

globeSettle S.A. CSD rules

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CSD Rules

globeSettle S.A.

Article 1: Definitions

For the intents and purposes of these CSD Rules:

“Account” shall mean a securities account held by an Intermediary with globeSettle S.A.;

“Agent Bank” shall mean a bank acting as a cash agent for a globeSettle S.A. Participant or, as the case may be, for globeSettle S.A. itself;

“Ancillary Services” shall mean services offered by globeSettle S.A. in addition to the core central securities depository and settlement services;

“Cash availability of the Intermediary using an agent bank (herein after IUA)” shall mean the difference between the exposure limit of each IUA (*“cap”*) and its actual utilisation;

“Client Securities” shall mean Securities held by an Intermediary with globeSettle S.A. on behalf of one or more of its clients;

“Collecting bank” shall mean the Intermediary appointed by the Issuer to withdraw the funds deriving from corporate events;

“CSD Rules” shall mean these central securities depository and settlement services Rules governing the organisation and operation of the central securities depository and settlement Services and related Ancillary Services performed by globeSettle S.A.;

“Daily cap” shall mean the maximum amount assigned by the agent bank to the IUA for a given settlement date;

“Data” shall mean the elementary and/or aggregate data entered into or generated by the systems used for the supply of the Service(s) and all the data and information concerning the Service(s) owned by globeSettle S.A.;

“Governing Documents” shall mean these CSD Rules, the Instructions and the Service Notices as applicable from time to time and such other documents that globeSettle S.A. may so designate from time to time;

“Indirect participant” means (i) a Participant who participates directly in the Matching and Routing Service but holds no securities account in globeSettle S.A. and relies for the settlement of transactions on the Account of another Participant or (ii) a Participant who participates in the custody and settlement Services of globeSettle S.A. using an agent bank for the settlement of the cash leg of its transactions.

“Instructions” shall mean the implementing provisions of these CSD Rules issued from time to time by globeSettle S.A.;

“Intermediaries” shall mean the entities participating in the System (other than the Issuers acting in their capacity as such) and authorized to hold Accounts on which Securities and the related transfers are recorded in accordance with these CSD Rules;

“Issuers” shall mean the companies and bodies that issue Securities eligible for admission to the System;

“globeSettle S.A.” shall mean globeSettle Société Anonyme;

“Matching and routing service” shall mean the system managed by globeSettle S.A. for the acquisition, matching and routing of transactions to settlement;

“*Ordinary cap*” shall mean the maximum current amount assigned by the agent bank to the IUA;

“*Other CSD*” shall mean an entity, other than globeSettle S.A., that engages in business activities similar to the central securities depository and/or settlement services provided by globeSettle S.A.;

“*Participants*” shall mean Intermediaries and/or Issuers.

“*Proprietary Securities*” shall mean the Securities held by an Intermediary with globeSettle S.A. and ultimately and beneficially owned by that Intermediary;

“*Record date*” shall mean the day at the end of which the entitlements to Securities and the entitlement to exercise the related rights are verified on the basis of the entries on Accounts opened in the names and at the request of the Intermediaries participating in the System;

“*Reversal order*” shall mean any law, regulation, order, judgment, injunction, asset freeze or other action of, or by, any government, court or other instrumentality of government, the legal effect of which is to:

- i) deprive globeSettle S.A., the Participant’s counterparty, or any Other CSD or sub-custodian or any agent, acting on behalf of any of the foregoing, of the ability or authority to deliver Securities or to make credits or debits to the account of one of the foregoing; or
- ii) constitute a determination that an entity listed in clause (i) did not have such ability or authority ; or
- iii) require an entity listed in clause (i) to revoke, reverse, rescind or correct such debits or credits, or both;

“*Securities*” shall mean the financial instruments (as defined in the law of 5 April 1993 on the financial sector, as amended) that are admitted from time to time to the System;

“*Services*” means the services offered by globeSettle S.A. to a Participant;

“*Service communications*” shall mean information made available by globeSettle S.A. backing transactions handled by the System;

“*Service notices*” shall mean the operating instructions issued by globeSettle S.A. for specifically identified individual transactions;

“*SIA*” means SIA S.p.A., a company incorporated in Italy, with registered office in Milan, Companies Register n° 10596540152;

“*System*” shall mean the central securities depository and securities settlement system, operated by globeSettle S.A.;

“*TARGET2 System*” shall mean the Trans-European Automated Real-time Gross settlement Express Transfer system referred to in the Guideline of the European Central Bank (ECB/2012/27) of 5 December 2012 (recast), as amended from time to time;

“*Technological Infrastructure*” shall mean the hardware and/or network infrastructure and/or software products provided to the Participant by globeSettle S.A. for the supply of the Service(s);

Article 2: Scope of the CSD rules

1. These CSD Rules shall govern, on the basis of non-discriminatory transparent and objective principles:
 - a) the organisation and operations of the central securities depository, matching and routing service and settlement services;
 - b) the categories of securities eligible for admission to the central securities depository, matching and routing service and settlement services;
 - c) the admissions to the central securities depository, matching and routing service and settlement services;

- d) the conditions and procedures for the suspension and exclusion of participants;
 - e) the basic elements of the contracts governing the relations between globeSettle S.A. and participants admitted to the central securities depository, matching and routing service and settlement services;
 - f) the procedures for the administration of securities admitted to the central securities depository and settlement services.
2. globeSettle S.A. does not provide banking type of services.
 3. The instructions shall supplement these CSD rules as regards the operational aspects of the system and the services provided. The instructions shall form part of the contractual framework between globeSettle S.A. and the participants.

Article 3: Organisational structure

1. To increase the efficiency and quality of its services, globeSettle S.A. has outsourced in particular the following functions:
 - a) To Monte Titoli S.p.A. ("MT"): the operational core services (operational services, IT system and infrastructure) globeSettle S.A. requires to provide:
 - i) services as securities settlement system (including custody, OTC and on exchange settlement as well as ancillary services relating thereto);
 - ii) notary services (including initial recording, record keeping as issuer or investor CSD and reporting);
 - iii) central administration services (including corporate actions, income processing and fiscal services); and
 - iv) information services (including standard automatic reporting, customised reporting and regulatory reporting),
 - b) To London Stock Exchange plc. ("LSE") and Borsa Italiana S.p.A. ("BI"): internal governance and corporate services to support the provision of globeSettle S.A.'s services and globeSettle S.A.'s internal control and management systems, comprising regulatory services, legal services, finance planning and control services, internal finance systems and related services, internal IT corporate services, internal audit services, risk management, crisis management and business continuity services and other globeSettle S.A. management services.

MT has outsourced the provision of a number of the operational core services to SIA in Italy. However MT is the direct counterparty for these services with globeSettle S.A.

2. The participant herewith instructs and empowers globeSettle S.A. to make available to MT (and, as the case may be, through MT to SIA) and LSE group or any entity forming part of the of the LSE group all such personal details and information on securities holding and transactions of the participant, including name, address, identity of authorized signatories, name of counterparties, assets in custody and transaction information, that MT, LSE and BI may need for the proper performance of their services to globeSettle S.A.
3. globeSettle S.A. remains solely responsible towards all participants for the acts of MT, LSE and BI (including their respective subcontractors, if any) and each participant understands that neither MT, nor LSE, nor BI (including their respective subcontractors, if any) owes any duty to such participant in relation to the services provided by MT, LSE and BI to globeSettle S.A. and consequently agrees that it has no right (including no right of action) in this respect against MT, LSE and BI, any entity forming part of the of the LSE group or SIA.
4. Securities not issued through the system will be held by globeSettle S.A. on behalf of the intermediaries, in the name of globeSettle S.A. with a sub-custodian (in Luxembourg or abroad) or an other CSD or for certain registered securities in the name of globeSettle S.A. or a nominee of globeSettle S.A. in the records of the issuer upon such terms and conditions as may be customary for deposits or holder of record with such entities or upon such terms and conditions as may be agreed by globeSettle S.A.

Each such sub-custodian or, depending on the circumstances, Other CSD may in turn sub-deposit the securities with other depositaries without globeSettle S.A.'s or the Intermediaries' consent.

5. The names and addresses of the sub-depositaries and other CSDs used by globeSettle S.A. are published on the website of globeSettle S.A. The deposit of securities by an intermediary with globeSettle S.A. shall constitute an approval of such intermediary of the list of sub-depositaries and Other CSDs appearing from time to time on such list.

Article 4: Securities account opening

1. globeSettle S.A. will open an account for each intermediary admitted to the system. With the consent of globeSettle S.A. an intermediary may open more than one account or sub-accounts to any of its accounts.
2. Each intermediary must segregate, with respect to securities held with globeSettle S.A., proprietary securities from client securities. The intermediary may request that globeSettle S.A. keeps several client securities accounts to enable the intermediary to segregate the securities of its clients. Securities held in an account by an intermediary shall be deemed to be proprietary securities, unless they are specifically identified in a segregated account as client securities.
3. Participants are requested to indicate cash accounts for the settlement for any cash payment related to the services according to the modalities set forth in the Instructions.
4. It is agreed that all accounts are located and maintained for all purposes at the registered office of globeSettle S.A. in Luxembourg and shall be governed solely by the Governing Documents and Luxembourg Law, notwithstanding any outsourcing or sub-custody arrangements made by globeSettle S.A.
5. All accounts will be opened in the name of the intermediary, who will be responsible and liable for the fulfilment of all obligations pertaining thereto.

Article 5: Securities administered through the system

1. Securities issued through the system (i.e. centralised securities in accordance with Article 19) shall be administered directly by globeSettle S.A and Securities issued through Other CSDs shall be administered indirectly through links with such Other CSDs on the basis of specific agreements.
2. globeSettle S.A. shall inform intermediaries about the creation of the links referred to in the previous paragraph as specified in the instructions.

Article 6: Admission of securities to the system

1. Securities may be admitted to the system at the request of the issuer or, only in the case of securities administered through an other CSD, at the request of the intermediaries and/or the other CSD in question.
2. globeSettle S.A. shall inform intermediaries upon admission of securities to the system.
3. The admission of securities to the system does not affect the statutory obligations arising from the rights attaching to the securities in question.
4. Only fungible securities will be admitted to the system.

Article 7: Exclusion of securities from the system

1. Securities may be excluded from the system.
2. Where securities are excluded from the system, globeSettle S.A. shall give immediate notice to the intermediaries and, for securities issued through the system, to issuers and shall transfer said securities to the intermediaries and make corresponding records in the issue account of the issuer
 - at the expense and risk of the intermediaries, in accordance with the procedure described in the instructions and operating documents, for directly administered securities;
 - in accordance with the procedures agreed upon with other CSDs for securities administered indirectly by globeSettle.

Article 8: Good delivery

1. Each intermediary undertakes that the securities deposited by it with globeSettle S.A. shall be of good delivery at the time of the deposit with globeSettle S.A. and thereafter. globeSettle S.A. shall have no duty to verify whether such securities are of good delivery.

globeSettle S.A. may *inter alia* consider that securities are not of good delivery in the following circumstances:

- i) the securities have been called for redemption prior to delivery to globeSettle S.A.;
 - ii) there is an apparent or actual defect in the title to such securities;
 - iii) there is an encumbrance affecting such securities which means that they cannot be freely transferred or delivered free of such encumbrance in any relevant market;
 - iv) the securities are, or become, subject to a stop order or a stop order notice;
 - v) deposit, transfer or other disposition of such Securities would violate any national or foreign law, regulation or order of any government, governmental agency (including any court or tribunal) or self-regulatory organisation, or would subject globeSettle S.A., its nominee, its related other CSD, its sub-custodian or any third party on whose behalf globeSettle S.A. is acting, to any requirements or liability under any national or foreign law, regulation or order by reason of the acceptance or holding of such securities by globeSettle S.A., its nominee, its related other CSD, its sub-custodian or such third party;
 - vi) certificates representing such securities do not appear to be genuine, or are not in good physical condition; or
 - vii) the securities are attached, restrained or otherwise subject to any other encumbrance at any level of the holding chain with the effect that globeSettle S.A. cannot freely transfer such securities or is subject to actual or potential special liabilities; or
 - viii) any other circumstance which adversely affects the holding or transfer of the securities or exposes globeSettle S.A. to actual or potential liability because of the holding or transfer of the securities.
2. Any securities found not to be of good delivery at any time after its deposit with globeSettle S.A. may be blocked by globeSettle S.A. or debited to the account of the intermediary for whose account the securities were most recently deposited into the system. If the credit balance of such securities in the intermediary's account is insufficient to cover such debit, the intermediary shall immediately replace such securities with equivalent securities of good delivery. If such intermediary does not, within 5 days, deliver as such (or cause to be credited) such securities, globeSettle S.A. may purchase, for the account and at the sole expense of such intermediary, the amount of such securities.
3. The risk of securities not being of good delivery shall entirely be borne by the intermediary. The intermediary shall indemnify and hold globeSettle S.A. harmless on demand in respect of any direct or indirect loss, claim (including third party claim), liability or expense (including any lawyers or expert fees and cost paid by globeSettle S.A. for the investigation, analysis and/or defence of the matter) suffered or incurred by globeSettle S.A. arising from or in connection with the fact the securities were transferred to globeSettle S.A., or deposited with globeSettle S.A. or sub-deposited by globeSettle S.A. and are found not to be of good delivery, unless such is due to the gross negligence or wilful misconduct of globeSettle S.A.

Article 9: Physical delivery of securities

globeSettle S.A. does not accept to deliver to any intermediary individual certificates representing securities held by an intermediary in an account with globeSettle S.A.

Article 10: Intermediaries

As a professional custodian of financial instruments, globeSettle S.A. may only admit to the system entities qualifying as credit institutions, investment undertakings, certain specialized professionals of the financial sector, central banks, central securities depositories, central counterparties and other entities that have a professional access to the financial markets.

Participation in the settlement system can be in one's own name and on one's own behalf or in the name and on behalf of third parties, using the corresponding accounts opened in the system.

Entities participating in the settlement system on behalf of third party intermediaries use, for this purpose, one or more accounts opened, within the system, for the intermediaries on behalf of whom they are acting.

Article 11: Issuers

Entities that issue securities eligible for admission to the system may participate in the system as issuers, subject to these CSD Rules (including, without limitation, Article 6 thereof), the specific contractual arrangements with globeSettle S.A. applicable to issuers and the instructions.

Article 12: Participation requirements

1. Participants have to comply, on initial request for participation in the system and on an ongoing basis, with the following requirements:
 - a) to maintain an organisational structure committed to the activities relating to the system which is appropriate with the volume of activities performed, provided with appropriate professional qualifications and having appropriate operating hours;
 - b) to maintain a representative for liaison with globeSettle S.A., available during the operating hours of the system and having knowledge of globeSettle S.A.'s operating rules. The name of the representative must be communicated to globeSettle S.A.;
 - c) to maintain IT tools compatible with the system;
 - d) to maintain the ability to communicate according to Article 18;
 - e) to be in a sound financial condition;
 - f) not to adversely affect the risk profile of globeSettle S.A.
2. Participants have in addition to comply, on initial request for participation in the system and on an ongoing basis, with the following requirements:
 - a) have an account at globeSettle S.A.;
 - b) for cash settlement in euro, have an account in the TARGET 2 system, or use an agent bank;
 - c) for cash settlement in currencies other than the euro, have an account with a bank with which globeSettle S.A. has entered into specific agreements, or use an agent bank;
 - d) use the protocols and technical standards prepared by globeSettle S.A. for the dispatch of communications concerning transactions to be settled;
 - e) the terms of any other agreements entered into from time to time with globeSettle S.A.
3. Participants shall notify, in the manner and within the initial time limits specified in the instructions, compliance with the requirements listed in paragraphs 1 and 2 as well as on an ongoing basis any change in or temporary non-compliance with such requirements.
4. Participants may entrust third parties with the management of operating procedures and technological systems according to the conditions provided in the instructions. These entities must fulfil the requirements referred to in paragraph 1.

Article 13: Participation and fees

1. Entities wishing to avail themselves of the services offered by globeSettle S.A. must present a specific application for the opening of an account.
2. After ensuring that all the requirements set forth for each service have been met and that the supporting documents submitted are complete and in good order, globeSettle S.A. shall send the applicant a letter of acceptance, confirming the admission to the service and the date of commencement of the relationship.
3. Participants are required to pay fees for the services provided in the amount, with the frequency and within the time limits established from time to time by globeSettle S.A. as set out in the price list published on the website of globeSettle S.A. (the "price list"). Any changes in such fees shall be notified to the participants.
4. Without prejudice to Article 15, if the participant fails to pay the fees due within the prescribed time, default interest shall be charged automatically on the amount in question without the need for a written notification at the highest three-month Euribor observed in the period the payment is overdue plus two percentage points.

Without prejudice to the right to file a separate action for money had and received, the participant may not raise any objections, even in the event of interruptions or suspensions in the supply of the service, aimed at avoiding or delaying payment of the fees due and any penalties or default interests thereon.

The participant remains bound to pay any penalties applied. The payment of penalties shall not preclude the possibility for globeSettle S.A. to demand strict performance and/or recover damages for any greater loss actually suffered.

5. The participant herewith grants authority to globeSettle S.A. to debit from its account with TARGET 2 (for EUR) or with any cash correspondent bank (for non EUR currencies) as notified to globeSettle S.A. and provided for under these CSD Rules, all amounts due from time to time by the participant acting for its own account or as agent bank to globeSettle S.A.
6. The participant shall pay or, as the case may be, reimburse to globeSettle S.A. all taxes and duties relating to transactions settled via globeSettle S.A. or relating to securities deposited with globeSettle S.A. and paid by globeSettle S.A., or for which globeSettle S.A. is or may be held liable, or that may be created in the future by Luxembourg or foreign authorities and paid by globeSettle S.A. or for which globeSettle S.A. is or may be held liable. globeSettle S.A. is authorised to debit any amount so due from the participant's account irrespective of the settlement date of the original transactions.
7. To the extent required by any law or regulatory or other public authority to which globeSettle S.A. is subject, each participant shall permit any control functions of globeSettle S.A. or of any other member of the LSE Group and any external auditor or regulator of globeSettle S.A. to:
 - (a) access any data or documents related to the services used by the participant; and
 - (b) carry out on-site verifications on any premises used by the participant.

Article 14: Covenants

1. The participant undertakes to comply with:
 - i) all national or foreign laws, decrees, regulations and governmental orders (including, but not limited to, any orders, writs, judgments, injunctions, decrees, stipulations, determinations or awards entered by any court, tribunal, government, governmental authority, regulatory, self-regulatory or administrative agency or governmental commission) applicable to the participant, or to securities, held on the participant's behalf by globeSettle S.A., or, regarding the services requested by the participant, performed or to be performed, for the participant, or on the participant's behalf, by globeSettle S.A.; and
 - ii) any contract, agreement or other instrument binding upon the participant, including, without limitation, the Governing Documents

globeSettle S.A. shall be under no duty to verify compliance with any of the above.
2. Each participant is required to:
 - a) use any technological infrastructure in accordance with the Governing Documents. Accordingly, the participant may not modify, adapt, transfer in any way to third parties, sell, rent, commercialise or exploit in any way or by any means all or part of any technological infrastructure provided or move the same from where it was installed or remove any distinctive signs therefrom;
 - b) use the basic and applications software of the service, licensed and/or sublicensed to the participant by globeSettle S.A., the related documentation and, more generally, the service itself and the data exclusively for the purposes of the service;
 - c) conserve diligently and use in accordance with the instructions received from globeSettle S.A. or contained in the service manuals, the codes and related passwords of the service(s) and, where applicable, the optical magnetic support containing the instructions on how to obtain by electronic means the digital certificate needed to use the service. The participant shall be responsible for their improper use by whomsoever and for any consequences of the unauthorised use of codes, related passwords and, where applicable, digital certificates;
 - d) apply promptly to globeSettle S.A., in the manner specified in article 18.4, for the disabling of codes, related passwords and, where applicable, digital certificates if they are lost or stolen or if there are good grounds for believing that extraneous third parties know the codes, related passwords and, where applicable, digital certificates. Following the participant's report, globeSettle S.A. shall disable the lost or stolen codes, related passwords and, where applicable, digital certificates and send the participant new ones;
 - e) indicate in a request for services the name of the contract representative of the participant as a person in a sufficiently high position, authorised to receive from and submit to globeSettle S.A., in the name and on behalf of the participant, any declaration or instruction provided for in the Governing Documents. The replacement of such person shall take effect, unless agreed otherwise by the parties, from the business day subsequent to that on which the written communication thereof reaches globeSettle S.A. or such later date as specified by the participant in the communication;

- f) provide the data and information requested under applicable law, the Governing Documents in a truthful, complete and accurate way and in the format established by globeSettle S.A.;
 - g) recognise as its own any communication, order or instruction sent through the technological infrastructure through the use of the codes and of the related passwords and, where applicable, digital certificates assigned to it;
 - h) inform globeSettle S.A. immediately of any total or partial interruption, suspension, delay or malfunctioning in the supply or use of the service;
 - i) inform globeSettle S.A. promptly, or in any case within the time limits established in the Governing Documents, of subsequent failure to satisfy the requirements for use of the service and of any change to the contents of the request for services and/or the Governing Documents;
 - j) comply promptly with any request made by globeSettle S.A. in the performance of its duties as the manager of the service thereof concerning data, information or documents to be transmitted to globeSettle S.A.
3. The participant shall bear the risk and indemnify and hold globeSettle S.A. harmless against any direct or indirect loss, claim, damage, liability or expense (including any lawyers or expert fees and cost paid by globeSettle S.A. for the investigation, analysis and/or defence of the matter) incurred by globeSettle S.A.,
- i) as a result of the failure of the participant to fulfil the obligations set forth in the preceding paragraphs or elsewhere in these CSD Rules or the Governing Documents; or
 - ii) by virtue of the fact that globeSettle S.A. holds securities, deposited by the participant or has received payments in connection therewith, or in connection with, any transaction performed, or to be performed, at the instruction or on behalf of the participant, and, arising out of, or, caused by the operation of any national or foreign laws, decrees, regulations or governmental orders (including, but not limited to, any orders, writs, judgments, injunctions, decrees, stipulations, determinations or awards entered by any court, tribunal, government, governmental authority, regulatory, self-regulatory or administrative agency or governmental commission); or
 - iii) as a result of participant's direct instruction to issuers or any entity acting for such issuers; or
 - iv) as the case may be, as a result of the exercise by the final investors, the client of the participant, or by the participant, of their respective rights to claim direct proprietary rights in their respective assets held by globeSettle S.A. in the relevant Issuer's register or with an other CSD or a sub-custodian; or
 - v) any actions, proceedings, claims or demands being taken or asserted against any other CSD, sub-custodian, agent or nominee as a result of globeSettle S.A. providing services to the participant.
4. Each participant shall be responsible for notifying globeSettle S.A. in writing, with appropriate supporting documents, of any change in its legal capacity or in the extent or validity of the signing authorities of its representatives, and globeSettle S.A. shall have no obligation to make any inquiry or investigation with respect to such changes.

Article 15: Measures involving participants

1. globeSettle S.A. may suspend or exclude a participant from the system in the event of irregularities of the participant causing malfunctioning or delays in the carrying out of the services (including without limitation the consistent and systematic failure to deliver securities when due) or of lack of compliance by the participant with the Governing Documents or in any case of conduct by the participant not compatible with the smooth functioning of the system.
2. In such case globeSettle S.A. may impose cash penalties, as provided for by applicable law or regulation, on the relevant intermediary in the amounts set out in the Governing Documents.
3. globeSettle S.A. may at any time, without having to state any reasons, terminate the participation of any participant in the system by giving such Intermediary thirty (30) days' notice.
4. globeSettle S.A. may upon notice effective immediately, terminate or suspend the provision of services to a participant if in globeSettle S.A.'s opinion the intermediary is in material breach of any obligation incumbent upon it under the Governing Documents.

The same applies if globeSettle S.A. reasonably believes, in view of the then current circumstances,

- a) that the participant's ability to fulfil the obligations incumbent upon it is materially affected, including, but not limited to, the occurrence of any of the following circumstances:
 - i) the intermediary becomes subject to reorganisation measures or liquidation proceedings or any action to that effect is commenced against the participant;

- ii) the application by the intermediary for composition with its creditors, whether in or out of court or for the deferment of its debts;
 - iii) the admission by the intermediary of its inability to pay its debts generally as they become due;
 - iv) the intermediary loses the licence that is necessary to do the business for which it has sought its admission to the system or to qualify as eligible participant in the system within the meaning of Article 10.
- b) that, for any reason, the delay in the effectiveness of the termination could be materially prejudicial to the interests of globeSettle S.A. or other participants.
5. An intermediary may resign from the system by giving notice to globeSettle S.A. Such resignation will be effective upon the date upon which all transactions of such intermediary with respect to any account have been settled, provided that from and after the time that globeSettle S.A. receives notice of such resignation it may decline to accept any Instruction or give effect to any transactions which would result in any credit to any account in the name of such intermediary.
6. A suspended or excluded intermediary may not enter new transactions in the settlement system.
7. Notice of the suspension or exclusion will be given by globeSettle S.A. to all relevant persons.

Article 16: Accounts opened for intermediaries and transaction statements

1. globeSettle S.A. shall record in each account all securities movements that occur in such account. No accounts may present a debit balance.
2. Intermediaries may only effect dispositions of securities once the latter are unconditionally credited to their account.
3. At the end of each accounting day, globeSettle S.A. shall send intermediaries a statement showing both the opening and closing balances of their account(s). Such statement shall also indicate the quantity of any securities not available for transfer or delivery for settlement as well as any movements in the account(s) occurred during the day, if these have not been notified before.
4. Intermediaries shall review all account statements and/or communications as soon as reasonably possible and at the latest fifteen (15) business days following the dispatch of the same by globeSettle S.A. and, if they find any discrepancies in such account statements and/or communications, they shall notify globeSettle S.A. thereof no later than the business day following the review date.

In the absence of such notification, the statement and/or the aforesaid movements shall be deemed to be approved and ratified.

Article 17: Issue account opened in the issuer's name and transaction statements

1. In the name and at the request of issuers, globeSettle S.A. shall open, for each of them, issue accounts which keep separate evidence of each issue containing all the information communicated by the Issuer that is necessary for identifying the features of the issue itself and, at least, the type of Security, the ID, the quantity issued, the total value of the issue, the split and any related rights.
2. globeSettle S.A. shall send transaction statements to Issuers as a record of all accounting movements carried out on the relevant Securities.
3. If an issuer finds any discrepancies in a statement and/or a communication relating to individual account movements carried out in the course of the day, they shall give notification in writing within ten days following the receipt of same.
4. In the absence of such notification, the statements and/or the aforesaid movements shall be deemed to be approved and ratified.
5. The Issuer must send globeSettle S.A. a report within 10 (ten) calendar days, under penalty of foreclosure, from the day on which it became aware, or should have become aware (using due diligence) of the occurrence of a loss-producing event it deems to be the responsibility of globeSettle S.A. Failure to respect such time limit shall entail lapse of the issuer's rights in this regard. The report shall contain a precise indication of the time at which the loss-producing event occurred, the circumstances under which it occurred and an assessment of the loss produced. The related supporting documentation, including in relation to the size of the loss incurred and consequent claim, must be received by globeSettle S.A. within 20 (twenty) calendar days of the expiration of the time limit referred to above.

Article 18: Communications

1. globeSettle S.A. shall send to the participant communications of a general nature and individual communications in the ways specified in the following paragraphs.
2. Communications of a general nature (e.g. notices) shall be made by means of the website of globeSettle S.A., except in case of malfunctioning or unavailability of the website. In particular, changes to the Governing Documents communicated by means of such website and/or notification are herewith deemed to be known by the participant from the time they were posted on the website and shall become effective on the later date specified in the communication.
3. Without prejudice to specific procedures laid down in the Governing Documents for particular communications, individual communications by globeSettle S.A. shall be set out in writing and sent by registered letter with return receipt, [email,] fax, courier service or any other means permitting documentation of receipt.
4. Without prejudice to specific procedures laid down in the Governing Documents for particular communications, the participant shall set out its communications to globeSettle S.A. in writing and send them by registered letter with return receipt to such address as is provided from time to time by globeSettle S.A. on its website for these purposes, [email,] fax, courier service or any other means permitting documentation of receipt.
5. Communications of an operational nature regarding the ordinary functioning of the service may also be sent between the parties electronically unless specified otherwise in the Governing Documents.
6. Individual communications shall be sent by a party to the other party to the addresses expressly specified by the participant in the request for Services and those of an operational nature regarding the ordinary functioning of the service to the addresses specified in the Governing Documents.
7. Communications referred to in paragraphs 3 and 4 are herewith deemed to be known by the other party from the time of their receipt and shall become effective at the time specified in the Governing Documents or on the later date specified in the communication.

Article 19: Centralisation

8. globeSettle S.A. shall carry out the centralisation of dematerialised securities issued through the system by recording them on the intermediaries' account and as a counter-item on the issue account.
9. The centralisation of non-dematerialised securities shall take place with the delivery of the certificates to globeSettle S.A., accompanied by specific crediting instructions and with the subsequent bookkeeping entry in the intermediary's account. For registered securities, an endorsement or registration in globeSettle S.A.'s name (or a nominee of globeSettle S.A.) is required.

Article 20: FOP transfers

1. Within the system, intermediaries may transfer the securities and related rights by free-of-payment (FOP) transfers.
2. The transfer consists in the instruction given to globeSettle S.A. by an intermediary to transfer the securities from one of its accounts to that of another intermediary or to another of its own accounts, and is done by book-entry only.
3. Simultaneously with the execution of the transfer transaction, globeSettle S.A. carries out the related accounting movement on the accounts of the intermediaries concerned, notifying them thereof in accordance with the operating instructions.
4. The transfer transaction is rejected by globeSettle S.A., and a specific communication is sent to the instruction, in those cases where the intermediary issuing the order fails to comply with the applicable operating procedures established for the instruction forwarding. In case of partial or total lack of securities in the account of the intermediary issuing the order, the accepted transaction is kept pending by globeSettle S.A. and then automatically cancelled if the lack of securities continues to persist until the end of the accounting day established for the execution of the transfer transaction, globeSettle S.A. shall inform both the intermediary issuing the order and the beneficiary about the pending and the possible subsequent cancellation.

Article 21: Reversal of entries

1. globeSettle S.A. reserves the right to reverse any erroneous credit or debit to any account whether following a reversal order or not.

2. globeSettle S.A. may equally re-debit from the account of the intermediary securities credited to globeSettle S.A.'s account with a third party custodian, but which are later re-debited from globeSettle S.A.'s account with such a third party custodian without prior instruction of globeSettle S.A. to that effect.

Article 22: Instructions

1. The participant undertakes to give clear, complete, accurate and precise instructions to globeSettle S.A., according to the instructions. If globeSettle S.A. considers that the information provided by the participant does not meet the above conditions, globeSettle S.A. may delay the execution of an instruction without incurring any liability. globeSettle S.A. will give notice of any such execution delay to the relevant participants.
2. globeSettle S.A. shall not be liable for the fraudulent use of the participant's manual or electronic signature. If globeSettle S.A. fails to detect the fraudulent use on documents of an authentic or forged signature and executes instructions on the basis of such documents, globeSettle S.A. shall, except in case of gross negligence or wilful misconduct, be regarded as having executed a valid instruction of the participant and shall be released of its obligation to return to the participant any securities misappropriated due to such fraud. It is the responsibility of the participant to prove the fraudulent use of its signature.
3. The participant shall bear the risk of the execution by globeSettle S.A. of an instruction given by such participant which contravenes any national or foreign law, regulation market practice or governmental orders (including, but not limited to, any orders, writs, judgments, injunctions, decrees, stipulations, determinations or awards entered by any court, tribunal, government, governmental authority, regulatory, self-regulatory or administrative agency or governmental commission).

The participant shall indemnify and hold globeSettle S.A. harmless on demand in respect of any direct or indirect loss, claim (including any third party claim), liability and expense (including any lawyers or expert fees and cost paid by globeSettle S.A. for the investigation, analysis and/or defence of the matter) suffered or incurred by globeSettle S.A. in connection with such contravention.

globeSettle S.A. may refrain from executing an Instruction of a participant, or block a participant's account, if globeSettle S.A. believes in good faith that not doing so will or may contravene any national or foreign law, regulation, market practice or governmental orders (including, but not limited to, any orders, writs, judgments, injunctions, decrees, stipulations, determinations or awards entered by any court, tribunal, government, governmental authority, regulatory, self-regulatory or administrative agency or governmental commission).

This right shall not be construed as a duty incumbent upon globeSettle S.A. to make any investigations as to the above matters.

Article 23: Intermediaries, requirements and methods of participation in the matching and routing service for delivery-versus-payment transactions

1. Participation in the matching and routing service is open to all intermediaries who settle transfer orders directly or indirectly through globeSettle S.A.'s settlement services.
2. Participants in the Matching and Routing Service have to comply with the participation requirements set out in Article 12.
3. Where the conditions for suspension or exclusion of an intermediary as set out in Article 15 are met, globeSettle S.A. may suspend or exclude (as appropriate) the relevant intermediary from the use of the matching and routing service.

A suspended or excluded intermediary pursuant to the preceding paragraph may not enter new transactions in the matching and routing system.

4. The matching and routing service follows the TARGET 2 calendar and operates according to the timetable defined by globeSettle S.A.

Article 24: Securities admitted to the matching and routing service

1. The request for admission of securities into the matching and routing service must be directed to globeSettle S.A.
2. Admission of securities into the matching and routing service is conditional upon the acquisition from the issuer or third parties of the essential data pertaining to the characteristics of the securities to be admitted.

Article 25: Phases of the matching and routing service

1. The transactions entered by matching and routing service participants are processed by the matching and routing service during the following phases, which are detailed in the instructions:
 - a) acquisition of the transactions undergoing the following processes:
 - i. validation, by type of transaction entered, performs automated controls on the format and accuracy of the basic data of each transaction;
 - ii. valuation, carried out only if there were no errors in the validation phase, calculates the accounting value by transaction type;
 - iii. correction of transactions allows the users to change or cancel transactions entered by them. Correction of transactions, if it involves changes, is again subject to validation and valuation;
 - b) matching, for transactions that have successfully passed the acquisition phase, which verifies that the data provided by each of the contracting parties, in respect of the relevant contract, is consistent, according to specific matching keys for each type of transaction;
 - c) automatic cancellation of unmatched transactions;
 - d) routing and resubmission of transactions to gross settlement.
2. The matching and routing service makes available to the intermediaries, for transactions to be settled in the system only, the following functions:
 - a) hold, which permits each intermediary, within the defined time limits, not to route the matched transactions to the gross settlement services or not to resubmit transactions not settled to the gross settlement service until it has given specific release instructions; if, by the validity date, the intermediary has not entered the release instruction, the transaction is automatically cancelled;
 - b) cancellation allows the intermediary to cancel transactions matched but not irrevocable within the time limits notified by globeSettle S.A., subject to the agreement of the relevant counterparty of the Intermediary to the transaction.
3. The matching and routing service supplies the matching and routing service intermediaries with complete information on the status of their transactions. Such information will be provided automatically, in the cases specified in the instructions, as well as upon request of the intermediaries themselves.

Article 26: Settlement system

1. globeSettle S.A. offers a gross settlement service.
Gross settlement consists of the following phases:
 - a. acquisition of transactions to be settled;
 - b. clearing;
 - c. settlement.
2. Transaction routing in the settlement systems is done through the matching and routing service. Other daily matching and routing systems managed by third parties in compliance with the procedures indicated in the instructions can route transactions to the settlement systems.
3. Securities are settled on the intermediary's accounts, opened at globeSettle S.A.
4. Cash settlement in euro takes place on the accounts of the intermediaries or agent banks admitted to the TARGET 2 system.
5. Cash settlement in currencies other than the euro takes place on the intermediary's or agent banks' accounts opened at banks approved by globeSettle S.A.
6. globeSettle S.A. may participate in other settlement services to settle transactions on behalf of its intermediaries.

7. The transactions are settled on accounts opened by globeSettle S.A. in other settlement systems and the payment systems used by such other settlement system, or through a bank, according to the rules of the other settlement system.
8. The routing of the transactions to other settlement systems takes place only after the cash and securities availability of the participants has been verified.

Article 27: Requirements for agent banks

1. Intermediaries may use an agent bank specifically appointed for this purpose.
2. In the case of cash settlement through an agent bank, the latter must:
 - a. for cash settlement in euro, have accounts in the TARGET 2 system;
 - b. for cash settlement in currencies other than the euro, have an account in the relevant currency with banks approved by globeSettle S.A.;
 - c. confirm to globeSettle S.A. its acceptance of its appointment by the Intermediary, by means of a letter, together with the simultaneous provision of an undertaking to notify globeSettle S.A. of any withdrawal of authority with no less than five days' prior notice – the same notification duty applying to the appointing Intermediary;
 - d. establish exposure limits (caps) for its IUAs;
 - e. advise globeSettle S.A., by electronic means, of these caps and of any updating of the latter.
3. The settlement system manages the procedure for utilisation of these caps, which is based on the data contained in a specific file.
4. The above mentioned file contains, for each IUA, the following data, which are transmitted and constantly updated upon the agent bank's initiative:
 - a. ordinary caps;
 - b. daily caps.
5. The settlement system updates the cash availability of the IUA according to the transactions settled during the day.

Article 28: Irrevocability and finality of transfer transactions

1. FOP delivery instructions with immediate or deferred execution and without recourse to the matching and routing service but settled in globeSettle S.A., are considered to be entered into the System upon the debiting of the Securities from the relevant Intermediary's Account and are up from that moment irrevocable and may neither unilaterally nor bilaterally be cancelled (as there is not matching).

In case of lack of securities the transfer order will be deemed to be entered into the System upon the debiting of the Securities from the relevant Intermediary's Account (provided that the relevant amount of securities is available by the end of the accounting day established for the execution of the transfer order) and are up from that moment irrevocable and may neither unilaterally nor bilaterally be cancelled (as there is not matching).

FOP transactions to be settled in globeSettle S.A. are automatically cancelled if settlement cannot take place on the intended settlement date.

2. FOP delivery instructions without recourse to the Matching and Routing Service which are settled with matching in another system are deemed to be entered into the system and to be irrevocable in accordance with the rules of the receiving system.

FOP delivery instructions without recourse to the Matching and Routing Service which are to be settled with matching in another system are, in case they do not settle in the other system on the intended settlement date, rolled over for a period of 30 days or such lower time period as defined in the receiving system. Instructions which remain unsettled after such date are automatically cancelled.

3. DVP (and FOP) instructions settled with recourse to the Matching and Routing Service in globeSettle S.A. may after the successful completion of the matching procedure be cancelled only if both Intermediaries, enabled to this functionality, request the cancellation.

DVP (and FOP) instructions settled with recourse to the Matching and Routing Service in globeSettle are considered to be entered into the System from the time when the debit of the cash occurs, or to the extent there is no settlement of cash, the time of the debiting of the Securities and are up from that moment irrevocable and may neither unilaterally nor bilaterally be cancelled.

DVP (and FOP) instructions to be settled with matching in globeSettle are automatically cancelled if they do not match on the intended settlement date.

DVP (and FOP) instructions that are not settled on the intended settlement date are resubmitted to the settlement service for further consecutive days, until successfully settled or until their end-of-validity deadline is reached. After such deadline the instruction is cancelled automatically.

4. As regards DVP (and FOP) instructions settled in globeSettle with recourse to the Matching and Routing Service managed by third parties:
 - a. the rules relating to irrevocability for the purpose of the Matching and Routing Service managed by the relevant third party are determined in accordance with the rules of the Matching and Routing Service managed by such third party;
 - b. once globeSettle receives the matched instructions they can be cancelled only if both intermediaries, enabled to this functionality, request the cancellation;
 - c. such transactions are deemed to be entered into the System from the time when the debit of the cash occurs, or to the extent settlement of the cash is not due, the time of the debit of the Securities and are from that moment irrevocable and may neither unilaterally nor bilaterally be cancelled.
5. A transaction is final once fully and unconditionally settled.

Article 29: Limitations to transactions in securities

1. To ensure the good functioning of the system, globeSettle S.A. has the authority to establish conditions and deadlines for transfer, settlement and centralisation transactions.

Article 30: Attendance at holders' meetings

1. For securities issued through the system, globeSettle S.A., if duly appointed by the issuer, shall send intermediaries participating in the system the information communicated to it by the issuer with respect to any holders' meeting including the record date where applicable.

At the request of issuers and to the extent permitted by law, globeSettle S.A. shall communicate, with reference to the record date, the ID data of the intermediaries on whose accounts the securities are registered and the related quantities.

2. For securities not issued through the system, globeSettle S.A. shall provide the information referred to in paragraph 1, if provided for in the agreements entered into between globeSettle S.A. and the other CSDs or sub-custodian at which the securities are held by globeSettle S.A.
3. Participants may avail themselves of the proxy voting services offered by globeSettle S.A. with respect to certain securities.

Article 31: Payments of distributions

1. For securities issued through the system, if duly appointed and on the date set by the issuer, globeSettle S.A. shall instruct the banks indicated by the issuer to make payments in favour of the beneficiary intermediaries, either directly from such banks to the beneficiary intermediaries or through an account of globeSettle S.A. for Luxembourg dematerialized securities.

Issuers shall send globeSettle S.A. the information needed for the payment of the distributions in the manner specified in the Instructions.

2. For securities not issued through the system, for which the payment of distributions is carried out either in euro or in a currency different from the euro, globeSettle S.A. shall carry out the payment of distributions, after having received the funds from the banks appointed by the issuer, from the other CSDs or sub-custodian with which it has established accounts, in the manner and within the time limits set out in the instructions and operating documents. According to the type of transaction and the service notices issued by globeSettle S.A., the intermediary may indicate, with a specific communication, the foreign withholding tax rate for collecting the distributions; failure to do so shall result in payment being made by applying the highest applicable rate.

For such securities, renunciation and/or delayed distribution payment on the part of the intermediary are not allowed.

Article 32: Capital increases (securities issued through the system)

1. For capital increases involving securities issued through the system, globeSettle S.A. shall act after being duly appointed by the issuer.
2. For cash capital increases, intermediaries shall send globeSettle S.A. instructions for the execution of the transaction, specifying the TARGET2 account on which the funds are available to cover the subscription, in accordance with the procedures and time limits established by globeSettle S.A. After verifying the settlement of the funds, globeSettle S.A. shall transfer the funds to the account indicated by the issuer and globeSettle S.A. shall transfer the securities to the intermediaries' accounts. globeSettle S.A. shall carry out the transaction up to the amount of the funds made available in accordance with the indications given by intermediaries and in the absence of such indications by giving priority to the transactions undertaken by intermediaries on behalf of third parties. If no instructions are given or in the absence of sufficient funds, globeSettle S.A. shall not carry out the transaction.
3. For bonus capital increases, if the allotment right is not negotiable, globeSettle S.A., on its own initiative, shall comply with all the necessary requirements for the allotment of the new securities issued. If the allotment right is negotiable, globeSettle S.A. shall operate on the basis of the instructions received from Intermediaries.

Article 33: Conversion and exercise of rights (securities issued through the system)

1. For conversions and the exercise of rights attached to securities issued through the system, globeSettle S.A. shall act after being duly appointed by the issuer.
2. For conversions and the exercise of rights, intermediaries shall send globeSettle S.A. instructions for the execution of the transaction, in accordance with the procedures and time limits established by globeSettle S.A.
3. In the event of conversions globeSettle S.A. shall transfer the securities to the accounts of intermediaries.
4. For the exercise of rights, without prejudice to paragraph 2, intermediaries shall specify the TARGET2 account on which the funds are available to cover the transaction. After verifying the settlement of the funds, globeSettle S.A. shall transfer the funds to the account indicated by the issuer and globeSettle S.A. shall transfer the securities to the intermediaries' accounts. globeSettle S.A. shall carry out the transaction up to the amount of the funds made available in accordance with the indications given by intermediaries and in the absence of such indications by giving priority to the transactions undertaken by intermediaries on behalf of third parties. If no instructions are given or in the absence of sufficient funds, globeSettle S.A. shall not carry out the transaction.
5. Upon expiry of the time limit for the exercise of the right, globeSettle S.A. shall operate in accordance with the provisions contained in the instructions.

Article 34: Other corporate events (securities issued through the system)

1. For other corporate events involving securities issued through the system, globeSettle S.A. shall act after being duly appointed by the issuer.
2. For other corporate events decided by the issuer, intermediaries shall send globeSettle S.A. the instructions needed to carry out the transaction in accordance with the procedures and time limits established by globeSettle S.A.
3. For bonus capital increases globeSettle S.A. shall transfer the securities to the intermediaries' accounts.

Article 35: Waiver from the cash settlement procedures for corporate events (Securities issued through the System)

1. Exclusively for instructions carried out on behalf of the collecting bank, at the request of the issuer, by way of derogation from Article 32(2), globeSettle S.A. shall transfer the funds deriving from the transaction net of the amounts due to the collecting bank.
2. If the issuer also participates in the system as an intermediary, exclusively with the reference to instructions carried out on behalf of the issuer involving its own securities and at the request of the issuer, globeSettle S.A., by the way of derogation from Articles 32(2) and 33(4), shall not debit or credit the related funds.

Article 36: Corporate events involving securities not issued through the system

1. For corporate events involving securities not issued through the system, globeSettle S.A. shall act after receiving an information document from the other CSDs with which the securities are centralised or from its sub-custodian and shall provide its own intermediaries the operational time limits and the indications necessary to manage the transaction and, where provided for, receive the instructions.
2. For cash capital increases, the exercise of rights and other cash corporate events:
 - a) the settlement of the cash leg shall be carried out by debiting the relevant account in TARGET2 for payments in euro and, for those in a currency other than the euro, by receiving the equivalent value, from the subscribers, on an account indicated by globeSettle S.A.;
 - b) globeSettle S.A. shall transfer the funds on to the account of the collecting bank indicated by the Other CSD or its sub-custodian and credit the Securities deriving from the transaction received from the Other CSD for from its sub-custodian on the accounts of the Intermediaries;
 - c) if no instructions are given or in the absence of sufficient funds, globeSettle S.A. shall not carry out the transaction.
3. For bonus capital increases, globeSettle S.A. shall perform, on its own initiative, all the formalities needed for the allotment of the new securities issued or, where instructions are required, act on the basis of thereof.
4. For the bonus capital increases, globeSettle S.A., where provided for, shall, upon receipt, credit the securities deriving from the transaction to the accounts of the intermediaries participating in the system and update its accounting records for each security involved in the transaction.

Article 37: Disclosure

1. In certain jurisdictions, globeSettle S.A. may be obliged, under local legal or regulatory provisions or the articles of association of the issuer or the terms of issue applicable to securities or transactions therein, to disclose, in certain circumstances, the identity of the direct and indirect holders and the beneficial owner of such securities. Non-compliance with such disclosure obligations may result in the relevant securities being blocked (meaning that it is possible that voting rights may not be exercised, that distributions and other rights might not be received and/or that the financial instruments may not be sold or otherwise disposed of). In such context, the intermediary irrevocably instructs globeSettle S.A. to disclose at its own initiative without delay and without reverting to the Intermediary and / or the beneficial owner, the intermediary's and / or beneficial owner's identity, details on the relevant transactions and holdings of securities and other information to supply the relevant persons (such as, e.g., a governmental authority, an exchange, a supervisory authority, a self-regulatory organization, an intermediary broker, an investigating person or an issuer) with the data required in order to allow globeSettle S.A. to comply with local requirements or the holder's identification requirements set out in the articles of association or the terms of the issue of the issuer. The intermediary undertakes to provide to globeSettle S.A. all such additional information that globeSettle S.A. may require in order ensuring compliance with the above requirements. globeSettle S.A. shall not be liable for any damages suffered by the intermediary and / or the beneficial owner that may result from such disclosure or other measures taken by globeSettle S.A. in order to ensure compliance with the above requirements.
2. In case globeSettle S.A. is involved in any litigation or investigation in connection with the holding of securities on behalf of an intermediary or transactions in such securities, such intermediary authorises and irrevocably instructs globeSettle S.A. to provide, in the context of such litigation or investigation, all such information as shall be required or customary in the relevant jurisdiction and all such information as globeSettle S.A. shall deem necessary or advisable to protect its own interests. globeSettle S.A. shall not be liable for any damages suffered by the intermediary and / or the beneficial owner that may result from such disclosure or other measures taken by globeSettle S.A. for the purposes of conducting or participating in the relevant litigation or investigation.

Article 38: Retention, pledge, set-off

1. globeSettle S.A. has a right of retention on the securities held from time to time by an intermediary in the system for as long as such intermediary has not satisfied all of its obligations vis-à-vis globeSettle S.A.
2. All proprietary securities held now or in the future by the intermediary in the system and all present and future claims of the intermediary against globeSettle S.A. are pledged in favour of globeSettle S.A. to secure all present and future claims of globeSettle S.A. against the intermediary.

globeSettle S.A. may enforce the pledge each time any claim of globeSettle S.A. against the intermediary is due but remains unsatisfied.

If, for any reason, globeSettle S.A. has to grant collateral to any third party in connection with the securities held by the intermediary with globeSettle S.A. or in connection with the services rendered by globeSettle S.A. with respect to such securities globeSettle S.A. may enforce the pledge and assign the proceeds towards the funding of the collateral.

3. globeSettle S.A. may set-off any present or future claims against the intermediary against any proprietary securities held now or in the future by the intermediary in the system and any present or future claim of the intermediary against globeSettle S.A. For such purpose securities are valued at their stock market value or, absent any reliable stock market value, at the average of the value quoted by two brokers to globeSettle S.A. on the date of the set-off.
4. The provisions set out above do not apply to the European Central Bank nor to any central bank that is a member of the European System of Central Banks.

Article 39: Securities losses

1. globeSettle S.A. may deem a security of a particular issue to be lost ("securities loss"):
 - i) if such security is mutilated, lost, stolen or destroyed, forged, fraudulent or in full or in part invalid;
 - ii) if such security is nationalised, expropriated or seized;
 - iii) if for any reason such security is not freely transferable or deliverable without encumbrance or
 - iv) to the extent of any shortfall of securities in an account which has not been cured in accordance with these CSD Rules.
2. In case of a securities loss, the reduction in the amount of securities of a given issue held in the system arising therefrom shall be shared by those intermediaries holding such issue in the system at the opening of the business day on which globeSettle S.A. shall make a determination to the effect that such securities loss occurred. The sharing shall be proportionate to the amount of securities of such issue held by the relevant intermediaries at the time of the determination and shall be done by way of debiting the relevant accounts.
3. Any reduction in the amount of securities available for delivery arising with respect to securities held by globeSettle S.A. with a sub-custodian or an other CSD (e.g. following a securities loss by such sub-custodian or other CSD or the latter's insolvency) shall also constitute a securities loss but shall be shared in accordance with the rules set out in paragraph 2 only at the time as of which such reduction is attributed to globeSettle S.A.
4. Any amounts or securities recovered by globeSettle S.A. in respect of a securities loss shall, after deduction of globeSettle S.A.'s recovery cost and expenses, be shared among the intermediaries proportionately to their share in the reduction applied pursuant to paragraphs 2 or 3.
5. If a securities loss occurs in connection with a holding of a particular class of securities eligible as collateral for Euro system credit operations and granted as collateral to a Euro system central bank(s) for the purposes of monetary policy operations or intraday credit operations, all the holdings in such particular class of securities credited to each Euro system central bank account with globeSettle S.A. shall be excluded from the basis of calculation of the loss sharing and exempted from such loss sharing.

Article 40: Duties and liabilities of globeSettle S.A.

1. globeSettle S.A. undertakes to perform such duties and only such duties as are specially set out in the Governing Documents.

globeSettle S.A. shall, in the absence of gross negligence or wilful misconduct on its part, not be liable to any participant for or with respect to any action taken or omitted to be taken by it in connection with the services contemplated in the Governing Documents.
2. globeSettle S.A. makes no investigation with respect to and shall have no liability for
 - i) the acts and omissions of (or the bankruptcy, insolvency, creditworthiness or status of) any issuer, any entity acting for such Issuer, or any guarantor of securities admitted to the system,
 - ii) the validity or binding effect of any such securities or any guarantee thereof or any related document, or
 - iii) any other similar matter.

3. globeSettle S.A. shall not be liable for any loss resulting from
 - i) a failure by a participant or any other person to comply with any procedures or requirements in the Governing Documents, or
 - ii) the taking by globeSettle S.A. of action contemplated hereby or by the operating documents.

4. globeSettle S.A. shall not be liable for any action taken, or any failure to take any action required to be taken hereunder in the event and to the extent that the taking of such action or such failure arises out of or is caused by events beyond globeSettle S.A.'s reasonable control, including, without limitation, war, insurrection, riots, civil or military conflict, sabotage, labour unrest, strike, lock-out, fire, water damage, acts of God, accident, explosion, mechanical breakdown, computer or systems failure, failure of equipment, failure or malfunction of communications media, or interruption of power supplies; the failure to perform, for any reason, of the participant's counterparty or of such counterparty's depository, custodian, or financial institution; acts or omissions of issuers and any entity acting for such issuers, order routers; the acts or omissions of (or the bankruptcy or insolvency of) any globeSettle S.A.'s other CSDs or sub-custodians or of any other clearance system or of any carrier transporting Securities between globeSettle S.A. and/or any of the foregoing; the failure to perform for any reason of , or the incorrect performance of, any financial institution used by and properly instructed by globeSettle S.A. to carry out payment instructions; reversal order, national or foreign law, judicial process, decree, regulation, order or other action of any government, governmental body (including, but not limited to, any orders, writs, judgments, injunctions, decrees, stipulations, determinations or awards entered by any court, tribunal, government, governmental authority, regulatory, self-regulatory or administrative agency or governmental commission) or self-regulatory organisation.

5. If a participant suffers any loss as the result of any act or omission of, or the bankruptcy or insolvency of, any issuer CSD, sub-custodian or of any clearance system or of any carrier transporting securities between globeSettle S.A. and/or any of the foregoing, globeSettle S.A. undertakes, without assuming any liability and subject to prior indemnification, to take such steps to assist in seeking to recover the relevant assets as it shall reasonably deem appropriate under all the circumstances. globeSettle S.A. shall be under no obligation to act if doing so may have adverse consequences on its own interests. globeSettle S.A. may, at its discretion, assign any right or claim it has against a third party to the participant and the participant hereby accepts such assignment. Following such assignment, globeSettle S.A. shall have no further duties with respect to the assigned rights or claims towards the participant.

6. globeSettle S.A. is authorised to sign for the account of each participant any declaration, affidavit or certificate of ownership, to the extent it may legally do so, which may be required from time to time in collecting payments (or otherwise in carrying out its duties hereunder) and in doing so to rely fully upon any information regarding such participant or the entitlements to securities which may have been furnished to globeSettle S.A. by or on behalf of such participant.

Article 41: Fiscal service

1. Within the range of transactions connected with the central securities depository of securities, globeSettle S.A. shall provide fiscal assistance and comply with fiscal requirements in accordance with current legislation, also at the request of intermediaries, in the cases and manner indicated by them.
2. In order to allow the correct execution of the activities referred to in paragraph 1, intermediaries will send globeSettle S.A. the documentation required by the national and/or foreign fiscal legislation in force and that indicated in the instructions and Operating Guidelines issued by globeSettle S.A.
3. The above mentioned documentation and any relevant instructions must be received within the time limits set by globeSettle S.A. and described in the Instructions issued by globeSettle S.A.

Article 42: Evidence

1. The participant agrees that globeSettle S.A.'s books and records (regardless of the media in or upon which they are maintained) shall constitute sufficient evidence of any obligations of the participant to globeSettle S.A., of globeSettle S.A.'s duties to the participant, the latter's entitlements and of any facts or events relied upon by globeSettle S.A.
2. All such books and records (including e-mails and faxes received) irrespective of the form in which they are maintained shall have the same value in evidence as a handwritten document.
3. The participant understands and agrees that globeSettle S.A. may record telephone conversations with the participant and that the records may be used as evidence with the same probative value in evidence as a handwritten document.

Article 43: Amendments

1. globeSettle S.A. reserves the right to amend these CSD Rules and the other Governing Documents at any time after consultation of a committee of users maintained by globeSettle S.A., as composed from time to time.
2. globeSettle S.A. shall inform the participant of such amendments by posting the text thereof on its website pursuant to article 18.2 at least 15 (fifteen) calendar days before the effective date of the amendments. In such communication globeSettle S.A. shall specify the time within which the participant may exercise the right of termination referred to in article 15.4. In no case may such time be less than 10 (ten) calendar days from the date of the communication.
3. As a matter of urgency, consequent upon measures adopted by the authorities or for duly explained technical or operational reasons that shall be given, the time referred to in paragraph 2 may be reduced by globeSettle S.A. to a minimum of 5 (five) calendar days.
4. Changes to the Price List, except for those in the participant's favour, shall be communicated in the manner specified in paragraph 2 with advance notice of not less than 30 (thirty) calendar days. globeSettle S.A. shall determine and communicate the effective date of changes to the Price List in the participant's favour.
5. Notwithstanding the above paragraphs 2 and 4, globeSettle S.A. shall send an e-mail to the participant to the address provided in the request for services, as modified and communicated to globeSettle S.A., containing the notification of the changes on the website. In case of changes to the CSD Rules or Service Manuals, globeSettle S.A. shall send the e-mail on the same day as the notification of the changes through the website. In case of changes to the CSD Rules and/or Price List, the e-mail shall be sent at least 1 (one) day before the notification of the changes through the website.

Article 44: Exercise of rights

1. Any right or authority granted to globeSettle S.A. in these CSD Rules shall be exercised by globeSettle S.A. in its sole discretion and any non-exercise of a right or authority shall not be construed as a waiver thereof.
2. Any action, claim or counterclaim by a participant in connection with any service provided by globeSettle S.A. under or in connection with an account held by such participant in the system shall be barred after the shorter of the following time periods: (i) five years from the date of the occurrence of the event giving rise to the claim and (ii) the limitation period applicable from time to time under Luxembourg law. The running of such period shall neither be suspended nor interrupted for any reason.

Article 45: Governing law and jurisdiction

1. The relationship between the participant and globeSettle S.A. and the Governing Documents shall be governed by and construed in accordance with Luxembourg law.
2. Each Participant submits to the exclusive jurisdiction of the courts of Luxembourg, Grand Duchy of Luxembourg for any disputes arising hereunder.

To the extent that a participant is prohibited by law or regulation to submit to the jurisdiction of a foreign court, a dispute may be finally settled under the Rules of Arbitration of the International Chamber of Commerce by an arbitral tribunal consisting of three arbitrators appointed in accordance with such Rules. globeSettle S.A. may take action against a participant by way of arbitration under the procedure set out in the preceding sentence if globeSettle S.A. is of the opinion that a judgment rendered by a Luxembourg Court would not be recognised in the State where globeSettle S.A. may have to enforce such judgment. The place of any such arbitration shall be Luxembourg and the arbitral proceedings shall be in French language.

Article 46: Data protection

1. To the extent required by applicable data protection law, the intermediary acknowledges and empowers globeSettle S.A., as data controller, to hold, store and process the personal data relating to its representatives, its contact persons and/or the beneficial owners, such as their name and contact details, ID/passport copy, etc., (the "personal data") as described below.
2. The personal data is processed (i) for the provision of the services, (ii) for the compliance by globeSettle S.A. with its legal and regulatory obligations vis-à-vis national or foreign administrative, governmental, supervisory, judicial or tax authorities, (iii) for the pursuit of the globeSettle S.A.'s legitimate interests and the defence of its rights in the context of local or foreign judicial proceedings, including discovery proceedings and (iv) for the purposes of providing marketing information.
3. globeSettle S.A. may delegate the processing of the personal data to other entities such as LSEG PLC based in the UK, Monte Titoli and SIA Spa both located in Italy, both acting as data processors in the context of the outsourcing of the IT and operational systems of

globeSettle S.A. Monte Titoli is authorized by globeSettle S.A. to sub-delegate the processing of the personal data to SIA as sub-data processor located in Italy. The intermediary confirms that it has informed its representatives, its contact persons and the beneficial owners of the processing undertaken by globeSettle S.A. and of the sharing of the personal data as described above and that it has received their prior written consent in this regard.

4. Without prejudice to the compliance with the Luxembourg professional secrecy rules, the intermediary consents to the disclosure of the personal data by globeSettle S.A. to service providers involved in the context of the performance of the services by globeSettle S.A., to the professional advisors of globeSettle S.A., such as its auditors or lawyers or to other third parties involved in the context of the compliance with its legal and regulatory duties or rights towards national or foreign administrative, governmental, supervisory, judicial or tax authorities. The intermediary confirms that it has informed its representatives, its contact persons and the beneficial owners of the sharing of the personal data as described above and that it has received the necessary prior written consent from its representatives, contact persons and from the beneficial owners in this regard.
5. The intermediary and/or its representatives, its contact persons and the beneficial owners have a right of access and of rectification of the personal data in case where such personal data is inaccurate and incomplete. The intermediary and/or its representatives, contact persons and beneficial owners have a right of opposition regarding the use of the personal data for marketing purposes. Such rights may be exercised by letter addressed to globeSettle S.A.

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