# INSTRUCTIONS TO EURONEXT CLEARING RULES

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# TITLE A General provisions

## Article A.1.1.1 Definitions

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

**«CCS Infrastructure»**: shall mean the clearing infrastructure servicing all Sections of the System.

**«Cascading»**: shall mean the mechanism allowing for Final Settlement by progressively reducing yearly and quarterly Futures to quarterly and monthly Futures contracts respectively, as described in Article B.2.1.9.

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

**«EDES VAR»**: the part of the *Services Manual* containing the method of calculating the initial *Margins* used by *Euronext Clearing* for the *Power Derivatives Section*, and available to *Members* on the basis of the specific functions indicated in the *EDES VAR* manual.

«**Segregated DCA RTGS**»: the *DCA RTGS* held by the *Settlement Agent* for the obligations to be performed by a sole *Clearing Member*.

«**FIRE**»: the part of the *Services Manual* containing the method of calculating the initial *Margins* used by *Euronext Clearing* for the *Bond Section*, applicable only in respect to Italian, Spanish, Portuguese, and Irish government bonds, and which is available to *Members* on the basis of the specific functions indicated in said manual.

«***Fair Price***»**: a reference price determined by *Euronext Clearing*, in the context of an *Auction*, for a sub-portfolio of *Positions* referring to a defaulting *Clearing Member*, reflecting prevailing market conditions and used by the CCP as a benchmark within the bid assessment framework.**

«***Execution Corridor***»: **means the range of prices established by *Euronext Clearing* around the *Fair Price*, based on prevailing market conditions and objective risk parameters, and used by the CCP as a decision-support tool in assessing the plausibility of bids.**

**«*Eligible bid*»: a valid bid which, following the CCP's assessment under Article B.14.1.2, is deemed credible and usable for the purposes of the auction incentive framework.**

**«*Ineligible bid*»: a valid bid which, following the CCP's assessment under Article B.14.1.2, is not deemed credible or usable for the purposes of the auction incentive framework.**

**«Group»**: a banking group as defined by Article 60 of the Consolidated Law on Banking or a group in accordance with Article 11 of the Consolidated Law on Finance and the related implementing provisions.

**«Data Files»**: files in a processable format forwarded through the *Technological Infrastructure*, indicated in the *Technical Manual*.

**«Technological Infrastructure»:** shall mean, either the set of set of electronic applications, comprising also the WCS, API, FTP, FIX and the Auction Infrastructure enabling *Members* to carry out transactions with *Euronext Clearing* and to receive clearing information;

**«Liquidity Provider»**: means a *Clearing Member* or a *Trading Client,* who has been authorized by the *Management Company*, to support market liquidity of a particular *Financial Instrument,* in accordance with the rules of the *Market*.

**«Liquidity Provider/Market Maker/Specialist Position Account»**: means the *Clearing Member*'s *Position Account*, opened in addition to its *House Position Account* and *Client Position Accounts*, where *Positions* pertaining to the trading activity as Liquidity Provider, or Market Maker or, if so requested, *Specialist* of the *Clearing Member* or of its *Trading Client* are registered.

**«Equity VAR»:** the part of the *Services Manual* containing the method of calculating the initial *Margins* used by *Euronext Clearing* for the Equity Section and Financial Derivatives Section, and available to *Members* on the basis of the specific functions indicated in the *Equity VAR* manual.

**«Default Fund Manual»**: the part of the *Services Manual* containing information on the method for determining payments to the *Default Funds*.

«**Manual for the creation of net balances for the ICSDs**»: the part of the *Services Manual* containing the rules on the creation of the balances to be sent to the *Settlement Systems* managed by *Foreign Entities*;

**«Technical Manual»**: the part of the *Services Manual* containing a description of information forwarded by *Euronext Clearing* to *Members* and *Settlement Agents* through the *Technological Infrastructure.*

**«Fixed Income Onboarding Form»**: shall mean the form that Clearing Members shall execute pursuant to Article B.1.1.2 of the Instructions.

**«Market Maker»**: A Clearing Member, or Trading Client, who has been authorized by the *Management Company*, to support the liquidity of *Financial Instruments* traded on a *Market*, in accordance with the rules of said *Market*.

**«MVP»**: the part of the *Services Manual* containing the method of calculating the initial *Margins* used by *Euronext Clearing* for the *Fixed Income Section*, available to *Members* on the basis of the specific functions indicated in the *MVP* manual. The *MVP* method shall not apply to *Financial Instruments* subject to FIRE method.

**«Delivery Period»:** indicates the period of supply established by the *Contractual Scheme* for the futures contract on electric energy.

**«Ordinary Position»**: the set of obligations and rights arising from a contract (i.e. the *Position*) between the date of stipulation of the said contract and the term provided in the *Contractual Scheme* for its execution.

**«Notice of Payment»**: The notice of ancillary procedure E containing information on sums due from the *Clearing Member* or their cash *Settlement Agent*.

**«Disagreement Procedure»**: The procedure by which the *Settlement Agent* for cash payments, *mandated by* a *Clearing Member,* may request the revocation of a payment instruction forwarded to *T2 System* by *Euronext Clearing* Ancillary System and/or the immediate termination of the payment service provided to the *Clearing Member.*

**«Daily Settlement»:** the daily settlement indicated at article B.5.1.1 and B.5.1.2 of the *Regulations*.

**«Reports»:** the tabulated data, described in the *Technical Manual*, provided through the *Technological Infrastructure.*

**«RNI»**: the electronic transmission interbanking infrastructure of data relating to the Italian payment system, managed by the Società Interbancaria per l'Automazione (SIA-SSB).

**«Series»**: the *Derivative Financial Instruments* with the same characteristics (contract code, currency, underlying assets, maturity, and, where applicable, strike right and price).

**«Trading System»**: the electronic trading system for a *Market*.

**«Centralized Depository Company»**: a company that provides the *Centralized Depository Service*.

**«Market Maker Position Account»**: means the *Clearing Member's Position* Account opened in addition to its *House Position Account* and *Client Position Accounts*, where Positions pertaining to the Market Maker activities of the *Clearing Member* or of its *Trading Client* are registered.

**«Specialist»**: A Clearing Member, or Trading Client, who has been authorized by the *Management Company* to support the liquidity of *Financial Instruments* traded on a *Market*, in accordance with the rules of said *Market*.

**«WCS »:** the web application provided by *Euronext Clearing* to *Members* by the methods indicated in the *Technical Manual*, which makes *Reports* and *Data Files* available and enables data visualization and transaction requests to be sent.

**«API»*:*** application interfaces that *Euronext Clearing* makes available to *Members* of by the methods indicated in the *Technical Manual*, that allow interoperability between the clearing system and *Member*'s applications. The APIs make Reports and *Data Files* available and allow access to the clearing system in order to carry out transactions.

**«FIX Protocol»*:*** the electronic communications protocol enabling *Members* to receive real-time trade confirmation messages concerning transactions carried out on the Euronext markets.

**«SFTP»***:* channel enabling Members to retrieve Reports generated by the Clearing System.

**«*Eligible Credit Institution*»**: shall mean either (i) a credit institution or a national central bank listed in Article B.13.1.1, to be used by *Euronext Clearing* and *Clearing Members*, or *Settlement Agents* for the daily settlement of cash amounts in currencies other than EURO pursuant to Article B.4.1.1, or (ii) the credit institution listed in Article B.13.1.2 to be used by *Euronext Clearing* and *Clearing Members*, or *Settlement Agents* for the management of cash Collateral in currency other than EURO.

**«Auction»**: shall mean the liquidation procedure organised by *Euronext Clearing* in form of an auction, (ordinarily under a Single Unit Pay Your Price Model) with Invited Bidders bidding for a certain Liquidation Portfolio, within a specific *Bidding Window*.

**«Invited Bidder»**: either a *Mandatory Auction Participant* or a *Voluntary Auction Participant* which has been invited by *Euronext Clearing* to participate in an *Auction*.

**«Liquidation Portfolio»**: shall mean a portfolio of *Positions*, or sub-portfolios following the application of Article B.14.1.1, including any correlated trade entered by Euronext Clearing as risk mitigation measure pursuant to Article B.6.2.1-ter.

**«Two Way Pricing»**: in the context of an *Auction*, *Euronext Clearing* may require that participants submit bids to both buy and sell the same portfolio, and *Euronext Clearing* may set a maximum spread between the submitted bids. Bids shall conform to two-way pricing, where applicable.

**«DMP Coordinator»**: shall mean the person appointed and delegated by a Clearing Member, or Trading Client, for the purpose of managing the activities related to a default and act as single point of contact vis-à-vis *Euronext Clearing*.

**«Bidding window»**: shall mean the period of time during which each Invited Bidder shall submit an offer to *Euronext Clearing* for a Liquidation Portfolio. All Invited Bidders shall have the same amount of time, starting from the receipt of the invitation referred in Article

B.14.1.2, paragraph 1. *Euronext Clearing* shall establish, on a general or an ad hoc basis, the Bidding Window for each *Auction* procedure.

**«Valid Bid»**: a Bid that complies with the requirements referred to within Article B.14.1.2, paragraph 6. Bids that are not valid may not accepted by *Euronext Clearing*.

**«Auction Infrastructure»**: The *Technological Infrastructure*, used by Euronext Clearing and Invited Bidders, in the context of an *Auction* procedure.

**«Auction Guidelines»**: The technical documentation provided by Euronext Clearing, which shall describe the operational aspects of the *Auction* liquidation procedure.

2. The following definitions shall specifically apply in the context of the *Soft Commodity Derivatives Section* (Heading B.6.5 and related Annexes):

**«Approved Silo»**: shall mean any silo, which has fulfilled the approval conditions as determined in a dedicated Annex to the Instructions.

**«Attestation to Deliver a Conventional Product»**: shall mean, exclusively in the context of silo-based physical delivery of corn contract, the pre-delivery documentation, issued by the Approved Silo, on behalf of the selling Clearing Member, to provide evidence to Euronext Clearing that the corn complies with the quality requirements in terms of Genetically Modified Organisms (GMOs), pursuant to the relevant Contractual Scheme.

**«Analysis Laboratories»**: shall mean any laboratory, which have fulfilled the approval conditions as determined in a dedicated Annex to the Instructions.

**«Authoriser»**: shall mean any authoriser, which have fulfilled the approval conditions as determined in a dedicated Annex to the Instructions.

**«Buying Clearing Member»**: shall mean a Clearing Member which, at the Expiry Day of the commodity future contract, has a buying Position for his own account or for the account of its Clients.

**«Competent Arbitration Court»**: shall mean the competent arbitration court determined in the relevant Trading Terms and Conditions applicable to each commodity contract and listed in a dedicated Annex to the Instructions.

**«Delivery Notice»**: shall mean the duly completed form signed off by both Clearing Members and submitted to Euronext Clearing to confirm and acknowledge their respective commitment to deliver/withdraw the specified quantity of underlying good at the agreed Delivery Place.

**«Delivery Period»**: shall mean the time period defined as such in each of the Annex related to the delivery of a specific commodity contract and which corresponds to the time period during which the loading of the goods shall be performed.

**«Delivery Places»**: shall mean any Approved Silos, Delivery Ports, or delivery areas, delivery points as determined and listed in the relevant Annexes.

**«Delivery Port»**: shall mean, in the context of any commodity contracts which physical delivery is performed under the terms of the Free on Board (FOB) or the Free Carrier (FCA) Incoterm, any designated port, as specified in the relevant commodity Contractual Scheme, where the loading of the commodity can be performed.

**«Euronext Inventory Management system or EIM system»**: shall mean the required information technology system used for the purpose of managing the physical delivery of underlying commodity.

**«Euronext Commodity Derivatives Market»**: shall be construed for the purpose of this Heading, as being the market referenced in Article B.10.1.4 of these Instructions.

**«Expiry Day»**: shall mean the last Trading Day of a commodity future contract.

**«GMO analysis»**: shall mean an analysis performed on Genetically Modified Organisms.

**«Incoterms»**: shall mean the International Commercial Terms defining the mutual obligations of the selling counterparty and the buying counterparty in the context of international trade, occurring

on the commodity physical market. Incoterms determine risks transfer, incurred expenses, customs clearance costs and transport conditions. For the purpose of this Heading, Incoterms determine the conditions of the transfer of risks related to the goods (loss, deterioration, theft) from the selling counterparty to the buying counterparty during the Delivery Period. Incoterms determine the counterparty which is bearing the risks related to the goods and which shall subscribe the necessary insurances. The relevant Incoterm applicable to each commodity future contract pursuant to Contractual Scheme is determined in the relevant Annex dedicated to each commodity future contract.

**«Storage Capacity»**: shall mean the information submitted by the Approved Silo to Euronext Clearing, before the contract's Expiry Day, to disclose the available storage capacity dedicated to a specific commodity complying with the commodity contracts specifications.

**«Maturity or Expiry»**: shall mean the trading period of a commodity future contract linked to a series (base period of the contract).

**«Notice of Performance»**: shall mean the duly completed form signed off by both Clearing Members and submitted to Euronext Clearing to acknowledge either i) their amicable agreement to perform the physical delivery under the Alternative Delivery Procedure, either ii) the fulfilment of their respective delivery obligations in respect to final settlement of Positions in Delivery, as part of the Guaranteed Delivery Procedure. The Notice of Performance materialises the termination of the CCP Guarantee.

**«Notification Notice»**: shall mean the duly completed form signed off and submitted by the selling Clearing Member to Euronext Clearing to confirm its intention to deliver the underlying commodity related to its Positions in Delivery.

**«Selling Clearing Member»**: shall mean a Clearing Member which, at the Expiry Day of the commodity future contract has a selling Position for his own account or for the account of its Clients.

**«Storage Certificate»**: shall mean, in the context of silo-based physical delivery, the pre-delivery documentation issued by the Approved Silo. Such Storage Certificate provides evidence to Euronext

Clearing that a commodity's quantity satisfying the quality conditions, pursuant to the relevant Contractual Scheme, is stored in the Approved Silo's premises and registered in the name of the selling Clearing Member **Client** in the Approved Silo's books.

**«Third Party»**: shall mean any entity such, as the case may be, notably but not exclusively, Approved Silos, Analysis Laboratories, Authorisers, which have fulfilled the approval conditions as determined in a dedicated Annex to the Instructions.

**«Trading Terms and Conditions»**: shall mean any binding documentation governing commodities sales and purchase on physical market and referred to in the Contractual Scheme of the commodity future contracts traded on Euronext Commodity Derivatives Markets.

**«Guaranteed Participation Date (GUPA)»** means the last date to buy the underlying security with the right attached to participate in an elective corporate event on a relevant *Market.* Such date should precede the last date for a buyer to instruct the seller in order to receive the outturn of their choice (i.e. the Buyer Protection deadline).

3. The definitions set out under Article A.1.1.1 of the *Regulations* shall be understood as fully applicable to the present *Instructions*, with the same meaning.

# TITLE B Central Counterparty System

## CHAPTER B.1 Membership

### *Heading B.1.1 Membership*

#### Article B.1.1.1 Requirements for Clearing Members

1. Legal persons that intend to join one or more Sections, or modify or obtain a new membership qualification within the same *Section of* the *System* as *Clearing Members* or that intend to request to distinguish the operations of their own *Organizational Unit,* shall submit to *Euronext Clearing:*

   a) a "Request for Services" using the form provided by *Euronext Clearing*, available through the *Euronext Clearing* Internet site (www.euronext.com/it/post-trade/euronext-clearing).

   b) the following documentation/information:

   - share structure and the *Group* the company belongs to;
   - membership of other central counterparty guarantee systems;
   - place of the Clearing office;
   - the referents indicated at Article B.2.1.2, paragraph 16, of the *Regulations;*
   - the last approved financial statement and the most recent quarterly or half-year report;
   - a description of the company's and parent company's activities and their risk management and back-office structure;
   - a copy of the last rating issued to the company and/or the parent company;
   - the form outlining the *Clearing Member's Account Structure* set up, determined in compliance with the provisions of Chapter 3.0 of Part 3 of the Regulations;

- the systematic posting choices for registration of *Positions*, pursuant to Article B.3.1.2, paragraph 3 of the Regulations;

c) with regard to the asset requirements:

- a declaration attesting to the applicant's *Supervisory Capital*;
- any guarantee as indicated at compliant with the contractual form available through Euronext Clearing's website;

d) With reference to the execution of securities settlement obligations, the *Clearing Member* is required to open at least one *Delivery Account* per *Settlement Address*. To this purpose, the Clearing Member shall provide *Euronext Clearing* with the following information:

- a notification of the relevant selected Settlement platform/system for the settlement of financial instruments, being as applicable: (i) Target 2 Securities; and/or (ii) *Euroclear Bank S.A. and/or (iii) Clearstream Banking Luxembourg*;
- a notification concerning the selected *Central Depository(ies)* of reference participating to T2S settlement platform and/or the *Euroclear Bank SA and/or Clearstream Banking Luxembourg*, related to the settlement of financial instruments, as indicated Chapter B.12 of the Instructions;
- the declaration of compliance concerning the relationship with any *Settlement Agent,* mentioned in Article B.1.1.6~~bis~~;
- an indication of the details of the securities accounts to be used for settlement opened with the relevant *Settlement Service*, as indicated in Chapter B.12 of these Instructions participating to T2S settlement platform and/or with Euroclear Bank *SA and/or Clearstream Banking Luxembourg;*

- the power of attorney granted to *Euronext Clearing*, signed by the *Clearing Member* or the *Settlement Agent*, if any, for the transmission of the settlement instructions to the selected *Settlement Services* of reference, as indicated in Chapter B.12 of the Instructions.

e) concerning obligations that must be fulfilled in Euro, including the settlement of the amounts due as a penalty pursuant to Article B.5.3.5 of the Regulations:

- a notification of the pre-selected methods of fulfilment, directly or through a *Settlement Agent;*
- the declaration of compliance concerning the relationship with any *Settlement Agent,* mentioned in Article B.1.1.6–~~bis~~;
- the "Settlement Bank Account Group" form" of the European Central Bank, available from the www.ecb.eu website that allows *Euronext Clearing* to debit the *DCA RTGS in T2 System* of the *Clearing Member* or its *Settlement Agent*;

f) with respect to the *Margins in Financial Instruments*:

- a notification of whether the *Margin in Financial Instruments* are handled directly or through a *Settlement Agent* pre-selected;
- details of the cash account for the payment of the amounts deriving from cash distribution on *Financial Instruments* deposited as *Margins;*
- where applicable, the declaration of compliance concerning the relationship with any *Settlement Agent,* mentioned in Article B.1.1.6–~~bis~~;

g) with respect to the *Technological Infrastructure*:

- the form for activation of the *WCS* platform;
- the form for activation of the *API*;
- the form for activation of the *SFTP protocol;*
- the form for activation of the *FIX Protocol;*

which are made available to *Clearing Members* through the *Member Portal.*

h) the names of the persons appointed to perform the management activities exercisable non-electronically, in the event of malfunctioning of the *Technological Infrastructure*, by using the form indicated in Annex B.111.

i) In case the Clearing Member intends to deposit cash Collateral in USD, NOK or GBP pursuant to Article B.3.3.1:

- details of the accounts *in Eligible Credit Institution* referenced in Article B.13.1.2 for the deposit and restitution of cash.
- where applicable, the power of attorney granted to Euronext Clearing, signed by the Clearing Member or the Settlement Agent, if any, for the deposit and redemption of margins in USD, NOK and GBP.

j) In case the Clearing Member intends to avail itself of a *Central Bank Guarantee* pursuant to Article B.3.3.5*:*

- the confirmation referenced in Article B.3.3.5, paragraph 3.

k) If the Clearing Member intends to deposit Financial Instruments as *Collateral* by way of Triparty Collateral Management Tool, it shall provide Euronext Clearing with:

– signature and completion of the contractual documentation by Euronext Clearing, the Clearing Member and the Triparty Collateral Agent;

– where applicable, confirmation of performance of relevant testing activities from Euronext Clearing and the Triparty Collateral Agent;

– details of the securities account held within the Triparty Collateral Agent for the exchange of securities Collateral by way of the Triparty Collateral Management Tool*;*

– the power of attorney provided by the Clearing Member in favour of the Triparty Collateral Agent;

- any other requirement applicable in light of the relevant Triparty Collateral Management Tool contractual scheme;

Euronext Clearing confirms to the Clearing Member the start of operations of the Triparty Collateral Management Tool.

2. The information indicated at paragraph 1, letter a) shall be forwarded, in original, by means of registered letter with return receipt or by courier or by digital signature and sent in advance by e-mail. The information indicated under paragraph 1 from letter b) to k) above shall be transmitted, alternatively, via e-mail in the form of a Pdf document duly signed by the legal representative or authorised signatory.

3. The form indicated at paragraph 1, letter e) third subsection, must be received by *Euronext Clearing* by e-mail, with signature authorised by the competent central bank.

   The form will be countersigned by *Euronext Clearing* and re-submitted by e-mail to the Member or to the *Settlement Agent* who, in turn, shall forward it to the competent central bank. The process will be finalized with the successful registration of the *Settlement Bank Account Group* in the *T2 System*. *Euronext Clearing* will also send the original form, if so requested by the competent central bank.

4. Receipt by *Euronext Clearing* of the complete documentation as indicated above is a condition for examination of the Request for Services.

5. Where the proposed applicant has declared in the documents sent to *Euronext Clearing* referred to in paragraph 1, that it intends to avail itself of the guarantee set out in Article B.2.1.2. paragraph 5 of the *Regulations*, membership shall be subject to the *Euronext Clearing*'s acceptance of such a guarantee.

6. The referents indicated at Article B.2.1.2., paragraph 16, of the *Regulations*, - the names of whom have been indicated by the *Clearing Member* in the documentation provided by paragraph 1, letter b) – are understood as entitled to receive all individual communications (of an operational character) from *Euronext Clearing* to the *Member* itself.

7. With reference to Trading Clients and Clients registered within an ISA, Clearing Members have to be compliant at any time with the *Mandatory CCP Provisions. Clearing Members* undertake to incorporate within their agreements with their *Trading Clients and Clients* registered within an ISA *the Mandatory CCP Provisions available* through *Euronext Clearing's* website and to provide *Euronext Clearing* with the evidence of the *Trading Clients and Clients'* identification details, including confirmation concerning the signing of the agreements, through the form outlining the *Clearing Member's Account Structure* set up. With reference to Clients registered within a Client Omnibus Account Structure, the Clearing Member undertakes to enter into clearing agreements with said Clients, which are not incompatible with the principles and rules governing the System.
8. *Clearing Members* admitted to one *Section* of the *System* which intend to modify or obtain a new membership qualification within the same Section or that intend to request to distinguish the operations of their own Organizational Unit shall send Euronext Clearing the following information : (i) the trading venues managed by the *Management Companies* set out under Chapter B.10 whereby they intend to act as a *Clearing Member* as well as the intended membership profile as provided ~~under the table set out~~ under *Annex* B.111; (ii) the form set out in the same Annex outlining the *Clearing Member's Account Structure* set up, determined in compliance with the provisions of Chapter 3.0 of Part 3 of the *Regulations; (iii) the* information concerning the securities settlement set-up set out under paragraph 1 letter d) above.
9. Additionally, Clearing Members intending to operate on the *Derivatives Sections* shall provide Euronext Clearing, where applicable, with*:*
    - Mandates to Trading Clients as specified in Article B.1.2.3 ~~-bis~~;
    - The request for exceptions concerning default Position keeping rules referenced in Article B.2.1.2, paragraph 2;

- The consent to systematic give up pursuant to Article B.2.1.6;
- In case of the *Financial* Derivatives Section, for the purpose of physical delivery, the Clearing Member's account configuration in the cases requested in Article B.6.2.1bis and B.6.2.2.bis.

10. Furthermore, Clearing Members of the *Financial Derivatives Section* intending to clear Derivatives Financial Instruments denominated in one of the currencies listed in Article B.4.1.2, shall provide to Euronext Clearing the details of the accounts held by the Clearing Member or its Settlement Agent within, and the power of attorney given, in respect to the *Eligible Credit Institution* referenced in Article B.13.1.1.
11. Furthermore, Clearing Members of the *Financial Derivatives Section* intending to clear Derivatives Financial Instruments having physical delivery foreseen within the Contractual Scheme, shall ensure to have in place the relevant settlement arrangements, depending on the Derivatives Financial Instrument concerned.
12. Furthermore, Clearing Members intending to operate on the *Soft* Commodity Derivatives Section in respect of the Derivatives Financial Instruments for which Contractual Scheme foresees physical delivery of the underlying commodity, shall comply with the following pre-requisite conditions:
    - Signature of Euronext Inventory Management system (EIM) Service Agreement, and;
    - Submission of duly completed form for the activation of access to such EIM system.
13. With reference to obligations that must be fulfilled in Euro outlined under paragraph 1, letter e), above, *Clearing Members* participating in Euronext Clearing's Settlement Bank Account Group (SBAG) in the T2 system must:
    - participate in the ECONS II (Enhanced Contingency Solution II) contingency testing exercises scheduled by the National Central Banks (NCBs) and the European Central Bank (ECB) and formally communicated by Euronext Clearing to its

*Clearing Members* through dedicated Notices, which include all relevant operational instructions necessary for the proper execution of the tests;

- in case a *Clearing Member* operates through a *Settlement Agent* participating in Euronext Clearing's SBAG in T2, the Clearing Member shall ensure that its Settlement Agent participates in the aforementioned ECONS II contingency testing exercises.
- In both instances, the aforementioned *Clearing Members* or their *Settlement Agents* must explicitly notify, by email, the contact person(s) and/or office(s) responsible for conducting the tests, and must promptly update such details as soon as they change.

The aforementioned *Clearing Members* or their *Settlement Agents* are required to comply fully and without exception with all operational instructions, technical requirements, and procedural timelines issued by Euronext Clearing and by their respective National Central Banks for the execution of such contingency tests.

## Article B.1.1.2 CCS Infrastructure activation for Clearing Members active on the Fixed Income Section

1. A Clearing Member participating within the Fixed Income Section shall request Euronext Clearing the activation of the CCS Infrastructure, limited to its clearing activity on the Markets listed in Article B.10.1.1, paragraph 1 (for bond wholesale markets), or paragraph 2 (for bond retail markets), without change to its membership qualification.
2. To that end, said Clearing Member shall provide Euronext Clearing with:
    a. a signed "Fixed Income Onboarding Form", made available by Euronext Clearing upon request;
    b. the form outlining the Clearing Member's Account Structure set up, determined in compliance with the provisions of Chapter 3.0 of Part B.3 of the Regulations,

including systematic posting choices for registration of Positions;

c. With reference to the execution of securities settlement obligations, the *Clearing Member* is required to open at least one *Delivery Account* per *Settlement Address*. To this purpose, the Clearing Member shall provide *Euronext Clearing* with the information of the relevant Central Depositories in line with the provision of Article B.1.1.1–~~bis~~, paragraph 1, letter d);

d. Where applicable, the information listed for from letter e) to k) of Article B.1.1.1–~~bis~~.

3. The information listed in paragraph 1 shall be transmitted, alternatively, via e-mail in the form of a Pdf document duly signed by the contractual representative of the Clearing Member as specified under the Request for services or in the Contract Representative Change/Supplement form.

4. With the request of activation of the CCS Infrastructure and the execution of the Fixed Income Onboarding Form, the Clearing Member undertakes, with reference to Trading Clients and Clients registered within an ISA, to incorporate within the agreements with the Trading Clients and Clients registered within an ISA the Mandatory CCP Provisions available through Euronext Clearing's website and to provide Euronext Clearing with the evidence of the Trading Clients and Clients' identification details, including confirmation concerning the signing of the agreements, through the form outlining the Clearing Member's Account Structure set up. With reference to Clients registered within a Client Omnibus Account Structure, the Clearing Member undertakes to enter into clearing agreements with said Clients, which are not incompatible with the principles and rules governing the System.

5. With reference to the relationship with Settlement Agents, the Clearing Member undertakes to comply with the provisions of Article B.1.1.6.

6. Receipt by *Euronext Clearing* of the complete documentation as indicated above is a condition for examination of the request of

activation of the CCS Infrastructure. Euronext Clearing shall confirm to the Clearing Member the date of start of operations on the CCS Infrastructure.

7. In line with Article B.2.1.3 of the Regulations, in case the Clearing Member also intends to change its membership qualification shall provide in line with Euronext Clearing with a "Request for Services" following the process established in Article B.1.1.1 of the Instructions.

## Article B.1.1.3 Notifications upon membership

1. Upon attaining membership, *Euronext Clearing* shall notify:

   a) the *Member* of acceptance of the Request for Services, with an indication of the day from which the service shall be provided to the *Member*.

   b) the *Member* of the access code for the System. In the case of a *Trading Client*, admitted to the *Fixed Income Sections*, the *General Clearing Member* whose services it uses shall also be notified of the code.

   c) the *Member* and *Guarantor* of acceptance of any guarantee pursuant Article B.2.1.2 paragraph 4, of the *Regulations.*

## Article B.1.1.4 Maintenance of membership requirements and Members' obligations

1. *Members* must forward updates of the membership information indicated in Annex B.114 to *Euronext Clearing* at the times and under the circumstances provided for therein, using the forms provided by *Euronext Clearing* available through the *Euronext Clearing* Internet site (www.euronext.com/it/post-trade/euronext-clearing).

2. Any change in the appointments of Referents and Delegates with management powers exercisable in non-electronic form must be notified by the same methods as used in the application phase, and shall have effect, unless agreed otherwise, from the second *Euronext Clearing open day* after that in which the notice is received by *Euronext Clearing*, or on a subsequent date indicated by the *Member* in said notification.

3. *Members* are obliged to notify *Euronext Clearing*, of any failure to maintain membership requirements within the same day in which the said failure has occurred, or has been verified, in order for *Euronext Clearing* to promptly undertake the consequent measures provided for by the *Regulations.* The notification shall be made by registered letter with return receipt, advanced via email.
4. For entities based in the United Kingdom, which are *Members* of the *System*, or that intend to apply for membership to the *System,* the conditions and requirements laid down in Article B.2.1.1 paragraph 3 and Article B.2.1.2, paragraphs 12 and 13 of the *Rules* shall be considered met until the 30th of June 2028.

## Article B.1.1.5 Supervisory Capital Guarantee

1. Pursuant to Article B.2.1.2 paragraph 5 of the *Regulations*, *Euronext Clearing* shall notify the *Member* of the date in which the guaranteed agreement has been concluded and shall therefore have effect.
2. The guarantee pursuant to Article B.2.1.2, paragraph 4 of the *Regulations,* must be forwarded by the G*uarantor*, using the contractual forms available through the *Euronext Clearing*'s website.
3. The supplementary deeds of the guarantee shall have effect from the moment in which *Euronext Clearing*, upon verification of their validity, notifies the *Member* and the *Guarantor* of their acceptance.
4. Any withdrawal from the guarantee indicated in the preceding paragraphs must be communicated by registered letter with return receipt, sent in advance via email, with prior notice of at least 90 calendar days.
5. *Euronext Clearing* shall notify the *Guarantor* if it is informed that the *Member's Supervisory Capital* has fallen below the necessary minimum limit for the deposit of the guarantee indicated at Article B.2.1.2, paragraph 4 of the *Regulations*. In such a case, the withdrawal indicated at paragraph 4 may be exercised with a shortened notice period, although not less than 10 calendar days.

## Article B.1.1.6 Relations with the Settlement Agent

1. A *Clearing Member* is entitled to use the services of *Settlement Agents* for the fulfilment of the obligations specified within Article B.2.1.2, paragraphs 8 and 9 of the *Regulations*.
2. The *Clearing Member* shall define the mandate to each *Settlement Agent* and, in doing so, the former may limit the functions of the latter, reserving the right to act directly in relation to the remaining activities. The *Clearing Member* may also separately entrust one or several *Settlement Agent(s),* in compliance with the following provisions:
    a. per *Delivery Account* for the purpose of final settlement of *Positions* in the relevant eligible *Settlement Service*, as defined in Article B.12.1.2 of these Instructions, and/or;
    b. per *Collateral Account* for the purpose of cash payments (i.e. cash payments to cover Margins liabilities, cash payments to Default Fund and all contractually provided charges) and/or;
    c. per *Collateral Account* for the purpose of Financial Instruments transferred as Collateral and any related cash payments in the eligible *Central Depository*, as defined in Chapter B.11 of these Instructions.
3. The Clearing Member shall enter into an agreement with the *Settlement Agent*, guaranteeing that said agreement complies with the principles included within paragraphs 7 to 13 of this Article. To that end, the *Clearing Member* shall sign and forward to *Euronext Clearing* a declaration of compliance, based on a specific template provided by Euronext Clearing. Euronext Clearing makes the template available upon request of the Clearing Member.
4. Further to the documentation specified in paragraph 3, the Clearing Member shall also forward to *Euronext Clearing* the form, provided for in Annex B.111A, as well as the relevant power of attorney, pursuant to the manner set forth in Annex B.116B, enabling *Euronext Clearing* to directly instruct the Settlement

Agent's accounts. The *Clearing Member* shall forward the documentation by via e-mail (at ccp-membership@euronext.com) in the form of a Pdf document duly signed by the legal representative or authorised signatory.

5. Following receipt of the signed confirmation of appointment of the *Settlement Agent*(s) form and of the documentation mentioned under paragraph 4 from the *Clearing Member*, *Euronext Clearing* shall confirm to the *Clearing Member* and to the appointed *Settlement Agent*(s) the details of the accounts as communicated by the *Clearing Member* to the CCP resulting from the form provided for in Annex B.111A. As detailed under Annex B.116, the appointment of the *Settlement Agent*(s) is deemed effective in case of acceptance by the *Settlement Agent* of the mandate, to be received by *Euronext Clearing* by the countersignature of the Membership Form. As an alternative, for Settlement Agents which have preventively requested not to countersign the membership form, the appointment is deemed effective in case the Settlement Agent does not object within five *Euronext Clearing Open* days following the confirmation sent by *Euronext Clearing*. Upon verification of the completion of the relevant documentation and process described above, *Euronext Clearing* will communicate to the *Clearing Member* and *Settlement Agent*(s) the date upon which the appointment shall take effect.

6. Amendments to the mandates awarded pursuant paragraph 2 shall be notified to *Euronext Clearing* pursuant the fashion described in paragraph 4. Paragraph 5 applies.

7. Within the agreement, exception made for the case of paragraph 14, the *Clearing Member* shall undertake to provide the Settlement Agent with the means necessary for the fulfilment of its obligations, while the Settlement Agent shall, where applicable, guarantee it will maintain sufficient funds in its RTGS Dedicated Cash Account in T2 System, or in case of currencies other than euro, in the relevant designated cash account, as applicable, to fulfil the obligations deriving from participation within the System by the Clearing Member.

8. The agreement shall empower the *Clearing Member* to exercise withdrawal by giving at least five *Euronext Clearing open days*' notice to the *Settlement Agent*. Also, the agreement shall empower the *Settlement Agent* to exercise withdrawal by giving at least ten *Euronext Clearing* open days' notice to the *Clearing Member*. The periods may be reduced by agreement between the *Settlement Agent*, the *Clearing Member* and *Euronext Clearing.* It remains understood that during the notice period, the *Settlement Agent* shall remain bound for the obligations pertaining to the Clearing Member on which it has been entrusted. The *Clearing Member* shall immediately notify Euronext Clearing of the said withdrawal, both relating to the Clearing Member and to the *Settlement Agent*, via e-mail (at ccp-membership@euronext.com) in the form of a Pdf document duly signed by the legal representative or authorised signatory.

9. Outside of the cases of paragraph 8, the agreement shall be automatically terminated in all cases in which for any reason, including withdrawal and exclusion, membership to the Section currently subject to the mandate ceases. Termination shall also automatically apply in cases of default of the Settlement Agent. The Clearing Member shall immediately notify Euronext Clearing such event.

10. Termination shall also apply in case the Clearing Member does not provide the Settlement Agent with the means necessary for the fulfilment of its obligations, and the Settlement Agent considers that it can no longer fulfil its mandate. In this case, the Settlement Agent is entitled to activate the Disagreement and Termination Procedure, to request the immediate termination of the payment service provided to the Clearing Member. To that end, the *Settlement Agent* shall activate the procedure, by sending an e-mail within the fashion set forth in Annex B.116A. Following receipt of the e-mail referenced in said Annex, *Euronext Clearing*, without any obligation to verify its legitimacy and correctness, shall consider the agreement terminated and adopt the consequent measure according to the Euronext Clearing Regulations and/or the Instructions.

11. In case of cessation of effect of the agreement with the Settlement Agent, Article B.2.2.2, paragraph 1, letter b) of the Regulations shall apply. In the event of default proceedings being taken against the Clearing Member pursuant to Article B.6.2.1 of the Regulations, the Settlement Agent shall not settle the said Member's Positions intended to be settled after the opening of the said proceedings, notwithstanding in any case the rules governing the Settlement Services established by Legislative Decree no. 210 of April 12th, 2001.

12. Settlement Agents entrusted to perform cash payments as per paragraph 2, Letter b) of this Article, are entitled to activate the Disagreement and Termination Procedure to request the revocation of a payment instruction forwarded to *T2 System.* The Settlement Agent shall activate the Disagreement and Termination Procedure by sending an e-mail pursuant to the fashion and within the deadline set forth in Annex B.116A. Following receipt of the e-mail referenced in said Annex, Euronext Clearing, without any obligation to verify its legitimacy and correctness, shall adopt the consequent measure according to the Euronext Clearing Regulations and/or the Instructions. The *Disagreement Procedure* shall not be activated to revoke payment instructions submitted on segregated *DCA RTGS*. In this case, *Euronext Clearing* shall acknowledge any insufficiency of the segregated *DCA RTGS*, without any obligation to verify its legitimacy, correctness, or underlying reasons, and shall adopt the consequent measures according to the provisions of the *Regulations and Instructions*.

13. The Clearing Member undertakes to keep the Settlement Agent informed of relevant amendments to the Regulations, the Instructions, the General Conditions, and all other provisions that govern the System.

14. For settlement of cash denominated in NOK, in case the obligations set out in Article B.2.1.2, paragraphs 8 and 9 of the Regulations are performed by the Clearing Member indirectly through a Settlement Agent, Euronext Clearing sends the payment instructions through the Settlement Agent to the Clearing Member for the purpose of crediting Euronext Clearing's cash accounts held

in Norges Bank. The obligations referred to in paragraph 7 of this Article do not apply, however the Clearing Member undertakes to maintain sufficient funds in the relevant cash accounts for the purpose of settlement and payment activities.

# *Heading B.1.2 Relations between General Clearing Members and Trading Clients*

## Article B.1.2.1 Agreements between General Clearing Members and the Trading Clients

1. The agreement between the *General Clearing Member* and the *Trading Client pursuant to Article B.2.3.1* shall be notified *by the General Clearing Member to Euronext Clearing.*
2. In the event that the *General Clearing Member* or the *Trading Client* withdraw from the agreement entered into with the other party, it must simultaneously notify *Euronext Clearing* thereof.

## Article B.1.2.2 Request to halt registration of Positions for Trading Clients

1. Pursuant to Article B.2.3.3-ter of the *Regulations,* the *General* Clearing Member shall request to halt the registration of Positions pertaining to a *Trading Client* in the manner indicated in Annex B.122 and using the form indicated in Annex B.122A. Said request, and revocation thereof, may be forwarded exclusively by the persons, so authorised and communicated by the *Clearing Member* using the form in Annex B.122B.

## Article B.1.2.3 Mandates to Trading Clients

1. The *General Clearing Member* may delegate, through means of a form made available by Euronext Clearing to its Trading Client admitted the exercise of the following set of functions:
    a) Request of netting of positions for accounts kept on a gross basis as provided for in Article B.2.1.3, paragraph 7;
    b) Corrections of posting indication and indications of opening/close code pursuant to Article B.2.1.3 paragraph 8;
    c) Manual Give up requests pursuant to Article B.2.1.6;
    d) Manual Take up acceptance or refusal pursuant to Article B.2.1.6;

e) Request for Position transfer pursuant to Article B.2.1.6, paragraph 4;

f) Request for early exercise of options pursuant to Article B.6.1.1;

g) Request for Exercise/abandonment of options pursuant to Article B.6.1.2

2. The functions are exercised by the delegated Trading Client through the Technological Infrastructure and are understood as made by the General Clearing Member.

3. General Clearing Members may also authorize Trading Clients who use their services to access the Reports and Data Files made available through the Technological Infrastructure.

4. The mandate indicated at paragraph 1 and the authorization indicated at paragraph 3 are issued in line with the *Mandatory CCP Provisions*, available through the *Euronext Clearing*'s website, and they are also revoked by the same methods.

# *Heading B.1.3 Inspection procedure*

## Article B. 1.3.1 Inspection procedure

1. In accordance with Article B.2.1.1-ter of the *Regulations*, Euronext Clearing reserves the right to carry out an inspection of the *Clearing Member*, following the procedure described in the following paragraphs.

2. To that end, Euronext Clearing contacts, by any means, the legal representative and, where relevant, authorised signatory, to communicate that *Euronext Clearing* intends to carry out an inspection. Euronext Clearing will give notice to the *Clearing Member* at least five *Euronext Clearing Open Days* preceding the inspection. For the purposes of the inspection, Euronext Clearing may avail itself of external service providers solely for support purposes. In any event, responsibility for and conduct of the inspection shall remain exclusively with Euronext Clearing.

3. In case the *Clearing Member* outsources its clearing activities, wholly or partially, the third-party provider shall also submit itself to Euronext Clearing's inspections in the same circumstances as those applicable to the C*learing Member*. The latter shall take all necessary steps to inform the third party of the inspection and ensure its cooperation.

4. In case of onsite inspections, The *Clearing Member* will grant those persons specifically delegated by Euronext Clearing, access to any of its premises or to any other premises where its clearing activities are being performed. These delegated persons may request, from any of the *Clearing Member's* employees or persons acting for and/or on its behalf, any document or information deemed necessary to fulfil their task and may also ask to interview any of the *Clearing Member*'s employees or persons acting for and/or on its behalf.

5. If deemed appropriate, Euronext Clearing may organize one or more further meetings, in order to follow the progress of the

activities so far performed and/or to define the remaining points to be addressed.

6. Where, pursuant to Article B.2.2.1-ter, paragraph 3, Euronext Clearing performs a remote inspection, it may, through secure electronic means, access, examine and review any documents, records, systems, data or other relevant information necessary for the purposes of the inspection and may remotely interview any of the *Clearing Member*'s employees or persons acting for and/or on its behalf. The Clearing Member shall ensure the accessibility of such information and systems, promptly provide the requested documentation in electronic form, and ensure the cooperation of its personnel and any relevant third parties.

7. Once all activities have been performed, Euronext Clearing will produce a draft report, which is shared with the *Clearing Member*, which may make comments within 10 *Euronext Clearing's Open Days* from its receipt. Those comments will be attached to the report.

8. Euronext Clearing will finalize the report mentioned above, taking into account the comments received, if any. The final report is then shared promptly with the *Clearing Member*. The *Clearing Member* reserves the right to answer this report, within 15 *Euronext Clearing's Open Days* from receipt.

9. Further to the answer to the report, follow-up meetings may be organized by Euronext Clearing, if appropriate.

10. On the basis of the report mentioned in the preceding paragraphs and in respect of the findings thereof, Euronext Clearing is entitled to take any of the measures mentioned within Article B.2.2.1-*ter* of the *Regulations*.

# CHAPTER B.2 Clearing

## *Heading B.2.1 Registration of Positions*

### Article B.2.1.1 Registration of Positions

1. Without prejudice to Article B.3.1.3 of the *Regulations*, *Positions* on non-*Derivatives Financial Instruments* are registered within a *Position Account* on a gross basis, and aggregated in two net values, resulting in a net buying position and a net selling position.
2. In line with Article B.3.1.2, paragraph 3 of the *Regulations*, *Positions* related to the trading activity of Market Maker, Specialist and/or *Liquidity Provider* performed by the *Clearing Member*, or by its *Trading Client* are registered by *Euronext Clearing* in dedicated *Liquidity Provider Position Accounts.*
3. The *Position Accounts* referenced in paragraph 2 are opened *by Euronext Clearing* in the name of the Clearing Member*.* The *Clearing Member* certifies the existence of relevant agreement with the *Management Company* or, in respect of its *Trading Client,* the agreement between the latter and the *Management Company.*
4. *Positions* related to contracts, which are denominated in a currency other than EURO, are registered in the *Position Accounts*, in the currency of the contract, pursuant the criteria embedded in Article B.2.1.1.
5. *Positions* related to Financial Instruments, traded on *SME Growth Markets*, are not subject to aggregation with *Positions* related to the same *Financial Instrument*, which were traded on *Markets* other than *SME Growth Market*.

### Article B.2.1.2 Posting rules and transfer of Positions

1. Upon interposition, *Euronext Clearing* registers *Positions* into *Position Accounts* pursuant the following posting rules.
2. Pursuant to automatic posting rule, whereby *Positions* are registered by Euronext Clearing based on the valid information received from the relevant *Market*, as instructed by the *Clearing Member* admitted to trading or its *Trading Client* at the moment of submission of the trade order on said *Market.*

3. Pursuant to systematic posting rule, whereby *Positions* are registered by Euronext Clearing based on the posting choices communicated by the *Clearing Member* to *Euronext Clearing* pursuant to Article B.1.1.1 of the *Instructions, at the onboarding stage.* Systematic posting is applied in case no automatic posting choice is performed by the *Clearing Member* admitted to trading or its *Trading Client.*

4. If a *Positions* cannot be registered according to the above-mentioned respective posting rules, *Euronext Clearing* registers the unallocated *Positions* in a dedicated default *Position Account,* predetermined by the *Clearing Member*, at the onboarding stage. Not later than the day in which the contract is concluded on the *Market*, the *Clearing Member* may request, the transfer *of the relevant Positions* to another relevant *Position Account*.

5. The *Clearing Member* shall instruct the request mentioned in paragraph 4, through the *Technological Infrastructure,* or, in case of its malfunctioning, through the fashion set forth in Annex B.212.

## Article B.2.1.3 Registration of Positions for the Financial *Derivatives Sections*

1. Without prejudice to Article B.3.1.3 of the *Regulations*, *Positions* related to *Derivatives Financial Instruments* are registered pursuant to the posting rules referenced in Article B.2.1.1, paragraphs 2, 3 and 4 and are kept:

    a) within a *House Position Account,* by default on a gross basis;

    b) within a *House* or *Client Market Maker Position Account* by default on a net basis;

    c) within a *Client Position Account,* by default on a gross basis

2. The following exemptions may be granted by Euronext Clearing upon request of the *Clearing Member*:

    a) As an exception to letter a) of paragraph 1, within a *House Position Account*, *Positions* related to *Derivatives Financial Instruments* negotiated on *Euronext Derivatives Amsterdam* and Positions related to Derivatives Financial Instruments

negotiated on the IDEM Market are by default kept on a net basis within a dedicated *House Position Account*;

b) As an exception to letter a) of paragraph 1, within a *House Position Account*, *Positions* related to *Derivatives Financial Instruments negotiated* on Euronext Derivatives Paris or Euronext Derivatives Brussels may be kept on a net basis, if pertaining exclusively to a Clearing Member's dealing activity;

c) As an exception to letter c) of paragraph 1, within a *Client Position Account*, *Positions* related to Derivatives Financial Instruments negotiated on Euronext Derivatives Paris or Euronext Derivatives Brussels may be kept on a net basis, if related exclusively to a single identified *Client*, or *Indirect Client.*

3. Euronext Clearing shall grant the exceptions referred to in paragraph 2, letters b) and c) conditioned upon the demonstration by the *Clearing Member* of the existence of the conditions referenced therein, through the account structure forms indicated in Annex B.111A.

4. When *Positions* are kept on a gross basis, the *Clearing Member* admitted to trading, or, where applicable, its *Trading Client* shall indicate at the moment of submission of a trade order on the *Market,* whether the contract opens (opening code), or closes (closing code) a *Position*.

5. In absence of indication of the contract's code, the *System* shall register it with an opening code.

6. Where the number of contracts with closing code is greater than that of existing *Positions* with opposite sign on the same *Series*, the *System* shall close any existing opposite *Position* to the extent possible and register the remaining *Positions* with opening code.

7. The *Clearing Member*, or its *Trading Client* may request either a partial or total netting of opposite Positions belonging to the same *Series* through the Technological Infrastructure.

*8.* Before expiry, corrections of the posting or of the opening and closing code assigned may be made on the same day and up to 10

days after trade registration, by sending new *Transfer Orders* by the deadlines established in Annex B.213 through the *Technological Infrastructure.* Corrections are excluded for *Market Maker Position Accounts.*

9. *Positions* are registered and updated by Euronext Clearing in the *Position Accounts* in real time, following registration or other relevant events.

## Article B.2.1.4 Registration of Positions for the Soft Commodity Derivatives Section

1. Pursuant to Article B.3.1.2, paragraph 4 of the Regulations, *Positions* related to the *Soft Commodity Derivatives Section* are registered within dedicated *Position Accounts*, pursuant the posting rules referenced in Article B.2.1.1, Article B.2.1.3 applies.

## Article B.2.1.5 Registration of Positions for the Power Derivatives Section

1. Without prejudice to Article B.3.1.3 of the *Regulations*, *Positions* related to *Derivatives Financial Instruments* traded on the Power Derivatives Section are registered within dedicated Position Accounts pursuant to the posting rules referenced in Article B.2.1.1, paragraphs 2, 3 and 4.

2. Positions pertaining to *Derivatives Financial Instruments* traded on the Power Derivatives Section are kept:

    a) within a *House Position Account,* by default on a net basis;

    b) within a *House* or *Client Market Maker Position Account* by default on a net basis;

    c) within a *Client Position Account,* by default on a gross basis

3. The following exceptions may be granted by the CCP upon request of the *Clearing Member*:
    a. *As an exception to letter a) above, within a House Position Account, Positions may be kept on a gross basis;*
    b. *As an exception to letter c) above, within a Client Position Account, Positions may be kept on a net basis;*

4. Give ups and Transfer of Positions pertaining to the Power derivatives Section are performed pursuant to the provisions of Article B.2.1.6.

## Article B.2.1.6 Give-ups and Transfer of Positions of the *Derivatives Sections*

1. The *Clearing Member* (allocator) may request, with effect of a *Transfer Order,* the transfer of *Positions* registered in its *Position Accounts* (Give-up) to another *Position Accounts,* including of another *Clearing Member (*allocatee*)*, in this case conditioned upon consent of the latter. Give up is eligible only for *Positions* negotiated on the same day, which are valued at market price*.* Give ups requests are excluded when allocated from a Market Maker Account, exception made in case of systematic give-ups between Market Maker accounts (where both allocator and allocatee are Market Makers).
2. The *Clearing Member,* can exercise the following types of give-up:
   - manual Give-Up, whereby the transfer is instructed by the allocator *Clearing* Member and accepted by the allocatee *Clearing Member*, through the *Technological Infrastructure*;
   - systematic give-up, whereby, the transfer from the allocator Clearing Member to the allocatee *Clearing Member* is automatically processed within the *System,* provided that the express consent of the allocatee *Clearing Member* has been granted through the account structure forms referenced in Annex B.111A;
   - Automatic give-up, whereby the transfer request is based on the information received from the relevant *Market*, as instructed by the *Clearing Member* admitted to trading or, where applicable, its *Trading Client,* at the moment of submission of the trade order on said *Market* and accepted by the allocatee Clearing Member through the *Technological Infrastructure.*

The Clearing Member, within the fashion set forth in Annex B.213, may also perform:

- External posting correction, between Position Accounts of different Clearing Members, excluding when allocated from a Market Maker Position account;
- Internal posting corrections, between Position Accounts of the same Clearing Member;

3. If the give-up request is not accepted by the allocatee *Clearing Member*, the *Position* is registered within the Clearing Member's original Position Account.
4. The *Clearing Member,* may request, with effect of a *Transfer Order,* the transfer of *Positions* (fully or partially) registered within its *House* or *Client Position Account,* until the day of expiry of the *Position*, through the *Technological Infrastructure,* within the limits indicated under paragraph 6, and 7 below and in Annex B.213. Transfer of Positions from Market Maker Position Accounts are subject to CCP approval.
5. Transfer of Positions, including on a bulk basis, is either internal, taking place between the Positions Accounts of a single Clearing Member, or external, taking place between the Position Accounts of two distinct Clearing Members. In both cases, the transfer shall be performed without prejudice to the segregation principles for *Position Accounts* and *Margin Accounts* referenced in Article B.3.0.1 and Article B.4.0.1. of the Regulations and within the limits set forth under paragraph 6, and 7 below and in Annex B.213. The execution of a transfer of Positions may be made conditional upon the satisfaction of a margin prefunding requirement, as determined by Euronext Clearing.
6. With reference to the transfers of Positions referred to in paragraph 5 above, such transfers shall not be permitted where the transfer would result, directly or indirectly, in a change in the beneficial ownership of the Positions concerned. For the purposes of this paragraph, a "beneficial owner" shall mean the person or entity that ultimately owns or controls the Positions and is exposed, on an economic basis, to the profits, losses,

rights and obligations arising therefrom, whether such ownership or control is exercised directly or indirectly, including through ownership interests, contractual arrangements or other means. This paragraph applies without prejudice to the conditions and procedures for transfers of Positions set out under the applicable Market rules.

7. Euronext Clearing may, at its sole discretion, exempt a transfer of Positions from the prohibition set out in paragraph 6 where such transfer occurs in connection with, or as a result of an extraordinary corporate transaction (such as, a merger, demerger, asset purchase, consolidation or other comparable non-recurring corporate transaction), or where Euronext Clearing determines that exceptional circumstances so require in order to safeguard the orderly functioning, integrity or stability of the Market, provided that:

   a) one or more entities become the legal or economic successor(s) in interest of one or more other entities with respect to the Positions;

   b) the transaction does not give rise to an increase in the overall risk profile of Euronext Clearing or the relevant markets; and

   c) Euronext Clearing is satisfied, in agreement with the relevant Market, on the basis of information and documentation it deems appropriate, that permitting the transfer is consistent with the integrity and orderly functioning of market and clearing system.

   Euronext Clearing reserves the right to review any transfer of Positions at any time and to request from the relevant Clearing Member(s) any information or documentation it deems necessary for such review. The processing of a transfer shall not, in itself, prevent Euronext Clearing from exercising its powers under the applicable Regulations in the event that the transfer is subsequently determined to be non-compliant.

8. Concerning the requests mentioned in paragraphs 4, the transfer is performed for *Positions* in:

   - Futures, at the daily settlement price of the trading session before that of the execution of the transfer (T-1 DSP);

- Options, at zero price.
- At price agreed between the parties (internal or external corrective transfer). This transfer should be motivated by the clients and is subject to the approval of the CCP.

9. Transfer requests may be exercised by *Trading Client*, if delegated by the *Clearing Member* pursuant to Article B.1.2.3 and within the limits set out under this Article.

## Article B.2.1.7 Transfer of Positions (excluding Derivatives Sections)

1. Within the Equity and Fixed Income Section, no later than the day in which the contract is concluded on the Market, the Clearing Member may request, the transfer of the relevant Positions to another relevant Position Account. The Clearing Member shall instruct the request mentioned in paragraph 4, through the Technological Infrastructure, or, in case of its malfunctioning, through the fashion set forth in Annex B.212.

## Article B.2.1.8 Error management

1. Pursuant to Article B.3.1.7 of the *Regulations*, the *Management Company* may ask *Euronext Clearing* to cancel or rectify trades executed on the *Market* on the same day or on previous trading days.
2. Any clearing operations performed on trades subject to error management must be cancelled. To this end, *Euronext Clearing* can operate autonomously or by asking the *Clearing Members* involved to cooperate via the *Technological Infrastructure*.
3. The effects of transactions by *Euronext Clearing* in response to applications received from the Management Company pursuant to Article B.3.1.7 of the *Regulations* shall be reported to Members concerned on the subsequent *Market* trading day by means of *Reports*.

### Article B.2.1.9 Cascading of Positions relating to the Power Derivatives Section

1. The Positions relating to annual futures existing at the end of the last trading day (Cascading day) of the contract are replaced, on the same day, by four corresponding Positions relating to the four quarterly futures contracts with Delivery Periods corresponding to the "January-March", "April-June", "July-September" and "October-December" quarters. The new Positions in quarterly futures are valued at the daily settlement price of annual futures on the Cascading day.
2. Positions relating to quarterly futures existing at the end of the last trading day (Cascading day) of the contract are replaced, on the same day, by three corresponding Positions relating to the three-monthly futures contracts, the Delivery Period of which corresponds to the calendar months of the Delivery Period for the replaced quarterly futures. The new Positions in monthly futures are valued at the daily settlement price of the quarterly futures on the Cascading day.

# CHAPTER B.3 Guarantee System

## *Heading B.3.1 Margins*

### Article B.3.1.1 Initial Margins

1. The Initial *Margins*, indicated in Article B.4.1.1, paragraph 2, of the *Regulations*, notified to *Clearing Members* by means of the *Reports*, shall be calculated:
    *a)* on the basis of the *Equity VAR* method, for the *Equity Section and Financial Derivatives Section;*
    b) on the basis of the *MVP* method, or, only in respect to Italian, Spanish, Portuguese, and Irish government bonds, on the basis of the *FIRE* method, for the Fixed Income Section;
    *c) on the basis of the Commodity VAR method, for the Soft Commodity Derivatives Section;*

*d) on the basis of the EDES VAR method, for the Power Derivatives Section;*

2. The general application data used by *Euronext Clearing* for the calculation of the *Margins* are made available to *Members* on the *Euronext Clearing* Internet site and are also communicated to *Members* through the *Technological Infrastructure.*

3. A request for calculation of separate *Margins* for each *Section*, indicated at Article B.4.1.1, paragraph 6, of the *Regulations*, may be made by the *Clearing Member* by forwarding the appropriate form, which is available from the *Euronext Clearing Internet site*.

4. For the *Soft Commodity Derivatives Section*, where physical delivery is foreseen within the *Contractual Scheme, Initial Margins* registered in *Margin Accounts* referenced to in Article B.4.1.0, are calculated on *Positions* and *Positions in Delivery* under the following methods, as indicated within the Service Manual:

    a. Until the second *Open Day* preceding the contract's *Expiry Day*, at portfolio level on the net *Position* held across all commodities contracts;

    b. As from the second *Open Day* preceding the contract's Expiry day until the *Expiry Day*, on the net *Position* per commodity contract across all existing expiry dates.

    c. As from the *Expiry Day* until final settlement, on the *Position in Delivery* per commodity contract for such given expiry. (Delivery Margins).

5. In the cases of paragraph 7, the Delivery Margin is applied to Positions in Delivery of the Soft Commodity Section, as from the contract's Expiry Day included until the final settlement of the Position in Delivery and is calculated pursuant the modalities and timings indicated in the Services Manual. In case the Clearing Members have opted for the Alternative Delivery Procedure, Delivery Margins are returned to Clearing Members on the following open day.

6. Within the *Financial Derivatives Section*, with respect of *Positions* arising from Fixed income futures negotiated on the *Market* set out

under Article B.10.1.3, *Margins* are calculated separately with respect to the other *Positions* negotiated in all the other *Markets* set out under Chapter B.10 of the *Instructions*.

## Article B.3.1.2 Additional Intraday Margins

1. In the event of a request for additional intraday *Margins*, *Euronext Clearing* shall notify each *Clearing Member* of *the* additional amount requested pursuant to article B.4.1.3 of the *Regulations* and by an appropriate *Report.* The relevant payment shall be settled in accordance with Annex B.411, letter A);
2. Pursuant to Article B.4.3.1, paragraph 3 of the *Regulations*, within the Fixed Income Sections, if the request for additional intraday *Margins* is made after 14:00 (2:00 pm) of a *Euronext Clearing open day*, *Euronext Clearing* will allow the *Clearing Members* that made prior request using the form in Annex B.312A to choose whether to pay the additional intraday *Margins* in cash or alternatively by depositing the financial instruments.
3. In case of choosing to pay the additional intraday *Margins* in cash, the payment will be settled with the methods indicated in paragraph 1.
4. In case of choosing to pay the additional intraday *Margin*s in financial instruments, the *Clearing Member* shall perform the following operations:

    a) access the WCS to check the current value of the collateral for the financial instruments to be deposited and whether it is sufficient to fully cover the requested amount without the need for additional cash deposits;

    b) notify *Euronext Clearing* and its *Settlement Agent* for cash, if any, by e-mail, prior to the start of the cash debit period, of the choice to pay the additional intraday *Margins* in financial instruments, including in the notification to *Euronext Clearing* the relevant ISIN codes and the corresponding nominal and collateral values that will be deposited;

    c) deposit the financial instruments with *Euronext Clearing* according to the methods indicated in Annex B.411, letter I.

5. In order to fully cover the additional intraday *Margins* in financial instruments, the following conditions must be met:

    a) the verification in WCS, referred to in paragraph 4, letter a), that the additional intraday *Margins* coverage can be carried out entirely in financial instruments, without the need for additional cash deposits, must have had a positive outcome;

    b) the choice of financial instruments that can be deposited can be made from a maximum of two different eligible types (ISIN);

    c) the deposit of financial instruments must be made by the same time limit as that provided for the cash payment referred to in paragraph 1.

6. Upon receipt of the notification referred to in paragraph 4, letter b), *Euronext Clearing* shall revoke the direct debit of the payment sent to *T2 System*, informing the *Clearing Member* and its *Settlement Agent* for cash, if any, accordingly.

7. Following the deposit of the financial instruments *Euronext Clearing* verifies that they are suitable and that their amount is sufficient to cover the additional intraday *Margins, subsequently* sending notice by e-mail to the *Clearing Member* to the and its *Settlement Agent* for cash if any.

8. If the financial instruments deposited are not sufficient to cover the additional intraday *Margins*, the corresponding difference must be deposited in cash by the *Clearing Member* to *Euronext Clearing,* via the WCS, within the same deadline as for the request referred to in paragraph 1.

9. In the event of failure of the payment revocation referred to in paragraph 6 and a consequent simultaneous coverage of the additional intraday *Margins* in cash and financial instruments, the *Clearing Member* may, at its discretion, request from *Euronext Clearing* the return, in the same *Euronext Clearing* open day, of the debited cash or the deposited financial instruments.

## Article B.3.1.3 Daily Settlement Prices

1. The daily settlement price for *Financial Instruments* guaranteed within the *Fixed Income Section* is set on the basis of the prices determined by *Markets,* taking into account their level of liquidity.
2. The daily settlement price for *Financial Instruments* guaranteed within the *Equity Section* is equal to the reference price calculated in accordance to the Trading Rules by the *Market* and communicated to Euronext Clearing.
3. The daily settlement price for *Financial Instruments* guaranteed within the *Derivatives Sections* is determined by the *Market* and communicated to Euronext Clearing according to the Trading Rules of the *Market*.
4. Notwithstanding the preceding paragraphs, in the event *Euronext Clearing* considers that the daily settlement price for *Financial Instruments* of each *Section*, determined and communicated in accordance with this *Article*, is not representative of existing market conditions at the close of trading, *Euronext Clearing*, for the purpose of calculation of *Margins,* may set a different price, taking into account the respective theoretical value of the above mentioned *Financial Instruments* or use the last available daily settlement price.
5. The *Daily Settlement Prices* are made available on the *Euronext Clearing* Internet site. The prices are also reported to *Members* through the *Technological Infrastructure*.

## Article B.3.1.4 Adjustment operations for Positions

1. Pursuant to Article B.3.1.6 of the *Regulations*, on the occasion of company operations or operations of a general nature, *Euronext Clearing* shall amend:
    a) the *Ordinary Positions* of the *Derivatives Sections*, in accordance with the general rules established by the *Management Companies*;

b) the *Positions* of the Fixed Income Sections, and the *Equity Section*, in accordance with the rules established at Article B.7.6.1.

# *Heading B.3.2 Default Fund*

## Article B.3.2.1 Contribution

1. The reference period for calculation of payments to each *Default Fund* indicated in Article 4.2.1 paragraph 4, of the *Regulations* is of one calendar month before the date of recalculation.

2. The amount of the payment to each *Default Fund* due by the *Clearing Member* is determined on the basis of the daily average of *Initial Margins* relating to the Section(s) for which the *Default Fund operates*, due for each account indicated in Article B.3.1.2, paragraphs 1 and 2 of the *Regulation*.

3. Adjustments to payments to the *Default Funds* are requested and effected on a monthly basis. In the event of particular risk situations, *Euronext Clearing* may reduce the reference period indicated at paragraph 1 and consequently calculate the payments on this reduced different time basis. Payments are adjusted according to the methods indicated in the *Default Fund Manual*; the parameters and the minimum payment are notified to *Members* through *Euronext Clearing*'s website. Any variations in the said parameters, as provided in the said *Manual*, including the minimum payment, are announced by *Notices*.

4. The amount to be settled in cash for the purposes of adjustment of payments to each *Default Fund,* and the date of settlement, are notified to *Clearing Members* through the *Technological Infrastructure*.

5. The adjustment of cash payments takes place by the method indicated in Annex B.411. Excess payments in cash are not permitted. Any balances in euros allocated to the *Default Funds* in excess of the requested payment shall be returned to the *Member*.

6. The adjustment of the payment and the restitution of the said surpluses shall not be included in the daily settlement indicated at Article B.5.1.1 of the *Regulations*.

7. The interest rate recognized by *Euronext Clearing* on balances constituted in cash pursuant to this article is notified to *Members* on the *Euronext Clearing* Internet site.

## Article B.3.2.2 Use of the Default Fund

1. In the event of use of payments to the *Default Funds* by *Members* other than the defaulting *Member,* and in the event of a request for additional resources as per Article B.4.2.5 of the Regulations, *Euronext Clearing* shall immediately inform *Clearing Members* involved, the Bank of Italy, *Consob*, and the *Management Company*.

## Article B.3.2.3 Establishment and withdrawal

1. *Clearing Members* must proceed to establishment of payments pursuant to Article B.4.2.3 paragraph 1, of the *Regulations,* by the deadlines established in accordance with Article B.4.1.1 of the Regulations of the third *Euronext Clearing open day* after the request for payment indicated to *Members* involved by means of the relevant *Notice*.
2. The notice of withdrawal from *Section(s)* indicated at Article B.4.2.4, paragraph 3, of the *Regulations*, must reach *Euronext Clearing* by registered letter with acknowledgement of receipt, sent in advance via email, prior to and not later than the term provided in the *Notice* indicated at paragraph 1.
3. *Clearing Members* shall proceed with the establishment of the payments pursuant to Article B.4.2.3, paragraph 2, of the Regulations, by the deadlines established in accordance with Article B.4.1.1 of the Regulations of the following *Euronext Clearing open day after* the request for payment indicated to *Members* involved by means of the relevant *Notice*.
4. The establishment in cash of the payment to the *Default Funds* shall be made by the method indicated at Annex B.411, letter A).

# *Heading B.3.3 Assets admitted as security and transaction requests.*

## Article B.3.3.1 Handling of cash in Euros

1. Payments of cash *Collateral* to *Euronext Clearing* are made by the *Clearing Member* or by its *Settlement Agent*, by crediting the *Euronext Clearing DCA RTGS* in *T2 System,* pursuant the method indicated in Annex B.331.
2. For the purpose of determining the *Margins* to be paid pursuant to Article B.4.1.1 on the following *Euronext Clearing open day, Euronext Clearing* shall consider only the sums credited to its *DCA RTGS* within the timetable set out in Annex B.331.
3. *Euronext Clearing* returns any excess of cash registered within a *Collateral Account* to the *Clearing Member* or its *Settlement Agent*, by crediting its *DCA RTGS in* the *T2 System*. A *Clearing Member,* or its *Settlement Agent,* may request *Euronext Clearing*, pursuant to the methods foreseen in Annex B.111A to parametrize a *Collateral* buffer, for each *Collateral Account* registered in its own name. *Euronext Clearing* shall return pursuant paragraph 4 only the amount of cash exceeding such buffer.
4. In such instances, The *Clearing Member* or its *Settlement Agent*, may request *Euronext Clearing,* pursuant the methods indicated in Annex B.331A *to*:
    a) credit currently available sums to the *Clearing Member DCA RTGS* in *T2 System* or that of its *Settlement Agent*;
    b) transfer said sums between *Collateral Accounts* of the same *Member;*
5. The *Clearing Member,* or its *Settlement Agent* shall instruct the requests referenced within paragraphs 3 and 4 of this Article through the *Technological Infrastructure.* In case of malfunctioning, the *Clearing Member,* or its *Settlement Agent* shall instruct the requests, within the fashion set forth in Annex B.331A through the *SFTP* channel or, if Euronext Clearing so communicated in advance, email.

6. The rate of interest recognised by *Euronext Clearing* on the available funds deposited in cash pursuant to this article is notified to *Members* through the *Euronext Clearing* Internet site.

*The provisions related to the requests mentioned in paragraph 4, letter b) will enter into force with subsequent notice.*

## Article B.3.3.1-bis Handling of cash denominated in currency other than EURO

1. As per Article B.4.3.1. of the *Regulations,* Clearing Members, may also deposit cash denominated in US Dollars (USD) and British Pounds (GBP) and Norwegian Krone (NOK), for the fulfilment of *Margin* obligations only.
2. Cash amounts in the currencies of paragraph 1 are acquired by Euronext Clearing under the full title transfer regime, as per Article A.1.1.1 of the *Regulations*. *The* deposit and restitution between *Euronext Clearing* and *Clearing Members* shall be affected through accounts held within one *Eligible Credit Institution* listed in Article B.13.1.2.
3. Euronext Clearing shall indicate, within Annex B.331B, the minimum amounts below which deposits in the currencies foreseen in paragraph 1 will not be accepted. Euronext Clearing shall indicate within the same *Annex* the deadlines for deposit and restitution requests applicable to *Clearing Members*.
4. For the purpose of determining the *Margins* to be paid pursuant to Article B.4.1.1 on the following *Euronext Clearing open day, Euronext Clearing* shall consider only the sums credited to its accounts, within the deadlines set out in Annex B.331.
5. The *Clearing Member* shall instruct the requests referenced within paragraphs 3 of this Article through the *Technological Infrastructure.* In case of malfunctioning, the *Clearing Member,* shall instruct the requests of restitution, within the fashion set forth in Annex B.331B through the *SFTP* channel or, if Euronext Clearing so communicated in advance, email.

6. The rate of interest recognised by *Euronext Clearing* on the available funds deposited in cash pursuant to this article is notified to *Members* through the *Euronext Clearing* Internet site.
7. *Euronext Clearing* invests the cash amounts mentioned in paragraph 1, posted as *Collateral* by *Clearing Members*, in cash or highly liquid financial instruments.
8. Under exceptional circumstances, Euronext Clearing is entitled to redeem to Clearing Members or the appointed Settlement Agent the cash denominated in US Dollars (USD), Norwegian Krone (NOK) and British Pounds (GBP), for the fulfilment of Margin obligations, by prior notifying them under the timeframe specified in the Annexes.

*The provisions of Article B.3.3.1-ter, regulating the acceptance of non-euro cash Collateral, will enter into force with subsequent notice.*

## Article B.3.3.2 Handling of Financial Instruments

1. The list of eligible *Financial Instruments* pursuant to Article B.4.3.1, paragraph 1 letter (b) of the *Regulations*, is detailed in Annex B.332. *Euronext Clearing* applies the methods for valuation, the haircuts and the limits of concentration referred to in Article B.4.3.1, paragraph 4(b) of the *Regulations,* within the fashion set forth in the same *Annex*.
2. The deposit of *Financial Instruments* indicated in paragraph 1 is carried out by the *Clearing Member* or its *Settlement Agent* to the securities accounts referenced within Article B.3.3.4 of these *Instructions*.
3. *Financial Instruments* indicated at paragraph 1 shall be deposited in accordance with the terms referenced in Annex B.331. For the purpose of determining the *Margins* to be paid on the following *Euronext Clearing open day* pursuant to Article B.4.1.1., *Euronext Clearing* considers only the *Financial Instruments* deposited within said terms.
4. For the purpose of determining the *Margins* to be paid pursuant to Article B.4.1.1, *Euronext Clearing* shall consider the *Financial Instruments* indicated at paragraph **Errore. L'origine riferimento**

**non è stata trovata.**, only up to the fourth calendar day (included) before their maturity.

5. The *Clearing Member* (or their *Settlement Agents* for the *Central Depositary Service* or for the Foreign Entity providing Settlement Services and Central Depository Service so mandated pursuant to Article B.1.1.7), may request *Euronext Clearing,* pursuant to the methods and terms indicated in AnnexB.332A, the:
    a) Withdrawal of the *Financial Instruments* indicated at paragraph 1, that are registered in the *Clearing Member's Collateral Accounts* and currently available in the securities accounts referred to in Article B.3.3.4;
    b) transfer of currently available *Financial Instruments* indicated at paragraph 1 between *Collateral Accounts* of the same *Member;*
6. The *Clearing Member,* or its *Settlement Agent*, shall instruct the requests referenced within paragraph 6 of this Article through the *Technological Infrastructure.* In case of malfunctioning, the *Clearing Member,* or its *Settlement Agent* shall instruct the requests, within the fashion set forth in Annex B.332A through the *SFTP* channel or, if Euronext Clearing so communicated in advance, email.
7. *Euronext Clearing* shall only execute those requests which are instructed within the terms of Annex B.331.
8. According to the regulations of the *Central Depositary Service*, amounts relating to the accrued interest on *Financial Instruments* deposited and redeemed capital shall be credited, on the instructions of *Euronext Clearing,* by the said *Central Depositary Service* to the *Settlement Agent* or in their absence the *Clearing Member* concerned.

*The provisions related to the requests mentioned in paragraph 5, letter b) will enter into force with subsequent notice.*

## Article B.3.3.2-bis Eligibility criteria for the deposit of Financial Instruments

1. *Clearing Members* may deposit *Financial Instruments* included within the list of eligible *Collateral* pursuant to Article B.3.3.2 paragraph 1, subject to the conditions specified below. *Clearing Members* shall ensure, on an ongoing basis, that all *Financial Instruments* delivered as *Collateral* satisfy the applicable eligibility conditions at the time of deposit and thereafter for as long as such *Financial Instruments* remain posted as *Collateral*. In particular:

   a) Belgium: *Euronext Clearing* may accept the deposit of Belgian government bonds provided that such instruments: (i) are transferred from a tax-exempt account (so called X-account) at the National Bank of Belgium's X/N system or (ii) which are held on behalf of beneficial owners non-resident legal entities without a Belgian permanent establishment.

   b) Finland: *Euronext Clearing* may accept the deposit of debt securities provided that such securities are held on behalf of beneficial owners that are non-resident legal entities without a Finnish permanent establishment.

   c) Portugal: *Euronext Clearing* may accept the deposit of debt securities provided that such securities are held on behalf of beneficial owners that are non-resident legal entities without a Portuguese permanent establishment or are not resident in a jurisdiction classified as a tax haven under Portuguese law.

   d) Spain: *Euronext Clearing* may accept the deposit of Spanish government securities (Letras del Tesoro, Bonos, Obligaciones del Estado) provided that such securities are held on behalf of beneficial owners that are non-resident legal entities without a Spanish permanent establishment.

   e) United States: *Euronext Clearing* may accept the deposit of U.S. bond instruments (including U.S. Government Bonds) provided that:

i. the beneficial owner is not a corporation organised under U.S. law;
ii. the interest is not effectively connected with the conduct of a U.S. trade or business by the recipient;
iii. the beneficial owner is not a bank receiving interest on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its banking business;
iv. the beneficial owner is not a controlled foreign corporation (CFC);
v. the beneficial owner's country allows for an adequate exchange of information with the United States.

## Article B.3.3.3 Use of Collateral

1. The *Collateral* indicated at Article B.3.3.1, Article B.3.3.1-bis, Article B.3.3.2, Article B.3.3.5 and Article B.3.3.7 may be used without discrimination for the purposes of covering the *Margins* relating to all *Sections*.

## Article B.3.3.4 Securities Accounts

1. *Financial Instruments* indicated at Article B.3.3.2~~bis~~ are deposited in a securities collateral omnibus account registered in the name of *Euronext Clearing* at a *Central Depositary Service,* as specified in article B.12.1.2 of the Instructions, for all *House or Client Account Structures* of the *Clearing Members*.
2. Exceptionally to paragraph 1, solely for *Individual Segregated Account Structures*, a Clearing Member may request *Euronext Clearing*, through the form provided in Annex B.335, to deposit the *Financial Instruments* referred to in paragraph 1 in a securities collateral segregated account, opened in the name of Euronext Clearing at a *Central Depositary,* as specified in article B.12.1.2 of the Instructions.

## Article B.3.3.5 Central Bank Guarantees

1. Pursuant to Article B.4.3.1., paragraph 1, letter d) of the *Regulations, Euronext Clearing* accepts *Central Bank Guarantees* as an alternative solution to the transfer of *Collateral*, under the following conditions.
2. *A Clearing Member* established in the Netherlands, may provide a National *Central Bank Guarantee,* committed by the Dutch National Bank (DNB), in order to fulfill its *Margins* and *Default Fund* obligations vis-à-vis Euronext Clearing.
3. To that end, said *Clearing Member* shall enter into an agreement with the relevant *National Central Bank*, in order for the latter to issue a guarantee for the benefit of *Euronext Clearing*. The *Clearing Member* shall provide *Euronext Clearing* confirmation that said agreement has been stipulated, within the fashion set forth in an Annex.
4. In the context of daily *Margin* calculations, the guarantee is deemed effective, once *Euronext Clearing* receives confirmation by the relevant *Central Bank*, by the deadlines specified within the same Annex, that the amounts corresponding to the *Margin* and/or *Default Fund* obligations of the *Clearing Member* are guaranteed by the latter. The amount guaranteed by the relevant National Central Bank is reviewed every time *Euronext Clearing* communicates *Margins* due by the relevant *Clearing Member* pursuant to Article B.5.1.1 of the *Regulations*.
5. In case partial confirmation or no confirmation is received from the relevant Central Bank, *Euronext Clearing* shall calculate and communicate to the *Clearing Member* the amounts in cash that must be made available respectively to the *DCA RTGS Account* in the *T2 System* of the *Clearing Member* or its *Settlement Agent* by the deadline set forth in Article B.4.1.1, paragraph 2, letter b).
6. The use of *National Central Banks Guarantees* is limited only to the fulfilment of requests for *Margins* and Default Fund contributions issued pursuant to Articles B.4.1.1. and B.4.2.1 of the *Regulations* respectively. In case of default, Euronext Clearing makes use of

the Central Bank Guarantee pursuant the fashion set forth in Article B.6.2.1, paragraph 2 of the *Regulations*.

*7.* The limits and other relevant parameters calculated pursuant to Article B.4.3.1., paragraph 4, letter d) of the *Regulations* by *Euronext Clearing* regulating the use of *Central Bank Guarantees* are published on Euronext Clearing website.

## Article B.3.3.6 Use of Central Bank Guarantee

1. In case of default pursuant to Article B.6.1.1 of the *Regulations* of a *Clearing Member* that has chosen to fulfil *Margin* and/or *Default Fund* obligations through a *Central Bank Guarantee*, the relevant Central Bank fulfills the guarantee according to the following provisions.
2. Upon an event of default, *Euronext Clearing* addresses a formal request to the Central Bank to activate the *Central Bank Guarantee* and related liquidity arrangement, including the default declaration adopted pursuant to Article B.6.1.1 of the R*egulations* and the sum for which the guarantee is activated.
3. Upon receipt of the request mentioned in the previous paragraph, the relevant Central Bank transfers the cash in favour of *Euronext Clearing*.
4. Following an *Event of Default, Euronext Clearing* shall use the sums received pursuant preceding paragraph 3 within the conditions set forth in Article B.6.2.3 of the *Regulations*.

The provisions of Article B.3.3.5 and B.3.3.6, regulating the use of Central Bank Guarantees, will enter into force with subsequent notice.

## Article B.3.3.7 Handling of Collateral in Financial Instruments by way of Triparty Collateral Management Tool

1. In line with Article B.4.3.1. of the *Regulations,* Clearing Members active on CCS may also deposit Financial Instruments by way of a Triparty Collateral Management Tool managed by one of the entities identified within Article B.13.1.3 of the Instructions, for the fulfilment of *Margin* obligations only.

2. A Clearing Member wishing to deposit Financial Instruments by way of a Triparty Collateral Management Tool, shall previously provide Euronext Clearing the information listed in Article B.1.1.1, paragraph 1, letter (k) of the Instructions. Euronext Clearing shall confirm to the Clearing Member the start of operations of the Triparty Collateral Management Tool.
3. Financial Instruments deposited by the Triparty Collateral Management Tool are acquired by Euronext Clearing under full title transfer regime, as per Article A.1.1.1 of the *Regulations*. *The* deposit and restitution between *Euronext Clearing* and *Clearing Members* is effected through accounts held within the relevant Triparty Collateral Agent. Financial Instruments acquired by Euronext Clearing are deposited in a collateral account registered in the name of *Euronext Clearing* within the relevant Triparty Collateral Agent, in line with Article B.3.3.4.
4. The criteria regulating the use of Triparty Collateral Management Tool, including, without limitation, eligible Financial Instruments, concentration limits, haircuts and other relevant parameters are outlined within AnnexB.322. Euronext Clearing may unilaterally amend said criteria, giving notice to impacted Clearing Members and the Triparty Collateral Agent.
5. Clearing Members undertake to comply with the rules governing the relevant Triparty Collateral Management Tool and undertake to promptly inform Euronext Clearing of any circumstance affecting their participation within the Triparty Collateral Management Tool.
6. Corporate events affecting Financial Instruments deposited as Collateral by way of Triparty Collateral Management Tool shall be managed by the relevant Triparty Collateral Agent in accordance with the rules governing the triparty service.
7. Amounts relating to the accrued interest on Financial Instruments deposited and redeemed capital are processed by the Triparty Collateral Agent in accordance with the rules governing the triparty service.
8. Belgian government bonds included within the list of eligible Collateral may be deposited by way of Triparty Collateral

Management Tool, only upon condition that these Financial Instruments are transferred from Clearing Member's proprietary accounts. Belgian Government bonds originating from third party accounts are not accepted by Euronext Clearing as eligible Collateral. The Clearing Member shall deploy the necessary arrangements in order to comply at all times with this restriction and undertakes to indemnify Euronext Clearing against any liability or cost which may arise from any breach of the provision of this paragraph.

9. Euronext Clearing shall evaluate Financial Instruments posted as Collateral by way of Triparty Collateral Management Tool and in case of shortfalls shall proceed to the debiting of the DCA RTGS Account in the T2 System of the Clearing Member or, where applicable, its Settlement Agent

## *Heading B.3.4 Management of Positions limits applied to Positions held within the Soft Commodity Derivatives Section.*

### Article B.3.4.1 Management of Positions size limits and Positions variation limits applied to Positions held within the Soft Commodity Derivatives Section.

1. In accordance with Article B.4.4.1 of these *Regulations*, *Euronext Clearing* shall apply controls on *Positions size* limits and Positions variation limits on *Positions* held at *Clearing Member*'s level on physically delivered commodity contracts, as part of the *Soft Commodity Derivatives Section*.
2. As a preliminary step to the physical delivery process, while considering the capacity constraints of each *Delivery Place* related to each commodity contract, *Clearing Members* shall comply with *Position* size limits and Position variation limits, as defined by *Euronext Clearing* and communicated via relevant Notices.
3. As from the 12th *Trading Day* before the commodity contract's *Expiry Day* (D-12) until the contract's *Expiry Day* included (D), *Clearing Members* shall ensure that their *Position(s)* calculated in a number of contracts of a specific commodity derivative contract

held for their own account (registered in each of their *House Position Account*) and held for the account of their Clients (registered in each of their *Clients Position Accounts*) do not exceed and remains within the authorised Position size threshold, as defined by *Euronext Clearing* for each of the physically delivered future contracts as specified in a Notice.

4. As from the second Trading Day before the Expiry Day (D-2) until the Expiry Day included (D), Clearing Members shall ensure that their Position(s) calculated in a number of contracts of a specific commodity derivative contract held for their own account (registered in each of their House Position Account) and held for the account of their Clients (registered in each of their Clients Position Accounts) do not exceed and remains within the authorised Positions variation limits, as defined by Euronext Clearing. Such Position variation limits are made available to Clearing Members through a Notice.
5. Pursuant to Article B.4.4.1 of these *Regulations*, in case of non-fulfilment of the above-mentioned obligations, referred to in above paragraphs 3) and 4), *Euronext Clearing* is entitled to liquidate the part of the *Position* exceeding the defined threshold, pursuant to the manner specified in paragraph 4 of Article B.6.2.1 of the Regulations. In such case, *Euronext Clearing* shall liquidate, in order of priority, first the *Clearing Member's House Position* in excess, then the *Clearing Member*'s Client Positions in excess, on a pro rata basis across *Clearing Member's Client Positions Accounts.*
6. 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.

# CHAPTER B.4 Daily Settlement

## Article B.4.1.1 Daily Settlement

1. The amount of cash to be paid daily in euro shall be reported by *Euronext Clearing* to each *Clearing Member* and to *Settlement Agents* by means of the *Reports,* the *Notice of Payment* and through the "Daily payments accounting system" set out at Article B.9.1.2.
2. Payments in euros under paragraph 1 must be made by *Clearing Members* or by *Settlement Agents*, ensuring its own *DCA RTGS* in *T2 System* has sufficient funds, prior to and no later than the following deadlines established by Article B.5.1.1 of the *Regulations*:
    a. 9.00 a.m. on the Euronext Clearing open day on which the payment is due for all Sections. Payments should be made in accordance with the methods indicated in Annex B.411, letter A);
3. *Euronext Clearing* makes payments in euro to the corresponding *DCA RTGS* in *T2 System* of *Clearing Members* or *Settlement Agents*, by the methods indicated in in the same Annex~~es~~.
4. The determination of the amount of cash to be paid in euro, due in relation to the final settlement of differentials and other item, defined in currencies other than the euro, takes place on the basis of the change which applies to *Euronext Clearing* by the intermediary appointed for the purchase or sale of the currency.

## Article B.4.1.2 Daily Settlement in currencies other than euro

1. *Clearing Members* intending to clear *Financial Derivatives Instruments* denominated in a currency other than EURO, shall fulfill the related daily settlement obligations in the currency foreseen in the *Contractual Scheme*, and namely:
    - in US Dollar ("USD"),
    - Swedish Krone ("SEK"),
    - Danish Krone ("DKK"),

- Norwegian Krone ("NOK"),
- British Pound ("GBP"); and/or
- Swiss Franc ("CHF").

2. For each of the above-mentioned currencies, *Euronext Clearing* indicates in Article B.13.1.1 the list of *Eligible Credit Institution*, which shall be used by *Euronext Clearing* and *Clearing Members*. To that end, a *Clearing Member*, or where applicable, its *Settlement Agent*, shall open an account within the relevant *Eligible Credit Institution*.
3. Euronext Clearing shall directly debit and credit such account on behalf of the *Clearing Member* or on behalf of its *Settlement Agent,* via a power of attorney, within the deadlines set forth in Article B.4.1.1, paragraph 2. *Clearing Members,* or where applicable, their *Settlement Agents* shall ensure that their account has sufficient funds prior and no later than these deadlines.
4. Alternatively, in case that no power of attorney is accepted under the operating arrangements of one *Eligible Credit Institution*, at the beginning of each *Euronext Clearing Open Day*, the *Clearing Member,* or its *Settlement Agent,* shall credit directly the amounts communicated by Euronext Clearing to its account, within the deadlines specified in *Annex* B.411.
5. Sums due in currencies other than euro are reported by *Euronext Clearing* to each Clearing Member and to Settlement Agents by means of *Reports.* In case Euronext Clearing intends to avail itself from the provisions of Article B.5.1.2, paragraph 5 of the *Regulations,* Euronext Clearing shall inform relevant *Clearing Members* and *Settlement Agents*, through a *Report*.

# CHAPTER B.5 Final settlement of Positions of Equity Section, Bond Section and ICSD Section

## Article B.5.1.1 Final settlement of Positions of Equity Section, and Fixed Income Section

1. The *Positions,* whose settlement date is after the trade date, shall be sent:
    a. For the Fixed Income: to the *Settlement Services* referred to in article B.12.1.1, paragraph 1, letter a) and letter b) at the end of the day prior to the settlement date*;*
    b. For the Equity Section: to the *Settlement Services*, as defined in Article B.12.1.2, on the open days of the Settlement Services, at the end of trade date.
2. The *Positions*, for which the *Contractual Scheme* makes provision for the settlement to occur on the trade date, shall be sent to the *Settlement Services* right after the conclusion of the contract.
3. *Positions* in the Fixed Income Section may be partially settled, in the manner indicated in Annex B.511.
4. Requests to change or cancel *Positions,* sent to the *Settlement Services* and awaiting settlement or not settled within the time limits established by the *Contractual Scheme*, may be sent to the *Settlement Services* only by *Euronext Clearing*. In the event of requests for cancellation sent by a *Member*, the provisions of Chapter B.7 shall apply.
5. For the *Equity Section*, *Clearing Members* may request to the Settlement Service to suspend the settlement of *Positions* already sent to the *Settlement Services* and awaiting settlement or not settled within the time limits established by the *Contractual Scheme*.

## Article B.5.1.2 Manner of creating the balances to be settled at a Settlement Service for Equity Section

1. The *Positions* registered in *Position Accounts* of the *Equity Section* are aggregated into net settlement balances calculated per Delivery *Account* according to the following attributes:

a. *Intended Settlement Date* (ISD);

b. *settlement* currency.

2. When the aggregation of *Positions* results in net settlement balances for delivery or receipt of cash or securities only, or for delivery or receipt of both cash and securities to the same *Clearing Member* ("strange nets") settlement instructions are entered into the relevant *Settlement Service* according to the configuration requested *to Euronext Clearing* by the *Clearing Member,* where available, or on the basis of the functioning rules of the relevant *Settlement Service*.
3. Each *Position Account* shall be linked to a *Delivery Account. Each Delivery Account* may be linked to one or several *Position Accounts. The Clearing Member may request Euronext Clearing to open several Delivery Accounts.* The *Clearing Member* defines the link between *Position Accounts* and *Delivery Account(s)*.
4. Each *Delivery Account* shall be linked only to one *Settlement Address* for the delivery of *Financial Instruments* in relevant *Settlement System,* unless Euronext Clearing requires the Clearing Member to specify an additional *Settlement Address* for operational reason.
5. The Clearing Member shall set the configuration of the *Delivery Accounts* and the relevant *Settlement Address* details specified in the Annexes and shall communicate relevant information to *Euronext Clearing* at the time of onboarding and shall communicate relevant information to *Euronext Clearing* later on, at any time, in case of configuration changes required by the *Clearing Member*.

## Article B.5.1.2-bis Final settlement of Positions of the Equity Sections

1. Settlement of *Positions* is instructed by Euronext Clearing to the relevant *Settlement Service,* at the end of trade date, and according to the following rules:

a. Settlement instructions on EURO denominated securities for final settlement in Settlement Services as defined in Article B.12.1.2;

b. Settlement instructions on EURO denominated securities not eligible in Euronext Securities Milan, and on non-EURO denominated securities as well as on international exchange traded products issued by Euroclear Bank are sent to Euroclear Bank.

2. Euronext Clearing shall instruct the *settlement account in the relevant Settlement Service* associated to each Delivery Account, on behalf of the *Clearing Member* or on behalf of the *Settlement Agent* of the *Clearing Member* via a power of attorney.

3. The *Clearing Member* may request that all settlement instructions are systematically suspended from settlement since the moment of the entry into the Settlement Service. In this case, the *Clearing Member or its Settlement Agent* shall request the *Settlement Service* to release each suspended instruction to allow for the settlement within the intended settlement date as provided by the *Contractual Scheme*. Failure to release the suspended instruction shall result in a Failed Position and Euronext Clearing shall apply the provisions of Chapter B.7.

4. Settlement instructions to be settled in the *Settlement Services* referred to in article B.12.1.2 letters from a) to g) are sent by *Euronext Clearing* as already matched. Settlement instructions to be settled in the *Settlement Services* referred to in article B.12.1.2 letters from h) and i) shall be matched by *Clearing Members* or their *Settlement Agents* according to the rules of *Settlement Service.*

5. Partial settlement is always allowed for all *Settlement Services*.

## Article B.5.1.2-ter Manner of creating the balances to be settled at a Settlement Service for the Fixed Income Section

1. With respect to Positions of the *Fixed Income Section*, the *Positions* registered in *Position Accounts* are aggregated into net settlement

balances calculated per Delivery *Account* according to the following attributes:

a. *Intended Settlement Date* (ISD);

b. *settlement* currency.

2. When the aggregation of *Positions* results in net settlement balances for delivery or receipt of cash or securities only, or for delivery or receipt of both cash and securities to the same *Clearing Member* ("strange nets") settlement instructions are entered into the relevant *Settlement Service* according to the configuration requested *to Euronext Clearing* by the *Clearing Member,* where available, or on the basis of the functioning rules of the relevant *Settlement Service*.

3. Each *Position Account* shall be linked to a *Delivery Account. Each Delivery Account* may be linked to one or several *Position Accounts. The Clearing Member may request Euronext Clearing to open several Delivery Accounts.* The *Clearing Member* defines the link between *Position Accounts* and *Delivery Account(s)*.

4. Each *Delivery Account* shall be linked only to one *Settlement Address* for the delivery of *Financial Instruments* in relevant *Settlement System,* unless Euronext Clearing requires the Clearing Member to specify an additional *Settlement Address* for operational reason.

5. The Clearing Member shall set the configuration of the *Delivery Accounts* and the relevant *Settlement Address* details specified in the Annexes and shall communicate relevant information to *Euronext Clearing* at the time of onboarding and shall communicate relevant information to *Euronext Clearing* later on, at any time, in case of configuration changes required by the *Clearing Member*.

## Article B.5.1.2-quater Final settlement of Positions of the Fixed Income Section

1. With respect to Positions of the *Fixed Income Section*, the Settlement of *Positions, e*xcept where the Position's *Contractual Scheme* provides for the settlement to occur on the trade date, is instructed by Euronext Clearing at the end of the day prior to the settlement date (ISD-1) to the relevant *Settlement Service*, and according to the following rules.

2. Positions of the *Fixed Income Section* are settled in the Settlement Services indicated in Article B.12.1.1 of the Instructions.

3. In case of securities being government bonds, where settlement is available across multiple Settlement Services, it shall occur by default:

    a) In the CSD where the Financial Instrument is issued, when the Financial Instrument is issued in Euronext Securities Milan or Euroclear France, or Euroclear Nederland, or NBB or Clearstream Europe or Iberclear, and when settlement occurs in EUR; or

    b) In iCSD (Euroclear Bank or Clearstream bank Luxembourg) when the Financial Instruments is issued in a CSD other than those under preceding letter a) or when settlement occurs in non EUR.

4. For all other securities, where settlement is available across multiple Settlement Services, it shall occur by default:

    a) In the CSD where the Financial Instrument is issued, when the Financial Instrument is issued in Euronext Securities Milan; or

    b) In iCSD (Euroclear Bank or Clearstream bank Luxembourg) when the Financial Instruments is issued in a CSD other than the one under preceding letter a) or when settlement occurs in non-EUR.

5. Alternatively, the Clearing Member may indicate to Euronext Clearing its preferred settlement solution. With reference to the cases of preceding paragraphs 3 and 4, the available settlement solutions are outlined within Annex B.512.

6. To address imbalances across settlement systems, Euronext Clearing may instruct, on behalf of the Clearing Member or its Settlement Agent, the settlement to occur in a specific rebalancing account within the same settlement system used by the Clearing Member, or Settlement Agent. Euronext Clearing will subsequently settle the imbalance across its own accounts held in the two CSDs where the buyer and the seller maintain their accounts.

7. Euronext Clearing shall instruct the *settlement account in the relevant Settlement Service* associated to each Delivery Account, on behalf of the *Clearing Member* or on behalf of the *Settlement Agent* of the *Clearing Member* via a power of attorney.

8. The *Clearing Member* may request that all settlement instructions are systematically suspended from settlement since the moment of the entry into the Settlement Service (hold and release). In this case, the *Clearing Member or its Settlement Agent* shall request the *Settlement Service* to release each suspended instruction to allow for the settlement on intended settlement date as provided by the *Contractual Scheme*. Failure to release the suspended instruction shall result in a Failed Position and Euronext Clearing shall apply the provisions of Chapter B.7.

9. Settlement instructions settled in the T2S *Settlement Services* are sent by *Euronext Clearing* as already matched. Settlement instructions settled in the *Settlement Services* managed by Euroclear Bank S.A or Clearstream Banking Luxembourg shall be matched by *Clearing Members* or their *Settlement Agents* according to the rules of *Settlement Service.*

10. Partial settlement is allowed for the following Settlement Services: T2S and Euroclear Bank S.A. or Clearstream Banking Luxembourg

## Article B.5.1.3 Final cash settlement in the event of default or service termination by the *Special Clearing Member* or the service termination by *Euronext Clearing*

1. The determination of the price at which *Euronext Clearing* proceeds for cash settlement pursuant to Article B.6.2.2 bis, paragraph 1, point *iv)* and paragraph 3 and Article B.6.2.5 paragraph 2, point iii), of the *Regulations* is carried out according to the methods and criteria for the valuation of variables specified in the Annex B.513. These methods and criteria are aimed to assign

a market value at which to settle the positions on the cash settlement date. The price should be representative of the economic value of the underlying financial instruments and the future cash flows at the date of the cash settlement.

# CHAPTER B.6 Exercise of options and settlement of Positions in Derivatives Sections

## *Heading B.6.1.1 Exercise of options of the Derivatives Sections*

### Article B.6.1.1 Early exercise

1. Where foreseen within the applicable *Contractual Scheme,* up until date of expiry, a *Clearing Member,* or its Trading Client if delegated, may submit to *Euronext Clearing* a request for early exercise of *Positions* in options*,* by the deadline indicated in Annex B.611, through the *Technological Infrastructure*. Requests for early exercise received before the said term shall be executed on the day of receipt, while those received after the said term shall be executed on the following day.
2. The applications indicated at the previous paragraph are not accepted if forwarded for a number greater than the *Positions* opened on the *Series* in the name of the *Clearing Member* concerned.
3. Options, for which an early exercise has been requested, shall be understood as exercised with respect to *Euronext Clearing* on expiry of the deadlines referenced in paragraph 1 and from that moment they shall no longer be revocable or amendable. Before that deadline, the Clearing Member, or its Trading Client, if delegated, may still revoke or amend a request of early exercise, through the *Technological Infrastructure.*
4. On the same business day as the application for early exercise, *Euronext Clearing* shall exercise the corresponding option rights pursuant to Article B.5.2.5-bis of the *Regulations*, notifying the assigned *Clearing Members* through the *Technological Infrastructure*.

5. In case of malfunctioning of the *Technological Infrastructure*, the *Clearing Member* or its Trading Client if delegated*,* shall instruct the requests, in the manner set forth in Annex B.611A, through email**.**

## Article B.6.1.2 Exercise and abandonment at maturity of Options for the Derivatives Section

1. At expiry date, Positions in options are either valued as «In-the-Money», «At-the-Money» or «Out-of-the-Money».
2. *Euronext Clearing* shall perform the valuation based on *Settlement Price* determined by the relevant *Management Company.*
3. At expiry date, In-the-Money options are automatically exercised with respect to Euronext Clearing at the moment identified in Annex B.611, except the Clearing Member, or its Trading Client if delegated, provides for a manual request for abandonment pursuant paragraph 4. At expiry date, At-the-Money and Out-of-the-Money options are automatically abandoned with respect to Euronext Clearing at the moment identified in the same Annex, except the Clearing Member, or its Trading Client, if delegated, provides for a manual request for exercise pursuant paragraph 4*.* With respect to options traded on the IDEM market, Euronext Clearing applies a dedicated deadline for automatic exercise and abandonment, outlined in Annex B.611.
4. Requests for manual exercise or abandonment shall be instructed by the Clearing Member, or its Trading Client if delegated, through the *Technological Infrastructure*, before the deadlines envisaged in Annex B.611. Requests received after said deadlines will not be executed. Manual requests that have been instructed may be revoked or amended within the same deadlines.
5. If a request as indicated at paragraph 4 is effected for a number of options greater than the number of matured options, the said request is not accepted by *Euronext Clearing* and rejection is immediately notified to the *Clearing Member* concerned through the *Trading System.*
6. In case of exceptional market events affecting the trading session or corporate events affecting the underlying Financial Instruments,

Euronext Clearing may extend the deadlines envisaged in said Annex through a *Notice*.

7. At the deadline identified in paragraph 3, *Euronext Clearing* shall, considering also the manual requests received pursuant to paragraph 4, exercise, pursuant to Article B.5.2.5bis of the Regulations, the corresponding option's right and forward the notice of exercise to the assigned Clearing Members through the technological Infrastructure.
8. In case of malfunctioning of the *Technological Infrastructure*, the *Clearing Member* or its Trading Client if delegated, shall instruct the requests, within the fashion set forth in Annex B.612 or B.612A through email.

## *Heading B.6.2 Final settlement of Positions of the Derivatives Section with delivery of underlying assets*

### Article B.6.2.1 Options on individual shares

1. Upon exercise or assignment, *Positions* in options are converted into individual cash transaction on the underlying *non-Derivative Financial Instrument*.
2. For the purpose of physical delivery, the Clearing Member shall, at the moment of onboarding, configure its accounts ensuring compliance with the segregation principles referenced in Chapter B.3 and B.4 of the *Regulations*. If the *Clearing Member* does not possess the necessary arrangements to fulfill the delivery obligations *concerning Positions* on *non-Derivative Financial Instrument,* it shall at the moment of onboarding either:
    a. Identify, a Clearing Member active in the ~~Euronext~~ Equity Section
    b. Identify a Settlement Agent with appropriate settlement arrangements.
3. *Euronext Clearing* shall communicate to each *Clearing Member,* through *Reports,* the amounts of securities to be posted or withdrawn, and the corresponding countervalue to be received or paid.

4. With respect to options traded on the IDEM market, Euronext Clearing shall communicate before 9.00 am on the Market trading day following the exercise, to each Clearing Member, through the Reports, and to the Settlement Agent, the amounts of shares in "delivery" (or in "withdrawal") to them, and the corresponding countervalue to be received (or paid).

## Article B.6.2.2 Stock Futures with physical delivery

1. At maturity date, *Positions* in futures are converted into *Positions* on the underlying *non-Derivative Financial Instrument.*
2. For the purpose of physical delivery, the Clearing Member shall, at the moment of onboarding, configure its account ensuring compliance with the segregation principles referenced in Chapter B.3 and B.4 of the *Regulations*. If the *Clearing Member* does not possess the necessary arrangements to fulfill the delivery obligations *concerning Positions* on *non-Derivative Financial Instrument,* it shall at the moment of onboarding either:
    a. Configure, a Clearing Member active in the ~~Euronext~~ Equity Section.
    b. Identify a Settlement Agent with appropriate settlement arrangements.
3. *Euronext Clearing* shall communicate to each *Clearing Member,* through *Reports,* the amounts of securities to be posted or withdrawn, and the corresponding countervalue to be received or paid.

# *Heading B.6.3 Final settlement of differentials of Contractual Positions of the Derivatives Sections*

## Article B.6.3.1 Settlement of Contractual Positions of the Financial Derivatives Section

1. The settlement of cash differentials related to *Positions* in options and futures is carried out on the *Euronext Clearing o*pen day following the expiry date (Expiry Date+1), pursuant the provisions of Chapter B.4.

## Article B.6.3.2 Settlement of Positions of the Soft Commodity Derivatives Section

1. The settlement of cash differentials related to *Positions* in options and futures is carried out on the *Euronext Clearing o*pen day following the expiry date (Expiry Date+1), pursuant the provisions of Chapter 4.

## Article B.6.3.3 Final Settlement of Contractual Positions of the Power Derivatives Section

1. The final settlement of cash differentials related to *Positions* in futures is carried out on the *Euronext Clearing open day* following the expiry date, pursuant to the provisions of Chapter B.4.

# *Heading B.6.5 Final settlement of Positions and Positions in Delivery of the Soft Commodity Derivatives Section*

## Sub Heading B.6.5.1 General provisions

### Article B.6.5.1.1 Preliminary provisions

1. Pursuant to Article B.5.2.12 of the *Regulations*, the provisions of this Heading B.6.5 shall exclusively apply in respect to the *Positions and Positions in Delivery* constituted by transactions registered on commodity future contracts which relevant *Contractual Scheme* provides for final settlement through physical delivery of underlying commodity.
2. Provisions of this Heading B.6.5 shall be understood as general provisions evenly applicable to all commodity derivatives contracts which *Contractual Scheme* provides for physical delivery of *Positions in Delivery*. Such general provisions shall be read and understood in conjunction with the detailed provisions, as determined in the relevant *Annexes* related to physical delivery of each commodity contract and other *Annexes* related to the *Soft Commodity Derivatives Section*.
3. Clearing Members intending to operate on commodity future contracts, for which Contractual Scheme foresees physical delivery of the underlying commodity, are responsible for the management of their contractual relationships with relevant stakeholders, including notably their Clients and Third Parties acting on the physical market. *Clearing Members* shall ensure that their *Clients* have been acquainted with general terms and conditions of relevant Third Parties involved on the physical market.

### Article B.6.5.1.2 General provisions applicable to the Approved Silos

1. At any time, and based on motivated decision, *Euronext Clearing* may temporarily suspend or permanently exclude any entities from the list of *Approved Silos*, as made available in the relevant Annexes.

2. The list of Approved Silos authorised by *Euronext Clearing* to act on the delivery of commodity contract is made available from the relevant Annex.

**Article B.6.5.1.3 Approved Silo's sub-contracting**

1. When explicitly referred to in the relevant *Annex* dedicated to the physical delivery of each commodity contract, *Euronext Clearing* may, only upon prior and formal approval, authorize, on a permanent or temporary basis, Approved Silos to sub-contract with other entities.

**Article B.6.5.1.4 General provisions in respect to Contractual Scheme.**

1. In case of any discrepancies between the *Contractual Scheme* communicated by Euronext Clearing and the Contractual Scheme communicated by the Management Company operating the Euronext Commodity Derivatives Market (i.e. Euronext Paris SA), the latter shall, at any time, prevail.

**Article B.6.5.1.5 General provisions in respect to delivery documentation**

1. Unless otherwise specified, any documentation, form, or template referred to in these Instructions shall be submitted to Euronext Clearing through the use of the required system, *Euronext Inventory Management* (EIM) system.
2. In case of unavailability of EIM system, *Euronext Clearing* authorises Clearing members to submit documentation through back-up system (i.e. through e-mails).
3. In case of non-fulfilment of the above-mentioned obligation, in normal EIM system availability conditions, *Euronext Clearing* is entitled to apply to *Clearing Members* a penalty fee, as specified in *Euronext* Clearing *Price List*.

**Article B.6.5.1.6 Timeframes**

1. Delivery takes place during the *Delivery Period* according to a theoretical calendar specific to each commodity future contract. Timetables are available from each relevant *Annex* applicable to the delivery process of each commodity future contract.

2. Time limits defined in these *Instructions* and in the relevant *Annexes* are compulsory. No extension of *Delivery Period* is authorised unless a *Justified Default* or exceptional circumstances are duly notified and acknowledged by Euronext Clearing.
3. The calendar of *Trading Day* is available from Euronext Paris SA.
4. Business days and working days during the physical delivery process are determined by the Delivery Places.
5. Business hours are defined as Rome local time.
6. The conditions to be fulfilled in order for a document or a sample of goods to be dated of the day are determined in the relevant Annex dedicated to each commodity contract.

## Sub Heading B.6.5.2 Preliminary steps to physical delivery

### Article B.6.5.2.1 Approved Silo's audit

1. *Euronext Clearing* reserves the right to initiate and perform an audit of any Approved Silo, at any time, and with a limited prior notice as specified in the relevant *Annex*.
2. When explicitly referred to in the relevant *Annex* dedicated to the physical delivery of each commodity contract, such audit is performed pursuant to the manner and timeline, as specified in the above-mentioned *Annex*.
3. For the purpose of performing such audit, *Euronext Clearing* reserves the right to mandate a third party.
4. In case of any breach duly identified and reported, Euronext Clearing reserves the right to request the Approved Silo to implement a relevant remediation plan in a timely manner and at the Approved Silo's own costs. Euronext Clearing reserves the right to apply the relevant sanctions as deemed appropriate to the Approved Silo pursuant to the above Article B.6.5.1.2 of these Instructions.

### Article B.6.5.2.2 Documentation and information to be submitted to Euronext Clearing before the contract's Expiry Day

1. Clearing Members shall provide required pre-delivery documentation described hereafter to *Euronext Clearing*, pursuant to the manner and timeline specified in each relevant *Annex* dedicated to the delivery of each commodity contract.

Communication of MATIF Storage Capacity

2. When explicitly specified in the relevant *Annex* related to each commodity contract, *Approved Silos* communicate their MATIF Storage Capacity as well as any situation of saturation of their storage capacity to *Euronext Clearing*. Such information is communicated to *Euronext Clearing* pursuant to the manner and time limits specified in the above-mentioned Annex.

Communication of stored quantity of goods

3. When explicitly specified in the relevant *Annex* related to each commodity contract, Approved Silos communicate to *Euronext Clearing* the quantity of goods, satisfying quality criteria, which is stored in their storage capacities. Such information is communicated to *Euronext Clearing* pursuant to the manner and time limits specified in the above-mentioned *Annex*.

Coverage of selling Positions

4. *Clearing Members* shall submit the following pre-delivery documentation to *Euronext Clearing*, pursuant to the manner and timeline defined in the relevant *Annex* related to each commodity contract. Such pre-delivery documentation is issued and submitted to Euronext Clearing either by the Approved Silo, or by the selling Clearing Member, as specified in the above-mentioned relevant Annex related to each commodity contract.

5. Depending on the involved commodity contract, as specified in the relevant Annex, pre-delivery documentation may be constituted by:

    - Either a Storage Certificate along with an extract of Approved Silo's inventory accounting and an Attestation to Deliver a Conventional Product, if applicable to the underlying commodity at stake, in the case of physical delivery involving Approved Silos;

- Either a self-declaration of inventory, in the case of underlying commodity which Contractual Scheme foresees physical delivery under FOB Incoterm.

6. With the above-mentioned pre-delivery documentation, the selling *Clearing Member* warrants to Euronext Clearing that it holds, for its own account or for the account of its *Clients*, the quantity of underlying goods, which quality complies with the deliverable quality as defined in the *Contractual Scheme* issued by Euronext Paris SA.
7. During a period running from the submission day applied to *Storage Certificate* or self-declaration of inventory, as defined in the relevant Annex related to each commodity contract, until the Expiry Day (D) inclusive, any open selling *Position* shall be covered by a *Storage Certificate* or a self-declaration of inventory. Such Storage Certificate or self-declaration of inventory shall be submitted by no later than the end of daytime limit, as specified in the relevant Annex, on each open day of the above-mentioned period.
8. Above mentioned pre-delivery documentation shall comply with *Euronext Clearing* standard templates, as available from the EIM system. Such documentation shall be completed and signed-off using the EIM system, or alternatively through the back-up solution (i.e. via emails) in case of EIM system unavailability.
9. In case of non-fulfilment of the above-mentioned obligation to attest coverage of the selling Positions through the submission of a Storage Certificate or a self-declaration of inventory, as the case may be, within the defined time limits as determined in the relevant Annexes, the selling Clearing Member is deemed to be in default, pursuant to Article B.5.2.14 and Article B.6.1.1 of the Regulations.
10. In case the above-mentioned delivery documentation is not submitted to Euronext Clearing within the defined time limits**,** *Euronext Clearing* is entitled to apply the penalties for late submission of Storage Certificate and/or self-declaration of inventory, as determined in Euronext Clearing Price List.

<u>Pre-delivery documentation cancellation</u>

11. Once submitted to *Euronext Clearing*, any *Storage Certificate* or self-declaration of inventory may be cancelled by the selling *Clearing Member*, subject to prior approval from the *Approved Silo, if applicable,* and from *Euronext Clearing*. *Storage Certificates and self-declaration of inventory* may be cancelled, pursuant to the manner and time limits, as specified in the relevant Annex dedicated to each commodity contract.

12. Any cancellation of Storage Certificate or self-declaration of inventory arising after the submission day, as set forth in the relevant Annex, may give rise to a penalty, as set forth in Euronext Clearing Price List.

Reporting on duly covered open selling Positions

13. Starting on from the submission day on which a Storage Certificate or a self-declaration of inventory shall be provided until the Expiry Day (D) included, Euronext Clearing shall publish for each contract's expiry, a report highlighting:

    -the net number of duly received Storage Certificates or self-declaration of inventory, and;

    -the corresponding duly covered open selling Positions.

14. Such reporting is consolidated and communicated within the manner and time limits specified in the relevant Annex dedicated to each commodity contract.

**Article B.6.5.2.3 Monitoring of Positions (netting of Positions and monitoring of Positions Limits)**

Netting of Positions

1. Pursuant to Article B.5.2.13 of the *Regulations*, *Clearing Members shall*, on a daily basis, net their *Positions* held for their own account and for the account of their *Clients*, on each specific commodity future contract until the contract's Expiry Day (D).

2. *Euronext Clearing* is entitled to charge any *Clearing Member* not fulfilling the above-mentioned obligation, with a penalty fee covering late netting of Positions, as determined in Euronext Clearing Price List.

3. Starting on the 12th *Trading Day* before the Expiry Day (D-12) until the Expiry Day (D), *Clearing Members* shall provide Euronext Clearing with a detailed statement of the Positions held on each specific commodity future contract for their own account and for the account of their Clients.

Monitoring of Positions Limits

4. Pursuant to Article B.4.4.1 of the *Regulations*, the provisions of Article B.4.4.1 of the Instructions fully apply in respect to the monitoring of *Positions size limits* and Positions variation limits held on commodity derivatives contracts, for which physical delivery is specified within the *Contractual Scheme*.

**Article B.6.5.2.4 Minimum eligible for delivery**

1. Pursuant to Article B.5.2.11 of the *Regulations*, the minimum Position eligible to delivery, as determined by Euronext Clearing, is defined for selling and buying Position equal or higher than a minimum quantity of lots of commodity contracts, as defined in the relevant Annex dedicated to each commodity contract.
2. The minimum Position eligible for delivery is calculated at *Position Account* level for each *Clearing Member*'s Client (order-giver) activity and for the *Clearing Member's* own activity.
3. To comply with the above-mentioned obligation, *Clearing Members* are required to either adjust or to close such and buying selling *Position*, at the latest by the first *Trading Day* before *Expiry Day* (D-1) at 19.30 CET. Any selling and buying *Clearing Member* not fulfilling the above-mentioned obligation is deemed to be in default in respect to such Position.
4. *Euronext Clearing* reserves the right, at any time on the Expiry Day, to close and liquidate any outstanding selling and buying Position not complying with the minimum quantity eligible to delivery.
5. Euronext Clearing reserves the right to charge any Clearing Member that fails to comply with the above-mentioned obligation relating to the minimum Position eligible for delivery, by applying the penalty fee, as set out in the Euronext Clearing Price List.

### Article B.6.5.2.5 Expiry Day (D)

1. By the end of the *Expiry Day* (D), any net *Position* in Delivery gives rise to i) the obligation for the selling *Clearing Member* to deliver the underlying goods and ii) to the obligation for the buying *Clearing* to pay the amount corresponding to the value of the underlying goods.
2. *Euronext Clearing* ensures that the net Positions in Delivery registered in the name of the selling *Clearing Member* for its own account and for the account of its *Clients* are covered by the received pre-delivery documentation as mentioned above.
3. On the Expiry Day (D), *Euronext Clearing* shall initiate the physical delivery process for any *Positions* in Delivery complying with the minimum Position eligible for delivery (i.e. equal or higher to 10 lots of commodity contracts) and duly covered by the above-mentioned pre-delivery documentation.

### Article B.6.5.2.6 Selling Clearing Member's intention to deliver (Notification Notice) on Expiry Day (D)

1. On the *Expiry Day* (D) before, the time limit as defined in the relevant Annex, the selling *Clearing Member*, acting for its own account or for the account of its Clients shall inform *Euronext Clearing* of its intention to deliver the underlying goods, by specifying the number of involved contracts by retained *Delivery Place* through the submission of a *Notification Notice*.
2. The *Notification Notice* shall comply with standard template established by *Euronext Clearing* and made available in the EIM system. Selling *Clearing Member* shall complete and submit the *Notification Notice* directly within the EIM system on D before the time limit, as defined in the relevant Annex.
3. The selling *Clearing Member* shall complete a *Notification Notice* per *Client* (order-giver), per *Delivery Place* and per transaction origin (House or Client).
4. A selling *Clearing Member* which designates a *Delivery Place* that is officially closed or unavailable or which have been withdrawn from the list by *Euronext Clearing*, shall be deemed to have failed

to perform its delivery obligation, pursuant to Article B.6.1.1 of the Regulations.

5. In case of late submission of the *Notification Notice*, Euronext Clearing is entitled to apply to the selling *Clearing Member* the relevant penalty, as determined in Euronext *Clearing Price List*.

**Article B.6.5.2.7 Temporary counterparty matching on the Expiry Day (D)**

1. Pursuant to Article B.5.2.17 of the *Regulations*, on the *Expiry Day* (D) after clearing day closure, *Euronext Clearing* shall perform, using an in-house algorithm, a temporary matching between buying *Clearing Member* and selling *Clearing Member* by allocating the quantity of goods eligible to delivery to each *Delivery Place, as specified in the relevant Annex.*
2. *Euronext Clearing* assigns *Delivery Places* to buying *Clearing Members* on a pro rata basis rule tailored to each underlying commodity as defined in the *Annex* dedicated to each commodity future contract. The matching of buying *Clearing Members* with selling *Clearing Members* takes place per *Delivery Place,* in decreasing order according to the number of their respective contracts to be delivered.
3. Such matching operations also include the quantity of commodities for which selling *Clearing Members* did not fulfil the obligation related to the submission of the *Notification Notice*. In such case, Euronext Clearing is entitled to determine the Delivery Place.
4. On the *Expiry Day* (D), once temporary matches have been performed, *Euronext Clearing* shall communicate, through EIM system or by any means, the outcomes of the temporary matching, to each involved buying *Clearing Member* and selling *Clearing Member*.

**Article B.6.5.2.8 Final counterparty matching and buying Clearing Member Agreement on the Trading Day following the Expiry Day (D+1)**

1. Pursuant to Article B.5.2.17 of the *Regulations*, on the Trading Day following the Expiry Day (D+1), buying Clearing Members may

inform *Euronext Clearing* about their intention to exchange their respective assigned *Delivery Places* between each other's until a defined time limit as set out in the relevant Annex dedicated to each commodity future contract.

2. Such request shall be submitted by buying Clearing Members, using EIM system, by specifying for each Delivery Place exchange, the corresponding matching number(s) and the number of involved contracts.
3. Pursuant to the arrangements made between buying *Clearing Members* and their *Clients*, buying *Clearing Members* shall immediately confirm to their *Clients* the *Delivery Place* exchange.
4. On the Trading Day following the Expiry Day (D+1), before a defined time limit as determined in the relevant *Annex* dedicated to each commodity contract, *Euronext Clearing* shall, through the EIM system or by any other mean, approve and communicate to *Clearing Members* and the relevant *Delivery Places*, the final list of counterparty matches, taking into account the above-mentioned changes. Such final list of matches determines the final quantity of goods to be delivered per Delivery Place and per counterparty.
5. Pursuant to Article B.5.2.17 of the *Regulations*, on the second Trading Day following the Expiry Day (D+2), before a defined time limit as determined in the relevant *Annex* dedicated to each commodity contract, *Clearing Members* may, under an amicable agreement, decide to exit the Guaranteed Delivery Procedure and may opt for an *Alternative Delivery Procedure*. In such case, *Clearing Members* shall submit a duly completed and signed Notice of Performance to *Euronext Clearing*, using EIM system.
6. In the case of silos-based delivery process, such Notice of Performance is also validated and signed by *Approved Silos*, using EIM system.

**Article B.6.5.2.9 Commitment to deliver/withdraw the goods: submission of Delivery Notice by Clearing Members to Euronext Clearing on D+3**

1. On the third *Trading Day* following the *Expiry Day* (D+3), before a defined time limit as determined in the relevant Annex dedicated

to each commodity contract, the selling *Clearing Member* shall submit, through the EIM system, a duly completed and signed *Delivery Notice* to the buying *Clearing Members* that have been assigned to it.

2. The *Delivery Notice* materialises a commitment from the selling *Clearing Member* to deliver the specified quantity of commodity at the assigned *Delivery Place* and from the buying *Clearing Member* to take delivery of the corresponding quantity of commodity at the assigned Delivery Place. The *Delivery Notice* shall comply with the standard template established by *Euronext Clearing* and made available in the EIM system. The *Delivery Notice* shall be completed and submitted in the manner and time limits, as specified in the relevant *Annex* dedicated to each commodity future contract.
3. The selling *Clearing Member* shall complete and submit, through the EIM system, a *Delivery Notice* for each buying *Clearing Member* per Delivery Place, pursuant to the conditions set out in each *Annex* dedicated to each commodity contract. The data mentioned by the selling *Clearing Member* on the *Delivery Notice* shall be consistent with the data previously provided in the *Notification Notice*.
4. Any buying *Clearing Member* shall accept the *Delivery Notice* submitted by the selling Clearing Member that has been assigned to it.
5. On the third Trading Day following the Expiry Day (D+3), before a defined time limit as determined in the relevant Annex dedicated to each commodity contract, each buying *Clearing Member* holding a *Delivery Notice*, already signed off by the selling *Clearing Member*, shall submit such Delivery Notice after formal sign off, through the EIM system, to *Euronext Clearing*.
6. Once the *Delivery Notice*, signed off by both the selling and the buying Clearing Members, has been received, *Euronext Clearing* shall, through the EIM system, communicate the final detailed delivery programme to the relevant *Delivery Places*, on D+3, before a defined time limit specified in each relevant *Annex* dedicated to each commodity contract.

7. When explicitly referred to in the *Annex* dedicated to each commodity contract, before a defined time limit specified in the above-mentioned Annex, the buying *Clearing Member* may request, via email, to *Euronext Clearing* an additional analysis on GMO content. In such case, *Euronext Clearing* shall, before the end of the day, appoint a relevant accredited Authoriser, pursuant to the manner specified in the above-mentioned Annex.
8. For the commodity contracts, for which physical delivery is performed under the FOB Incoterms in a Delivery Port, as specified in the relevant *Annex* dedicated to each commodity contract, Euronext Clearing shall appoint a relevant accredited Authorisers to certify the loaded goods and to enable the transfer of such commodity at the designated Delivery Port.
9. In case of late submission of the Delivery Notice, *Euronext Clearing* is entitled to apply to Clearing Members the relevant penalty, as determined in Euronext Clearing Price List.

## Sub Heading B.6.5.3 Decision on the retained Delivery Procedure

### Article B.6.5.3.1 Clearing Members opt out decision on retained delivery procedure

1. Pursuant to Article B.5.2.18 of the *Regulations*, for all commodity contracts for which *Contractual Scheme* foresees physical delivery of the underlying commodity, selling Clearing Members and buying Clearing Members shall opt for one of the two following physical delivery procedures:

   - A *Guaranteed Delivery Procedure* (also known as "MATIF delivery procedure"), as referred to in Article B.1.1.3 of the Regulations, whereby *Euronext Clearing* guarantees the final settlement of the Positions in Delivery;

   - An *Alternative Delivery Procedure* (also known as "ADP"), whereby, in the case of amicable agreement on the delivery terms, the selling Clearing Member and the buying Clearing Member may exit from the *Guaranteed Delivery Procedure*.

### Article B.6.5.3.2 Triggering Alternative Delivery Procedure

1. Pursuant to Article B.5.2.18 of the *Regulations*, in the case of amicable bilateral agreement on the delivery terms, *Clearing Members* may jointly decide to exit from the *Guaranteed Delivery Procedure* by submitting a duly completed and signed *Notice of Performance*, in which the parties acknowledge fulfilment of their reciprocal obligations.
2. Such *Notice of Performance* shall comply with the standard template established by *Euronext Clearing* and made available in the EIM system.
3. For the amicable agreement to be considered by *Euronext Clearing*, both the selling *Clearing Member* and the buying *Clearing Member* shall jointly complete, sign off and submit the Notice of Performance to *Euronext Clearing*, directly within the EIM system, on the second Trading Day following the Expiry Day (D+2) before 19.30, at the latest.
4. When *Approved Silos* are involved in the delivery of the commodity contract, such *Notice of Performance* is also signed off by the relevant *Approved Silos*, within the EIM system, before being submitted to *Euronext Clearing*.
5. Upon receipt of such *Notice of Performance*, *Euronext Clearing Guarantee* shall terminate and, consequently the provisions related to *Guaranteed Delivery Procedure* become non applicable. *Delivery Margins* shall be fully released and returned to *Clearing Members* on the following Trading Day, being the third Trading Day following the Expiry Day (D+3).
6. Notwithstanding the above, such *Alternative Delivery Procedure* may exclusively be triggered on the second Trading Day following the Expiry Day (D+2) before 19.30, at the latest. Considering the above, any *Positions in Delivery*, for which no *Notice of Performance* have been duly submitted to *Euronext Clearing* within the above-mentioned time limit, shall be settled pursuant to the *Guaranteed Delivery Procedure.*
7. *Euronext Clearing charges Clearing Members with fees related to the triggering of the Alternative Delivery Procedure, as determined in the Euronext Clearing Price List.*

## Sub Heading B.6.5.4 Guaranteed Delivery Procedure

### Article B.6.5.4.1 Common provisions

1. Only common principles applicable to *Guaranteed Delivery Procedure* for all physically settled commodity future contracts are described hereafter:
    - *Guaranteed Delivery Procedure* common provisions;
    - Transfer of goods;
    - Services provided by Approved Silos during physical delivery;
    - Services performed by accredited Authorisers during physical delivery;
    - Services performed by Analysis Laboratories during physical delivery;
    - Termination of the CCP Guarantee through the submission of the Notice of Performance/
2. The operational processes, delivery calendar and specificities pertained to each commodity future contract are specified in relevant Annex dedicated to each commodity future contract.
3. The *Guaranteed Delivery Procedure* applies to buying *Clearing Members* and selling *Clearing Members* for all physically settled commodity future contracts, irrespective of the selected *Delivery Place*, the applicable Trading Terms and Conditions and the origin of the goods.
4. Buying *Clearing Members* and selling *Clearing Members* are fully responsible for the delivery operations related to *their Positions in Delivery*.
5. Delivery takes place during the *Delivery Period* according to a delivery timeline applicable to each commodity future contract as set out in the relevant Annex.

### Article B.6.5.4.2 Transfer of goods

1. The transfer of risks of loss and damages on the goods and the transfer of ownership on goods take place according to the relevant

Trading Terms and Conditions, as defined in relevant *Annex* dedicated to each commodity contract.

2. Above-mentioned transfers take place on a defined calendar day of the *Delivery Period* or during a specified time period as defined in the delivery timetables available from the *Annex* related to the physical delivery of each commodity future contract.
3. The modalities pertained to both types of transfers applicable to each commodity future contracts are defined in each commodity future contract's *Annex*.

A- Guaranteed Delivery Procedure involving Approved Silos

**Article B.6.5.4.3 – Approved Silo's accreditation conditions.**

1. The conditions determined by *Euronext Clearing* to recognise a silo as an *Approved Silo* for the delivery of a specific commodity future contract are determined in an *Annex*.
2. The list of *Approved Silos* is available from an *Annex*.

**Article B.6.5.4.4 – Services performed by Approved Silos**

1. For each in-silo transfer, as established in the delivery program established by *Euronext Clearing*, the Approved Silo transfers from the selling party's account to the buying *party's account* the goods, which quantity and quality comply with the information indicated in the transfer order.
2. Such transfer order is submitted by the selling *Clearing Member's Client,* to the *Approved Silo*, on the day of transfer within the time limit as specified in the relevant *Annex*.
3. Within the time limits specified in the relevant *Annex*, upon reception of such transfer order, the *Approved Silo* transfers the goods from the account of the selling counterparty to the account of the buying counterparty within its books. This book-entry transfer materialises the transfer of risks of losses and damages on the goods.
4. For each executed in-silo transfer, the *Approved Silo* issues, a transfer note specifying the following items:
    - the identity of the Approved Silo;

- the identity of the selling Clearing Member and its Client;
- the identity of the buying Clearing Member and its Client;
- the number of the Storage Certificate involved;
- the contract's Expiry Day;
- the quantity of goods transferred;
- the origin of the goods transferred;
- the quality of the goods transferred.

5. The *Approved Silo* indicates the quality of the goods to be transferred as follows:

   a) European Union origin: when the quality of the transferred goods corresponds, for each criterion, to the benchmark quality defined in the contract's specifications document issued by Euronext related to the relevant commodity future contract, the Approved Silo indicates "Matif benchmark quality" on the certificate of transfer, with no other comment;

   b) When the goods do not correspond to one or more of the benchmark quality criteria but do correspond to the deliverable quality as defined in the contract's specifications document issued by Euronext related to the relevant commodity future contract, the *Approved Silo* indicates "deliverable quality" on the certificate of transfer and specifies values for the criterion or criteria not meeting the contract's benchmark quality as defined in the contract's specifications document.

   When, based on one or more criteria, the goods stored by the selling *Clearing Member* that are due to be transferred, do not correspond to the deliverable quality defined in the contract's specifications document issued by Euronext related to the relevant commodity future contract, the selling *Clearing Member* is deemed to have failed to comply with its delivery obligation. In such a case, the *Approved Silo* undertakes not to proceed with the transfer and to promptly inform *Euronext Clearing* by any mean.

6. When applicable, if the results of the optional GMO analysis reveal an adventitious contamination exceeding the quality criteria defined in the contract's specifications, Euronext Clearing informs the Approved Silo by any mean, and the latter does not proceed to the in-silo transfer.
7. On the day of in-silo transfer, before a defined time limit as set out in the in the relevant *Annex*, the *Approved Silo* communicates the transfer note to the selling *Clearing Member*, the buying *Clearing Member* and to *Euronext Clearing*.

**Article B.6.5.4.5 – Responsibilities of the selling Clearing Member**

1. The selling *Clearing Member* is liable for ensuring that the goods are available in the designated *Approved Silo* on the transfer day and that their quantity and quality as well as the origin of the goods comply with the information provided in the corresponding *Notification Notice*.
2. The selling *Clearing Member* is deemed to be in default, if:
    - the goods stored in the designated *Approved Silo* are deemed as not deliverable;
    - the deliverable quantity and the delivery origin do not correspond to those indicated on the *Notification Notice*, or;
    - the quality and the origin of the goods do not correspond to those appearing on the Attestation to deliver a conventional product.
3. In order to execute the in-silo transfer, the selling *Clearing Member* shall ensure that its Client submits the transfer order to the *Approved Silo*, on the day of transfer before a defined time limit as specified in relevant *Annex.* If the transfer order is not submitted in due time, the selling Clearing Member it is deemed to have failed to perform its delivery obligation related to the Position in Delivery.
4. The following fees are charged by the *Approved Silos* to the selling *Clearing Member's Client*, in accordance with the *Approved Silo*'s general terms and conditions:

- fees for storing the goods during the period running from the day of Storage Certificate issuance included until the day of the in-silo transfer;
- fees for issuing Storage Certificate(s);

5. Such fees are paid to the Approved Silos, pursuant to the manner and time limits, as specified in the Annexes.

**Article B.6.5.4.6 - Responsibilities of the buying Clearing Member**

1. The buying *Clearing Member* shall ensure that its Client releases the *Approved Silo*'s storage capacity at the latest by the last *Trading Day* of the *Delivery Month* or by any other calendar day specified in the *Contractual Scheme* before a time limit specified in the relevant *Annex* dedicated to each commodity contract. In case of non-fulfilment of the above-mentioned withdrawal obligation, the buying *Clearing Member* is deemed to be in default for the Position in Delivery.
2. The following fees are charged by the *Approved Silos* to the buying *Clearing Member's Client*, in accordance with the Approved Silo's general terms and conditions:
    - fees for storing the goods during the period running from the calendar day following the day of in-silo transfer until the complete release of storage facility;
    - fees related to the withdrawal of the goods;
3. Such fees are paid to the Approved Silos, pursuant to the manner and time limits, as specified in the Annexes.

B - Guaranteed Delivery Procedure for FOB delivery (involving Authorizers and Analysis Laboratories)

**Article B.6.5.4.7 Role of Authorizers during Guaranteed Delivery Procedure – Authorizers accreditation conditions**

1. The conditions determined by *Euronext Clearing* governing the approval of an entity as an accredited *Authoriser* for the delivery of commodity future contract are detailed in an *Annex*.

2. The list of accredited *Authorisers* entitled to operate at *Delivery Ports* is determined in an *Annex.*
3. When explicitly mentioned in the relevant *Annex* dedicated to each commodity contract, *Euronext Clearing* shall appoint an accredited *Authoriser* to supervise the good's loading taking place at the designated Delivery Port.
4. *Authorisers* enter into an agreement with *Euronext Clearing* under which they execute the certification of the goods' loading at *Delivery Ports* per commodity future contract as determined in the relevant Annex.
5. The Authoriser is responsible signing a contract with an Analysis Laboratory governing the terms and conditions for carrying out analysis services on goods samples. The Analysis Laboratory appointed by the Authoriser shall be accredited and duly referenced by the relevant supervising body for laboratories in the country of loading.

**Article B.6.5.4.8 Role of Authorizers during Guaranteed Delivery Procedure – Appointment of Authorizers**

1. *Euronext Clearing* commits to appoint one single *Authoriser* per *Delivery Port*, pursuant to the manner and time limits determined in the relevant Annex dedicated to each commodity contract.
2. *Euronext Clearing* shall provide a mandate, on the same day, to all the *Authorisers* acting at each *Delivery Port* or *Approved Silo*, as applicable and determined in relevant *Annex*, under which they will operate for the entire delivery process of the goods. The mandate given to *Authorisers* specifies the sampling procedures they will have to carry out and includes the following details for each commodity contract:
    a) Identity of the selling *Clearing Member and of its Client*;
    b) identity of the *Clearing Member*'s and of its Client;
    c) the point of loading in Delivery Port or the Approved Silo if applicable;
    d) the notification number assigned by Euronext Clearing;

e) the total quantity delivered.

3. On the same day, a copy of the mandate given by *Euronext Clearing* is sent to the buying Clearing Member by e-mail and to the selling *Clearing Member*, and to the Approved Silo, if applicable.
4. *Euronext Clearing* reserves the right to attend the authorising operations either directly or through specifically designated commodity experts.

**Article B.6.5.4.9 Role of Authorizers during Guaranteed Delivery Procedure – buying Clearing Member's responsibilities**

1. The buying *Clearing Member* shall determine the date of the loading within the defined timeframe, as specified in the relevant *Annex*, and hence is responsible for informing the Authoriser about:
    a) the expected date of the loading;
    b) the vessel's identity;
    c) the identity of buying *Clearing Member's Client* (order-giver) which takes the goods;
    d) any change in the loading process.
2. The buying *Clearing Member* shall ensure the designated Authoriser's availability and attendance at *Delivery Port* on the planned loading day.

**Article B.6.5.4.11 Role of Authorizers during Guaranteed Delivery Procedure – provided services**

The Authorisers are in charge of the following services.

A - Validation of loading

1. The *Authoriser* shall be liable for:
    a) allowing, monitoring and validating the loading of goods compliant with the criteria defined in the *Contractual Scheme*;
    b) ensuring, during the loading process, that the good can be delivered by verifying that the good is healthy, fair,

merchantable and of average quality, judging by its smell, appearance and weight.

2. In the case of an *Authoriser* appointed by *Euronext Clearing*, loading cannot take place without the attendance and validation of loading by such *Authoriser*.
3. If, during or after loading, the *Authoriser*, mandated by *Euronext Clearing*, ascertains that the good does not meet the criteria defined in the *Contractual Scheme* issued by Euronext Paris SA, the Authoriser shall immediately inform *Euronext Clearing* and the selling *Clearing Member* by e-mail.
4. For the delivery of commodity future contracts for which the *Authoriser* is appointed by *Euronext Clearing*, the *Authoriser* cannot validate the loading unless all the analysis results related to the quality are available. In such case, the buying *Clearing Member* is not entitled to later reject good which loading has been validated under the Authoriser's supervision.
5. After the loading and its validation, the Authoriser sends a authorisation report by email to:

   *Euronext Clearing*, This report specifies the results obtained for each of the quality requirements.

<u>B – Certification of quantity of delivered good</u>

6. The *Authoriser* ensures that the weighing system provided by the selling *Clearing Member* complies with the standards and works properly. The *Authoriser* checks the weight of the goods to be delivered.
7. In the event of a defect or malfunction in the weighing system, the *Authoriser* is entitled to choose any other weighing system which it considers to be more suitable, so that, whatever be the system used, the buying *Clearing Member* is not harmed in any way.

<u>C – Certification of quality of delivered goods</u>

9. During the loading process, the *Authoriser* ensures that the goods can be delivered by verifying the following quality criteria:

a) the good is sound, fair and of merchantable quality, judging by its smell and appearance;

b) moisture content complies with the criteria defined in the *Contractual Scheme*, as specified in the relevant *Annex*;

c) impurity content complies with the criteria defined in the *Contractual Scheme*, as defined in the relevant *Annex*, and;

d) grading complies with the criteria defined in the *Contractual Scheme*, as defined in the relevant *Annex*.

D – Drawing of samples of delivered goods

10. The Authoriser constitutes:

a) for each loading point, for each buying Clearing Member/selling *Clearing Member* pair, for each means of transport, and for each portion of 500 tonnes, an overall average reference sample, representative of the delivered goods, using the method described in the ISO 542 standard, as applicable and for the goods defined in the relevant Annex;

b) for each transfer cell, for each buying *Clearing Member/selling Clearing Member* pair, a primary sample from the cell's global sample using the method described in the ISO 950 standard, as applicable and for the goods defined in the relevant *Annex*.

11. Thus, if the buying *Clearing Member* receives lots of goods from several selling *Clearing Members* during the same loading process, there will be as many samples as selling *Clearing Members*.

12. Except in the case where the Authorisers companies are appointed by *Euronext Clearing* following the request for an optional analysis to detect GMOs, likewise, if the loading requires the use of several means of transport, samples will be drawn for each ship (truck or wagon, if alternative collection procedures are used).

E – Processing of samples

13. The conditions applying to samples processing are detailed in the relevant *Annex* as applicable per commodity future contract.

14. The samples are provided to the designated Analysis Laboratories, pursuant to the manner and time limits, as specified in the relevant Annex related to each commodity contract.

**Article B.6.5.4.12 Role of Analysis Laboratories during Guaranteed Delivery Procedure – Analysis Laboratories accreditation conditions**

1. The conditions determined by *Euronext Clearing* governing the approval of an *Analysis Laboratory* as an accredited Analysis Laboratory for the delivery of a specific commodity future contract are detailed in an Annex.
2. Analysis Laboratory must have signed a contract governing the terms and conditions for carrying out analysis services on commodities samples with an approved Authoriser.
3. Under the terms of the above-mentioned contract, the Analysis Laboratory is appointed by the approved Authoriser to perform analysis services on provided samples of commodities.

**Article B.6.5.4.14 Role of Analysis Laboratories during Guaranteed Delivery Procedure – Services and responsibilities of Analysis Laboratories**

The accredited *Analysis Laboratories* are in charge of the following services.

A - Analysis of the quality of the delivered goods

1. Quality assessment is performed according to a blind testing with no identifiable origin.
2. *Analysis Laboratories* systematically carry out the analysis detailed in the relevant *Annex*, on all samples provided, in accordance with the specified standards as referred to in the relevant *Annex*.
3. Upon the express request of the buying *Clearing Member* to *Euronext Clearing* formalised within the *Delivery Notice*, *Analysis Laboratories* may have to carry out, on certain samples, additional analysis in accordance with the methods described in specified standards as detailed in the relevant Annex.

4. Additional analysis are invoiced to *Euronext Clearing* on the basis of annual negotiated fees. *Euronext Clearing* fully invoices these fees to the buying *Clearing Member*. The buying *Clearing Member* remains liable for the payment of those laboratory fees.

B - Analysis outcomes

5. The results of analysis are provided to the accredited Authoriser and to *Euronext Clearing* within a defined period of time, as determined in the relevant *Annex related to each commodity contract*.
6. Analysis results must meet the quality criteria set out in the *Contractual Scheme* for the relevant good, otherwise the selling *Clearing Member* shall be deemed to have failed to comply with its delivery obligations.
7. Analysis Laboratories are required to observe professional confidentiality obligations in connection with their analysis activities. No information relating to the assignment with which they are entrusted, to the analysis requested or to the results obtained, may be communicated to any third party, except after the approval by or further to a request formally expressed by the accredited Authoriser or by Euronext Clearing.
8. Upon receipt of the analysis results, *Euronext Clearing* shall communicate them to the buying *Clearing Member* and the selling Clearing Member.
9. If the quality of the delivered goods complies with the deliverable quality as specified in the *Contractual Scheme*, the buying *Clearing Member* shall provide to the selling *Clearing Member* a duly completed and signed *Notice of Performance*, through EIM system, on the first business day after receiving the analysis results. The selling *Clearing Member* shall countersign the *Notice of Performance* and submit it to *Euronext Clearing*, through EIM system or through email as back-up solution.
10. If the quality of the delivered goods does not comply with the deliverable quality as specified in the *Contractual Scheme*, the selling *Clearing Member* shall be deemed to have failed to perform its delivery obligation.

## Sub Heading B.6.5.5 Cash payments under the Guaranteed Delivery Procedure

### Article B.6.5.5.1 Guaranteed Delivery management fee

1. In the case that *Clearing Members* decide to perform physical delivery under the terms of the Guaranteed Delivery Procedure, *Clearing Members* are liable for the payment of Guaranteed Delivery management fees to Euronext Clearing.
2. On the third Trading Day after Expiry Day (D+3), Clearing Members shall pay the Guaranteed Delivery management fee for each contract that has given rise to a matching, as defined in Euronext Clearing Price List.

### Article B.6.5.5.2 Payment of amounts due for the value of the goods

1. Pursuant to Article B.5.2.16 of the *Regulations*, the buying *Clearing Member* remains liable for the payment of amounts for the value of the goods due against delivery.
2. For contracts which underlying good is delivered in Approved Silos, payment is made bilaterally between Clearing Members' Clients, pursuant to the manner and time limits, as specified in the Annexes.
3. For contracts which underlying good is delivered through FOB terms:
    a) such payment is made bilaterally between Clearing Members' Clients, pursuant to Article B.5.2.16 of the Regulations. In such case, invoicing and payment may be carried out under a two-step approach, as detailed below and further specified in the Annexes.
    b) On the loading day (i.e. day on which the loading of the goods is carried out on the buyer's carriage means), the payment is performed, net, in cash and without discount, in return of the relevant documentation (i.e. bill of lading ("connaissement") and provisional invoice corresponding to 100% of the value of the goods valued at reference quality and at Settlement Price).

c) The above-mentioned provisional invoice may include the expenses incurred by the delay of one or other of the parties to the delivery.

d) At the time of payment of such provisional invoice, the buying *Clearing Member* shall provide the selling Clearing Member with a duly completed and signed delivery confirmation receipt. Such form shall comply with the standard template issued by *Euronext Clearing* and made available from the EIM system and from the relevant *Annex*.

e) On the Trading Day following payment of such provisional invoice, the selling *Clearing Member* shall submit to *Euronext Clearing* the duly completed and signed delivery confirmation receipt, through the use of EIM system. In the case of EIM unavailability, submission of such document shall be made according to the back-up solution, via email.

f) The delivery confirmation receipt bearing the signature of the buying *Clearing Member* and the selling *Clearing Member* acknowledges fulfilment of delivery obligation and payment obligation as regard to the provisional invoice.

g) On the third consecutive working day following the receipt of all laboratory analysis results, at the latest, the selling *Clearing Member* draws up for the buying *Clearing Member*, a final invoice which amount corresponds to the value of the goods actually delivered, taking into account the application of any reduction or bonuses.

h) The payment of the balance due or the refund of amount paid with the provisional invoice must be settled by the buying *Clearing Member* and the selling *Clearing Member*, respectively, at the latest on the third consecutive working day from the date of receipt of the final invoice.

i) Upon fulfilment of the above-mentioned payment obligations as regard to the final invoice, the termination of the CCP guarantee occurs upon reception by *Euronext Clearing* of the duly completed and signed *Notice of Performance*. Such *Notice of Performance* shall be submitted to *Euronext*

*Clearing*, under the manner and time limits specified in the relevant *Annex* dedicated to each commodity contract.

**Article B.6.5.5.3 – Payment of fees owed to Approved Silos**

1. Clearing Members, on behalf of their Clients, remain liable for the payment of fees issued by Approved Silos for the services provided as part of the Guaranteed Delivery Procedure, as specified above in Articles B.6.5.4.5 and B.6.5.4.6.

**Article B.6.5.5.4 Payment of fees owed to Authorisers and Analysis Laboratories**

1. *Clearing Members, on behalf of their Clients,* remain liable for the payment of fees owed to Authorisers and *Analysis Laboratories* for the services provided during the delivery.
2. The costs incurred by such third parties are invoiced to *Euronext Clearing* based on the annual negotiated rates. Based on the received invoices from such third parties, *Euronext Clearing* issues an invoice to the relevant *Clearing Members* at the actual cost incurred to Euronext Clearing.

**Article B.6.5.5.5 Termination of CCP Guarantee through the provision of the Notice of Performance**

1. Upon fulfilment of all the above-mentioned *Clearing Members*' obligations, the termination of the CCP Guarantee arises upon reception and acknowledgement by *Euronext Clearing* of the duly completed and signed *Notice of Performance*. By signing the *Notice of Performance, Clearing Members* acknowledge the fulfilment of their reciprocal delivery and payment obligations.
2. The receipt of such duly completed and signed *Notice of Performance* acknowledges the final settlement of the Positions in Delivery.
3. The *Notice of Performance* shall comply with the standard template established by *Euronext Clearing* and made available within the EIM system.
4. In case of late submission of the Notice of Performance, *Euronext Clearing* is entitled to apply to Clearing Members the relevant penalty, as determined in Euronext Clearing Price List.

## Sub-Heading B.6.5.6 Specific Margins called under the Guaranteed Delivery Procedure

### Article B.6.5.6.1 - Delivery Margins

1. Pursuant to Article B.4.1.1 of the *Regulations, Euronext Clearing* calculates *Delivery Margins* based on net Positions valuated at Settlement Price on the *Expiry Day* (D) and call such *Delivery Margins* from Clearing Members on the Trading Day following the Expiry Day (D+1).
2. *Delivery Margins* are released and returned to *Clearing Members* on the *Trading Day* following the termination of the *CCP Guarantee*, acknowledged by the receipt of the duly completed and signed off *Notice of Performance*.

### Article B.6.5.6.2 - Supplementary Delivery Margins

1. At any time until reception of the *Notice of Performance*, *Euronext Clearing* reserves the right to call for the immediate payment of supplementary *Delivery Margins* from *Clearing Members*.
2. Supplementary *Delivery Margin* is released upon reception by *Euronext Clearing* of the *Notice of Performance, materialising the termination of the CCP Guarantee*.

## Sub-Heading B.6.5.7 Non fulfilment of delivery and payment obligations as part of the Guaranteed Delivery Procedure

### Article B.6.5.7.1 Nonfulfillment of delivery and payment obligations in case of Justified Default

1. Pursuant to Article B.6.1.2-bis of the *Regulations* related to *Justified Default*, the following provisions set forth the procedures under which a party can invoke force majeure and the principles governing its resolution.
2. The party invoking force majeure as a hindrance to delivering or receiving all or part of the commodity, shall immediately send an e-mail to its counterparty and to *Euronext Clearing* explaining the nature of such hindrance, its likely duration and the tonnage concerned. When the hindrance ceases to exist, the party invoking

force majeure shall inform its counterparty and *Euronext Clearing* thereof by email within two (2) working days.

3. In the event of disagreement concerning the nature of the event and/or the duration of the hindrance, the parties can bring the matter before the Competent Arbitration Court or the relevant competent jurisdiction, as the case may be. If the Competent Arbitration Court or the relevant competent jurisdiction, as the case may be, reaches a final decision that a party has wrongly invoked force majeure, such party shall be deemed to have failed to perform its obligation. In such a case, the provisions herein shall be superseded by the provisions related to procedures in case of delivery failure.
4. In case of unforeseeable events preventing definitively the delivery of the goods, the contract will be terminated for the quantity to be executed.
5. If the event is temporarily (strike, lock-out, temporarily impossibility to load) the periods to make the goods available or the transfer of possession are then extended, without any claim for penalty or raise in price being admitted until third business day following the end of the said hindrances. The duration of this extension period is provided in the relevant Trading Terms and Conditions and may not exceed 30 calendar days; or the transfer of goods will be extended to the first Trading Day following the end of this hindrance and the payment deadlines and the remittance of documents will be extended accordingly.
6. If the hindrance exceeds the last Trading Day of the delivery month as extended, the contract shall be terminated for the quantity remaining to be executed.
7. In case of agreement between the parties, and pursuant to the procedures proposed by them, the removal of the goods is done either by departure by rail, either departure by road, o or by any other possible means of removal. In the absence of agreement between the parties, *Euronext Clearing* may propose the removal of the goods in accordance with the above-mentioned procedures.

In such a case, *Euronext Clearing* indicates the conditions applying to the counterparts in connection with the evacuation means.

8. In case no agreement can be found between the parties, pursuant to Article B.6.1.2 bis of the *Regulations,* final settlement of *Positions in Delivery* shall be performed according to Article B.6.2.1-*undecies* and Article B.6.2.1-*undecies* of the *Regulations* and in the manner set forth in the below *Articles*.

**Article B.6.5.7.2 Nonfulfillment of delivery and payment obligations in case of default on Position to Delivery – general provisions**

1. Pursuant to Article B.6.2.1-*undecies* of the *Regulations*, the following provisions set forth the terms and conditions applicable in cases of non-fulfilment of *Clearing Members* obligations during the physical delivery procedure.
2. The party suffering from the default of another party during the *Delivery Period* shall inform *Euronext Clearing* by e-mail confirmed later by a registered letter. Default is established as soon as it is recorded by Euronext Clearing, without notice being needed.

**Article B.6.5.7.3 Default of the buying Clearing Member during the Delivery Period**

1. Once it is established that the buying *Clearing Member* has failed to fulfil its obligations, pursuant to Article B.6.2.1-*undecies* of the *Regulations*, *Euronext Clearing* undertakes the following actions pursuant to Article B.6.2.1.-*undecies*:
    a) informs the selling *Clearing Member* of the buying *Clearing Member*'s default;
    b) retains the *Margins* of the defaulting buying *Clearing Member*;
    c) authorises the selling *Clearing Member* to sell the goods on the physical spot market, under the conditions set out in the relevant applicable Trading Terms and Conditions, as determined in the relevant *Annex*. Such sale on the physical market shall be carried out within a limited time period of seven (7) working days.

2. Pursuant to Article B.6.2.1-*undecies,* of the *Regulations*, *Euronext Clearing* pays a cash compensation to the selling Clearing Member, which is made up of the two following elements:

   a) in exchange of a certified copy of the purchase contract on the physical market, the difference between the Settlement Price and, if it is lower, the selling price of the goods on the physical market, if applicable;

   b) a penalty fee which may be charged by *Euronext Clearing* to the defaulting buying *Clearing Member*, the amount of which is set at 10% of the difference between the value of the goods at the *Settlement Price* and the value of the goods at the effective selling price on the physical spot market. This penalty is intended to indemnify the selling *Clearing Member*, after deduction of the amount corresponding to the costs and expenses incurred by *Euronext Clearing*.

3. *Euronext Clearing* returns the remaining *Margins* to the buying *Clearing Member*, if any, after deduction of the above-mentioned price differential and deduction of the above-mentioned penalty. *Euronext Clearing* returns its *Margins* to the selling *Clearing Member.*

**Article B.6.5.7.4 Default of the selling Clearing Member during the Delivery Period**

A – Failure to deliver the goods

1. Once the failure of the selling *Clearing Member* is established pursuant to Article B.6.2.1–*undecies* of the Regulations, *Euronext Clearing* undertakes the following actions pursuant to Article B.6.2.1-*undecies*:

   a) informs the buying *Clearing Member* of the selling *Clearing Member*'s default;

   b) retains the *Margins* of the defaulting selling *Clearing Member*;

   c) authorises the buying *Clearing Member* to buy the goods on the physical market, under the conditions set out in the relevant applicable Trading Terms and Conditions, as determined in the relevant *Annex*. Such purchase on the physical market shall be

carried out within a, within a limited time period of seven (7) working days.

2. Pursuant to Article B.6. 2.1-*undecies* of the *Regulations*, *Euronext Clearing* pays a cash compensation to the buying *Clearing Member*, which is made up of the two following elements:

   a) in exchange of a certified copy of the purchase contract on the physical market, the difference between the *Settlement Price* and, if it is higher, the purchase price of the goods on the physical market, if applicable;

   b) a penalty fee which may be charged by *Euronext Clearing* to the defaulting selling *Clearing Member,* the amount of which is set at 10% of the difference between the value of the goods at the *Settlement Price* and the value of the goods at the effective buying price on the physical spot market. This penalty is intended to indemnify the buying *Clearing Member*, after deduction of the amount corresponding to the costs and expenses incurred by *Euronext Clearing.*

3. *Euronext Clearing* returns the remaining Margins to the selling *Clearing Member*, if any, after deduction of the above-mentioned price differential and after deduction of the above-mentioned penalty. *Euronext Clearing* returns its Margins to the buying *Clearing Member*.

<u>B – Failure to deliver goods compliant with the required quality criteria:</u>

1. If the goods, after analysis, do not comply with the quality criteria defined in the Contractual Scheme, the selling *Clearing Member* is deemed to have failed to perform its obligations, pursuant to Article B.6.2.1-*decies* of the Regulations.

2. In such a case, *Euronext Clearing* retains the *Margins* of the selling *Clearing Member* until:

   a) submission of the *Notice of Performance* or after amicable agreement between the parties or after settlement of the dispute before the Competent Arbitration Court or the relevant competent jurisdiction, as the case may be; and

b) payment by the selling *Clearing Member* of a penalty which amount depends on the amicable agreement made between the parties or the decisions of the Competent Arbitration Court or the competent jurisdiction, as the case may be, called to settle the dispute.

# CHAPTER B.7 Fail, Buy-In and Sell-Out

## Heading B.7.1 Fail and Buy-in for Special Clearing Member

### Article B.7.1.1 Buy-In procedure for Failed Positions of the Special Clearing Member

1. Where the defaulting counterparty is a member of the *Special Clearing Member* of the *Fixed Income Section*, the Buy-In is carried out by the *Special Clearing Member* within the timescale indicated at Article B.7.1.1, by its own methods. *Euronext Clearing* shall proceed to deliver the *Non-Derivative Financial Instruments* received from the *Special Clearing Member* to the *Member*, or, in the event of partial delivery or failure to deliver, to cash settlement.
2. The delivery, including partial delivery of the *Fixed Income Instruments* to the *Member* in bonis, shall take place, after the cash/*Financial Instruments* balance is settled with the *Special Clearing Member*.
3. The cash settlement between *Euronext Clearing* and the member in bonis shall occur in the day on which the cash settlement between *Euronext Clearing* and the *Special Clearing Member* occurs.

## Heading B.7.2 Fail and Buy-in

### Article B.7.2.1 Management of Failed Positions

1. Failed Positions shall be settled within the timeframe set out in the Instructions
   a) by the fourth Euronext Clearing open day following the settlement date (L+4), for shares of the Equity Section other than shares issued by ETFs;

b) by the seventh Euronext Clearing open day following the settlement date (L+7), for all *Financial Instruments* of the Equity Section other than shares listed under letter a);

c) by the tenth Euronext Clearing open day following the settlement date (L+10), for all Financial Instruments of the Fixed Income Section.

2. In cases of urgency, for the purpose of protecting the interest of the *System*, *Euronext Clearing* may proceed with the execution of the *Buy-In Procedure* starting from the Day of Euronext Clearing opened following that of non-fulfilment of the obligation of "delivery" (L + 1). In cases where the *Positions in Fail* concern *Financial Instruments* considered unavailable, Euronext Clearing may proceed from L+1 to the cash settlement, in accordance with the provisions of Article B.7.2.3, paragraph 3, promptly informing the Clearing Members and the Settlement Agents concerned.

3. In order to reduce financial risk and in extraordinary cases, where *Euronext Clearing* does not succeed in delivering *Financial Instruments* withdrawn in the settlement process due to a settling counterparty's lack of cash, *Euronext Clearing* may cancel or request the company that manages the *Settlement Services* to suspend all further *Financial Instrument* delivery operations in favour of the said counterparty, possibly including the suspension of *Financial Instrumen*t withdrawal operations from other settlement counterparties for quantities commensurate with the suspended delivery operations.

4. Limited to the Financial Instruments referenced under paragraph 1, letter c)*, Euronext Clearing* may defer the "end of validity" of the settlement failed instruction if, on the "end of validity date" the conditions to enable the execution of the *Buy In* indicated in Article B.7.2.2 do not exist since, taking into account the matching mechanism performed by the instructions of the Settlement System, at the instruction of the in bonis *Member* does not correspond an instruction of an in malis *Member*, or when in correspondence of the failed instruction has been settled an instruction of the same *Member* with following settlement date on the same *Non-Derivative Financial Instruments.* In this latter case

*Participants* shall forward to *Euronext Clearing* the request for deferral using Annexes B.721A, B.721B, B.713 e B.713A. *Euronext Clearing* shall inform the *Member* of the modification of the terms and methods of delivery of the Non-Derivative Financial Instruments concerned.

5. *Failed Positions* are registered within a dedicated *Position Account* identified by the *Clearing Member.* By default, Euronext Clearing shall register *Failed Positions* pursuant to the following rules:

   a) in case of only one *Position Account* linked to a single *Delivery Account*, failed *Positions* are registered within said *Position Account*;

   b) in case of NOSA and GOSA *Structures,* in case of several *Client Position Accounts* linked to a single *Delivery Account*, *Failed Positions* are in a dedicated additional *Position Account*. In case of GOSA *Structures,* the additional *Position Account* dedicated to *Failed Positions* shall be linked to a separate additional *Margin Account*.

   c) in case of several *House* and *Client Position Accounts* linked to a single *Delivery Account*, *Failed Positions* are registered within a dedicated *House Position Account*.

## Article B.7.2.2 Buy-in Procedure

1. *Euronext Clearing* shall carry out the *Buy-In Procedure* with respect to *Failed Positions* that are not settled within the deadline referred to in article B.7.2.1 paragraph 1, except in the cases provided in paragraph 5 of this Article.

2. Euronext Clearing shall activate the *Buy-in Procedure* by notifying the *Member in Fail*:

   a) by the fifth Euronext Clearing open day following the settlement date specified in the *Contractual Scheme* (L+5) for the *Financial Instruments* referred to in Article B.7.2.1, paragraph 1, letter a);

   b) by the eighth *Euronext Clearing* open day following the settlement date specified in the *Contractual Scheme* (L+8)

for the *Financial Instruments* referred to in Article B.7.2.1, paragraph 1, letter b);

c) by the eleventh Euronext Clearing open day following the settlement date specified in the *Contractual Scheme* (L+11) for the *Fixed Income Section*.

Euronext Clearing may modify the deadline mentioned above in case of corporate actions.

3. Following the notice referred to in the paragraph above, the *Clearing Member,* or its *Settlement Agent,* in *Fail* may commit to delivering the *Financial Instruments* by the deadline specified in Annex B.722. Delivery to *Euronext Clearing,* after the above-mentioned deadline is always allowed provided that the *Buy-in Agent* has given its prior consent. In case the *Clearing Member in Fail* does not deliver the securities by the deadline specified in the Annex B.722 and the execution period has expired *Euronext Clearing* performs the cash settlement *pursuant the methods outlined in Annex B.713B*. This paragraph does not apply if the in bonis *Clearing Member* requests *Euronext Clearing* not to provide the cash settlement, in order to exercise the *Buyer Protection*; the request has to be notified to *Euronext Clearing* within the timeline and according to the form specified in Annex B.718 and B.718A.

4. On the date of activation of the *Buy-in Procedure, Euronext Clearing* shall request the *Settlement Services* to suspend the settlement of the *Failed Positions*.

5. *Euronext Clearing* shall not activate the *Buy-in Procedure* in the following cases:

   a) if the financial instruments subject to the *Position in Fail* no longer exist;

   b) in the event of unavailability, based on the criteria set out in the *Instructions*.

   *Euronext Clearing* shall calculate the amount of the cash settlement taking into account the values determined with the methods specified in the Annexes.

6. The payment of cash settlement in accordance with this Article shall be made within the next *Euronext Clearing open day*. For this purpose, Euronext Clearing inputs settlement instructions for cash within the Settlement System. This provision shall also apply if the events described in letters a) and b) of paragraph 5 occur after the activation of the *Buy-in Procedure*.

## Article B.7.2.3 Execution of the Buy-in

1. For the purpose of execution of the *Buy-in*, *Euronext Clearing* requests the *Settlement Services* to cancel the settlement instructions and, in the case of partial execution, shall enter new *Failed Positions* for the part not executed. The cancellation and the entering of settlement instructions are performed at the end of each business day of Buy-in execution.
2. *Euronext Clearing* shall notify the results of the *Buy-In.* The notification referred to in this paragraph includes also the amount of the price difference. If the buy-in price is higher than the original price of the *Position in Fail*, the difference will be debited to the *Failing Clearing Member*. If the buy-in price is lower than the original price of the *Position in Fail*, the difference will be credited to the failing seller Clearing Member.
3. If the *Buy-In Agent* is not able to purchase all or part of the *Financial Instruments* by the following deadlines:

    a) the first *Euronext Clearing open day* after the triggering of the buy-in procedure for liquid shares;

    b) the third *Euronext Clearing open day* following after the triggering of the buy-in procedure for all other Financial Instruments other than those referred under letter a).

    Euronext clearing applies the cash settlement. For the purpose of this paragraph, liquid shares are those for which there is a liquid market shares that have a liquid market as referred to in point (b) of Article 2(1)(17) of Regulation (EU) No 600/2014.

    *Euronext Clearing* may modify the deadline mentioned above in case of corporate actions.

4. Euronext Clearing shall notify the *Clearing Members* in Fail of the amount of the cash settlement determined in accordance with Article B. 7.2.2, paragraph 5.
5. The settlement of the amounts relating to the price difference and cash settlement referred to in this Article shall be carried out in the manner specified in article B.7.2.2 paragraph 6.

## Article B.7.2.4 Offsetting of Failed Positions

1. *Euronext Clearing* allows *Clearing Member* to compensate the *Failed Positions* related to the same *Financial Instruments,* pursuant to the methods set forth in Annex B.724*.*
2. *The* request of compensation can be submitted by the *Settlement Agent* in case the latter had been delegated by the *Clearing Member.* Euronext Clearing manages the requests received on a best effort basis.
3. Where the prices of the settlement instructions are different, Euronext Clearing shall calculate the price difference and create a settlement instruction for the residual, pursuant the methods set forth in Annex B.724.
4. The possible cash residual arising from the offsetting to be settled in euro is paid by the *Clearing Member* or by *Euronext Clearing* within the *Euronext Clearing open day* following the one of the pair off. For this purpose, Euronext Clearing inputs settlement instructions for cash within the Settlement System. For the *Financial Instruments* which are settled in currency other than euro, the cash residual is paid by the *Clearing Member* or by *Euronext Clearing* within of the *Euronext Clearing open day* following the one on which *Euronext Clearing* communicates to the *Clearing Member* of the cash residual, denominated in the relevant currency unless differently agreed by the parties.

## Article B.7.2.5 Delivery of Financial Instruments and settlement of cash amounts related to Buy-in Procedure

1. Pursuant to article B.7.2.2, Euronext Clearing allows the delivery of the Financial Instruments, by the Clearing Member in fail, upon

his request, according to the timing and the methods provided in Annexes.

2. The amount related to the price difference set out in article B.7.2.2 must be paid by the Failing Clearing Member to Euronext Clearing of the Euronext Clearing open day following that on which Euronext Clearing communicates to the Failing Clearing Member the value of the amount. For this purpose, Euronext Clearing inputs settlement instructions for cash within the Settlement System.
3. The settlement of the amounts related to the cash settlement as referred to in article B.7.2.2 shall occur within the Euronext Clearing open day following that on which the Buy-In Agent has been able to buy the Financial Instruments or for the Financial Instruments which are settled in currency other than euro, within the Euronext Clearing open day following the one on which Euronext Clearing communicates to the Clearing Member the value of the amount of the cash settlement, denominated in the relevant currency. For this purpose, Euronext Clearing inputs settlement instructions for cash within the Settlement System.

## Heading B.7.3 Penalty mechanism

### Article B.7.3.1 Procedure for charge the net outstanding amounts of penalties debt

1. Euronext Clearing charges the amounts referred to in Article B.5.3.5 of the Regulation:
    a) for the *Fixed Income Section*, on the 18th *Euronext Clearing Open Day* of each month by direct debit of the *DCA RTGS* account in *the T2 System*.
    b) for the *Equity Section*, on the 18th day of November of each year by direct debit of the *DCA RTGS* account in *the T2 System*

## Heading B.7.4 Sell-out procedure

### Article B.7.4.1 Sell-Out procedure

1. If a *Member* does not withdraw *Financial Instruments* due to lack of cash, *Euronext Clearing* shall , pursuant to Article B.5.3.3 of the

*Regulations, Euronext Clearing* shall proceed to the Sell-Out of the *Failed Positions* that are not settled included those suspended pursuant to article B.7.2.1, paragraph 3, notifying the *Member* in fail, cancelling or requesting the company that manages the *Settlement Service* to remove the security delivery operations in favour of the said counterparty not settled due to lack of cash and those suspended pursuant to article B.7.2.1, paragraph 3.

2. *Euronext Clearing may, also taking account of the methods of functioning of the Gross Settlement,* postpone the terms of the Sell-Out, notifying *Member* involved.

3. *Euronext Clearing* shall appoint a Sell Out Agent pursuant to Article B.7.5.1, to sell the *Non-Derivative Financial Instruments* delivered by the *Member* in bonis.

4. If the Sell Out Agent does not succeed in selling the *Non Derivative Financial Instruments* on the Sell Out execution day, or only partially succeeds in doing so, he or she may sell them on the subsequent trading day before 3 p.m.

5. *Euronext Clearing* shall inform the *Member* affected by the *Failed Positions* by report with respect to:

    a) the status of the *Sell Out procedure*;

    b) the amount in euro that it must pay *Euronext Clearing*, pursuant to Article B.5.3.3 of the *Regulations*, if the countervalue of the *Non-Derivative Financial Instruments* sold by the Buy-In Agent is lesser than that of the original contracts.

6. *Euronext Clearing* shall deliver the *Non-Derivative Financial Instruments* to the Sell-Out Agent in the context of the *Settlement Services* for the said settlement date, equal to that of the *Non-Derivative Financial Instruments* sold by the Sell-Out Agent.

7. The amount set out at paragraph 5, letter b) must be paid by the *Member* affected by the *Failed Positions* to *Euronext Clearing* in the context of the *Daily Settlement* of the *Euronext Clearing* open day following that in which the *Non-Derivative Financial Instruments*

were sold by the Sell-Out Agent on which *Euronext Clearing* communicates to the *Clearing Member* the value of such amount.

8. If the countervalue of the *Non-Derivative Financial Instruments* sold by the Sell-Out Agent is higher than that of the original contracts, the difference shall be deducted by *Euronext Clearing.*

9. In the event of failure by the Sell-Out Agent to sell the *Non-Derivative Financial Instruments* within the time frame set out at paragraph 4, *Euronext Clearing* shall notify the *Member* affected by the *Failed Positions* of the original countervalue of the unsold *Financial Instruments* which, in order to cover losses, it is obliged to pay *Euronext Clearing*, by payment to *Euronext Clearing* DCA RTGS in *T2 System* within the *Euronext Clearing Open Day* following that on which *Euronext Clearing* communicates to the *Clearing Member* the value in euro of such amount. On confirmation of payment *Euronext Clearing* shall deliver the *Non-Derivative Financial Instruments* to the *Member* affected by the *Failed Positions*.

10. *Euronext Clearing* shall notify the *Member* affected by the *Failed Positions* of the costs incurred in the management of the *Sell-Out Procedure*, and the costs incurred by *Euronext Clearing* for the financing of *Failed Position,* which must be paid by the *Member* affected by the Failed *Positions* in the context of the *Daily Settlement* of the *Euronext Clearing* open day following that on which the notification was sent.

## Heading B.7.5 Miscellaneous

### *Article B.7.5.1 Buy-In/Sell-Out agent*

1. Intermediaries who do not control or are not controlled, directly or indirectly by the Clearing Member affected by the Failed *Positions* and who do not belong to the same Group as the Clearing Member shall be appointed by Euronext Clearing as Buy-In and Sell-Out Agents.

## Heading B.7.6 Adjustment of Positions and Buyer Protection

## Article B.7.6.1 Management of Positions

1. The management of *Positions* of *Cash,* referred to in Article B.3.1.6 of the *Rules*, is carried out by *Euronext Clearing* on the basis of the management made by the *Settlement Service* or, in the absence of management by the *Settlement Service*, on the basis of criteria designed to minimize the distortionary effects of the event and to discourage the delayed delivery of *Financial Instruments* or cash, referred to in Annex B716.
2. At the end of the *Euronext Clearing open day* preceding the date of the *Position* management referred to in paragraph 1, in case of a partial availability of *Financial Instruments*, *Euronext Clearing* reserves to itself the right to deliver these *Financial Instruments* to the in bonis counterparties having an older value date.
3. Where the interventions referred to in paragraph 1 provide for the transmission of an only-cash settlement instructions and the instruction is not settled within the intended settlement date, *Euronext Clearing* reserves to itself the possibility to request for the settlement in euro, in the context of the *Daily Settlement* referred to in article B.4.1.1. Furthermore, where the adjustment interventions referred to in paragraph 2 provide for the transmission of cash settlement instructions, *Euronext Clearing* communicates to the *Member* the eventual interests that *Euronext Clearing* has applied, that shall be paid by the *Member* in fail in the context of the *Daily Settlement* of the *Euronext Clearing Open Day* following the one on which the communications is forwarded.
4. The management of *Positions* in this Article considers the possible *Buyer Protection* exercise, in Article B.7.1.9.

## Article B.7.6.2 Buyer Protection

1. In case of *Failed Position* on *Non-Derivative Financial Instruments* subject to a mandatory corporate event with option or to a voluntary corporate event, the in bonis *Clearing Member*, or the *Settlement Agent,* may notify to *Euronext Clearing* the option/s requested sending the Buyer Protection Notice, within the *Euronext*

*Clearing open day* before the last day to send the election instructions as provided by the corporate event.

2. The Buyer Protection Notice has to be sent to *Euronext Clearing* Technological Infrastructure or, in the event of its malfunction, via e-mail, within the timeline in Annex B.718 and through the form in Annex B.718.B *Euronext Clearing* confirms the receipt of the Buyer Protection Notice with the same channel.
3. The in bonis *Clearing Member* shall modify the Buyer Protection Notice, notifying a new Buyer Protection Notice within the term in paragraph 1.
4. On the day in which the Buyer Protection Notice is received, within one hour of the timeline indicated in Annex B.718, *Euronext Clearing* assigns to the in malis *Clearing Members*, the Buyer Protection Notice received, according to a criteria aimed at minimizing the number of assignments. The assignment is notified to the *Clearing Members* by means of a *Report*.
5. The assignment in paragraph 4 is terminated or is modified if, within the term in paragraph 1:
    a. The in malis *Clearing Member* assigned delivers the *Non-Derivatives Financial Instruments* for which the Buyer Protection was exercised. In this case the assignment is terminated;
    b. The in malis *Clearing Member* assigned partially delivers the *Non-Derivatives Financial Instruments* for which the Buyer Protection was exercised, and the Buyer Protection provided for more than one option. In this case the assignment is terminated;
    c. The in malis *Clearing Member* assigned partially delivers the *Non-Derivatives Financial Instruments* for which the Buyer Protection was exercised, and the Buyer Protection provided for only one option. In this case the assignment remains valid for the part unsettled;
    d. The in bonis *Clearing Member* who notified the Buyer Protection Notice modify the Buyer Protection according to

paragraph 3. In this case *Euronext Clearing* notifies the change of the Buyer Protection Notice to the in malis *Clearing Member* by means of a *Report*;

e. In case of delivery of *Non-Derivatives Financial Instruments* to the in bonis *Clearing Member* by a *Clearing Member* different from the in malis *Clearing Member* assigned*,* in virtue of the settlement systems process. In this case *Euronext Clearing* notifies the change of the Buyer Protection Notice to the in malis *Clearing Member* assigned by means of a *Report*.

6. If the *Failed Positions* for which the Buyer Protection has been exercised are not settled within the term in paragraph 1, *Euronext Clearing*:

   a) Requests to the *Settlement Service* to hold/delete the settlement instructions between the in malis *Clearing Member* assigned and *Euronext Clearing* and between *Euronext Clearing* and the in bonis *Clearing Member*; and

   b) enters in the *Settlement Service* new settlement instructions between the same counterparties according to the Buyer Protection exercised.

7. In case the *Non-Derivatives Financial Instruments* resulting from the corporate event are not delivered, *Euronext Clearing* activates the Buy-in procedure to the detriment of the in fail *Clearing Member* assigned.

8. Without prejudice to the provisions governing *Buyer Protection*, any *Failed Positions* subject to a voluntary corporate event, executed after the *Guaranteed Participation Date (GUPA)* shall not fall within the scope of the *Buyer Protection* procedure as set out in paragraphs 1 to 6 of this Article.

9. Where a transaction executed after the *Guaranteed Participation Date (GUPA)* results in a persistent settlement fail, and where, as a consequence thereof, the *in bonis Clearing Member* does not receive the underlying securities by the relevant record date and is

therefore unable to exercise the corresponding corporate action option, the provisions set out below shall apply.

10. *Euronext Clearing* may, upon request of the *in bonis Clearing Member*, arrange for the cash settlement of the relevant transaction where:

    *a)* the transaction has been executed after the *Guaranteed Participation Date (GUPA);*

    b) the transaction has resulted in a persistent settlement fail; and

    c) the *Buyer Protection* is not applicable, either because it has not been accepted by the seller or because it cannot be implemented in accordance with the applicable provisions of these Instructions including, without limitation, where, due to timing or operational constraints, it cannot reasonably be managed or completed in a timely and effective manner.

    Where, in relation to a transaction meeting the conditions set out above, more than one seller may be identified, Euronext Clearing shall, where operationally feasible, give priority to the seller whose transaction was executed after the Guaranteed Participation Date (GUPA). Where several such sellers remain eligible, Euronext Clearing shall apply objective criteria aimed at minimising the number of assignments, in order to limit the number of Clearing Members involved in the implementation of the relevant measure.

    The cash settlement indicated above shall occur in the context of the *Daily Settlement* of the Euronext Clearing open day following that on which the request has been made by the *in bonis Clearing Member .*

    The cash settlement amount to be credited to the in bonis *Clearing Member* shall be equal to the theoretical value of the relevant right, as determined and published by the relevant *Market* on the last day of trading of such right.

# CHAPTER B.8 Fees, Commissions and Interest

## Article B.8.1.1 Fees and commissions

1. The amount of annual fees and commissions reported to *Members* is settled in the context of the daily settlement pursuant to Article B.4.1.1.

## Article B.8.1.2 Value dates and Interest

1. Payments received before 4 p.m. shall be assigned the rate prevailing on that day. After this time, the value of the following *Euronext Clearing open day* shall be recognized.
2. Interest pursuant to Articles B.3.2.1, paragraph 7, and B.3.3.1 paragraph 6, shall be paid at the end of each calendar quarter by crediting of *daily settlement*.

# CHAPTER B.9 Notice

## Article B.9.1.1 Transmission of information

1. *Euronext Clearing* makes information and data on the position of each *Member* available to *Members* – and as required to *Settlement Agents* –through the *Technological Infrastructure*. Some information is available by accessing the *Euronext Clearing* Internet site (www.euronext.com/it/post-trade/euronext-clearing).
2. Where necessary, *Euronext Clearing* may issue the notices pursuant to paragraph 1 by ~~fax or~~ e-mail.

## Article B.9.1.2 Daily statement of payments

*Euronext Clearing* shall make the data regarding "Daily statement of payments" available to *Clearing Members* and *Settlement Agents* for cash in euros, by means of the national inter-banking network (RNI) and of the Swift network, the flow of which are set out in the *Technical Manual*. For this purpose, *Members* must submit to *Euronext Clearing* an application in the form available from the *Euronext Clearing* Internet site (www.euronext.com/it/post-trade/euronext-clearing).

## Article B.9.1.3 Technological Infrastructure

1. *Euronext Clearing* makes the *Technological Infrastructure,* as described in the *Services Manual*, available to *Members* (and *Settlement Agents* so mandated pursuant to Article B.1.1.7, paragraph 1). The *Services Manual* indicates where use of the *Technological Infrastructure* is compulsory.

# CHAPTER B.10 - Management Company

## Article B.10.1.1 *Fixed Income Section*

1. *For the Fixed Income Section,* the *Management Companies* of the wholesale bond markets with whom *Euronext Clearing* has appropriate Agreements are:

    - MTS S.p.A., limited to government securities traded on MTS *Market* and the EBM MTF multilateral trading facility;
    - CME Amsterdam B.V, limited to Italian government securities traded on the regulated market BrokerTec.

With reference to the MTS Market, the EBM MTF multilateral trading facility and the BrokerTec regulated market, for the Italian government securities traded there, *Euronext Clearing* has entered into agreements with a *Special Clearing Member.*

2. For the Fixed Income Section, the Management Companies of the retail bond markets with whom Euronext Clearing has appropriate Agreements are:

    -Borsa Italiana S.p.A., limited to Financial Instruments traded on MOT Market and limited to Financial Instruments traded on the Euronext Access Milan multilateral trading facilities, settled in the Settlement System managed by Euronext Securities Milan;

    -Borsa Italiana S.p.A., only for the Financial Instruments traded in the MOT Market – EuroMOT segment and in the Euronext Access Milan and only for the Financial Instruments traded in the Euronext Access Milan multilateral trading facilities settled in the Settlement Services managed by Euroclear Bank S.A. and Clearstream Banking Luxembourg

    -Vorvel Sim S.p.A., limited to Financial Instruments traded on the Hi-MTF multilateral trading facilities, settled in the Settlement System managed by Euronext Securities Milan and those settled in the Settlement Services managed by Euroclear Bank S.A. and Clearstream Banking Luxembourg.

## Article B.10.1.2 *Equity Section*

1. The *Management Companies* for the Equity *Section* with which *Euronext Clearing* currently has agreements are:

   - Borsa Italiana S.p.A., limited to *Non-Derivative Financial Instruments* traded on the Euronext Milan market, the Euronext MIV Milan market, the ETFplus market, the Borsa Italiana Equity MTF market and related trading segments, with the exclusion of contracts for adhesion to share offers made on the market;
   - *Euronext Amsterdam N.V, for Financial Instruments* traded on the Euronext Amsterdam regulated *Market;*
   - Euronext Brussels S.A./N.V, for *Financial Instruments* traded on the Euronext Brussels regulated *Market*, and Euronext Growth Brussels, Euronext Access Brussels, Euronext Trading Facility multilateral trading facilities;
   - Euronext Lisbon – Sociedade Gestora de Mercados Regulamentados, S.A ("sociedade anónima"), *for Financial Instruments* traded on the Euronext Lisbon regulated *Market* and Euronext Growth Lisbon and Euronext Access Lisbon multilateral trading facilities;
   - Euronext Paris S.A*,* for *Financial Instruments* traded on the Euronext Paris regulated *Market* and Euronext Growth Paris and Euronext Access Paris multilateral trading facilities;
   - Irish Stock Exchange plc*, for Financial Instruments* traded on the Euronext Dublin regulated *Market* and Euronext Growth Dublin and Euronext Access Dublin multilateral trading facilities.

## Article B.10.1.3 *Financial Derivatives Section*

1. The *Management Companies* for the *Financial* Derivatives *Section* with which *Euronext Clearing* currently has agreements are:

   - Borsa Italiana S.p.A., exclusively for *Financial Instruments* traded on the IDEM market.

- *Euronext Amsterdam N.V, for Derivatives Financial Instruments* traded on the Euronext Amsterdam regulated *Market;*
- Euronext Brussels S.A./N.V, for *Derivatives Financial Instruments* traded on the Euronext Brussels regulated *Market*;
- Euronext Lisbon – Sociedade Gestora de Mercados Regulamentados, S.A ("sociedade anónima"), *for Derivatives Financial Instruments* traded on the Euronext Lisbon regulated *Market*;
- Euronext Paris S.A*,* for *Derivatives Financial Instruments* traded on the Euronext Paris regulated *Market*
- Oslo Boers *for Derivatives Financial Instruments* traded on the Oslo Boers regulated *Market.*

**Article B.10.1.4 *Soft* Commodity Derivatives Section**

1. The *Management Companies* for the *Soft Commodity Derivatives Section* with which *Euronext Clearing* currently has agreements are:
   - Euronext Paris S.A, for Derivatives Financial Instruments on commodities traded on the "Marché à Terme International de France (MATIF)";

## Article B.10.1.5 *Power Derivatives Section*

1. The *Management Companies* for the Power Derivatives *Section Euronext Clearing* currently has agreements with are:

   *Euronext Amsterdam N.V, for Derivatives Financial Instruments* having Power as underlying traded on the Euronext Amsterdam regulated *Market.*

# CHAPTER B.11 Centralized Depositary Service

## Article B.11.1.1 Centralized Depositary Service

1. Companies that manage the *Central Depositary Service*, available to Clearing Members for the purpose of handling the *Collateral* in *Financial Instruments,* are:
    - Euronext Securities Milan S.p.A..
    - Euroclear Bank S.A.
    - Clearstream Banking Luxembourg
2. The List of eligible Financial Instruments accepted as Collateral per relevant Central Depositary Service is made available from the Annex B.332.

# CHAPTER B.12 Settlement Services

## Article B.12.1.1 Settlement Services for Fixed Income Section

1. Companies that manage the Settlement Services, in which Euronext Clearing settles the Positions, in respect to *the Fixed Income Section* are:
    - Euronext Securities Milan S.p.A
    - Euroclear Bank S.A. and Clearstream Banking Luxemburg.
    - Euroclear France S.A.
    - Euroclear Nederlands (Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.)
    - National Bank of Belgium – Securities Settlement System
    - Clearstream Europe AG
    - Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal, or Iberclear.

Euronext Clearing makes available within Annex B.512 for each Financial Instrument the list of available settlement solutions

### Article B.12.1.2 Settlement Services

1. Companies that manage the Settlement Services in which Euronext Clearing settles the Positions related to the Equity Section and Financial Derivatives Section are:

   a) Euronext Securities Milan S.p.A.

   b) Euroclear France S.A.

   c) Euroclear Belgium S.A./N.V.

   d) Euroclear Nederlands (Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.)

   e) National Bank of Belgium – Securities Settlement System

   f) Euronext Securities Porto

   g) Clearstream Bank Frankfurt

   h) Euroclear Bank S.A.

   i) Verdipapirsentralen ASA (Euronext Securities Oslo)

## CHAPTER B.13 *Eligible Credit Institutions and Triparty Collateral Agent*

### Article B.13.1.1 List of Eligible Credit Institutions for daily settlement in currencies other than euro

1. For the purposes of Article B.4.1.2, paragraph 2, *Clearing Members*, or *Settlement Agents,* shall open an account within one of the following *Eligible Credit Institutions*:

   - Norges Bank, concerning cash payments in NOK;
   - Citibank Europe Plc concerning cash payments in SEK, USD, CHF;
   - Bank of New York Mellon Corporation concerning cash payments in SEK, USD, CHF.

### Article B.13.1.2 List of credit institutions for deposit of Collateral in currencies other than euro

1. For the purposes of Article B.4.1.2, paragraph 2, *Clearing Members*, or *Settlement Agents,* shall open an account within one of the following *Eligible Credit Institutions*:
   - Euroclear Bank, for the deposit of cash in USD and GBD.
   - Norges Bank, for the deposit of cash in NOK.

### Article B.13.1.3 List of eligible Triparty Collateral Agent

1. For the purpose of depositing Financial Instruments as Collateral by way of a Triparty Collateral Management Tool, Clearing Members may enter into arrangements with:
   - Euroclear Bank
   - Clearstream Banking Luxembourg
   - Bank of New York Mellon Corporation

## CHAPTER B.14 Auction procedure

### Article B.14.1.1 Determination of Liquidation Portfolio

1. In view of protecting the interest of the *System,* as well as to promote the efficiency of an *Auction,* Euronext Clearing shall, in its full discretion determine the composition of each *Liquidation Portfolio*. *Euronext Clearing* may therefore combine or divide the relevant *Liquidation Portfolio*(s) and consequently organise one or several *Auctions*.

### Article B.14.1.2 Auction

1. Euronext Clearing shall identify the *Invited Bidders* considering Article B.6.2.1septies and B.6.2.1octies. Euronext Clearing shall disclose to each Invited Bidder the information concerning the organisation of the *Auction* and provide them with the details reasonably required in respect of the relevant Liquidation Portfolio.
2. The *Auction* is articulated as a single unit auction, where any Invited Bidder shall bid at a price for the entire relevant Liquidation

Portfolio. In case of multiple *Auctions* for multiple Liquidation Portfolios, each Invited Bidder shall provide separate offers for each Liquidation Portfolio.

3. Following the invitation referred to above, each Invited Bidder shall have the same Bidding Window, to present a bid to Euronext Clearing. Said timeframe shall be identified by Euronext Clearing on a general basis, within a Guideline. Euronext Clearing will communicate, the Bidding Window of each *Auction* to Invited Bidders beforehand.
4. Within 30 minutes from the end of the Bidding Window, Euronext Clearing shall validate the outcomes of the *Auction* and communicate the results to *Invited Bidders*. In case a bid has been accepted by Euronext Clearing, Article B.6.2.1sexies, paragraph 5 of the Regulations applies, and Euronext Clearing shall communicate to the winning Invited Bidder and where relevant, other Participants. In case no bid has been accepted, Euronext Clearing may, in its sole discretion, organise another *Auction* or take any other measure foreseen within the Regulations.
5. Where appropriate, Euronext Clearing ~~in its sole discretion~~ may require Invited Bidders to present their bids under a Two-Way Pricing model **as part of the *Auction* validation and assessment framework**. In order to be deemed valid, received bids shall comply with this **framework** ~~model~~.
6. ***Euronext Clearing* may, following the completion of the Auction, disclose to invited bidders certain information relating to the *Auction* outcomes, including for the purposes of the incentive framework, in such form and level of aggregation as it deems appropriate** ~~In order to stimulate competitiveness within an *Auction*, Euronext Clearing may decide to disclose, in near real time and before the end of the Bidding Window, the best bids received~~.
7. Received bids shall be considered valid only if:
    i. received within the applicable Bidding Window;
    ii. If applicable, complying with the two-way pricing requirements set by Euronext Clearing;

iii. In the case of Trading Clients, if sponsored by the relevant Clearing Member

iv. complying with other requirements which may be applied by Euronext Clearing for a given auction.

~~In case no valid bid is received from an Invited Bidder within the Bidding Window, Article B.6.2.1-sexies, paragraph 8 of the *Regulations* applies~~.

8. Bids received are ranked in accordance with their price. In the event that two or more Invited Bidders submit an equal bid, Euronext Clearing shall rank the bids according to the chronological order of the bids' reception, and, in case they are simultaneous, the one performed by the Clearing Member with the bigger contribution to the relevant default fund shall be ranked first.

9. In any case, Euronext Clearing shall **decide whether or not to accept one or more valid bids for each auctioned sub-portfolio if submitted in accordance with a *Fair Price*. *Euronext Clearing* shall establish an *Execution Corridor* around the *Fair Price*, calibrated by using objective risk parameters and observable market data. A bid may be accepted even if outside the plausible *Execution Corridor* where the CCP determines, on the basis of additional evidence, that such bid is executable and appropriate** ~~in its sole discretion decide whether or not to accept one or more valid bids in the context of an *Auction*. As specified under Article *B.6.2.1-sexies of the Regulations, Euronext Clearing* applies a tolerance level to a maximum amount of 10% to the bid submitted by a *Mandatory Auction Participant* below the *Qualificative Price*~~.

10. Euronext Clearing reserves the right to deviate from the procedure described in this Article, if so, required in the interest of the *System.*

11. **For each auctioned sub-portfolio, the applicable loss allocation mechanism is based on the classification and quality of their bids as determined by *Euronext Clearing*. In particular:**

i. **a *Clearing Member* that does not submit any bid shall be considered a non-auction participant.**

ii. **a *Clearing Member* that submits a bid which is untimely incomplete, non-compliant with the applicable auction requirements, or otherwise technically deficient shall be considered to have submitted an invalid bid.**

iii. **a *Clearing Member* that submits a valid bid which is which, following the assessment referred to in paragraph 9, is not deemed credible or usable for the purposes of the incentive framework shall be considered to have submitted an *Ineligible Bid*.**

iv. **a *Clearing Member* that submits a valid bid which, following the assessment referred to in paragraph 9, is deemed credible and usable for the purposes of the incentive framework shall be considered to have submitted an *Eligible bid*.**

12. **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 follows:**

i. **Where a *Mandatory Auction Participant* or a *Voluntary Auction Participant* does not submit any bid, its *Default Fund* contribution shall be assigned to the junior tranche.**

ii. **Where a *Mandatory Auction Participant* or a *Voluntary Auction Participant* submit a bid that is invalid or otherwise Non-eligible, their *Default Fund* contribution shall be assigned to the junior tranche.**

13. **In case of receipt of *Eligible bids*, the following mechanism shall apply:**

a) **where the number of *Eligible bids* submitted by *Mandatory Auction Participants* or *Voluntary Auction Participants* for the relevant sub-portfolio is equal or less than three, the *Default Fund* contributions of both types**

**of participants shall not be assigned to the junior tranche solely on the basis of ranking. In such circumstances, *Default Fund* contributions shall be allocated only between the senior and standard tranches in accordance with the methodology set out by *Euronext Clearing*;**

**b) Where the number of *Eligible bids* submitted by *Mandatory Auction Participants* or *Voluntary Auction Participants* for the relevant sub-portfolio is four or more:**

**i. *Eligible bids* ranked in the top 25% percentile shall be assigned to the Senior tranche for both Mandatory and *Voluntary Auction Participants*.**

**ii. *Eligible bids* ranked in the middle 50% percentile shall be assigned to the standard tranche for both *Mandatory* and *Voluntary Auction Participants*.**

**iii. Eligible bids ranked in the bottom 25% percentile shall be assigned to the junior tranche for *Mandatory Auction Participants*, subject to the application of the tolerance mechanism described below; for *Voluntary Auction Participants*, such bids shall be assigned to the standard tranche.**

**iv. Where a bid in the bottom 25% percentile remains within the applicable asset-class tolerance parameter from the best *Eligible bid*, it shall not be assigned to the junior tranche solely by reason of its ranking and shall instead be reclassified to the standard tranche.**

**In the event that two or more bids are tied at a tranche boundary, the CCP reserves the right, irrespective of whether submitted by a *Mandatory or Voluntary Auction Participant*, to assign such bids to the more favorable tranche.**

## Article B.14.1.3 Confidentiality

1. *Invited Bidders* commit to being bound by the confidentiality terms for participating in auctions set forth within an Annex.

## Article B.14.1.4 organizational and risk management resources

1. In order to promote the fruitfulness of an *Auction*, a *Clearing Member*, or where applicable, a *Trading Client* wishing to take part in an auction shall identify, within its organisation, a DMP coordinator and a back-up DMP coordinator.
2. The DMP Coordinator possesses adequate risk management and operational knowledge of the default management procedures.
3. The DMP Coordinator shall act as single point of contact between the Clearing Member, or Trading Client, and Euronext Clearing for all matters related to default management, including tests.
4. At onboarding stage, the Clearing Member, or Trading Client where applicable, shall delegate a DMP Coordinator within the fashion set forth in Article B.14.1.7.

## Article B.14.1.5 Communication

1. All communication between Euronext Clearing and the Invited Bidders shall occur through the Auction Infrastructure, which is made available by Euronext Clearing to delegated *DMP Coordinators.*
2. In case of malfunctioning, Euronext Clearing may indicate, through a Notice, a different means of communication, to be used as contingency method.

## Article B.14.1.6 Testing and preparedness

1. In order to promote the preparedness of Clearing Members and, where applicable, Trading Clients, Euronext Clearing organizes on a regular or ad hoc basis, tests concerning the implementation of its *Auction* procedure and the broader default management procedure as defined within Article B.6.2.1 of the Regulations.

## Article B.14.1.7 Onboarding requirements related to default management

1. For the purpose of the default management process, Clearing Members shall provide Euronext Clearing with a signed "auction authorization form", which includes:
   - - the delegation of powers to the DMP Coordinator and the back-up DMP Coordinator;
   - the acceptance of relevant confidentiality obligations;
2. Additionally, the Clearing Member shall transmit on behalf of its *Trading Clients* wishing to participate in an auction, to Euronext Clearing a signed "auction authorization form", which includes:
   - the delegation of powers to the Trading Client's DMP Coordinator and back-up DMP Coordinator (s);
   - the consent of the sponsoring Clearing Member, as well as the delegation of powers to the Clearing Member's DMP Coordinator(s) and back-up DMP Coordinator;
   - the acceptance of relevant confidentiality obligations;
   - by both the Trading Client and the Sponsoring Clearing Member.



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