of a Triparty Collateral Management Tool, 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 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).
4. 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.*
5. Provisions concerning *Collateral* management are specified within the *Instructions,* depending on the relevant *Section of* the *System* concerned.

Chapter B.4.4 Rules governing the monitoring of Position limits

Article B.4.4.1 – Monitoring of Position limits in respect to Soft Commodity Derivatives Section

1. *Euronext Clearing* shall define Position size limits and Position variation limits, expressed in number of contracts, applicable to *Positions* on physically delivered commodity future contracts, as specified in the Instructions. Such *Positions* size limits and Position variation limits are communicated to *Clearing Members* via Notices.
2. In case of non-fulfilment of such *Clearing Member's* obligation, *Euronext Clearing* reserves the right to take any measure, as deemed necessary, to have *Clearing Members*' Positions complying with the defined threshold. In such case, pursuant to Article B.6.1.1 paragraph 1 letter d) of these *Regulations Euronext Clearing* is entitled to proceed with the liquidation of the part of the *Position* exceeding the defined limits, with no delay, upon formal notice to the failing *Clearing Member* pursuant to Article B.6.2.1*nonies* of these Regulations. Excess of Clearing Member's *Position* above the defined limit is liquidated by prioritizing first the *Clearing Member*'s *House Position* and secondly the *Clearing Member's Clients Position* on a pro rata basis.
3. In any situation, *Euronext Clearing* reserves the right to take any measure to assess and temporarily adjust such Position size limits and Position variation limits within their application period. In such case, adjusted Position size limits and Position variation limits are made available to *Clearing Members* via Notices.
4. In the event of a breach of the above-mentioned Position size limits and Position variation limits, Euronext Clearing may apply a penalty fee, as specified in its Price List.

PART B.5 Settlement

Chapter B.5.1 Daily Settlement

Article B.5.1.1 Daily Settlement in EURO

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.

Article B.5.1.2 Daily Settlement in currencies other than EURO

1. A *Clearing Member* intending to clear *Derivatives Financial Instruments* denominated in a currency other than EURO, shall fulfill the related daily settlement obligations according to the following provisions.
2. *Euronext Clearing* shall calculate and communicate, at least on a daily basis, and according to the general criteria that it shall establish, the amounts denominated in a currency other than EURO to be paid to cover *Daily Variation Margins*, the final settlement of differentials and any other items that each *Clearing Member* must pay or receive in said currencies.

3. *Euronext Clearing* shall communicate to *Clearing Members*, including *Settlement Agents*, the daily settlement amounts indicated in paragraph 2.
4. The payments referred to in paragraph 1 are performed, according to the methods set forth in the *Instructions,* on accounts opened in the name of *Euronext Clearing* within a credit institution identified by *Euronext Clearing*. *Clearing Members*, or where applicable, *Settlement Agents*, shall ensure that they have in place the necessary arrangements to fulfill the payments obligation referred to in paragraph 1.
5. As an exception to the above, in case of events preventing the payments referred to in paragraph 1 from being performed in the currency of denomination, *Euronext Clearing* reserves the right to convert, using a reasonable exchange rate, any amount due in a currency other than euro, in euro.
6. In the case of paragraph 5, *Euronext Clearing* shall inform the *Clearing Members*, and *Settlement Agents*, of its intention to make use of this right. *Euronext Clearing* performs the payment in euro, within the fashion described in Article B.5.1.1.

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 as specified in the Instructions.

Article B.5.2.1 Final settlement of Positions of Equity Section

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 submit *Positions* and related settlement instructions to the *Settlement Services* on behalf of the *Clearing Members according to the arrangements defined for each Section and specified in the Instructions.* Euronext Clearing instructs settlement accounts of the Clearing Members or of the Settlement Agent in the relevant Settlement Services, via power of attorneys. Deadlines for submission of Positions and related settlement instructions to the selected Settlement Service 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 within the Financial Derivatives Section

1. The final settlement of Positions on Derivative Financial Instruments shall take place, according to the applicable Contractual Scheme, either through cash settlement of differentials or through delivery of the underlying asset, pursuant to the provisions of the following articles.

Article B.5.2.3 Final settlement of Positions of the Financial Derivatives Section with delivery of underlying assets

1. The final settlement of *Positions* of the *Financial Derivatives Section* with delivery of underlying assets is performed in the context of the *Settlement Services* indicated in the *Instructions*.
2. All of the obligations and rights arising from the final settlement provided for in paragraph 1 above, constitute *Positions* on *Non-Derivative Financial Instruments,* which are registered within the *System,* in compliance with the segregation principles for *Position Accounts* and *Margin Accounts* referenced in Article B.3.0.1 and Article B.4.1.0.
3. The *Positions* shall be sent to the *Settlement Services* at the end of day. Concerning *Positions* that are not settled in accordance with the provisions of paragraph 1, the provisions of Section B.5.3 shall apply.
4. *Clearing Members* shall ensure that they have in place the necessary arrangements to fulfill the delivery obligations referred to in paragraph 1, as specified in the *Instructions*.
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 communicate to the *Clearing Members* and/or *Settlement Agent* thereof, according to the methods indicated in the *Instructions*.

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

1. Within the *Financial Derivatives Sections*, the final settlement of differentials is calculated as follows:

   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;

b) for *Positions* in options, the difference between the *Settlement Price* and the exercise price.

2. The amount indicated in paragraph 1 are paid between Euronext Clearing and its Clearing Members either in Euro in the manner set forth in Article B.5.1.1. or, in case of *Financial Derivatives Instruments* denominated in a currency other than Euro, within the fashion set forth in Article B.5.1.2 of the *Regulations.*

Article B.5.2.4-bis Final settlement of Positions of the Power Derivatives Sections

1. For Positions in futures of the *Power Derivatives Section* the final settlement is performed through cash settlement at the end of the monthly, weekly and daily contract's delivery period (i.e, at contract's expiration day) by payment of an amount equal to the difference between the Exchange Delivery *Settlement Price* (EDSP) on expiry date and the daily settlement price of the previous trading day, as determined according to the Trading Rules and the contract specifications of the relevant *Market.* The amount indicated in paragraph 1 are paid between *Euronext Clearing* and its *Clearing Members* in the manner set forth in Article B.5.1.1 of the *Regulations.*

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

1. In the event of exercise of an option by a *Clearing Member*, or, where applicable, by its Trading Client, *Euronext Clearing* shall exercise the same rights against those *Clearing Members* which at the end of the trading day have open short *Positions* of the same serie on a pro rata basis.
2. The exercise of the option shall be in all cases irrevocable. Euronext Clearing shall communicate the exercise to the assigned Clearing Members through the *Technological Infrastructure*. The specific deadlines for exercise shall be set forth in the Instructions and may vary according to the relevant market or option series.
3. According to the provisions of the *Contractual Scheme* the *Positions* relating to exercised options shall be subject to final settlement

either through payment of differentials or delivery of underlying assets pursuant to the provisions of this Chapter.

4. The methods of communicating the exercise of options are specified within the *Instructions*.

Article B.5.2.6 Final settlement of the Positions held in respect to the Soft Commodity Derivatives Section

1. The final settlement of the *Positions* held on commodity *Derivatives Financial Instruments* in relation to *Soft Commodity Derivatives Section* may take place either through settlement in cash or through the physical delivery of the underlying commodities, in accordance with the relevant *Contractual Scheme*, and pursuant to the methods indicated in the following Articles.

Article B.5.2.7 Final settlement of Positions held in respect to cash settled Derivatives Financial Instruments of the *Soft* Commodity Derivatives Section

1. The final settlement of *Positions* held on cash settled futures contracts shall be made by payment of a cash differential, according to the provisions of the relevant *Contractual Scheme*. The final settlement of cash differential for *Positions* in futures is calculated on the difference between the *Settlement Price*, as provided by the relevant *Management Company*, and the trading price, arising from operation on the last trading day.
2. The amount indicated at paragraph 1 is paid between *Euronext Clearing* and *Clearing Members*.
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.5.2.8 Final settlement of Positions in Delivery held in respect to physically delivered Derivatives Financial Instruments of the *Soft* Commodity Derivatives Section

1. The final settlement of the *Positions in Delivery* held in relation to *Soft Commodity Derivatives Section* shall take place through delivery of the underlying commodity, according to the provisions of the relevant Contractual Scheme. The underlying commodity shall be delivered through the *Guaranteed Delivery Procedure* according to the rules of the *System*, as defined within these *Regulations, Instructions* and relevant *Annexes*, although *Clearing Members* may, in the manner and within the time limits specified

in these Regulations, also opt for an *Alternative Delivery Procedure*, thereby freeing *Euronext Clearing* and *Clearing Members* from their respective obligations towards each other's.

Article B.5.2.9 Netting of Positions held in respect to physically delivered Derivatives Financial Instruments of the *Soft* Commodity Derivatives Section

1. Buying and selling *Clearing Members* shall separately net each of (1) their *House* Positions registered in their House Position Account and (2) their *Clients' Positions* registered in their Client *Position Account(s)*, until the contract's expiry date, in the manner and within the time limits specified in the *Instructions* and relevant *Annex.*
2. In case of *Clearing Members*' failure to perform such obligation, *Euronext Clearing* is entitled to charge each *Clearing Member* not fulfilling this obligation with a penalty fee for late netting, as determined in the *Euronext Clearing* Price List, and, pursuant to the manner and time limits as specified in the *Instructions* and relevant *Annexes*.

Article B.5.2.10 Final settlement of the Positions in Delivery held in respect to physically delivered Derivatives Financial Instruments of the *Soft* Commodity Derivatives Section – coverage of selling Positions subject to physical delivery

1. As from a specific business day, as defined in the relevant *Annex* related to each commodity contract, until the contract's expiry day, *Clearing Members* holding selling *Positions* on commodity future contract, on its own behalf or on behalf of its *Clients*, shall provide evidence of the coverage of the selling *Position* through the submission of the relevant pre-delivery documentation, within the manner and relevant time limits, as specified in the Instructions and in relevant *Annexes*.
2. Such relevant pre-delivery documentation is detailed in the *Annex* dedicated to the physical delivery of each commodity contract.
3. In the event of non-fulfilment of the above-mentioned obligation by the end of the Expiry Day, Euronext Clearing reserves the right to declare the selling *Clearing Member* in default pursuant to Article B.6.1.1. of these Regulations and to apply the procedures foreseen in Article B.6.2.1-*nonies* of these *Regulations*, on the *Positions* not covered or partially covered by the relevant pre-delivery documentation. Before the Expiry Day, *Euronext Clearing* is entitled

to apply the penalties for late pre-delivery documentation submission, as determined in *Euronext Clearing Price List.*

Article B.5.2.11 Final settlement of the Positions in Delivery held in respect to physically delivered Derivatives Financial Instruments of the *Soft* Commodity Derivatives Section – Minimum quantity eligible to delivery

1. Both selling and buying *Clearing Member* shall comply with the obligation related to the minimum quantity eligible to delivery, as specified in the Instructions.
2. Pursuant to Article B.6.1.1. of these Regulations, any selling and buying *Clearing Member* not fulfilling the above-mentioned obligation by the time limit specified in the *Instructions*, is deemed to be in default.
3. In such case, *Euronext Clearing* reserves the right, at any time after the above-mentioned time limit, to liquidate any outstanding selling and buying Positions not complying with the minimum quantity eligible to delivery, pursuant to Article B.6.2.1-*nonies* of these Regulations.

Article B.5.2.12 Final settlement of the Positions in Delivery held in respect to physically delivered Derivatives Financial Instruments of the *Soft* Commodity Derivatives Section – Determination of Position in Delivery after the contract's expiry day

1. On the contract's expiry day after market closure, any *Position* registered in the selling *Clearing Member's Position Accounts*, duly covered by the pre-delivery documentation, as specified above in Article B.5.2.10, and compliant with the minimum quantity eligible to delivery specified in Article B.5.2.11, gives rise to a *Position* in *Delivery*. Such *Position in Delivery* determines the obligation for the selling *Clearing Member* to deliver the underlying commodity and the obligation for the buying *Clearing Member* to a pay the amount for the value of the delivered commodity, within the limits of Article B.1.1.2.

Article B.5.2.13 Final settlement of the Positions in Delivery held in respect to physically delivered Derivatives Financial Instruments of the *Soft* Commodity Derivatives Section – Matching of counterparties

1. On the contract's expiry day, buying *Clearing Members* and selling *Clearing Members* are bilaterally placed in front of each other and matched in order to determine *Positions* in *Delivery*, pursuant to the terms defined in the *Instructions*, and within the timeline determined in the relevant *Annexes.*
2. On the next *Euronext Clearing Open day* following the contract's expiry day, *Euronext Clearing* shall confirm the final matching between counterparties, in the manner and time limits as specified in the Instructions and relevant *Annexes.* As from the time when such final counterparties matching arises, Article B.1.1.2 paragraph 5 shall apply.

Article B.5.2.14 Final settlement of the Positions in Delivery held in respect to physically delivered Derivatives Financial Instruments of the *Soft* Commodity Derivatives Section – choice of retained delivery procedure

1. On the second *Euronext Clearing Open day* following the contract's expiry day, in the manner and within the time limits specified in these *Regulations*, relevant *Instructions* and relevant *Annexes*, *Clearing Members* shall decide whether the physical delivery of the underlying commodity will be performed:
    a) Either under the *Guaranteed Delivery Procedure* pursuant to the rules of the *System*, and whereby *Euronext Clearing's* obligations towards *Clearing Members*, as determined in Articles B.1.1.2 of these *Regulations*, fully apply, until final settlement of the Positions in Delivery;
    b) Either under an *Alternative Delivery Procedure*, whereby both buying and selling *Clearing Members* have agreed on a physical delivery outside of the *System*, thereby releasing *Euronext Clearing* from its obligations towards Clearing Members, as determined in Article B.1.1.2 of these Regulations. In such case, *Euronext Clearing* shall release the *Margins* to the *Clearing Members* on the next open day.
2. Unless otherwise stated by the *Clearing Members*, in the manner and within the time limits specified in the relevant *Instructions* and relevant *Annexes, Euronext Clearing Guaranteed Delivery*

Procedure shall apply until final settlement of the *Positions in Delivery*.

3. *Euronext Clearing* and *Clearing Members* shall be released from the respective obligations at the time *Euronext Clearing* acknowledges the receipt of *Clearing Members*' joint decision to exit from the *Guaranteed Delivery Procedure*, within the manner and time limits specified in the *Instructions* and *Annexes.*

Article B.5.2.15 Final settlement of the Positions in Delivery held in respect to physically delivered Derivatives Financial Instruments of the *Soft* Commodity Derivatives Section – obligations pertained to the CCP Guaranteed Delivery Procedure

1. Under the *Guaranteed Delivery Procedure*, selling *Clearing Members* are liable for the delivery of the underlying commodity complying with the quality defined in the *Contractual Scheme*, in the manner and within the conditions and time limits specified in the relevant *Instructions* and relevant *Annexes*.
2. As part of the *Guaranteed Delivery Procedure*, buying *Clearing Members* are liable for the payment of amounts corresponding to the value of the delivered commodity, in the manner and within the conditions and time limits specified in the relevant *Instructions* and relevant *Annexes*.
3. In case of non-fulfilment of obligations pertained to the *Clearing Member on Positions in Delivery* during the physical delivery of the underlying commodity, *Euronext Clearing* reserves the right to declare the *Clearing Member* in default pursuant to Article B.6.1.1. of these *Regulations* and to apply the procedures foreseen in Article B.6.2.1*decies* and *undecies* of these Regulations.

Article B.5.2.16 Final settlement of the Positions in Delivery held in respect to physically delivered Derivatives Financial Instruments of the *Soft* Commodity Derivatives Section – Payment of amounts due for the value of the goods against delivery of underlying commodities

1. Unless otherwise agreed, the value of the goods due by the buying Clearing Member is bilaterally paid to the selling Clearing Member, in the manner and time limits specified in the Instructions and Annexes.

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 suspend the settlement or 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.5.3.2 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 Allocation of net residual amounts resulting from the application of the penalty mechanisms in Regulation (EU) No. 909/2014 and Delegated Regulation (EU) No. 1229/2018

1. *Euronext Clearing* adopts the following mechanism to cover losses resulting from the application of the penalty mechanisms referred to in Article 7, paragraphs 2 and 4 of Regulation (EU) No. 909/2014

(CSDR) and Article 19, paragraph 3 of Delegated Regulation (EU) No. 1229/2018 (SDR).

2. *Euronext Clearing* charges to the Clearing Members in bonis any net remaining amount of the debit penalties, if any, paid in accordance with Article 16 SDR in proportion to the credit amounts received by them. This subparagraph shall not apply to the Special *Clearing Member*.
3. Amounts are calculated and reported to *Clearing Members* on a monthly basis. They are charged according to the payment procedures and timelines specified in the Instructions.

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. in the context of the *Soft* Commodity Derivatives Section, to attest the complete or partial covering of selling Positions or to perform the delivery of the underlying commodities of the Positions in Delivery, or to perform the payment of the value of the underlying commodities of the Positions in Delivery or to comply with any of the obligations pertained to the physical delivery of the underlying commodities, as specified within these Regulations, Instructions and Annexes;
      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 4 of Article B.6.2.1.

d) in the context of the *Soft Commodity Derivatives Section*, in the event and at the time of non-fulfilment or partial fulfilment, of the obligations related to the Position limits, under the terms provided by these *Regulations* in *Article B.4.4.1*, *Euronext Clearing* shall liquidate the part of the Positions exceeding the defined threshold pursuant to the manner specified in Article B.6.2.1-*nonies*.

e) in the context of the *Soft Commodity Derivatives Section*, in the event and at the time of non-fulfilment or partial fulfilment, of the obligations related to the minimum quantity eligible to deliver, as specified in Article B.5.2.11 of these *Regulations Euronext Clearing* shall liquidate the *Positions* below the minimum quantity eligible to deliver pursuant to the manner specified in Article B.6.2.1-*nonies.*

f) In the event a *Resolution Action* has been taken in relation to *Euronext Clearing*, in case of unfulfillment of the payments set out under Article B.4.2.7 of these *Regulations*.

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* ceases operating 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.6.1.2bis Justified Default under the Soft Commodity Derivatives Section

1. If the *Clearing Member* invokes and demonstrates that the non-fulfilment of its obligations pertained to *Positions* and Positions in Delivery in the context of the Soft Commodity Derivatives Section is due to a case of force majeure, Euronext Clearing may grant to the affected Clearing Member an extension by establishing the term within which the delivery of the underlying commodities and the related payments shall be performed, according to the manner specified in the *Instructions*.
2. If such hindrance due to force majeure either exceeds the above-mentioned granted extension or definitely prevents the fulfilment of Clearing Member's obligations, final settlement of Positions and Positions in Delivery shall be performed pursuant Article B.6.2.1-nonies, Article B.6.2.1-decies and Article B.6.2.1-undecies.

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 79-novies.3 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 default of a *Clearing Member* indicated in Article B.6.1.1, paragraph 1, except for the application of Article B.6.1.2 or Article B.6.1.2-bis, *Euronext Clearing* shall adopt the following actions and measures, in order to mitigate the impacts of the default on the *System* and on the non-defaulting *Clearing Members*.

2. Upon an event of default, *Euronext Clearing* shall:

i. exclude the defaulting *Clearing Member* from the *System* as per Article B.2.2.4 and cease to register any new trade in the name of the defaulting *Clearing Member*, including those related to its *Trading Clients, as per Article B.2.2.3,* giving notice to the *Management Companies* of the Markets concerned*;*

ii. close-out all the obligations referrable to the defaulting Clearing Member, pursuant paragraph 4;

iii. proceed to the liquidation of the Collateral posted by the Defaulting Clearing Member and, where applicable, activate the *Central Bank Guarantee* pursuant to Article B.3.3.6 of the *Instructions*;

iv. request the exclusion from the *Settlement Services* of the operations relating to the *Positions* that refer to the defaulting *Clearing Member*, without prejudice to the rules governing these services concerning settlement finality as per Directive 98/26/EC;

v. offset the *Positions* and *Failed Positions* relating to the defaulting *Clearing Member*, that have been excluded from the Settlement Service;

For the purpose of the orderly management of the default procedure, the *Euronext Clearing* is entitled, in relation to settlement obligations identified in Article B.5.1.2 and due in a currency other than EURO, vis-à-vis non-defaulting Clearing Members having opposite Positions to the defaulter, to either postpone, for a period not exceeding three (3) Euronext Clearing's Open Days, the settlement of said amounts or convert the relevant amounts in EURO in the manner set forth in paragraph 5 of the same Article. Euronext Clearing may recur to this provision, giving in both cases previous *Notice* to affected Clearing Members.

3. Where the conditions set forth in Article B.6.2.1-bis, are met, Euronext Clearing shall transfer the *Positions* and *Collateral* registered within the *Defaulting Clearing Member Client Account Structures*. In respect to the transfer of Positions and Collateral pertaining to the accounts mentioned in Article B.2.5.1, the Defaulting Clearing Member ensures to provide Euronext Clearing with the necessary Clients identification details.

4. Euronext Clearing shall proceed to the liquidation of the non-transferred Positions, either through the use of brokers, a direct

sale, or through an auction, or a combination of these procedures, as provided for within the following Articles. *Euronext Clearing* may at any time decide, for risk reduction purposes, to hedge the exposures resulting from Positions pertaining to the Defaulting Clearing Member. In case that the use of the liquidation tools mentioned in this paragraph is proven unsuccessful or is considered to be ineffective, Euronext Clearing, having assessed the expected impact on the markets and the System, may decide to perform the cash settlement of outstanding Positions of non-defaulting Clearing Members giving prior Notice. *Euronext Clearing* calculates the cash settlement amount considering the latest available daily settlement price[1].

5. In order to limit the effects on the *System* and on the other *Members, Euronext Clearing* retains the right to adopt any other measures considered necessary for managing the default, also in deviation from the preceding paragraphs.
6. Once all defaulting Member's Positions have been closed, Euronext Clearing shall proceed to close the accounts of the defaulting Clearing Member and shall calculate the costs incurred in for the management of the default, allocating them according to the order indicated at B.6.2.3.

Article B.6.2.1-bis Transfer of Positions and Collateral registered within Clients Account Structures

1. In the event of a default of a Clearing Member indicated in Article B.6.1.1, paragraph 1, subject to the provisions of Article B.6.1.2, Euronext Clearing:

a) shall transfer, to the D*esignated Clearing Member the Positions* and *Collateral* recorded in the ISA envisaged in Article B.3.0.1., paragraph 3 and, where applicable, 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

[1] "*Within the Fixed Income, Euronext Clearing advises that:*

- liquidation of positions through auctions, as referenced in article B.6.2.1, paragraph 4 of the regulations, will become effective from a later date to be specified in a notice;
- *with respect to Positions on repo on government bonds other than Italian ones, Euronext Clearing advises that the close out of said Positions will be performed through cash settlement, under the conditions provided for within Article B.6.2.1, paragraph 4 of the Regulations. Euronext Clearing will progressively extend the coverage of brokers to support the liquidation of government bonds other than Italian ones"*

B.2.4.1, paragraph 4 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 to Article B.3.0.1., paragraph 6, letter a), if the confirmation referred to Article B.2.5.1, paragraph 4 has been sent to *Euronext Clearing* before the default event and unless all Clients, whose *Positions* and *Collateral* are recorded within the GOSA or NOSA object to the transfer;

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 Clearing Member*, if the confirmation indicated in Article B.2.4.1, paragraph 4, is transmitted by the deadline indicated in paragraph 2 of the same Article. *Euronext Clearing* shall also, where applicable**,** 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 Clearing 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 4, or Article B.2.4.2, paragraph 4, is not transmitted by the indicated deadline, *Euronext Clearing* shall proceed to the liquidation of the *Positions*, pursuant to Article B.6.2.1, paragraph 4.

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 4, is transmitted by the deadline indicated in paragraph 2. If the requested documentation is not sent by that deadline, Euronext Clearing shall proceed to the liquidation of the Positions, pursuant to Article B.6.2.1, paragraph 4;

Article B.6.2.1-ter Risk mitigation measures

1. Euronext Clearing, in its sole discretion, may decide at any time to reduce its exposure in respect to the *Positions* referring to the defaulting Clearing Member, by entering into hedging transactions.

2. To that end, Euronext Clearing, in its sole discretion, may proceed with any method or procedure it considers appropriate. The related costs are included within Article B.6.2.1, paragraph 6.
3. *Clearing Members* and *Trading Clients* understand that the potential knowledge of information regarding risk mitigation trades entered into pursuant this Article are extremely confidential and shall not be disclosed, other than as necessarily required.

Article B.6.2.1-quater Liquidation via Clearing members or by appointed brokers

1. Euronext Clearing may liquidate the Positions referring to the defaulting Clearing Member, through one or more brokers on the Market, and/or, where appropriate, through OTC and other off-venue transactions.
2. Appointed brokers shall act in their own name and for the account of Euronext Clearing. Brokers may execute the mandate awarded by *Euronext Clearing* also through other parties.
3. In order to ensure coverage across the range of its cleared *Financial Instruments*, *Euronext Clearing* may appoint an adequate number of *Clearing Members* for each *Section of the System* or specific asset class, to liquidate the *Positions* referring to the defaulting *Clearing Member* pursuant paragraph 1. The appointment made by *Euronext Clearing* shall be based on the yearly average of contributions referred to in Article B.4.2.1 of each *Clearing Member*. *Euronext Clearing* may also consider the historical House activity of the *Clearing Member* on the *Section, or Sections* concerned, including the extent of markets covered by each *Clearing Member*. When lacking historical data, *Euronext Clearing* shall consider other relevant factors with the purpose of guaranteeing adequate coverage.
4. Appointed *Clearing Members* shall act in their own name and for the account of *Euronext Clearing* and may execute the mandate awarded by *Euronext Clearing* also by appointing third parties to act as a broker. With respect to *Markets* where execution on behalf of third parties is not envisaged, *Clearing Members* may act in their own name. Following execution, the Clearing Member may request Euronext Clearing to register the same transaction between the *Clearing Member* and the CCP in the post trade systems to flatten the obligations assumed by the *Clearing*

Member. Euronext Clearing shall maintain and update the list of appointed *Clearing Members* to act as brokers and update it on a regular basis.

5. In the event of a default of a *Clearing Member*, in case of failure of performance of the assignment relating to the closure of *Positions* awarded by *Euronext Clearing*, *Euronext Clearing* reserves the right to adopt any measures in respect of *Clearing Members* as expressly provided in accordance to these *Regulations*, exception made for the case where the relevant *Clearing Member*, acting as broker, provides objective and documented reasons to justify the failure of performance.
6. To ensure preparedness, *Euronext Clearing* may organize on a regular or ad hoc basis, tests which may include also the participation of appointed *Clearing Members*, including, where applicable, brokers. In the event the identified brokers fail to participate to tests, *Euronext Clearing* reserves the right to adopt any measures in respect of *Clearing Members* as expressly provided in accordance to these *Regulations*.

Article B.6.2.1-quinques Direct Sale

1. Where the interest of the *System* so requires, Euronext Clearing may directly negotiate the sale, in whole or in part, of the Positions referring to the defaulting Clearing Member, with one or several bilateral counterparties.
2. Euronext Clearing may recur to a direct sale only if, in the context of the provisions of Article B.6.2.3, the costs related to the sale will not affect the contributions of non-defaulting *Clearing Members* mentioned in Article B.4.2.1.

Article B.6.2.1-sexies Auction

1. *Euronext Clearing* may in its sole discretion decide to organize one or several auctions, for the liquidation of the Positions, related to the *defaulting Clearing Member,* as a whole or in part. Euronext Clearing shall organize and manage an auction, taking into consideration the interest of the *System* and the *Members,* pursuant to the following principles, as implemented within Chapter B.14 of the Instructions.
2. Euronext Clearing shall determine, based on its exclusive judgement, which *Clearing Members* and, where relevant,

Trading Clients to invite, so as to ensure the effectiveness of the auction, as well as to ensure confidentiality. Participation in auction is limited to either *Mandatory Auction Participants* or *Voluntary Auction Participants*.

3. *Euronext Clearing* shall determine~~, as the case may be,~~ **the relevant *Auction* parameters and criteria for the purpose of assessing auction bids and shall be entitled to accept or reject such bids at its discretion, in accordance with the methodology set forth under *Chapter B.14* of the *Instructions*.** ~~one or more, *Qualificative Price*(s), pursuant to the fashion set forth within the *Instructions*. In case of a bid which is submitted below said *Qualificative Price* by a *Mandatory Auction Participant*, Article B.6.2.3 bis, paragraph 3 applies. *Euronext Clearing* may in its sole discretion, reserve the right to apply a tolerance level to a maximum amount to the bid submitted by a *Mandatory Auction Participant* below the *Qualificative Price,* giving evidence of this choice and the specific maximum amount within the *Instructions*.~~
4. Once submitted by a *Clearing Member*, a bid shall be binding and may not be revoked. In the case of participation of *Trading Clients,* the bid shall be considered legally binding if validated by the sponsoring *Clearing Member*
5. Euronext Clearing shall ~~in its sole discretion decide whether or not to accept one or more bids in an auction.~~ **whether or not to accept one or more bids in an *Auction*, by taking into account the interest of the *System* and of the *Members* and on the basis of the assessment framework set forth in the *Instructions*, including observable market evidence, bid quality, and execution considerations.** In case of several equal bids, Article B.14.1.2, paragraph 8 of the *Instructions* applies.
6. In case a winning bid is accepted, Euronext Clearing shall register the Positions in the name of the winning *Clearing Member*, and request the payment of any obligation in conjunction with those Positions, including Margins, Default Fund Contributions, and other measures that *Euronext Clearing* may apply pursuant these Regulations.
7. In order to ensure preparedness, *Euronext Clearing* may organize on a regular or ad hoc basis, tests which may include also the participation of Clearing Members, including, where

applicable, Trading Clients. Effective participation in these tests is a precondition for being invited to an auction.

8. Clearing Members, and where applicable Trading Clients, shall treat any information acquired in the context of an auction with the utmost confidentiality.
9. By taking part in an *Auction,* both *Mandatory Auction Participants* and *Voluntary Auction Participants* accept the obligation to submit a bid, which must comply with the requirements set forth within the Instructions. Failure to do so, shall result in **the *Default Fund* contributions of the relevant *Mandatory* or *Voluntary Auction Participants* being allocated in accordance with Article B.6.2.3-bis and *Chapter B.14* of the *Instructions*** ~~the contributions of the relevant Mandatory or Voluntary *Auction Participant* being juniorised, in the manner described in Article B.6.2.3bis, paragraph 6~~.

Article B.6.2.1-septies Mandatory Participation in auction and preparedness

1. In order to ensure adequate coverage across the range of its cleared Financial Instruments, as well as effective participation within an auction, *Euronext Clearing* shall determine, for each *Section of the* System, or combination, or part thereof the *Clearing Members* to act as *Mandatory Auction Participants*.
2. The determination shall be made by *Euronext Clearing* based on the yearly average of contributions referred to in Article B.4.2.1 of each Clearing Member. Euronext Clearing may also consider the historical House activity of the *Clearing Member* on the *Section, or Sections* concerned, including the extent of markets covered by each *Clearing Member*. When lacking historical data, Euronext Clearing shall consider other relevant factors with the purpose of guaranteeing the objectives of paragraph 1. *Euronext Clearing* shall update the lists of *Mandatory Participants* at least on a yearly basis.
3. *Mandatory Auction Participants* shall possess adequate organizational and risk management resources and shall actively participate in the tests organized by *Euronext Clearing*.
4. In case an auction is organized, and *Euronext Clearing* invites a Mandatory Auction Participant, the latter shall participate in the Auction, either directly or by sponsoring a Trading Client, in the

manner set forth in Article B.6.2.1octies, paragraph 3. However, on an individual basis, in case of proven changes to the conditions referred to in paragraph 2, Euronext Clearing may consider waving said requirement and exempt the *Mandatory Auction Participant* from participation within the auction.

5. Within the procedure set forth in Article B.6.2.3, *Mandatory Auction Participants* are subject to the provisions of Article B.6.2.3-bis **and of Chapter B.14 of the Instructions**~~, paragraphs 3 and 4~~.
6. When participating in an auction, *Mandatory Auction Participants* are subject to Article B.6.2.1sexies, paragraph 8.
7. The provisions of this article shall not apply to Public Entities.

Article B.6.2.1-octies Voluntary participation in auction and preparedness

1. Any other *Clearing Member*, that has not been identified in the context of Article B.6.2.1septies and, where applicable, *Trading Clients*, may be invited by *Euronext Clearing* to participate in an auction as *Voluntary Auction Participant*.
2. *Voluntary Auction Participant* are required beforehand to demonstrate to possess adequate organizational and risk management resources. To ensure adequate standards of preparedness, previous and positive participation to the tests exercises organized by *Euronext Clearing* is mandatory.
3. *Trading Client* participate under the sponsorship of a single *General Clearing Member*. Participation of a *Trading Client* shall occur under the full responsibility of its *General Clearing Member* and conditioned upon the consent of latter. The *General Clearing Member* may sponsor one or more *Trading Clients.* Bids submitted by the *Trading Client* shall be considered legally binding if validated by the sponsoring *General Clearing Member*
4. *Voluntary Auction Participants* may benefit from the incentive measure foreseen in Article B.6.2.3 bis~~, paragraph 5~~. In the case provided for in the preceding paragraph, the *General Clearing Member* sponsoring the *Trading Client* acting as *Voluntary Auction Participant*, shall benefit from the incentive measure provided for within Article B.6.2.3-bis **and Chapter B.14 of the Instructions**, ~~paragraph 5~~. ~~In case of more *Trading Members* being sponsored by the same *General*~~

~~*Clearing Member* participating to an auction, the incentive measure provided for within Article B.6.2.3 bis, paragraph 5 will be calculated to the most favorable bid submitted by the *Trading Client* above the *Qualificative Price*, in accordance with the provisions of the same Article B.6.2.3 bis~~.

5. When participating in an auction, *Voluntary Auction Participants* are subject to Article B.6.2.1sexies, paragraph 8.

Article B.6.2.1-nonies - Default of a Clearing Member in respect to Position related to Soft Commodity Derivatives Section

1. By way of derogating to Article B.6.2.1, in the event of default of a Clearing Member in respect to Position, as indicated in Article B.6.1.1, paragraph 1, letter a) point v~~i~~) of these Regulations, Euronext Clearing shall exclusively adopt actions and measures referred to in paragraphs 3 to 6 of the Article B.6.2.1 of these Regulations.
2. In such case, Euronext Clearing shall liquidate the non-transferred Position or the part of the non-transferred Position that give rise to the default and reserves the right to liquidate such Position through the use of a broker, or through direct sale, or through auction, pursuant to Article B.6.2.1 paragraph 4.
3. In such case - 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 entirely apply the provisions of Article B.6.2.1.

Article B.6.2.1-decies - Default of a Clearing Member in respect to Position in Delivery related to Soft Commodity Derivatives Section

1. By way of derogating to Article B.6.2.1, in the event of default of a *Clearing Member* in respect to *Position in Delivery*, as indicated in Article B.6.1.1, paragraph 1, letter a) point vi) of these *Regulations*, *Euronext Clearing* shall exclusively adopt actions and measures referred to in paragraph 4 to 6 of the Article B.6.2.1 of these *Regulations*.

2. In relation to *Positions in Delivery*:
    a) In cases of failure of the selling *Clearing Member* to deliver the underlying commodities and to proceed to the transfer on the specified transfer day, whatever the reasons;
    b) In cases of failure of the selling *Clearing Member* to deliver the underlying commodity complying with the quality criteria defined in the *Contractual Scheme*, whatever the reasons;
    c) in cases of failure of the buying *Clearing Member* to pay the value of the underlying commodity, whatever the reasons;
    d) in cases of failure of the buying *Clearing Member* to take possession of the underlying commodity, whatever the reasons;

Euronext Clearing shall liquidate such *Positions in Delivery* and indemnify the non-defaulting *Clearing Member* with a cash compensation pursuant to Article B.6.2.1-*undecies*.

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 entirely apply the provisions of Article B.6.2.1.

Article B.6.2.1-undecies – Specific liquidation procedure applied to Position in Delivery of the Soft Commodity Derivatives Section

1. *Euronext Clearing* shall liquidate the *Positions in Delivery* referring to the defaulting *Clearing Member*:
    a. by granting to the non-defaulting selling *Clearing Member* the authorisation to directly and bilaterally sell the underlying commodity on the physical market, or alternatively;
    b. by granting to the non-defaulting buying *Clearing Member* the authorisation to directly and bilaterally buy the underlying commodity on the physical market.
2. The non defaulting *Clearing Member* shall perform the transaction on the physical market within a limited time period of seven (7) working days as from the above-mentioned authorisation.

3. The non defaulting *Clearing Member* shall then provide to *Euronext Clearing* the invoice, evidencing the performance of such transaction executed on the physical market.
4. *Euronext Clearing* shall indemnify the non-defaulting Clearing Member with a cash compensation. Such cash compensation amount corresponds to the differential between the effective price at which the transaction has been executed on the physical market and the *Settlement Price.*
5. In addition, *Euronext Clearing* may apply to the defaulting *Clearing Member* a penalty amounts equal to 10% of the above-mentioned cash differential. This penalty is intended to indemnify the non-defaulting *Clearing Member*, after deduction of the amount corresponding to the direct costs and expenses incurred by *Euronext Clearing* for the management of such default.
6. Alternatively, to the above, the non-defaulting *Clearing Member* may depart from the *Guaranteed Delivery Procedure*, hence releasing *Euronext Clearing* from its obligation to pay such cash compensation to the non-defaulting *Clearing Member*, in case an amicable agreement between Clearing Members's Clients acting on the physical market is concluded to liquidate such Positions in Delivery. The non-defaulting *Clearing Member* shall send a declaration to *Euronext Clearing* concerning the conclusion of the agreement, within the seven (7) days period mentioned in paragraph 2.

   Once the declaration is received, Euronext Clearing, is fully released from its obligation to pay the cash compensation.

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* referrable 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 Euronext Clearing record new *Positions* referrable 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. 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 *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-novies 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-t*er* 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, if applicable, any sum resulting from the activation of *Central Bank Guarantee* 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 of the other *Clearing Members* to the Default fund guaranteeing the *Section*, or *Sections,* concerned, pro rata to the payments made and limited to the losses and costs incurred in relation exclusively to the *Positions* of said *Section,* or *Sections,* where applicable, pursuant the order described in Article B.6.2.3 bis, paragraph 2*;* In the event of a default event opened with respect to a *Clearing Member active on a single Segment* of the Equity and Derivatives Default Fund, the allocation shall be further segmented between Segment EQDER (Equity and Financial Derivatives) and Segment COMDER (Soft Commodity Derivatives) in accordance with Article B.4.2.1 of the Regulations, with prior allocation of costs and losses to the Segment corresponding to the defaulter's cleared Positions.

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* guaranteeing the *Section*, or *Sections,* concerned, where applicable, pursuant the order described in Article B.6.2.3 bis, paragraph 2. In case of the *Equity and Derivatives Section,* the allocation shall be further segmented between *Segment A* (Equity and Financial Derivatives) and *Segment B* (Soft Commodity Derivatives) in accordance with Article B.4.2.1 of the Rules, with prior allocation of costs and losses the segment corresponding to the defaulter's cleared Positions.

Any remaining losses following the actions set out under the preceding points will be allocated by *Euronext Clearing* pro rata to the *Clearing Members* participating to the *Default fund* guaranteeing the *Section*, or Sections, concerned up to a maximum amount equal to 50% of the payment of the additional resources pursuant to Article B.4.2.5, pursuant the order described in Article B.6.2.3 bis, paragraph 2. In the event of a default event opened with respect to

a *Clearing Member active on a single Segment* of the *Equity and Derivatives Default Fund*, the allocation shall be further segmented between Segment EQDER (Equity and Financial Derivatives) and Segment COMDER (Soft Commodity Derivatives) in accordance with Article B.4.2.1 of the *Regulations*, with prior allocation of costs and losses to the Segment corresponding to the defaulter's cleared Positions.

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 pursuant to Article B.6.2.1bis.

Article B.6.2.3-bis Incentive measures related to auctions

1. In order to ensure an adequate level of participation within an auction, the following incentivization measures apply, which complement the provisions set forth in Article B.6.2.3.

2. In case an event of default has been managed by *Euronext Clearing* through an auction, in respect of the resources mentioned in letter d) and f) of Article B.6.2.3, including the residual recovery loss allocation tool provided for within the last part of paragraph 1, Euronext Clearing shall allocate losses amongst the non-defaulting *Clearing Members*' contributions in the following order:

   i. a junior tranche – being used first for the purpose of loss allocation;

   ii. a standard tranche – being used following the depletion of the contributions included within the junior tranche above;

iii. a senior tranche - being used last, following the depletion of the contributions included within the junior and senior tranche;

Where an event of default occurs with respect to a *Clearing Member active on a single Segment* of the *Default Fund* relating to the Equity, Financial Derivatives and Soft Commodity Derivatives Section (either Segment EQDER or Segment COMDER), the *Default Fund Segmentation* mechanism shall apply in accordance with Articles B.4.2.1 and B.6.2.3 of the Regulations.

In such circumstance, where the default has been managed by *Euronext Clearing* through an *Auction* procedure, *Euronext Clearing* shall allocate losses amongst the contributions of non-defaulting *Clearing Members* across the tranches set out under paragraph 2 above with priority to the contributions associated with the *Segment* of the *Default Fund* affected by the default, before any allocation to contributions relating to the other Segment.

3. **For each auctioned sub-portfolio, the loss allocation mechanism applies equally to both *Mandatory Auction Participants* and *Voluntary Auction Participants*, based on the classification and quality of their bids as determined by Euronext Clearing in Chapter B.14 of the *Instructions*.**

4. **For the purposes of loss allocation following an *Auction*, *Euronext Clearing* shall assign *Default Fund* contributions to tranches based on the participant's status (Mandatory or Voluntary) and the nature and quality of their bid, as determined on the basis of objectively recorded auction data and as specified in Chapter B.14 of the Instructions.**

5. **The incentive mechanism applicable to *Auctions* shall be determined exclusively on the basis of objective data and verifiable evidence produced within the *Auction* process. No element of the mechanism shall be derived from, or influenced by, metrics, indicators, or information that do not directly pertain to, or originate from the outcome of the *Auction*.**

~~*3. A Mandatory Auction Participant* that, although invited by *Euronext Clearing*, has not participated in the auction, or which has submitted a bid below the *Qualificative Price* set by *Euronext Clearing*, save for the application of a tolerance level set out under Article B.6.2.1 sexies, paragraph 3, shall have its contributions used first, as junior tranche.~~

~~*4. A Mandatory Auction Participant,* that has submitted a bid which has been accepted by *Euronext Clearing*, shall have its default fund contributions included under the senior tranche.~~

~~5. A *Voluntary Auction Participant*, that has submitted a bid above the *Qualificative Price*, shall have its default fund contributions included within the senior tranche, either~~

~~a. in full, in case the bid was accepted by *Euronext Clearing*,~~

~~b. or pro rata, in proportion to the share of exposure of the portfolio concerned over the total Positions referrable to the defaulter, in case the bid was not accepted by *Euronext Clearing* (not being the winning one) and where multiple auctions have been organized to manage a default.~~

~~In case of a *Trading Client,* the default fund contributions subject to the provisions of this article are understood to be of the sponsoring General *Clearing Member.*~~

~~6. A *Mandatory Auction Participant* or a *Voluntary Auction Participant*, that while participating in an Auction has failed to submit a valid bid, shall have its default fund contribution included under the junior tranche~~.

~~7. Outside of the cases of the preceding paragraphs, the contributions of *Clearing Members* are always included within the standard tranche.~~

6. ~~8.~~ In case of multiple auctions being organized to manage a default, *Euronext Clearing* **shall apply the loss allocation mechanism described in paragraph 2 above by allocating the Default Fund contribution across tranches on a pro rata basis, according to the risk measure of the relevant sub-portfolios associated with the auctions in which the Member has been invited to participate** ~~will apply the loss allocation mechanism described under paragraph 2 above, by calculating the *Default Fund* contribution in proportion to each tranche in respect to which the *Member* has been invited and pro rata of the risk measure of the relevant tranche.~~

~~9. The provisions set forth in this Article apply only in case an auction is organized by Euronext Clearing pursuant to Article B.6.2.1sexies~~

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 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



Chapter C.1.1 – 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.

Chapter C.1.2 - Transitional provisions for the transfer of Positions from LCH.SA to Euronext Clearing

Article C.1.2.1 – Definitions

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

"Effective Transfer Date": means the calendar day, immediately following the Transfer Date, on which the transfer of the Migrating Positions from LCH.SA to Euronext Clearing will be completed and become legally effective, and which will be specified in a Notice.

"Transfer Date": means the date on which the operational activities connected to the transfer of Migrating Positions from LCH SA to Euronext Clearing are initiated, and which will be specified in a Notice.

"Migration Weekend": the period of time starting from the Transfer Date and ending with the Effective Transfer Date.

"Migrating Positions": the relevant Positions resulting from commodity or financial Derivatives Transactions existing in the books of LCH SA on the relevant Transfer Date that are transferred to Euronext Clearing, exception made for the Positions identified in Article C.1.2.3, paragraph 2 below.

Article C.1.2.2 – Scope and purpose

1. The purpose of the following provisions is to introduce tailored regulatory arrangements applicable to the transfer of Positions which will intervene in the context of the Migration Weekend. During the Migration Weekend the Migrating Positions existing at LCH.SA will be transferred to Euronext Clearing.

Article C.1.2.3 - Effects of the transfer of Migrating Positions from LCH.SA' Derivatives Clearing Infrastructure to Euronext Clearing.

1. By derogation of article B.1.1.1, paragraph 1, all existing Migrating Positions that are registered in LCH.SA' Derivatives Clearing System on the relevant Transfer Date, exception made for those identified in paragraph 2 below, will be transferred to Euronext Clearing on the corresponding Effective Transfer Date.

   As from the moment of registration, the Transfer Order relating to guaranteed Financial Instruments shall be understood as effected and entered into the System, 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. Article B.1.1.1 paragraph 3 shall apply, exception made for letter a) of the same paragraph. Article B.1.1.1, paragraphs 4 and 5 shall apply.

2. Migrating Positions identified in paragraph 1, shall not include Positions related to commodity derivatives products for which physical delivery occurred or is triggered prior to the Transfer Date, for which LCH.SA will remain responsible for all its obligations regarding these Open Positions until completion of their settlement.

In the context of the Migration Weekend, the management of corporate actions will be performed by LCH.SA in so far the effective date of the corporate action is falling on or before the Transfer Date.

3. By derogation of article B.3.1.1, following the registration indicated under paragraph 1, with reference to the Migrating Positions, Euronext Clearing assumes with the Clearing Member the Position, credit or debit, pertaining to LCH.SA as the Market counterparty of the Clearing Member that has effected the operation, on the basis of the account structure communicated by the Clearing Members in compliance with these Regulations.
4. 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 3 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 in this Article operate.
5. 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.
6. Upon the CCP's interposition, Euronext Clearing shall register the Migrating Positions in the name of each Clearing Member in accordance with the instructions provided by the latter and in compliance with the provisions of Article B.3.1.2 and the other relevant provisions.
7. In order to ensure the smooth and orderly transfer of the Migrating Positions, Euronext Clearing, in compliance with Chapter B.4.1 and B.4.3 of the Regulations, shall calculate the Margins due and require the related guarantees before the Migration Weekend, as communicated in a specific Notice. Euronext Clearing will calculate Margins based on the information provided by LCH.SA. The related guarantees are to be considered at all effects equivalent to the Collateral deposited at Euronext Clearing in accordance with Article A.1.1.5. The Collateral is deemed posted in compliance with Articles B.4.3.0, B.4.3.1 and B.4.3.2, benefitting from the guarantees embedded within

Articles 41 and 42 of EMIR Regulation and pursuant to Article 79-septies of the CLF.

8. Unless specifically regulated by such Article, all the other relevant provisions in Euronext Clearing's Regulations apply.

Chapter C.1.3 - Transitional provisions for the transfer of Positions from Nasdaq Clearing AB to Euronext Clearing applicable with respect to the Power Derivatives Section[2]

Article C.1.3.1 – Definitions

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

"*Effective Transfer Date*": means the calendar day, immediately following the *Transfer Date*, on which the transfer of the *Migrating Positions* from Nasdaq Clearing AB to Euronext Clearing will be completed and become legally effective, and which will be specified in a Notice.

"*Transfer Date*": means the date on which the operational activities connected to the transfer of Migrating Positions from Nasdaq Clearing AB to Euronext Clearing are initiated.

"*Migration Weekend*": the period of time starting from the Transfer Date and ending with the Effective Transfer Date.

"*Migrating Positions*": the relevant Positions resulting from commodity or financial Derivatives Transactions existing in the books of Nasdaq Clearing AB on the relevant Transfer Date that are transferred to Euronext Clearing, exception made for the Positions identified in Article C.1.3.3, paragraph 2 below.

Article C.1.3.2 – Scope and purpose

1. The purpose of the following provisions is to introduce tailored regulatory arrangements applicable to the transfer of Positions on the Power Derivatives Section which will intervene in the context of the

[2] In force from 14 March 2026

Migration Weekend, in the context of which, the Migrating Positions existing at Nasdaq Clearing AB will be transferred to Euronext Clearing.

Article C.1.3.3 - Effects of the transfer of Migrating Positions from Nasdaq Clearing AB's Derivatives Clearing Infrastructure to Euronext Clearing.

1. By derogation of Article B.1.1.1, paragraph 1, all existing *Migrating Positions* that are registered in Nasdaq Clearing AB's Clearing System on the relevant *Transfer Date*, exception made for those identified in paragraph 2 below, will be transferred to Euronext Clearing on the corresponding *Effective Transfer Date*. Nasdaq Clearing AB will then be released from all its obligations regarding the *Migrating Positions* transferred to *Euronext Clearing* from the moment the *Migrating Positions* are effectively registered in Euronext Clearing's System, as confirmed by Euronext Clearing.

   As from the moment of registration, the *Transfer Order* relating to guaranteed *Positions* 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*. Article B.1.1.1 paragraph 3 shall apply, exception made for letter a) of the same paragraph related to the *Transfer Order* acquisition from the *Management Company*. 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.

2. *Migrating Positions* identified under paragraph 1, shall not include *Positions* related to residual decimal *Positions* and unbalanced *Positions*, contracts expiring during the *Migration Weekend*, zero-value *Positions* (on both long and short sides), and expired *Positions* in the Nasdaq Clearing Clearing System.

3. 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.

   By derogation of Article B.3.1.1, following the registration of the *Migrating Positions*, *Euronext Clearing* assumes with the *Clearing Member* the *Position*, in credit or debit, assumed by Nasdaq Clearing AB as the market counterparty of the *Clearing Member* that has carried out the transaction, on the basis of the account structure communicated by the *Clearing Members* in compliance with these *Regulations*.

4. 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 2 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 in this Article operate.

5. The causes of invalidity or unenforceability of transactions carried out on the *Market* and related claims can be asserted only between market counterparties.

6. Upon the CCP's interposition, *Euronext Clearing* shall register the *Positions* in the name of each *Clearing Member* in accordance with the instructions issued by the latter and in compliance with the provisions of Article B.3.1.2 and the other relevant provisions.

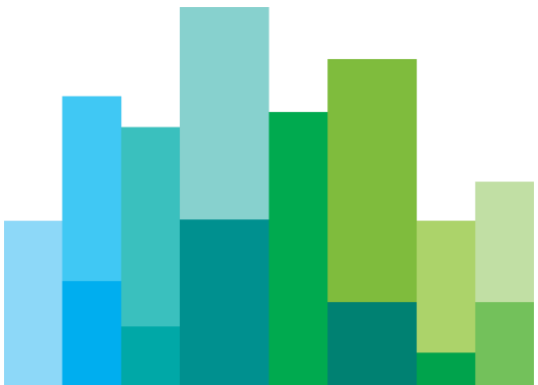
7. In order to ensure the smooth and orderly transfer of the *Migrating Positions*, *Euronext Clearing*, in compliance with Chapter B.4.1 (Margins) and B.4.3 (Rules governing Collateral) of the *Regulations*, shall calculate the *Margins* due and require the related guarantees starting from the *Transfer Date*, based on the *Positions* registered with Nasdaq Clearing's clearing system, as detailed and communicated in a specific *Notice*. *Positions* pertaining to the *Power Derivatives Section* will be margined within a separated *Margin Account.*

8. *Euronext Clearing* will calculate *Margins* based on the information provided by Nasdaq Clearing AB. The related guarantees are considered at all effects equivalent to the guarantees deposited at *Euronext Clearing* in accordance with Article A.1.1.5. In particular, the collateral is deemed to be posted in compliance with Articles 4.3.0, 4.3.1 and 4.3.2, benefitting from the safeguards embedded within Articles 41 and 42 of *EMIR Regulation* and pursuant to Article 79-septies of the *CLF.*

9. *Margins* calculated and collected during the *Migration Weekend* shall be held by *Euronext Clearing* until the *Euronext Clearing open day* immediately following the *Migration Weekend*. Any sum in excess will be returned by *Euronext Clearing* on the following *Euronext Clearing open day*, based on the end of day *Margin* calculation.

10. Unless specifically regulated by this *Article*, all the other relevant provisions *in Euronext Clearing's Regulations* shall apply.

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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