



## GENERAL CONDITIONS PART II

### CC&G Services

#### 1. - Definitions

**1.1** Capitalized terms used in these General Conditions Part II shall be understood, unless indicated otherwise, to have the same meaning as the definitions contained in the General Conditions Part I and in the Annexes.

**1.2** In this part of the General Conditions, the term:

- **“Market”**: indicates the market (or segment thereof) relating to the Section identified in the option(s) provided in the Request for Services (by way of example, the Share Market, the Derivatives Market and the Bond Market).
- **“MIC”**: indicates the anonymous section guaranteed in Euro of the electronic trading market in monetary deposits in Euro managed by the Management Company e-MID Sim S.p.A.
- **“Clearing and guarantee service”**: indicates the activity performed upon the assumption by CC&G, as guarantor, of the position of central counterparty in relation to contracts concerning the financial instruments specified in the agreement with the Management Company, traded in each Market.
- **“MIC Guarantee Service”**: indicates the activity performed upon the assumption by CC&G, as guarantor vis-à-vis members, of the credit and debit contractual positions of the members’ market counterparties, including the clearing and guarantee mechanism for traded contracts and the forwarding of settlement instructions to the Target 2 System for the monetary deposits in Euro specified in the agreement with the Management Company and traded on the MIC.
- **“Services”**: indicates the Clearing and guarantee service and the MIC Guarantee Service.

**1.3** The provisions of the following articles are of a general character and are applicable consistently with the provisions of the Management Company and CC&G.

#### 2. - Purpose of the Clearing and guarantee service for the General Clearing Member

**2.1** From the moment that the Contract indicated in the Request for Services becomes fully effective pursuant to paragraph 2.5 of the General Conditions Part I, CC&G succeeds, according to the provisions of the Annexes, to the Contractual Positions assumed from that moment on the Market of reference, in relation to the types of contracts for which the Clearing and Guarantee Service operates, by the General Clearing Member and by Non-Clearing Members who use its services, under the terms set out in the Regulations pursuant to Part B.1 "General Provisions" and B.3.1.1. "Effects of the concluded transactions". The types of contract indicated above are made available by the methods of communication indicated at paragraph 6.2 of the General Conditions Part I.

**2.2** With respect to the Bond Section, the Transfer Orders are executed for the contracts provided for therein only, concluded in exchange with an operator that, with respect to that Section, is a Member of the Central counterparty guarantee System managed by CC&G, or member of a guarantee system managed by a Special Clearing Member.



**2.3** By appropriate agreement between CC&G and the relevant Management Company, the clauses of the General Conditions and the Annexes can be extended, without prejudice to the right of withdrawal pursuant to Article 11 of the General Conditions Part I, to new markets, or new financial instruments traded on the markets and included in the section of which the General Clearing Member is a member. CC&G will inform Members of the signing of such agreements by the methods of communication indicated at paragraph 6.2 of the General Conditions Part I.

### **3. - Purpose of the Clearing and guarantee service for Individual Clearing Member**

**3.1** From the moment that the Contract indicated in the Request for Services becomes fully effective pursuant to paragraph 2.5 of the General Conditions Part I, CC&G succeeds, according to the provisions of the Annexes, to the Contractual Positions assumed from that moment by the Individual Clearing Member on the Market of reference, in relation to the types of contracts for which the Clearing and Guarantee Service operates, pursuant to the provisions of the Regulations in Part B.1 "General Provisions" and B.3.1.1 "Effects of the transactions concluded". The types of contract indicated above are made available by the methods of communication indicated at paragraph 6.2 of the General Conditions Part I.

**3.2** With respect to the Bond Section, the Transfer Orders are executed for the contracts provided for therein only, concluded in exchange with an operator that, with respect to that Section, is a Member of the Central counterparty guarantee System managed by CC&G, or member of a guarantee system managed by a Special Clearing Member.

**3.3** By appropriate Agreement between CC&G and the relevant Management Company, the provisions of the General Conditions and the Annexes can be extended, without prejudice to the right of withdrawal pursuant to Article 11 of the General Conditions Part I, to new markets (or segments), or new instruments traded on the markets and included in the section of which the Client is a member. CC&G will inform Members of the signing of such agreements by the methods of communication indicated at paragraph 6.2 of the General Conditions Part I.

### **4. - Purpose of the Clearing and guarantee service for the Non-Clearing Member**

**4.1** From the moment that the Contract indicated in the Request for Services becomes fully effective pursuant to paragraph 2.5 of the General Conditions Part I, the Non-Clearing Member avails itself, for the Market of reference, of the services of the System as provided in the Annexes. Consequently, the General Clearing Member and CC&G succeed to the Contractual Positions assumed on the Market from that moment by the Non-Clearing Member, in relation to the types of contracts for which the Clearing and Guarantee Service operates, under the terms set out in the Regulations pursuant to Part B.1 "General Provisions" and B.3.1.1 "Effects of the transactions concluded". The types of contract indicated above are made available by the methods of communication indicated at paragraph 6.2 of the General Conditions Part I.

**4.2** The Contractual Positions registered with CC&G in the name of the General Clearing Member and which relate to the Non-Clearing Member shall be understood as exclusively belonging to the legal relationships existing between CC&G and the General Clearing Member. Therefore, the Non-Clearing Member may not make any claim against CC&G or assert any power over the said Contractual Positions or over the said accounts, as such registrations do not give rise to any relationship between the Non-Clearing Member and CC&G.

**4.3** The Non-Clearing Member remains bound, including vis-à-vis CC&G as administrator of the System, by all the provisions of the agreements that it has concluded with the General Clearing Member and communicated to CC&G. CC&G, by virtue of its receipt of such agreements, is entitled to perform credit or debit transactions arising therefrom in accordance with the provisions of the Annexes.

**4.4** With respect to the Bond Section, the Transfer Orders are executed for the contracts provided for therein only, concluded in exchange with an operator that, with respect to that Section, is a Member of the



Central counterparty guarantee System managed by CC&G, or member of a guarantee system managed by a Special Clearing Member.

**4.5** By appropriate Agreement between CC&G and the relevant Management Company, the clauses of the General Conditions and the Annexes can be extended, without prejudice to the right of withdrawal pursuant to Article 11 of the General Conditions Part I, to new markets (or segments), or new financial instruments traded on the markets and included in the section of which the Non Clearing Member is a member. CC&G will inform Members of the signing of such agreements by the methods of communication indicated at paragraph 6.2 of the General Conditions Part I.

**4.6** The art. 4 bis shall also apply to Non Clearing Member, which requires to General Clearing Member the registration of Contractual Positions and guarantees in a segregated third party account, when a Designated Clearing Member has not been appointed.

#### **4. bis - Subject of the clearing and guarantee service for the Member Pro-tem**

**4.1 bis** Notwithstanding the provision of Article B.6.1.2 of the Regulations, the Member Pro-tem shall transmit to CC&G - within 5 open days of CC&G - the agreement with the Designated Clearing Member for the purpose of governing the portability of the Contractual Positions and of the guarantees.

**4.3 bis** In the above-mentioned period of time the Member Pro-tem may not operate on the System and CC&G requires to Member Pro-tem to provide to the payment of the Margins in the manner notified by CC&G from time to time.

**4.4 bis** The provisions of Article B.6.2.1. of the Regulations shall apply to the Member Pro-tem which does not perform the obligations provided in Clauses 4.1-bis and 4.2-bis above.

#### **5. - Obligations of the Client of the Clearing and guarantee service**

**5.1** In this and in subsequent articles, 'Client' is understood as any Member of the Clearing and guarantee system unless indicated otherwise.

**5.2** From the moment that the Contract indicated in the Request for Services becomes fully effective pursuant to paragraph 2.5 of the General Conditions Part I and of the Regulations, with regard to the Member Pro-tem, a Client who is Clearing Member is bound to settle with CC&G, either directly or through a Settlement Agent according to the general options duly chosen, the Margins on Contractual Positions registered in the accounts in their name and, where provided, payments to the Default Fund and other amounts due for other reasons, within the deadlines and according to methods established by CC&G and communicated pursuant to Article 6 of the General Conditions Part 1.

**5.3** Given that CC&G is authorized to make transfers and/or to liquidate Contractual Positions on the Market in the specific cases provided for in the Annexes, the Client is bound, acting as guarantor vis-à-vis CC&G, to include appropriate clauses in contracts with its customers that authorise the Client to accept the procedures indicated in the said Annexes in relation to the transfer and settlement on the Market of Contractual Positions registered in third party accounts and, where existing, in sub-accounts, as CC&G is wholly extraneous to relations between the Client and its respective customers.

**5.4** Without prejudice to the provisions of Article 8 of the General Conditions Part I, the Client remains obligated to the Service Providing Company to introduce specific safeguard clauses in contracts with its customers which provide that the said customers are required to advance any claim directly or indirectly connected with the relationship established with the Client exclusively against the Client itself,



without prejudice to the liability of the Service Providing Company to the Client pursuant to Article 8 of the General Conditions Part I.

**5.5** With reference to Clearing and guarantee Service in the Agricultural Commodity Derivatives in case of alternative delivery under art.B.5.2.9 of the Regulations the Client or the different entity, which shall withdraw the underlying, is bound to avail itself of the structures identified in the Instructions for the storage of the underlying according to the contractual provisions and the fees provided therein. In case of complaint about the quality of the wheat, the Client or the above mentioned person may use the structures identified in the Instructions for taking samples and making the analysis of the wheat according to the contractual provisions and the fees provided therein.

#### **6. - Suspension of the effects of the Client's withdrawal from the Clearing and guarantee service**

**6.1** The Client is bound to close all the Contractual Positions registered in the accounts corresponding to it by the date of effect of the withdrawal indicated in the relevant notice.

**6.2** In the event that the Client does not comply with the provisions of paragraph 1 above, the withdrawal shall have effect from the expiry of the Contractual Positions still existing on the said date. In the intervening period, only the effects expressly provided for in the Regulations shall be produced.

#### **7. - Suspension from execution of the Clearing and guarantee service, its cessation and default procedures**

**7.1** The execution of the Clearing and guarantee service with respect to the Client may be totally or partially suspended by CC&G, as indicated in the Regulations, including with respect to the effects of any such suspension.

**7.2** CC&G may exclude Clients from the Clearing and guarantee system in application of the provisions of Article 12 of the General Conditions Part I, and, more specifically, of the Regulations, with the effects provided for therein.

**7.3** In cases of exclusion, the provisions of Article B.2.2.5 of the Regulations shall apply.

#### **8. - Purpose of the MIC Guarantee Service**

**8.1** In this Article, the Client is understood as a Member of the MIC Guarantee Service.

**8.2** From the moment that the Contract indicated in the Request for Services becomes fully effective pursuant to paragraph 2.5 of the General Conditions Part I, the Client avails itself of the services of the MIC Guarantee System as provided in the Annexes. Consequently, from the moment indicated in the Annexes, CC&G succeeds to the Contractual Positions assumed by the Client, in relation to the types of contracts tradeable on the MIC and for which the MIC Guarantee Service operates, under the terms indicated in Chapter B.1.1 of the Regulations.

**8.3** The commencement of the MIC Guarantee Service to the Client is conditional on the Client's prior establishment in favour of CC&G of a pledge on financial instruments as provided by Italian Legislative Decree No. 170 of 2004, and the payment of the amount of contribution to the Default Fund, according to the methods established in the Regulations.



## **9. - Obligations of the Client of the MIC Guarantee Service**

**9.1** From the moment that the Contract indicated in the Request for Services becomes fully effective pursuant to paragraph 2.5 of the General Conditions Part I, the Client is bound to pledge financial instruments in favour of CC&G, as provided by Italian Legislative Decree No. 170/2004, and to supplement and replace the Guarantees and pay and/or supplement the share pertaining to it of the Default Fund, to the extent established by CC&G and notified pursuant to Article 6 of the General Conditions Part I, in accordance with the replacement and supplement clauses established by the said Regulations of the MIC Guarantee System.

**9.2** The Client is required to introduce, both before and after the Contract indicated in the Request for Services becomes fully effective, organisational solutions that guarantee adequate and efficient back office structures and monitoring, both in terms of numbers and professionalism of the personnel assigned and in terms of the technological and information technology systems used, that can guarantee orderly, continuous and efficient management of the activities and relations provided for in the Regulations and the performance in any and all events of all obligations arising therefrom.

## **10. - Suspension from execution and termination of the MIC Guarantee Service**

**10.1** The execution of the MIC Guarantee Service with respect to the Client may be suspended by CC&G, in full or in part, as indicated in the Regulations, including with respect to the effects of any such suspension.

**10.2** CC&G may exclude Clients from the MIC Guarantee Service in application of the provisions of Article 12 of the General Conditions Part I, and, more specifically, of the Regulations, with the effects provided for therein.

## **11. - The Technological Infrastructure**

**11.1** The clearing and guarantee service and the MIC Guarantee Service include, inter alia, the provision of the Technological Infrastructure, according to the provisions of the Annexes. From the moment that the Contract indicated in the Request for Services becomes fully effective pursuant to paragraph 2.5 of the General Conditions Part I, CC&G shall send the codes, the relevant passwords and, where provided, the electronic files containing the instructions for obtaining the digital certificate by electronic means. CC&G also provides technical-operational assistance to enable the Client to connect its hardware and software equipment to the Technological Infrastructure provided by CC&G in accordance with the provisions of the Annexes.

**11.2** The Technological Infrastructure enables the Client to exchange data and information with CC&G and send and receive orders and instructions relating to the Clearing and guarantee system using distance communication means.

**11.3** CC&G continuously records contracts using the electronic network connection between CC&G and the Client. Proof of transactions carried out by the Clients, and any other communication sent over the Technological Infrastructure, is validly provided by the recordings of electronic connections made by CC&G. The Technological Infrastructure enables the Client to acquire durable evidence of all information, requests and instruction exchanged using the Infrastructure.

**11.4** The Client is also bound to take all necessary measures to prevent unauthorised use of the Technological Infrastructure.

## **12. - Intellectual and/or industrial property rights**

**12.1** The trademarks of Cassa di Compensazione e Garanzia, CC&G, BCS and ICWS are the property of Cassa di Compensazione e Garanzia and the Borsa Italiana trademark is the property of Borsa Italiana. The said trademarks and any further trademarks belonging to the London Stock Exchange Group may not



be used without the prior written consent of the London Stock Exchange Group company that is the owner of the trademark.

**12.2** The Services, Technological Infrastructure the layout and content of the websites [www.lseg.com/areas-expertise/post-trade-services/ccp-services/ccg](http://www.lseg.com/areas-expertise/post-trade-services/ccp-services/ccg), [www.bit-club.it](http://www.bit-club.it) e [www.borsaitaliana.it](http://www.borsaitaliana.it) and the Services, including, by way of example, all the data, information, communications, editorial content, software, photographs, videos, graphics, music, designs, sounds, procedures for acquisition and management of data and in general any material and service present therein, where not indicated otherwise, are the exclusive property of the company of the London Stock Exchange Group indicated in the sites themselves and are protected by copyright and intellectual property law.

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