CBL Client Handbook in English

IMPORTANT NOTICE TO CLIENTS OF CLEARSTREAM EUROPE AG

Please note that the Clearstream Banking S.A., Luxembourg (CBL) Client Handbook is provided to clients of Clearstream Europe AG (CEU) for information purposes only unless it forms part of the legal documentation governing the relationship between CEU and its clients in particular pursuant to the General Terms and Conditions of CEU or Special Conditions of CEU.

The CBL Client Handbook outlines services provided to clients of CBL, not all of which are available to clients who hold accounts with CEU. Information on services that are available to CEU clients as well shall be read only *mutatis mutandis*, unless explicitly stated therein.

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Client Handbook

for clients of Clearstream Banking S.A.

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Information in this document is subject to change without prior notice.

This document is available in electronic format and may be provided in other formats at the discretion of Clearstream Banking S.A. (referred to hereinafter as Clearstream Banking Luxembourg or CBL). CBL grants its clients permission to reproduce, store and print this document to the extent deemed reasonable and necessary for receiving from CBL the services described herein. Any software provided, as set out in the present document, shall be provided under the applicable licence terms.

Unless otherwise stated, all times are given in Central European Time (CET).

Foreword

Clients' overall contractual relations with CBL are governed by the General Terms and Conditions as amended from time to time. Clients agree to abide by these rules when they request the opening of an account with CBL. Clients can obtain copies upon request from their Client Services Officer or Client Relationship Manager. The General Terms and Conditions can also be found on the Clearstream website in the Key Documents section, under ICSD.

This Client Handbook is designed to provide clients of Clearstream Banking S.A. (also referred to as "CBL" in this publication) with an overview of CBL, its organisation and its operational procedures. It is a Governing Document as defined in CBL's General Terms and Conditions and is subject to the General Terms and Conditions unless otherwise specified.

Information or notification communicated by CBL to its clients in any form whatsoever is not and shall in no case be considered as investment advice.

This version of the Client Handbook replaces all previous editions of the Client Handbook and shall take effect immediately. This Client Handbook shall remain in effect until clients are otherwise notified.

The Client Handbook is intended to be used in conjunction with other CBL publications that give further details of how to use CBL's services.

CBL reserves the right to update and amend this Handbook from time to time, to reflect the availability of new products and improvements to existing services.

Clients who have specific questions concerning the information contained in this Client Handbook are advised to contact CBL Client Services or their Relationship Officer.

In the event of any conflict between the General Terms and Conditions and the Client Handbook and other Governing Documents, the General Terms and Conditions shall prevail.

The English version of the Client Handbook is legally binding and shall prevail over any translation which has been provided for commercial reasons only.

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Contents

1. Introduction

This introduction is for general information purposes only.

1.1 Corporate structure

The information contained in this section (1.1) is not intended to provide professional legal advice and should not be relied upon in that regard. CBL makes no guarantees, representations or warranties and accepts no responsibility or liability as to the accuracy or completeness of the information, and under no circumstances will it be liable for any loss or damage caused by reliance on any opinion, advice or statement made in this document.

Origins of Clearstream

Clearstream Banking S.A., Luxembourg (CBL) was originally founded as “Cedel” (Centrale de Livraison de Valeurs Mobilières) in September 1970 by 66 of the world’s major financial institutions as a Clearing organisation whose objective was to minimise risk in the settlement of cross-border securities trading, particularly in the growing Eurobond market.

On 1 January 1995, a new corporate structure was introduced, establishing for the first time a parent company, Cedel International S.A., with Cedel Bank (later, Cedelbank) as one of its major subsidiaries.

On 1 January 2000, Cedel International, together with its major subsidiaries, merged with Deutsche Börse Clearing, a subsidiary of Deutsche Börse AG to form Clearstream International S.A., with ownership shared equally between Cedel International S.A. and Deutsche Börse AG.

In July 2002, Deutsche Börse AG acquired Cedel International S.A. and its 50% ownership of Clearstream International, S.A. and, on 30 June 2004, designated the now wholly owned company as Clearstream International, S.A.

In December 2010, Deutsche Börse AG transferred full ownership of Clearstream International, S.A. to Clearstream Holding AG, a financial holding company as defined in the German Banking Act (Kreditwesengesetz - KWG), which is itself a wholly owned subsidiary of Deutsche Börse AG.

In October 2019 Clearstream International, S.A. transferred full ownership of Clearstream Banking S.A. and its other Clearstream subsidiaries to Clearstream Holding AG.

The corporate structure of Clearstream Holding AG and its subsidiaries (“Clearstream Group”) particularly comprises the following institutions: Clearstream Europe AG in Frankfurt/Main (CEU) and Clearstream Banking S.A. in Luxembourg (CBL), Clearstream Services S.A. in Luxembourg, a provider of IT services, as well as holding companies and single-purpose companies as illustrated on the Clearstream website under About Clearstream/Company Governance/Shareholding Structure.

Clearstream today

Clearstream Holding AG

Clearstream Holding AG has one subsidiary in Germany (Clearstream Europe AG in Frankfurt), one in Ireland (Clearstream Fund Centre S.A. Cork Branch) and one in the Czech Republic (Clearstream Operations Prague, s.r.o.).

Clearstream Banking in Luxembourg

Under Luxembourg law, Clearstream Banking S.A. (CBL) is a société anonyme wholly owned by Clearstream Holding AG, itself owned by Deutsche Börse AG (see on the Clearstream website under About Clearstream/Company Governance/Shareholding Structure).

CBL is an International Central Securities Depository (ICSD), operating from its head office in Luxembourg, with regional offices providing commercial support and services to clients in their specific geographical areas.

Clearstream Banking S.A. is registered as an Australian CS (Overseas) Facility, under subsection 824B(2) of the Corporations Act 2001, with registration number ARBN 675 244 783.

CBL provides the post-trade infrastructure for the Eurobond market and for securities from more than 50 domestic markets. Services include the issuance of securities, the settlement and custody services for international and domestic securities; as well as Investment Fund Services and Global Securities Financing.

CBL has always maintained a sound financial standing with comfortable liquidity backing. Clearstream Holding AG, with CBL, maintains its constant commitment to the prudent management of settlement risk and the safekeeping of clients' securities.

CBL has a subsidary in London (Clearstream London Limited), and has branches in Singapore (Clearstream Banking S.A., Singapore Branch) and Japan (Clearstream Banking S.A. Japan Branch - "CBJ") as well as representative offices in Dubai, Hong Kong and New York.

Clearstream Europe in Frankfurt

Under German law, Clearstream Europe AG (CEU) is a stock corporation (Aktiengesellschaft) wholly owned by Clearstream Holding AG, which is itself a wholly owned subsidiary of Deutsche Börse AG and as illustrated on the Clearstream website under About Clearstream/Company Governance/Shareholding Structure.

CEU has its headquarters in Frankfurt and has a number of clients that hold their international assets on the Creation settlement platform operated by CBL. In addition, CEU operates the CASCADE platform on which mainly German domestic securities are settled in its function as the Central Securities Depository (CSD) for the German market.

Clearstream Services S.A., Prague Branch

Clearstream Services S.A., Prague Branch, opened July 2023 with the transformation of Czech legal entities. The new branch replaces Clearstream Operations Prague s.r.o for all Clearstream related activities.

Subsidiaries

Clearstream International, S.A.

LuxCSD S.A., Luxembourg

In 2010, Clearstream International, S.A. co-founded LuxCSD S.A., a joint venture with the Banque centrale du Luxembourg (BcL), (Clearstream International: 50%, BcL: 50%) to act as a Central Securities Depository for Luxembourg.

Clearstream Banking S.A.

Clearstream London Limited, United Kingdom

CBL maintained a London Branch until July 2023 when the activities of the London Branch were transferred to the subsidiary, Clearstream London Limited.

Clearstream Fund Centre S.A. in Luxembourg

Clearstream Fund Centre S.A. (CFCL) was incorporated on 16 November 2021 in Luxembourg.

CFCL is an indirect subsidiary of Deutsche Börse AG (DBAG), as it is a wholly owned direct subsidiary of a holding company based in Luxembourg, Clearstream Fund Centre Holding S.A. (CFCH), which in turn is a 100% direct subsidiary of DBAG, together with Clearstream Fund Centre AG (CFCS), a distribution support platform.

CFCL is the parent company of Clearstream Australia Ltd. (CAL) and Clearstream Fund Centre S.A. Cork Branch. It is part of the Investment Funds Services (IFS) business of Deutsche Börse, with a focus on:

– Distribution Support Services

– Receipt and Transmission of Orders (RTO)

Clearstream Fund Centre S.A. Cork Branch

Clearstream Fund Centre S.A. Cork Branch supports the order processing of CFCL by providing back office and data processing functions.

Branch offices

Clearstream Banking S.A. Japan Branch

In January 2022, a banking license was granted by Japan Financial Services Agency (JSFA) to CBJ which is a fully owned branch of Clearstream Banking S.A.

The purpose of establishing a branch is to further fortify the presence of the Bank and ensure a solid regulatory environment by enabling a transparent, long-term business position in Japan.

Clearstream Banking S.A., Singapore Branch

Clearstream Banking S.A., Singapore Branch is CBL's first operational centre outside Europe.

In November 2009, CBL obtained a banking licence in Singapore and its Singapore activities are supervised by the Monetary Authority of Singapore (MAS).

All of CBL's products and services, including Global Securities Financing, Investment Fund Services and Issuance and Distribution, are available to clients in real time during the normal trading day in the Asia-Pacific region.

CBL offers Same-Day Currency deadlines for major Asia-Pacific currencies, the Australian Dollar, the Hong Kong Dollar, the New Zealand Dollar, the Singapore Dollar and the Japanese Yen.

Representative offices

CBL opened representative offices around the world as follows:

Hong Kong	1991	**Zug**[a]	2018
New York	1996		
Dubai	1996		

a. Previously Zurich from 2015.

Please refer to Client Services on page 1-10 for current contact details for all representative offices.

Licenses

Luxembourg licences

On 7 October 1994, CBL was granted a banking licence in Luxembourg by the Commission de Surveillance du Secteur Financier ("CSSF").

On 12 February 2001, CBL received the status of a Securities Settlement System ("SSS") in Luxembourg.

On 12 April 2021, CBL was authorised by the CSSF as CSD under CSDR, which covers: (i) the authorisation to provide core and non-banking type ancillary services according to Article 16; (ii) the authorisation to provide banking-type ancillary services according to Article 54; and (iii) the authorisation to operate an interoperable link with Euroclear Bank NV/SA, the Bridge, according to Article 19 CSDR.

The list of the services for which CBL is authorised under CSDR is published on the CSD register made publicly available on the European Securities and Markets Authority's ("ESMA") website.

Australian licenses and regulated status

On 23 July 2020, CBL was granted relief from the requirement to hold an Australian financial services licence to provide financial services relating to certain types of financial products in Australia.

Specifically, under this relief, CBL may provide dealing or custodial or depository services in Australia in relation to derivatives, foreign exchange contracts, securities, debentures, stocks or bonds issued by a government, managed investment products, unregistered managed investment schemes, deposit-taking facilities that are not deposit products, or facilities through which a person makes non-cash payments.

Notwithstanding this relief, CBL remains regulated by the CSSF under Luxembourg laws, which differ from Australian laws.

The relief provided to CBL is expected to sunset on 31 March 2026, and will be replaced with a new legislative relief regime.

On 27 June 2025, CBL was granted an Australian Clearing and Settlement Facility (Overseas) Licence which entitles it to provide clearing and settlement services in relation to Australian dollar denominated financial products issued in the licensed facility operated by Austraclear Limited or ASX Settlement Pty Limited.

CBL is registered in Australia as a foreign company with Australian Registered Body Number 675 244 783, and has received consent, with conditions, under section 66 of the Banking Act 1959 from Australian Prudential Regulation Authority ("APRA") to use the restricted words "bank", "banker", "banking" and words of like import in relation to its business as a clearing and settlement facility in Australia. For the avoidance of doubt, CBL does not provide any banking services in Australia.

Regulated status in Singapore

On 11 February 2025, CBL was recognised as a Recognised Clearing House ("RCH") in Singapore under section 51(2) of the Securities and Futures Act 2001 and is restricted to its operation of a clearing facility for the settlement of specified instruments. This recognition of CBL as an RCH is subject to a number of conditions, including certain risk disclosures to Singaporean clients. CBL has prepared a risk disclosure statement for Singaporean clients which is available on Clearstream's website.

Regulated status in the United Kingdom

Clearstream Banking S.A.is recognised by the UK Bank of England under Article 25 of CSDR (REGULATION (EU) No 909/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012) that was transposed into UK law by the European Union (Withdrawal) Act 2018 and augmented by The Central Securities Depositories Regulations 2017. Creation is a designated system by the UK Bank of England under the Financial Markets and Insolvency Regulations 1999 (as amended).

Regulators

Luxembourg regulators

The CSSF is the national competent authority designated under CSDR and Luxembourg's prudential supervisor, responsible for the good operation, quality and compliance of financial institutions incorporated in Luxembourg, as stated in the law of 5 April 1993, as amended, which regulates the financial sector in Luxembourg.

CBL has notified CSSF of its intention to provide custody and administration of Crypto Assets on behalf of clients in accordance with Regulation (EU) 2023/1114 on markets in Crypto Assets ("MiCAR") Article 60(2). The list of the services for which CBL provides under MiCAR is published in the MiCAR register of Crypto Asset service providers made publicly available on the ESMA's website. The Law of 6 February 2025 officially designates the CSSF as the competent authority within the framework of MiCAR.

CBL, as a Monetary Financial Institution ("MFI") and CSD providing banking-type services, is regulated as a CSD and bank according to the CSDR and CRR. Thus, CBL is subject to the relevant CSSF circular letters and other requirements.

The Banque centrale du Luxembourg ("BcL") ensures systemic stability of payments and SSSs as part of its responsibilities within the European System of Central Banks ("ESCB"). The BcL is responsible for the oversight of SSSs, as defined in the law of 10 November 2009 on Payment Services, as amended.

Australian regulators

The Australian Securities & Investments Commission ("ASIC") is Australia's integrated corporate, markets, financial services and consumer credit regulator, responsible for maintaining, facilitating, and improving the performance of the financial system and entities in it, and promoting confident and informed participation by investors and consumers in the financial system. ASIC is governed by *the Australian Securities and Investments Commission Act 2001 (Cth).*

The Reserve Bank of Australia ("RBA") is Australia's central bank and derives its functions and powers from the *Reserve Bank Act 1959* (Cth). Its duty is to contribute to the stability of the currency, conduct monetary policy, and maintain a strong financial system.

The Australian Prudential Regulation Authority ("APRA") is Australia's prudential regulator, responsible for supervising banks, insurance companies, and superannuation funds to ensure financial safety, stability, and sound governance across the financial services industry, and is accountable to the Australian Parliament.

CBL is subject to regulation by ASIC and the RBA in relation to its clearing and settlement facility licence, and to ASIC in relation to its relief from the need to hold an Australian financial services licence.

APRA has granted CBL the consent, with conditions, under section 66 of the Banking Act 1959 to use the restricted words "bank", "banker", "banking" and words of like import in relation to its business as a clearing and settlement facility in Australia. However, for the avoidance of doubt, CBL does not provide banking services in Australia.

Monetary Authority of Singapore

The Monetary Authority of Singapore ("MAS") is Singapore's central bank and integrated financial regulator. MAS also works with the financial industry to develop Singapore as a dynamic international financial centre.

The Monetary Authority of Singapore Act (MAS Act) gives MAS the authority to regulate the financial services sector in Singapore.The Financial Services and Markets Act 2022 further strengthens and consolidates the Monetary Authority of Singapore's (MAS) regulatory powers.

CBL is subject to regulation by MAS as owing to its status as a recognised clearing house in Singapore.

Bank of England

The Bank of England's Prudential Regulation Authority (PRA) is the primary regulator of banks, building societies, credit unions, insurers, and major investment firms in the UK. The PRA's main objective is to promote the safety and soundness of these firms and to contribute to the protection of policyholders. It works alongside the Financial Conduct Authority (FCA), which focuses on conduct of business and consumer protection.

The Bank of England has responsibility for supervising certain financial market infrastructures in the UK, including for incoming third country CSDs and CCPs.

1.2 Compliance

The client shall comply - and ensure compliance by any of the client's underlying clients up to the ultimate legal and beneficial owner - with any national or foreign law, regulation, sanction, order, judgment, injunction, asset freeze, blocking regulation or order or any other act or action of, or by, any national or foreign government, authority, court, (self-) regulatory organisation, government agency or instrumentality of government, including, but not limited to, investment and holding restrictions ("Regulations") applicable to the client, their underlying clients or CBL (including Regulations not applicable to the client but applicable to CBL). The client shall not, by action or inaction, cause CBL to violate a Regulation and shall be liable for and hold CBL harmless against any direct or indirect loss, claim, damage, liability or expense, imposed on or incurred by or asserted against CBL in connection with any actual or alleged non-compliance with the aforesaid by the client or any underlying clients of such client up to the ultimate and legal beneficial owner.

The client understands and acknowledges that transactions and accounts involving securities or Crypto Assets issued or held for custody in the European Union ("EU"), EU Member States, the United States or other nations are subject to the laws and regulations of those jurisdictions, some of which have extraterritorial application. As a legal person organised under the laws of Luxembourg, an EU Member State, CBL is in all cases subject to applicable Luxembourg and EU laws and regulations. Insofar as CBL conducts its business through US persons, including foreign subsidiaries or affiliates of US persons, the US government may assert jurisdiction over transactions in securities neither issued nor held for custody in the United States. CBL conducts its business to comply with all laws applicable to CBL. Please also refer to the EU sanctions: https://www.eeas.europa.eu/eeas/european-union-sanctions_en

Important Note: As part of CBL's internal compliance procedures, all incoming client instructions will be automatically scanned before entering transaction processing. Instructions that are internally flagged as requiring further manual investigation are set to status pending, with such status immediately reported to the client via their chosen media channel(s), until either being manually released for processing or rejected (as these instructions are not presented for settlement, no CSDR "failed settlement penalties" (SEFP) applies, however, late matching penalties (LMFP) may occur). In order to ensure that instructions being investigated do not miss the applicable deadlines, clients are advised to input instructions at least 15 minutes before the associated deadline.

1.3 Credit ratings

The current credit ratings enjoyed by CBL are as follows:

	Long Term	Short Term
Standard & Poor's	AA	A-1+
Fitch Ratings	AA	F1+

Standard & Poor's Corp. Bank Ratings Analysis 2017 includes the following:

The rating reflects the bank's crucial role in the international financial markets as an International Central Securities Depository, enjoying a very low credit and financial risk profile, combined with a compelling risk management and underpinned by a strong legal protection. Equally positively viewed were CBL´s prominent role in collateral optimisation and it being well positioned for TARGET2-Securities. It was also positively remarked that CBL has significantly strengthened its capitalisation in recent years.

In addition, CBL is acknowledged as being commercially responsive to the emerging needs of clients and expanding its services beyond settlement and custody, with collateral management services.

Fitch Ratings 2017 includes the following:

The ratings reflect the bank's leading franchise in the international post-trade securities services, with strong standalone creditworthiness combined with a resilient revenue base and strong management. Equally positively viewed were CBL's very low risk appetite, its stringent risk control frameworks, prudent liquidity management and sound capitalisation.

Furthermore, the fact that CBL is highly integrated into the Deutsche Börse Group, including in terms of risk management and risk framework, was viewed very positively by Fitch. Fitch expects CBL to continue generating sound profitability while maintaining its current low risk profile and making the required investments to ensure technology platforms and risk management systems keep pace with regulatory and industry-wide changes.

1.4 Communications with CBL

Clients can send instructions to CBL, and receive reports, using the CleastreamXact suite of products. These connectivity media and the conditions for their usage are described in Chapter 10.

Information about sending instructions to CBL is given in Chapter 4 (securities) and Chapter 5 (cash), and the reports available through the various connectivity media are described in Chapter 11.

Clients can send Investment Fund Orders using Vestima, CBL's automated electronic order routing and management service, which is described in Chapter 9 (Investment Fund Services).

1.5 Access to CBL

Access to the CBL system may be granted to:

- Clients, that are participants to the CBL system within the meaning of the article 2.1 (19) of CSDR and point (f) of the Article 2 of the Directive 98/26/EC ("Settlement Finality Directive"); or
- Issuers in accordance with Article 49 of the CSDR;

subject to the fulfilment of the relevant applicable admission criteria of CBL as defined in the Client and Access Acceptance Policy on the Clearstream website.

Access to clients

CBL's client base is fully international and clients are numbered among the most influential and prestigious financial institutions in the world.

As participants, clients have access to one or more services and products provided by CBL as further detailed in the Governing Documents or separate and specific written agreements.

The different categories of clients are described in the Section 3 of the Client and Access Acceptance Policy and are set out in accordance with the law implementing the Settlement Finality Directive in the Grand Duchy of Luxembourg and the Article 37 of the Commission Delegated Regulation (EU) 2017/392 of 11 November 2016 on authorisation, supervisory and operational requirements for CSDs ("**RTS 2017/392**"). They include:

- legal persons intending to become participants of the CSD in accordance with Article 33 of the CSDR[1] and Chapter XIII of the RTS 2017/392[2];
- legal person or entity, whether public or private, or a partnership or a common fund in order to access and participate in the CSD within the meaning of the Articles 2.1 (19) of CSDR[3] and Article 37 of the RTS 2017/392[4] in accordance with CBL's access or participation criteria;
- other CSDs in accordance with Article 52 of the CSDR[5];
- other market infrastructures in accordance with Article 53 of the CSDR[6].

Such access shall be requested by the completion of the relevant subscription forms made available on Clearstream website and is subject to the participation criteria and the relevant outcome on the risk assessments as described in the Client and Access Acceptance Policy. Details on the criteria and categorisation of the client are available on the Clearstream website.

Access to issuers

Issuers are granted access to Clearstream in accordance with Article 49 of the CSDR and Chapter XIII of the RTS 2017/392 for the initial recording in book entry-form of their securities in the CBL system.

Note: Although having access to Clearstream, issuers do not qualify as clients or as a participant in the CBL system, to the extent they do not enter into any contractual relationship with Clearstream.

Admission of issuers is subject to the admission criteria as set out by Clearstream Issuers' acceptance policy, covering, without limitation, fungibility, regulatory, compliance, risk and tax considerations.

As part of the eligibility process, CBL requires in particular that all new issues are serviced by agents that are AML regulated financial institutions and that their reconciliation is processed in accordance

1. All legal persons that intend to become clients.
2. According to Chapter XIII of the RTS 2017/392, a receiving and a requesting parties shall be understood as one of the entities listed.
3. Participant means any participant, as defined in point (f) of art. 2 of Directive 98/26/EC in a securities settlement system.
4. In accordance with art. 33, art. 52 and art.53 of the CSDR, Chapter XIII of the RTS 2017/392;
5. The right of a CSD to become a participant of another CSD.
6. A central counterparty or trading venue.

with CSDR standards. For further details about the notary function, please refer to Custody business operations - New Issues on page 7-1.

1.6 Client Services

In addition to CEU operating in Frankfurt and its own licensed banking activities in Luxembourg, CBL has offices in Dubai, Hong Kong, London, New York, Singapore, Tokyo and Zug. CBL's worldwide Client Services units constitute a "Front Line Desk" providing local assistance to clients in their own language and time zone. The Market Teams also support clients from other continental European countries who prefer to speak in English. Together they provide 24-hour coverage around the world. Specific contact details are given overleaf.

Clients must address their query to Client Services by Xact Web Portal Support Hub[1], email or telephone call only. CBL will revert to the client in an appropriate and reasonable period of time. Only the CBL client is entitled to assess which media is the most appropriate.

For urgent matters and to ensure the best possible response time, it is highly recommended that the client contacts Client Services by telephone instead of Xact Web Portal Support Hub or email. CBL cannot be held responsible in case of delay in responding to a query sent by Xact Web Portal Support Hub or email.

Client Services contact details including Connectivity Support, Global Securities Financing, Investment Fund Services and the Tax Help Desk are available on the Clearstream website under Contacts & Client Services.

1. Xact Web Portal Support Hub is available from the Help & Support dropdown tab.

1.7 The service network

In order to provide clients with access to a broad range of markets and appropriate products and services, CBL has developed a wide network of service providers. These, together with CBL itself, comprise the "service network".

CBL has also established interfaces with other "external" institutions to enable clients to settle Transactions with counterparties who hold accounts in other settlement systems, and also for information or reporting purposes.

The service network is summarised in Figure 1.1 follows.

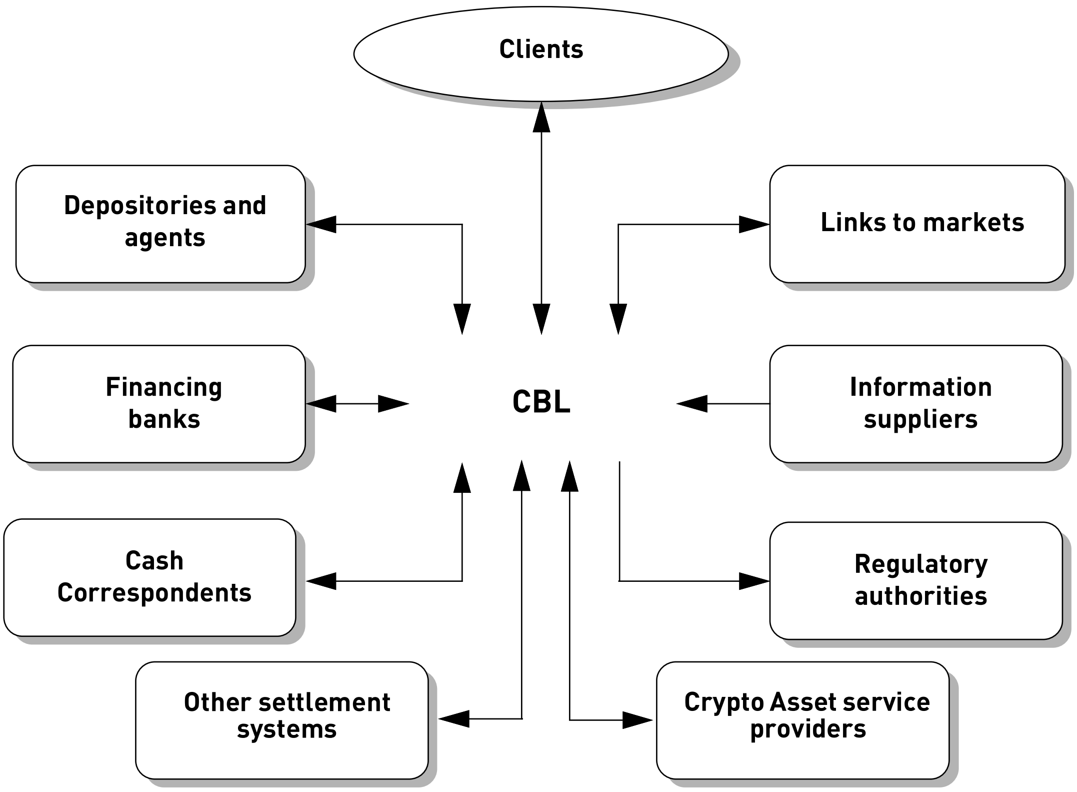

Figure 1.1 The service network

Clients

CBL's client base is fully international and clients are numbered among the most influential and prestigious financial institutions in the world. Many have multiple accounts with CBL. Details of maintaining the various types of CBL account are provided in Account opening and maintenance on page 2-4.

Depositories and agents

The safekeeping and servicing of the securities that are accepted in CBL are undertaken by a network of depositories and agents in a steadily increasing number of countries all around the world. More than eighty financial institutions serve as Depositories and/or agents of CBL under a dedicated agreement. CBL's Depositories and/or agents in each country are identified in the respective Market Guide.

In CBL's custody system, securities operations such as Coupon payments, Redemptions, physical deliveries etc. are normally executed by the Depository or agent appointed by CBL to service the security. Further details of custody operations are given in Chapter 8.

Client instructions for physical or book-entry transfer of securities into or out of CBL's system are also executed by Depositories or agents. For the links to a market, a Depository/agent acts as an interface between CBL and that market.

For Investment Fund Shares, CBL can decide to maintain its position directly in the Investment Fund Register operated by the Transfer Agent as an agent of the Investment Fund. In such cases, CBL does not appoint a Depository or other agent to safekeep and service its position.

Types of Depository/agent

CBL's Depositories and agents can be seen to fall into the following categories: domestic Depositories/agents holding and servicing domestic Securities; four types of Depository/agents holding and/or servicing International Securities, Transfer Agents and Crypto Asset Service Providers.

- **Domestic Depositories/agents**
  Through its links, CBL settles cross-border securities Transactions in many of the world's major markets.
- **Specialised Depositories**
  The function of CBL's Specialised Depositories is to provide safe custody and servicing for International Securities issued in physical or book-entry form, including Eurobonds and other euro-instruments. Most securities deposited with Specialised Depositories are held in physical form.
- **Common Depositories**
  International Securities that are primarily deposited and settled with CBL and Euroclear Bank are generally issued in the form of a Global Note. Such Global Notes can be exchanged later for definitive Certificates, or can remain as a permanent representation of the securities until final maturity.

  Common Depositories are appointed jointly by CBL and Euroclear Bank to act as their representative for the closing of New Issues and to provide safe custody and servicing for International Securities issued in Classical Global Note (CGN) form.

  More details are given in The Issuance Form of International Securities: CGN, NGN, Dematerialised and DLT Native on page 7-5.
- **Common Safekeepers**
  Issuers of international Debt Securities to be deposited and settled with CBL and Euroclear Bank can opt for a New Global Note (NGN). Under an NGN, the Issue Outstanding Amount (IOA) is determined by the records of CBL and Euroclear Bank rather than by annotation on the Global Note itself.

  Common Safekeepers are appointed jointly by CBL and Euroclear Bank. More details are provided in The Issuance Form of International Securities: CGN, NGN, Dematerialised and DLT Native on page 7-5.
- **Common Service Providers**
  Common Service Providers are appointed jointly by CBL and Euroclear Bank to provide asset servicing for International Securities issued in NGN form.

  More details about Common Service Providers can be found in The Issuance Form of International Securities: CGN, NGN, Dematerialised and DLT Native on page 7-5.
- **Transfer Agents**

A Transfer Agent (TA) is appointed by the Investment Fund. CBL may hold its position directly in the Investment Fund Register operated by the TA.

- **Crypto Asset Service Providers**
  CBL may deposit Crypto Assets with one or several sub-custodians also known as Crypto Asset service provider (CASP).

Functions of a Depository/agent

The functions of a Depository may be summarised as follows:

- Safekeeping of securities deposited in its vaults, with the registrar or with the local central Depository or providing custody and administration of Crypto Assets on behalf of CBL and its clients[1];
- Receipt of securities for entry into the CBL system[1];
- Delivery and receipt of securities on behalf of clients in accordance with instructions received from CBL[2];
- Collection from the designated Paying Agent of cash proceeds from interest and Dividends, Redemptions and maturities[2];
- Provision to CBL of accurate and timely information about corporate actions, tax reclaims, Redemptions, conversions etc., and assistance in the performance of related services[2];
- In some markets, securities lending, which provides increased liquidity in domestic instruments for same-day turnaround on deliveries to market or to international counterparties[3].

Note: Depository functions can be fulfilled for CBL by a TA in its capacity as agent of an Investment Fund and not as a supplier of services to CBL. Where Depository functions are carried out by a TA, the services CBL can provide are limited to the service levels required by the Investment Fund from the TA.

Links to domestic markets

CBL links to domestic markets and the services provided by its domestic Depositories can be characterised according to several criteria, as follows:

- **Types of link**
  - **Direct link**, whereby the Depository is also the Central Securities Depository (CSD) in the market;
  - **Direct link operated by an agent**, whereby an account is opened with the CSD in CBL's name but is serviced by an agent.
  - **Indirect link**, whereby the Depository acts as intermediary between CBL and a clearing system or central securities Depository;
- **Key services offered**
  - Settlement free of and against payment;
  - Back-to-Back processing;
  - Lending and Borrowing;
  - Multi-Market securities;
  - Pre-matching;
  - Allegement;
  - General Meetings services.
- **Types of instruments**
  - Equities;
  - Domestic Bonds;
  - Foreign Bonds etc;

1. Not applicable to Common Service Providers.
2. Not applicable to Common Safekeepers.
3. Not applicable to International Securities market.

- Crypto Assets[1].

For CBL and its clients, the principal advantages of the Depository network are:

- Maximum security, with minimum physical movement of securities;
- Local expertise and representation in the relevant markets;
- Effective on-site control of external receipts and deliveries of securities.

For the specific details of a market, please refer to the Link Guide for that market.

1.8 Deadlines

All deadlines quoted in hours and minutes (hh:mm) should be understood to include ":00 seconds". For example, 16:00 should be understood to mean 16:00:00.

Compliance with a deadline is assessed against the respective "Clearstream Receive Timestamp". An instruction will be processed automatically provided that the "Clearstream Receive Timestamp" indicates a time before the related deadline. If the "Clearstream Receive Timestamp" of an instruction indicates a time on or after the related deadline, the instruction can be processed on a "best efforts" basis only.

1.9 Sources of information for clients

Clients can make specific enquiries and obtain further information about all of CBL's products and services from Client Services or from their Relationship Officer (see Client Services on page 1-10).

CBL supports its products and services with a range of user documents and other sources of client information, including extensive user guides, lists of Depositories and agents, Cash Correspondent banks and domestic counterparties. Some of these documents, when classified as Governing Documents, are contractually binding on the client as per the General Terms and Conditions.

The Clearstream website provides information about all of CBL's products and services and is a centralised repository for all current publications. It also provides up-to-date information about activities and events being held by CBL.

Client publications

CBL maintains a number of publications that are provided in soft-copy form via the Clearstream website and updated regularly. The following publications support CBL's products and services.

Client Handbook

The Client Handbook (this document) is designed to provide CBL clients with an overview of CBL, its organisation and its operational procedures. The English version of the Client Handbook is a Governing Document as defined in CBL's General Terms and Conditions or General Terms and Conditions for custody of Crypto Assets and is subject to the General Terms and Conditions or General Terms and Conditions for custody of Crypto Assets unless otherwise specified.

Market Guide

The Market Guide gives details of the links that have been established between CBL and a number of the markets around the world for which CBL offers settlement and custody services. Details include, but are not limited to: types of instruments traded, types of link, Depositories and agents, Cash Correspondents, settlement rules and times, custody services and foreign exchange.

1. Unless otherwise specified, Crypto Assets will follow the existing procedures set out in the CBL Client Handbook.

The Market Guide is organised by market, with the information for each market split across two main sections, as follows:

- Market Profile

  Key information, particularly in the areas of settlement and custody, identifying the main institutions and describing local conditions and practices in the market. In addition, relevant website addresses are indicated, where clients can find more detailed information as required.

- Link Guide

  Information related to the use of the Creation Platform in the market, such as applicable deadlines, procedures for domestic counterparties, custody services and settlement instruction formats.

The Market Guide is produced in English. The latest applicable version is available on the Clearstream website.

The English version of the Link Guide is a Governing Document as defined in CBL's General Terms and Conditions and is subject to CBL's General Terms and Conditions, unless otherwise specified.

Investment Fund Market Guide

The Investment Fund Market Guide gives details of the Fund domiciles where CBL holds Investment Funds around the world and for which CBL may offer Order Routing, settlement and Custody services.

The Investment Fund Market Guide is organised by market, with the information for each market split across different sections, including but not limited to:

- Key features and Eligible fund types in CBL;
- Disclosure Requirements - Investment Funds;
- Holding Restrictions- Investment Funds;

These sections collectively form the Investment Fund Market Guide.

The Investment Fund Market Guide is produced in English. The latest applicable version is available on the Clearstream website and may contain Governing information (marked with "This page contains Governing Information") as defined in CBL's General Terms and Conditions and is subject to CBL's General Terms and Conditions, unless otherwise specified.

Communications manuals

The following documents provide assistance in the operation of CBL's connectivity services:

- Xact Web Portal User Manual;
- Xact File Transfer User Manual;
- Xact via Swift User Guide.

Clearstream Banking Fee Schedule

Fees and charges levied by CBL for its services are given in the Clearstream Banking Fee Schedule, which is a Governing Document as defined in CBL's General Terms and Conditions and is subject to the General Terms and Conditions unless otherwise specified.

Vestima user documentation

The following documents provide details of the Vestima Investment Fund order management service:

- Vestima SYSOP Guide;
- Vestima Service Model;
- Vestima User Guide for Order Issuers (use of Web Browser Based Interface);
- Vestima User Guide for Order Handling Agents (use of Web Browser Based Interface);
- Vestima Swift ISO 15022 User Guide;

- Vestima Swift ISO 20022 User Guide.

Announcements

Announcements give details, in English and for the majority, in German, of newly eligible currencies, changes in custody and clearing and settlement information, changes in taxation, changes to fees and charges, and other information about changes in the markets and CBL's products and services. The information given to clients in Announcements is integrated, where applicable, into the Client Handbook, the Market Guide, the Market Taxation Guides and other reference documents as appropriate.

Announcements containing governing information are individually defined as Governing Documents on a case-by-case basis.

Market Taxation Guides

The Market Taxation Guides provide clients with:

- Reference information about all taxes applied at source, through CBL and its Depositories and agents in the countries covered, to payments on securities deposited in CBL; and
- Procedures for obtaining relief at source or a refund of withholding tax through CBL.

CBL clients can access the Market Taxation Guides and other tax information on the Clearstream website.

Publication Alerts services

The Publication Alerts services are free of charge email services that inform clients of the publication of new/amended information on the Clearstream website. These services are available to all registered users of the Clearstream website.

Real-time alerts

Real-time alerts provide immediate notification of the availability on the Clearstream website of new/amended publications that match the client's preferences as selected when subscribing to the service.

Daily alerts

Daily alerts are emails sent to clients at the end of each day providing a list of all new/amended publications uploaded to the Clearstream website during that day. The list includes only those publications that match the client's preferences as selected when subscribing to the service.

Announcements via email

The email service is designed to enable clients who do not have desktop access to the internet to receive CBL announcements as attachments to emails sent over night.

Weekly Update

The Weekly Update includes a list of all new/amended Clearstream Banking publications issued during the preceding week. The list includes only those publications that match the client's preferences as selected when subscribing to the service.

Statement of Insurance

Clients can request a copy of **the Statement of Insurance**, which summarises the coverage maintained by CBL to protect its clients. This can be obtained upon request from a Client Services Officer or Relationship Officer.

Securities accepted in CBL

A complete list of securities accepted in CBL is available to clients in soft-copy form as a tab-delimited text file on the Clearstream website in the Key Document section under ICSD/Reference Data. This information includes lists of all accepted issues and, separately, a list of all New Issues accepted during the preceding month.

A database of eligible securities is also maintained on the Clearstream website and updated daily. Clients can obtain details of specific securities by means of a simple query using Codelist Inquiries.

Note: Holding restrictions apply in some markets and/or for some securities. CBL does not monitor the holding restrictions provided by law or by the Issuers. The clients remain at any time solely responsible for the investments they make and consequently for the monitoring of the restrictions and the beneficial owners' compliance thereto.

Note: Settlement restrictions apply to some securities. This is relevant to securities where positions in the Investment Fund Register are segregated by account (including VestimaPRIME accounts), and may apply to other securities as well. A list of securities with settlement restrictions for client accounts is available on the Clearstream website in the Key Document section under ICSD/Vestima Documentation.

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2. Client accounts

Each client account is identified by a unique account number. Clients can settle Transactions and hold Balances in any security or currency eligible for admission. A range of options is available for each account opened. Clients are asked to specify which options they require when opening an account.

Clients who wish to modify any of the options for an account should contact Clearstream Banking Client Services or their Relationship Officer (see Client Services on page 1-10).

2.1 Types of accounts

The following types of accounts are available to clients:

- **Main and additional accounts**

  Clients can open the main account and any number of additional accounts. Additional accounts enable clients to distinguish between their own holdings (proprietary assets) and those of their underlying clients (omnibus and segregated third party assets), in order to cater to specific business areas or for other purposes. Main and additional accounts can be used to access Vestima and VestimaPRIME services that allow to safekeep and subscribe for mutual (STP) and hedge (complex) funds respectively.

- **Dedicated account for French registered securities**

  French registered securities can be distinguished as VEN (Valeurs Essentiellement Nominatives), VON (Valeurs Ocassionellement Nominatives), LBS (Loyalty Bonus shares) and LBS-PF (Primes de Fidélité). VEN and VON in bearer form can be held on a main or additional account, whereas for VON in registered form as well as for LBS securities it needs a dedicated account linked to the main or additional account accordingly (one to one relation).

- **Asset restitution service for UCITS and Alternative Investment Funds**

  Clearstream offers an opt-in service allowing clients to segregate securities falling under AIFMD/UCITS obligations. The scope of markets and asset classes that can be held on these segregated accounts are subject to change. Specific custody-surcharges apply to the assets held on such accounts. Those charges can be retrieved from the Clearstream Banking Fee Schedule.

  As an exception to the Clearstream Banking S.A. General Terms and Conditions, Clearstream Banking S.A. shall be liable to the client in case of loss of securities by Clearstream Banking S.A. or by a subcustodian with whom Clearstream Banking S.A. deposited such securities. The service only applies to securities credited by clients to Clearstream Banking S.A. accounts, and clients represent warrant to Clearstream Banking S.A. that such accounts currently, and will at all times, contain securities held by clients in their capacity as depository of Alternative Investment Funds or UCITS. Subscription to this service is optional.

  Included markets:

Australia	France	Japan	Saudi Arabia	Thailand
Austria	Georgia	Malaysia	Serbia	Turkey
Belgium	Greece	Mexico	Singapore	Ukraine
Bulgaria	Hong Kong	Netherlands	Slovak Republic	United Kingdom
Canada	Hungary	New Zealand	Slovenia	USA
Croatia	Indonesia	Norway	South Africa	Uruguay

Cyprus	Ireland	Philippines	Spain	
Czech Republic	Israel	Poland	Sweden	
Dubai	Italy	Portugal	Switzerland	
Finland	Kazakhstan	Romania	Taiwan	

- **Published and Unpublished Accounts**

  The main account of every client is usually published: the existence of the account, including the account number and account name, is available through query functions available via Xact Web Portal or the Clearstream website.

  Upon request and at CBL's discretion, a client can open an Unpublished Account. Unpublished Accounts are not listed in any printed publication.

  Additional accounts, including safe custody and client money accounts, are generally opened as Unpublished Accounts. It is not normally necessary to divulge the existence of these accounts to counterparties, settlement with counterparties is normally executed using the client's main account.

- **Syndication Accounts**

  Since 14 March 2022, Lead Managers must use a commissionaire account to settle their syndicated issuances and no longer their syndication account.

  Issuing and Paying Agents can still request the opening of a syndication account, but those will only be used for the primary settlement of non syndicated issuances.

  For further details on Syndication Accounts and commissionaire accounts in the context of New Issues, see Chapter 7. Custody business operations - New Issues.

- **Commissionaire accounts**

  Lead Managers or Settlement Agents must apply for a commissionaire account in order to distribute and settle their syndicated issuances.

  Commissionaire accounts legally belong to Clearstream which delegates its usage to the Issuing Agent via a Power of Attorney.

  To apply for such an account, Lead Managers or Settlement Agents have to first sign the Terms and Conditions governing the syndicated distribution service and fill in a dedicated Account Opening Form.

- **Third party assets: Omnibus versus segregated account**

  When opening a new account, clients must indicate the nature of the assets to be kept therein (proprietary assets or third party assets).

  For third-party assets, clients can choose between omnibus (where interests of several underlying clients are mixed) or segregated accounts. The use of omnibus accounts for third party assets is however reserved to clients who are Professional Securities Intermediaries. For segregated accounts, clients must provide the identity of the underlying clients (whether or not the beneficial owner) in the account application form and must immediately inform CBL of any change thereafter. The underlying client details required on the account application form are as follows:

  - Legal contact name
  - Address containing city, post code and country
  - Commercial register number (where applicable)
  - Swift/BIC (where applicable)

  These details will be recorded by CBL in a specific business partner register which will be used for Know Your Customer (KYC) and Anti-Money Laundering (AML) purposes.

Omnibus and segregated accounts for third party assets are only eligible for credit facilities if the client provides collateral for these facilities from another account that contains proprietary assets.

Further details concerning the operation and opening of these accounts can be obtained on request from Clearstream Banking Client Services or a Relationship Officer.

Note: Clients are reminded that they shall comply with Article 38(5) and (6) of the CSDR. Accordingly, they shall be ready to offer their underlying clients at least the choice between omnibus client segregation and individual client segregation and inform them of the costs and risks associated with each option (see Article 38(5) of the CSDR). Further, clients shall also publicly disclose the levels of protection and the costs associated with the different levels of segregation that they provide and shall offer those services on reasonable commercial terms (pursuant to the requirements of Article 38(6) of the CSDR). For further details on Article 38 of the CSDR, please refer to the Clearstream website under Strategy and Initiatives/Asset safety/CSDR Article 38 disclosure, which includes CBL's information notice.

- **Fund Issuance Accounts (FIA)**

  Central Facility for Funds (CFF) Settlement Agents can open one or more FIAs in CBL for exclusive use in processing credits and debits of CFF Qualified Investment Fund Shares and related settlement Transactions. An ISIN category of CFF Qualified Investment Fund Shares can be maintained in one FIA only.

  CBL can, at its own discretion, act as a CFF Settlement Agent by opening and operating one or more FIAs. CBL will generate Transactions based on confirmations received from a CFF Transfer Agent that ensures the relevant Investment Fund Register is updated.

- **VestimaPRIME account (available for Legacy positions only)**

  The VestimaPRIME account is required when clients wish to use the VestimaPRIME service. VestimaPRIME is described in Chapter 9. Investment Fund Services (Investment Fund Services).

- **One Account service**

  Client can subscribe to the One Account service, allowing to connect one single account to both Vestima and VestimaPRIME simultaneously. One Account clients are enabled to safekeep mutual (STP) and alternative (hedge) funds in one single account.

- **Collateral Accounts for Eurex Clearing AG or European Commodity Clearing AG (ECC)**

  Clients can open pledged securities collateral accounts in favour of Eurex Clearing AG or EEC for different collateral purposes/clearing models.

2.2 Account opening and maintenance

Opening a main CBL account

Questions relating to the procedures for opening a first main account should be directed to a Relationship Officer (see Client Services on page 1-10).

The application forms that must be completed and returned by mail to CBL to request the opening of a CBL main account are as follows:

- Client Application Form, duly signed (in original form by mail or qualified electronic form by email);
- Account Application Form, duly signed (in original form by mail or qualified electronic form by email).

Electronic signatures with digital certificates can be used for account opening documents, modification services like novation or merger agreements, Collateral Management and KYC forms. Two signature types are available and accepted - simple electronic signature (SES) or qualified electronic signature (QES) based on the document type and level of security needed. QES provides the strongest level of signer assurance as it is the only signature type in the EU that is recognised as the equivalent to a handwritten signature.

For clients based in Continental Europe and the Nordics, CBL has selected DocuSign as a digital platform for electronic documents and signature acceptance based on the legislative framework established by the European commission.

Application forms must be provided with QES signature.

Separate forms are also completed to subscribe to a communications medium. The application forms for Xact Web Portal, Xact File Transfer and Xact via Swift can be provided upon request and are available from the Clearstream website.

Applicants must also submit (in original form or qualified electronic form, where relevant or applicable):

1. An up-to-date, official and complete list of authorised signatures[1]. Please provide original documents.
2. Certified* true copy of the articles of association[1] and, if the articles are not available in English, French or German, a certified* English translation.
3. Certified* true copy of the licence[1] to operate as a financial institution under Luxembourg law or any equivalent category under the client's national law and, if the licence is not available in English, French or German, a certified* English translation.
4. Extract of the company's register[1] (official or certified copy) including certificate of residency and, if the document is not available in English, French or German, a certified* English translation.
5. A copy of the company's most recent audited Annual Report[1]. In the case of a subsidiary, please also provide the latest audited Annual Report of the parent company.
6. U.S. Patriot Act certification (if applicable).
7. Additional documents[1] required in case an official signatory list has not been transmitted, or in case of a specific delegation of the signature authorities to individual or legal persons by board members:
   - Certified true copy of minutes of appointment of directors (board resolution).
   - Certified signed accompanying letter of directors appointing authorised signatories, whereby directors' signatures have been certified correct by notary or equivalent (in case the

1. If you make any amendments in the future to the documentation provided under points 1, 2, 3, 4, 5, 7 and 8, please send the updated documents to Clearstream Banking (Banking Operations) as soon as they become available.

accompanying letter is not certified in this way, please provide certified true copies of the passports of the directors appointing signatories).

- List of authorised signatures signed by appointing directors.

8. Detailed report written on your company by a recognised rating agency (if available).

Note: Certified copies of company documentation (articles, licence, minutes, signatures list) to be made by a competent authority under Luxembourg regulation or under the national regulation of the applicant's jurisdiction (such as notary, embassy, police officer). Proof of the competency of the authority to certify copies must be attached for clients not under Luxembourg regulation.

Requests to open a CBL account should be addressed to the attention of the Client Relations Department.

When a request by a new client to open an account is approved, the new client is notified by Swift or letter. The client then receives by standard mail the necessary information for using a CBL account. This includes the account number, passwords (where applicable) and relevant CBL publications. CBL reserves the right not to accept an application for a CBL account from a new client, and is not obliged to disclose its reasons for so doing.

Opening additional CBL accounts

Additional accounts can be opened without repeating the full initial application procedure. In order to request the opening of an additional account, clients must apply, either, via Xact Web Portal message, by sending an authenticated Swift message or a duly completed Account Application Form or a letter bearing authorised signatures to the attention of Banking Operations (Account Administration). The request must also include details of:

- The main account number;
- The name for the additional account (maximum 35 characters), which must begin with the same name as that of the main account;
- Whether the account is to be a Fund Issuance Account (FIA)[1] or a Collateral Account for Eurex Clearing;
- Whether the account is to be published or unpublished;
- Whether the account holding is proprietary or third-party assets;
- For third-party asset accounts, whether the account is to be omnibus or segregated;
- For segregated accounts, indicate the identity of the underlying clients (to be recorded by CBL in the business partner register)
  - Legal contact name
  - Address containing city, post code and country
  - Commercial register number (where applicable)
  - Swift/BIC (where applicable)
- Indicate a setup reference account (which could be the main account) strictly applicable to:
  - Reports setup (Common Codes/ISINs);
  - Settlement Sequence Option (by transaction reference number, by settlement Date, by nominal amount);
  - Settlement option (mandatory settlement period or for against payment instructions only, mandatory and optional settlement periods);
  - Matching BIC[2] (the matching BIC will be included in the settlement party details of external settlement instructions, only one matching BIC per account is allowed);

1. In this case, specific agreements must be signed. Please refer to the Investment Fund Services section of the Clearstream website.

- Mailing address;

- Whether or not the communication links will be the same as for the main account;
- Whether or not securities, cash and/or custody reporting will be the same as for the main account;
- Whether or not the account is to be added to the Clearstream Banking General Meeting Service via ISS subscription form, indicating the date of the relevant subscription form;
- Whether or not the account is to be added to a granted Power of Attorney, indicating the date of the relevant Power of Attorney and the Attorney's name;
- The name and telephone number of a contact person;
- Any special requirements (such as Single Matching Account service, Recycling of instructions when the Security Code is not yet open, Selective acceptance of internal delivery instructions without matching instructions, Billing account, Income main transfer account).

Unless the client instructs CBL otherwise, CBL will use, for all additional accounts opened in the client's name, the same designation for the Account Holder, and the same information on authorised signatures as that provided by the client for the first account opened.

Liability for the fulfilment of all obligations related to such additional accounts remains solely with the client.

Connecting CBL accounts to Vestima services

Clients can connect their custody accounts to Vestima that allows trading mutual funds only or to VestimaPRIME and Vestima that allows trading both alternative and mutual funds.

In order to connect to Vestima or to VestimaPRIME and Vestima, the client is required to complete the Vestima Service Application Form (SAF). That must be completed in original form and returned by mail to CBL to request the opening of the main account.

2. Clients must provide the matching BIC when accessing T2S markets via Vestima.

Accounts related to CFF

CFF provides Delivery versus Payment (DVP) and Free of Payment (FOP) settlement between clients (for example, fund distributors) and CFF Settlement Agents (for example, TAs), plus associated custody services. Figure 2.1 below sets out the accounts that have been put in place in order to offer CFF Services:

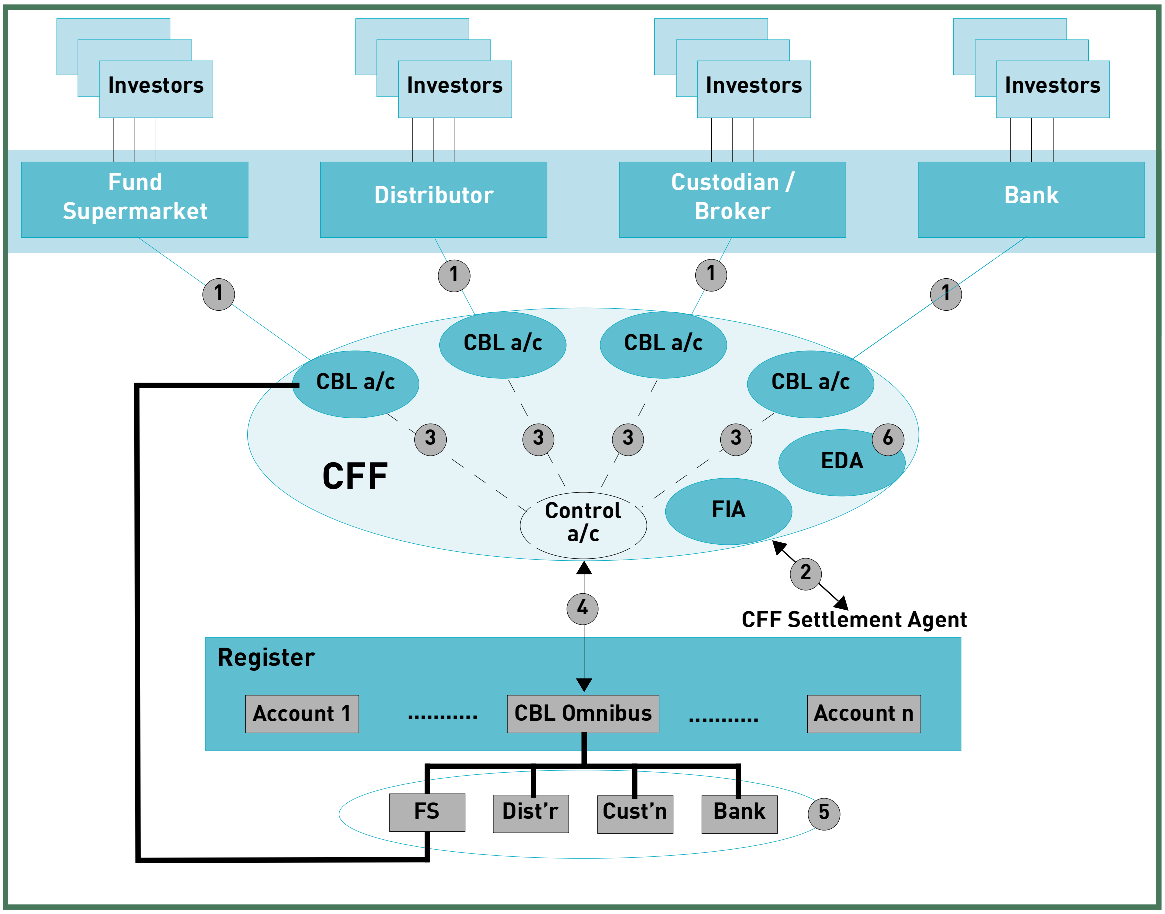

Figure 2.1 CFF account structure

1. Clients operate CBL accounts.
2. CFF Settlement Agents each operate one or more Fund Issuance Accounts (FIA).
3. All holdings of CFF Qualified Investment Fund Shares in client accounts are aggregated into a control account.
4. The holdings of CBL's clients are maintained in the Investment Fund Register of shareholders in the name of CBL, acting as nominee, that reflects the omnibus record of CFF Qualified Investment Fund Shares (the CFF Omnibus Account).
5. CFF Transfer Agents may maintain detailed recorded client positions.
6. CFF operates an internal Entitlement Distribution Account (EDA) opened in the name of CBL for use in the distribution of corporate action proceeds to clients.

Account maintenance and other fees

All fees are detailed in the Clearstream Banking Fee Schedule which is published regularly.

Updates to supporting documents

Clients are required to provide CBL, on an ongoing basis and at the earliest opportunity, with any amendments to the documentation provided under points 2, 3, 4, 5, 7 and 8 listed "Opening a main CBL account" on page 2-4. The updated documents must be sent to Clearstream Banking Luxembourg, to the attention of Banking Operations (Account Administration) as soon as they become available.

Closing a CBL account

Without prejudice of articles 55 and 56 of CBL GTCs, CBL or the client can close an account upon one month's written notice.

To request the closing of an account, the account owner must apply, either, via Xact Web Portal message, by sending an authenticated Swift message, or a letter to CBL, bearing authorised signatures to the attention of Banking Operations (Account Administration). The Swift message or letter must also include instructions for the Clearing of any credit or debit Balances in the account.

The client shall support all due fees, commissions and other charges still to be calculated when closure request reaches Clearstream Banking Luxembourg.

The client shall be released from obligations towards CBL when CBL confirms to the client that the account is closed.

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3. Settlement services

CBL is an international central securities depository (ICSD) providing, as part of its core services offering, different types of settlement options, depending on the selected settlement location of respective counterparties, to facilitate the settlement of transactions in global and international securities and domestic securities traded across borders.

These services are carried out by means of a computer-based book-entry system operated from Luxembourg on behalf of CBL by Clearstream Services.

The following instruments are currently accepted by CBL for settlement:

- Euro–instruments, including Eurobonds (straight, floating rate, convertible etc.);
- Foreign bonds;
- Foreign-targeted bonds;
- Money market instruments, including short- and medium-term notes, commercial paper and certificates of deposit;
- Domestic bonds (government and corporate, including convertibles);
- Equities;
- Depositary receipts;
- Investment funds;
- Warrants;
- Asset-backed securities and other collateralised debt securities;
- Crypto Assets.

Additionally, for selected trading venues and instruments, transactions are routed to Clearstream automatically for further processing after trading on the trading venue.

CBL offers its services to both domestic and international clients, as follows:

- CBL is a Securities Settlement System (SSS) for eligible securities issued in Luxembourg and as such acts as custodian for national and foreign institutions that want to use securities issued in Luxembourg as collateral in their monetary operations with their central bank.
- CBL is one of the SSSs for eligible Eurobond and international securities. Clients wishing to use these securities as collateral can do so by requesting a transfer to the Luxembourg central bank (Banque centrale du Luxembourg - BCL). The central bank will notify the specific client's national central bank, which in turn will make credit available to the client to satisfy the liquidity requirements of the T2 RTGS system.

Settlement types

CBL provides settlement services for Internal, Bridge or External settlement, according to where the client's counterparty wants to receive settlement.

Trades with counterparties in CBL are referred to as "Internal Transactions", those with counterparties in Euroclear are known as "Bridge Transactions". Internal and Bridge Transactions can be executed on a free basis (transfer of securities between two counterparties) or against payment (simultaneous exchange of cash versus securities between two counterparties) basis.

Settlement of Bridge Transactions can occur during the real-time processing, at regular intervals, beginning in the evening of the Business Day preceding the Requested settlement Date until 19:05 of the following Business Day, with same-day value. Further details are given in the respective Market Link Guide on the Clearstream website.

Settlement of internal transactions can occur during the real-time processing beginning in the evening of the business day preceding the requested settlement date until the end of day processing is complete, which is 20:35.

Trades with counterparties in domestic markets ("external transactions") vary in their settlement timing according to the link and the instrument. Further details are given in the respective Market Link Guide on the Clearstream website.

Settlement processing

CBL offers a wide range of comprehensive clearing and settlement services that are delivered from a sophisticated processing platform called Creation platform.

The Creation platform provides a central point of access to a wide variety of markets, offering fully automated real-time and end of day processing, enabling access to real-time communication with a global network of cash correspondent and depository banks.

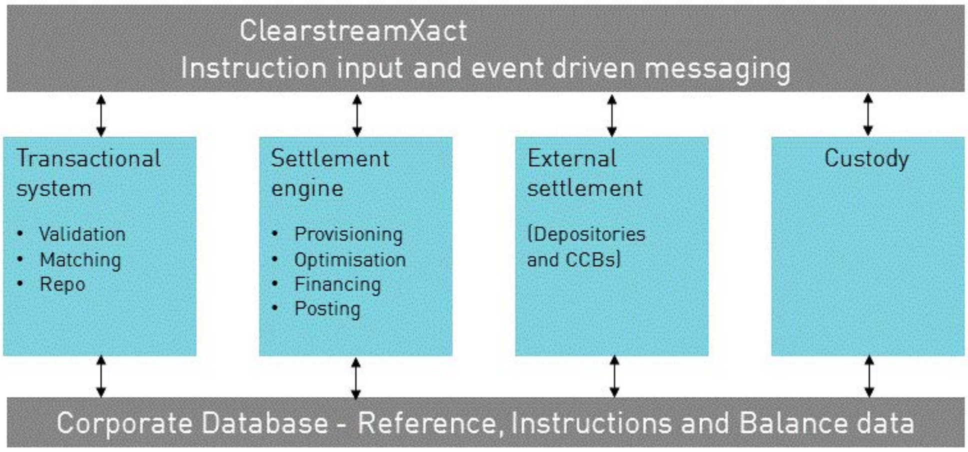


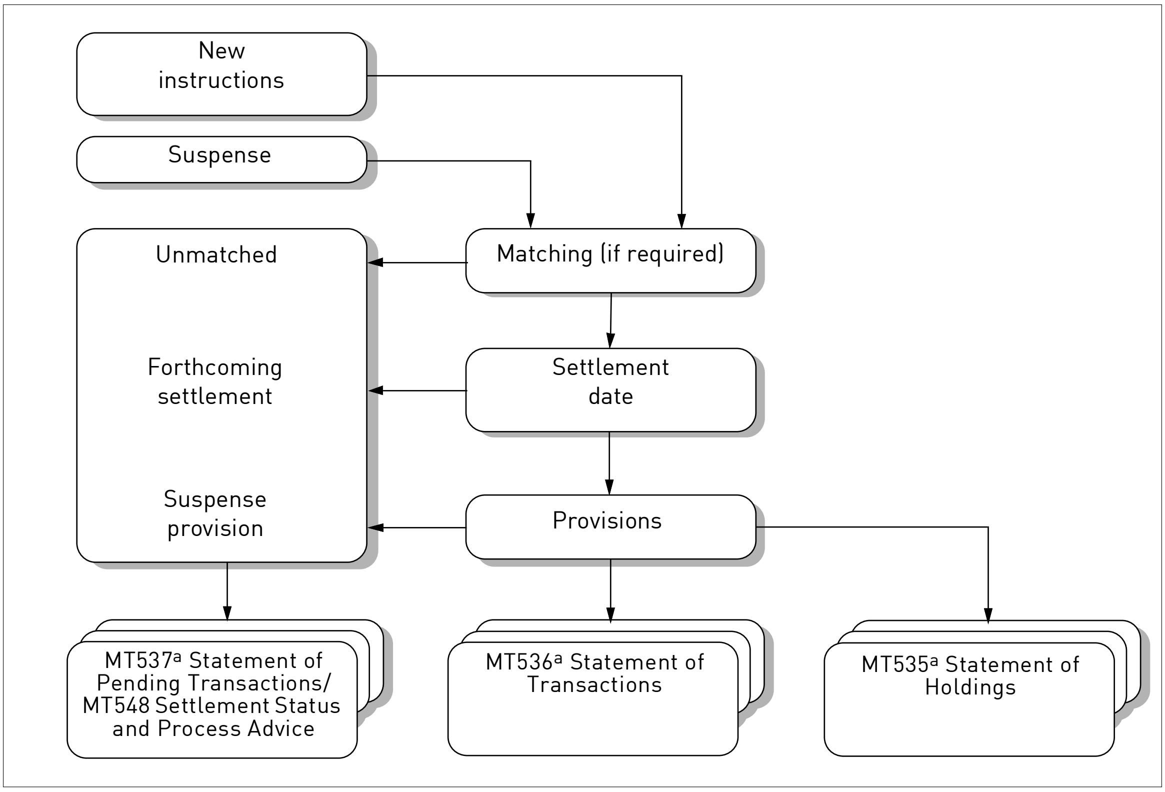
Figure 3.1 Instruction life cycle

This integrated platform has been designed specifically to provide end-to-end processing by bringing together in a single system three core functions: settlement, custody and reporting. Creation is the processing hub for a high-performance transaction settlement engine, in a secure and robust environment, facilitating straight-through and end-to-end processing. Swift and ISO message standards that are applicable to our particular business environment are supported and used in industry-standard ways.

Settlement procedures are described here below, securities instructions in Chapter 4. Securities instructions, and cash instructions in Chapter 5. Cash Financing services.

3.1 Settlement procedures

The general pattern of settlement processing is illustrated in Figure 3.2 below:



a. ISO 15022 terminology is used as a standard for descriptions of message types. MTxxx applies to Xact Web Portal, Xact File Transfer and Xact via Swift, as appropriate.

Figure 3.2 Settlement processing

3.2 Internal, Bridge and external settlement

CBL provides clearance services for **internal, Bridge or external** settlement, according to where the client's counterparty wants to receive settlement.

- **Internal transactions**

  Internal transactions are transactions between CBL accounts. Internal transactions can be in any security admitted for settlement in CBL, whether an international or a domestic instrument.

- **Bridge transactions**

  Bridge transactions are those with counterparties in Euroclear Bank. Bridge transactions can only be carried out if the security is eligible for admission in both systems and the position is held in the market of the Issuer CSD.

- **External transactions**

  External transactions are transactions with a counterparty other than a CBL counterparty in a domestic market. External transactions include instructions for the physical delivery of international and domestic securities and the deposit and withdrawal of Crypto Assets.

3.3 Processing of Bridge transactions

CBL only accepts to process Bridge transactions for securities eligible for admission in both CBL's and Euroclear's systems.

Bridge transactions can be settled in the CBL securities settlement system either free of payment or against payment in any Bridge eligible currency, as described on the website under Settlement times - Bridge.

CBL processes the Instructions to be proposed to Euroclear in accordance with the terms and operational rules agreed in the framework of the Bridge Agreement.

During the mandatory and optional settlement periods (as defined in Chapter 3.4 on the "Settlement day", in page 3-6), delivery and feedback files are exchanged between Euroclear and CBL across the Bridge to settle the Bridge transactions.

The delivery files contain proposed delivery Instructions from clients of one system to their counterparties in the other system; the feedback files indicate whether the proposed deliveries have been accepted or refused. Each of CBL and Euroclear is able to build and settle chains of dependent transactions on the basis of deliveries and feedbacks from the other system.

Further information on the settlement processing of Bridge instructions is available in Chapter 3.4 on page 3-6.

Note: The securities positions held by one ICSD in the books of the other ICSD as a result of bridge settled transactions are realigned from time to time in accordance with the electronic positions reported in each other books (see Realignment on page 4-16).

CBL may refuse to process Bridge transactions if such processing would imply unacceptable or unreasonable amendments to technical or operational processes applied for the Bridge or be inconsistent with the Bridge Agreement, the Client Handbook or any other governing documents.

For the processing of Bridge transactions, CBL shall not be held liable for:

- The authenticity, completeness, contents or timeliness of Instruction data received from Euroclear;
- The processing of Bridge instructions by Euroclear (including the refusal by Euroclear to process its participants' instructions) and the reporting by Euroclear to its participants of the information received from CBL;
- The invalidation by Euroclear of a CBL Bridge instruction or the refusal by Euroclear to process a Bridge Instruction on the basis of its own rules;
- Euroclear's management of its clients' instructions, in the framework of the Bridge agreement, including the refusal by Euroclear to propose delivery instructions and to process CBL's instructions;
- Any losses of the client incurred by its reliance on the delivery of securities over the Bridge in order to participate in a corporate action that requires delivery of those securities on the same day they were received;
- Any losses caused by a realignment which does not occur due to reasons outside of CBL's control;
- CBL refusal to process Bridge instructions;
- The non-execution by CBL of the client's Bridge instruction as a result of the risk management procedures or liquidity checks applicable on Bridge transactions.

Risk management and liquidity checks

CBL and Euroclear have agreed in the Bridge Agreement on a set of risk management principles designed to limit their exposure to one another and eliminate systemic risk to comply with the CSDR requirements as well as applicable industry standards, such as the ECB-CESR Standards for Clearing and Settlement Systems in the European Union and the CPSS IOSCO “Principles for Financial Market Infrastructures”.

Accordingly, CBL and Euroclear shall ensure that the cash counter value of Bridge instructions accepted is not greater than the operable amount of the applicable letter of credit and/or other collateral issued in favour of the relevant ICSD. Any receipts of securities which would exceed this threshold are either provisionally accepted or refused by the receiving ICSD.

Bridge instructions may as a result be delayed and/or not settled by the ICSDs on a given settlement date, as CBL or Euroclear, each in its capacity of the receiving ICSD, may be obliged to leave a proposed delivery unsettled at the end of a settlement period due to the application of these risk management procedures. In such a case, the transaction concerned will be given a new status with the narrative "Not Settled by CBL" or "Not Settled by EOC", as appropriate.

CBL applies liquidity checks on Bridge settlement instruction against payment. CBL has put in place several financial arrangements:

- To enable clients to access the credit in currencies they are familiar with. With CBL's best efforts, CBL cannot dismiss an event where a trade or trades remains in an unprovisioned status (that is, "lack of money") despite enough credit and collateral being available. Such an event is likely due to the new liquidity check which has identified a temporary unavailability for the amount requested.
- To enable clients' deliveries to Euroclear, CBL cannot dismiss an event where a trade or trades remain(s) in an unprovisioned status despite enough securities on the client's account.

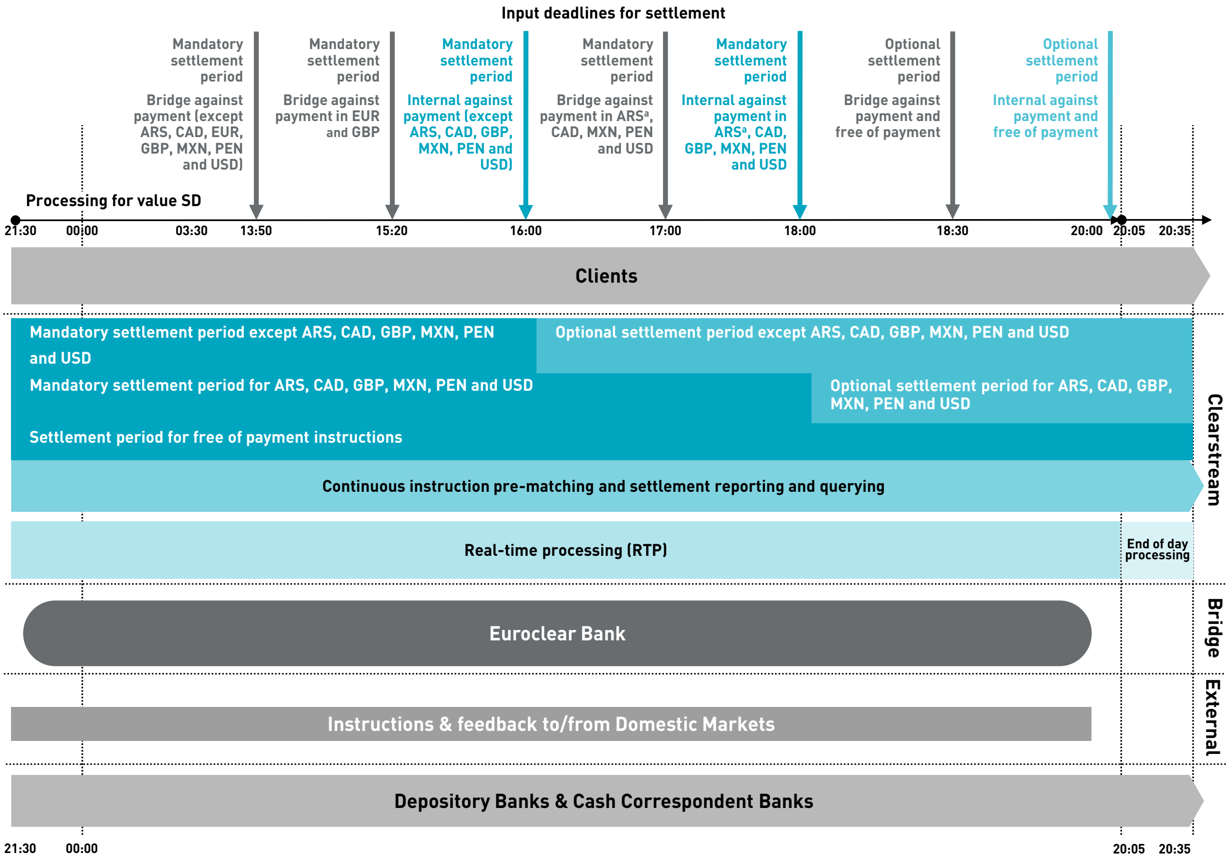
In order to ease the potential settlement within the deadlines and to avoid as much as possible impacts on the settlement velocity resulting from these liquidity checks, CBL strongly recommends clients to bring cash and/or to shape their instructions according to the CBL Shaping Amounts document that can be found under Liquidity check and HLC requirements. Alternatively - in agreement with their counterparties - clients can opt to use the recently introduced partial settlement functionality.

Instructions that, irrespective of these mitigating measures, remained unsettled at the end of a mandatory settlement period, may still be settled during the optional settlement period, if flagged accordingly by both counterparties. This status can only be applied to against payment instructions.

Note: The settlement time cannot be guaranteed by CBL for the Bridge instructions.

3.4 The settlement day

The CBL "settlement day" consists of one main settlement processing, the real-time processing, followed by the End of day processing, as illustrated in Figure 3.3 below:



a. Although the input deadline for all Bridge instructions against payment ARS is 17:00, clients are recommended to send their receipt instructions against payment in ARS by 15:30 at the latest. Both counterparties must ensure the receipt and the delivery instructions are for the mandatory and optional settlement periods.

Figure 3.3 The settlement day

Note: Please refer to Settlement processing cycles on page 3-6 for general information about file exchanges with Euroclear Bank and transaction data interchanges with depository banks, domestic clearing systems and cash correspondent banks.

Settlement processing cycles

The settlement processing of Internal and Bridge instructions is scheduled to begin in the evening of the business day preceding the settlement date (SD) at 21:30.

Internal instructions

- The settlement processing of internal instructions will continue on a mandatory basis until 16:10 for against payment instructions in all currencies except ARS, CAD, GBP, MXN, PEN and USD and until 18:10 for against payment instructions in ARS, CAD, GBP, MXN, PEN and USD.
- The settlement processing of against payment instructions will continue on an optional basis until 20:35.

- The settlement processing of free of payment instructions will take place throughout the day until 20:35.

Bridge instructions

- The settlement processing of Bridge instructions will continue on a mandatory basis until 14:25 for against payment instructions in all currencies except ARS, CAD, EUR, GBP, MXN, PEN and USD.
- The settlement processing of Bridge will continue on a mandatory basis until 15:55 for against payment instructions in EUR and GBP.
- The settlement processing of Bridge instructions will continue on a mandatory basis until 17:35 for against payment instructions in ARS, CAD, MXN, PEN and USD.
- The settlement processing of Bridge against payment instructions will continue on an optional basis until 19:05.
- The settlement processing of Bridge free of payment instructions will take place throughout the day until 19:05.

External instructions

The settlement processing of external instructions may start in different processing cycles.

Real-time processing

Real-time processing begins after the scheduled start of the settlement cycles at 21:30[1] in the evening of the business day preceding settlement date, and runs continuously until 20:05 on settlement date, and is followed by the end of day processing, which is scheduled to be completed by 20:35.

It includes further file exchanges over the Bridge with Euroclear and simultaneous exchanges of instructions with depository banks, domestic clearing systems and cash correspondent banks. Provided that the client has selected the option to have their instructions considered for settlement beyond the mandatory period, all Internal and Bridge instructions that remain unsettled at the end of the mandatory settlement period are retried during the remaining settlement cycles.

Settlement periods

The settlement day is split into two settlement periods, for internal and Bridge instructions:

- The mandatory settlement period, during which a delivery may only be refused for reason of cash or credit provision (or, temporarily, for risk management purposes); and
- The optional settlement period during which clients may determine eligibility for settlement by means of an optional settlement flag (OSF).

  The optional settlement period follows the mandatory settlement period for against payment instructions only and, provided that clients have determined that their instructions are to be eligible for the optional settlement period, all internal and Bridge against payment instructions unsettled at the end of the mandatory settlement period and any new or amended against payment instructions received by the respective input deadlines for optional settlement, are processed in the optional settlement period.

Note: All valid instructions are eligible for mandatory settlement regardless of their eligibility status for the optional settlement period. In summary, an instruction can be eligible for mandatory settlement only or for mandatory and optional settlement; an instruction cannot be eligible for optional settlement only.

1. At weekends, the real-time processing may, at CBL's discretion, begin at any time. In such circumstances, transactions processed in this timeframe will be settled for value the Monday immediately following.

3.5 Instruction deadlines

The instruction deadlines for external transactions are given, in both CET and local times, for each domestic market link on the Clearstream website.

A consolidated list of instruction deadlines, in CET only, is published for the markets in the Settlement Timings Matrix on the Clearstream website.

Clearstream's CET instruction deadlines take daylight saving time (DST) changes around the world into account. Therefore, the CET deadline automatically adjusts to maintain a consistent local market deadline.

Important Reminder: As part of CBL's internal compliance procedures, all incoming client instructions will be automatically scanned before entering transaction processing. instructions that are internally flagged as requiring further manual investigation are set to status pending, with such status immediately reported to the client via their chosen media channel(s), until either being manually released for processing or rejected. In order to ensure that instructions being investigates before the associated deadline.

For a consolidated list of the cash and securities holidays in the domestic markets, please refer to Processing Times on the Clearstream website

Figure 3.4 below shows deadlines for:

- Internal transactions (those between CBL and/or LuxCSD clients, instruction types MT540, MT541, MT542, MT543);
- Bridge transactions (between a CBL client and a Euroclear counterparty, instruction types MT540, MT541, MT542, MT543).

Note: MT54x instructions without matching are not valid for transfers of CFF Qualified Investment Fund Shares.

Internal and Bridge transactions are settled either during the mandatory settlement period or, for against payment instructions, if matched on the optional settlement flag setting, during the optional settlement period processing.

Mandatory settlement period

	Receipts		Deliveries	
	Free of Payment	Against Payment	Free of Payment	Against Payment
Internal				
for mandatory settlement only (in all currencies except ARS, CAD, GBP, MXN, PEN and USD)		16:00 SD		16:00 SD
for mandatory settlement only (in ARS, CAD, GBP, MXN, PEN and USD)		18:00 SD		18:00 SD
for mandatory settlement	20:00 SD		20:00 SD	
for optional settlement		20:00 SD		20:00 SD
Bridge				
for mandatory settlement only (in all currencies except ARS, CAD, EUR, GBP, MXN, PEN and USD)		13:50 SD		13:50 SD
for mandatory settlement only (in EUR and GBP)		15:20 SD		15:20 SD
for mandatory settlement only (in ARS[a], CAD, MXN, PEN and USD)		17:00 SD		17:00 SD
for mandatory settlement	18:30 SD		18:30 SD	
for optional settlement		18:30 SD		18:30 SD
Securities credit/debit	SD	SD	SD	SD
Cash credit/debit	/	SD	/	SD
Cash value date	/	SD	/	SD

a. Although the input deadline for all Bridge instructions against payment ARS is 17:00, clients are recommended to send their receipt instructions against payment in ARS by 15:30 at the latest. Both counterparties must ensure the receipt and the delivery instructions are for the mandatory and optional settlement periods.

Figure 3.4 Internal and Bridge instructions

CBL recommends that internal and Bridge instructions are submitted by 20:55 on SD-1.

Late instructions

In general, CBL will not consider, in a given settlement processing, any instruction received after the specified deadline for that processing.

Real-time processing reports

Real-time processing reports include MT536 (Statement of Transactions), MT537 (Statement of Pending Transactions), MT548 (Settlement Status and Processing Advice) and the MT578 (Settlement Allegements). These reports are generated intraday, while delta reporting of MT537 is also generated on a continuous basis. The status codes include the transaction status “Settled” to indicate that a Transaction has settled during real-time processing. Free of payment entries of securities are also reported.

End of day processing and reports

During the final end of day processing, any remaining internal pending transactions authorised for optional settlement are processed. Also, the lending/borrowing activities of the day are consolidated.

Automatically generated end of day reports will be made available at 21:15 SD. Please refer to Reports and information services on page 11-1.

Settlement finality

Settlement of transactions during the real-time and end of day processing is final.

Deliveries of securities to or from a domestic counterparty are final depending on local market regulations and practices.

See also The purpose of this section is to define the securities settlement rules applicable to the processing of the instructions in accordance with Article 111(1) of the Payment Services Law. This section aims in particular to set out the rules determining the ability of a client to revoke or amend its settlement instructions and the moments in time when the instructions become irrevocable, binding and unconditional. on page 4-1.

Settlement date

The date on which an instruction is processed for settlement is determined by the type of transaction. Prior to being processed for settlement, transactions are held in suspense as forthcoming settlements.

The rules are as follows:

- Internal and Bridge securities instructions received before 20:55 on SD-1 for secondary market transactions are first processed starting at 21:30 SD-1 for the requested settlement date. Transactions in new issues remain in "Pending" until after confirmation of closing (see Chapter 7. Custody business operations - New Issues).
- External securities instructions are considered for release by CBL to the appropriate domestic market or clearing system in time for them to be settled, upon successful provisioning, on the requested settlement date in the domestic market.
  - In the case of deliveries of securities, the securities provision is debited from the client's relevant account position, and the countervalue is credited when it is received from the counterparty.
  - In the case of receipts of securities, the client's receipt instruction is released, and the credit of securities to the relevant account position and debit of cash countervalue occur upon confirmation of settlement in the domestic market.

Provision checks

During the processing of instructions for settlement, the provision checks are carried out as described below.

Provisioning periods

Standard provisioning periods for internal and Bridge instructions are as follows:

Instruction		Provisioning - mandatory settlement only		Provisioning - mandatory and optional[a] settlement	
		start	end	start	end
Internal	Receipts (cash provisioning in all currencies except ARS, CAD, GBP, MXN, PEN and USD)	21:30 SD-1	16:10 SD	21:30 SD-1	20:35 SD
	Deliveries (securities provisioning in all currencies except ARS, CAD, GBP, MXN, PEN and USD)	21:30 SD-1	16:10 SD	21:30 SD-1	20:35 SD
	Receipts (cash provisioning in ARS, CAD, GBP, MXN, PEN and USD)	21:30 SD-1	18:10 SD	21:30 SD-1	20:35 SD
	Deliveries (securities provisioning in ARS, CAD, GBP, MXN, PEN and USD)	21:30 SD-1	18:10 SD	21:30 SD-1	20:35 SD
Bridge	Receipts (cash provisioning in all currencies except ARS, CAD, EUR, GBP, MXN, PEN and USD)	21:30 SD-1	14:15 SD	21:30 SD-1	18:55 SD
	Deliveries (securities provisioning in all currencies except ARS, CAD, EUR, GBP, MXN, PEN and USD)	21:30 SD-1	13:55 SD	21:30 SD-1	18:35 SD
	Receipts (cash provisioning in EUR and GBP)	21:30 SD-1	15:35 SD	21:30 SD-1	18:55 SD
	Deliveries (securities provisioning in EUR and GBP)	21:30 SD-1	15:35 SD	21:30 SD-1	18:35 SD
	Receipts (cash provisioning in ARS[b], CAD, MXN, PEN and USD)	21:30 SD-1	17:15 SD	21:30 SD-1	18:55 SD
	Deliveries (securities provisioning in ARS, CAD, MXN, PEN and USD)	21:30 SD-1	17:15 SD	21:30 SD-1	18:35 SD

a. Inclusion in the optional settlement period processing is specified either with an account standing instruction or, per instruction, by setting the optional settlement flag (see The optional settlement flag on page 3-24).
b. Although the input deadline for all Bridge instructions against payment ARS is 17:00, clients are recommended to send their receipt instructions against payment in ARS by 15:30 at the latest. Both counterparties must ensure the receipt and the delivery instructions are for the mandatory and optional settlement periods.

The end times shown in the above table reflect the **approximate** finishing times for the last settlement cycles in the related settlement periods. Related settlement reports are available to clients shortly after the end of each of these settlement cycles.

Note: Provisioning timings for domestic markets can be found in the Market Link Guide.

Cash, securities or Crypto Assets provision check

Securities provision must be available on the relevant account position or through securities borrowing facilities, while cash provision must be available either on the account or through financing facilities. For Crypto Assets, provision must be available on the relevant account, currently there are no borrowing or financing facilities available. It is the client's responsibility to ensure the timely availability of securities and cash provision, as appropriate.

Collateral provision check

The collateral provision check ensures that, after the instruction has been executed, sufficient collateral to cover outstanding obligations will still be available on the account.

Instructions that do not satisfy these provision checks remain unsettled and appear in the suspense provision section of the MT537 (Statement of Pending Transactions).

Liquidity check

In line with CSDR requirements, CBL performs a liquidity check on settlement instructions when the cash provisioning is based on financing facilities. While CBL has put in place several funding arrangements to enable clients to access credit in all permitted currencies, a settlement instruction could remain in an unprovisioned status (that is, "lack of money") due to the uncommitted nature of the credit services. According to CSDR, a CSD-banking service provider can grant only uncommitted credit lines to borrowing participants despite sufficient financing facilities and collateral. In such a scenario, and in order to maximise the likelihood of settlement within the deadlines and to avoid as much as possible impacts on the settlement velocity, clients should bring in cash to ensure timely settlement.

Furthermore, CBL strongly recommends clients to shape their instructions and - in agreement with their counterparties - use the recently introduced partial settlement functionality. The recommended shaping amounts are available on the website under Liquidity check and HLC requirements.

3.6 Back-to-back against payment transactions

The same securities can be received and delivered ("back-to-back") several times during a settlement cycle. These transactions are processed in "transaction chains". Transaction chains are made up of all transactions in the same security, with the same common code, within the same settlement cycle. Unsettled securities transactions are recycled in several settlement cycles as new information is received from depositories and from Euroclear over the Bridge.

If, in each chain, the initial deliverer has securities provision and the final receiver has cash provision, all internal transactions can be settled by netting through the flow of securities and cash in the chain. If provision is lacking on either side or on both sides, the chain is retried, taking the counterparty or counterparties next to the failing deliverer and/or receiver.

At CBL's discretion, settlement processing takes into account, for credit purposes, any unconfirmed funds that are due to be confirmed on the value date.

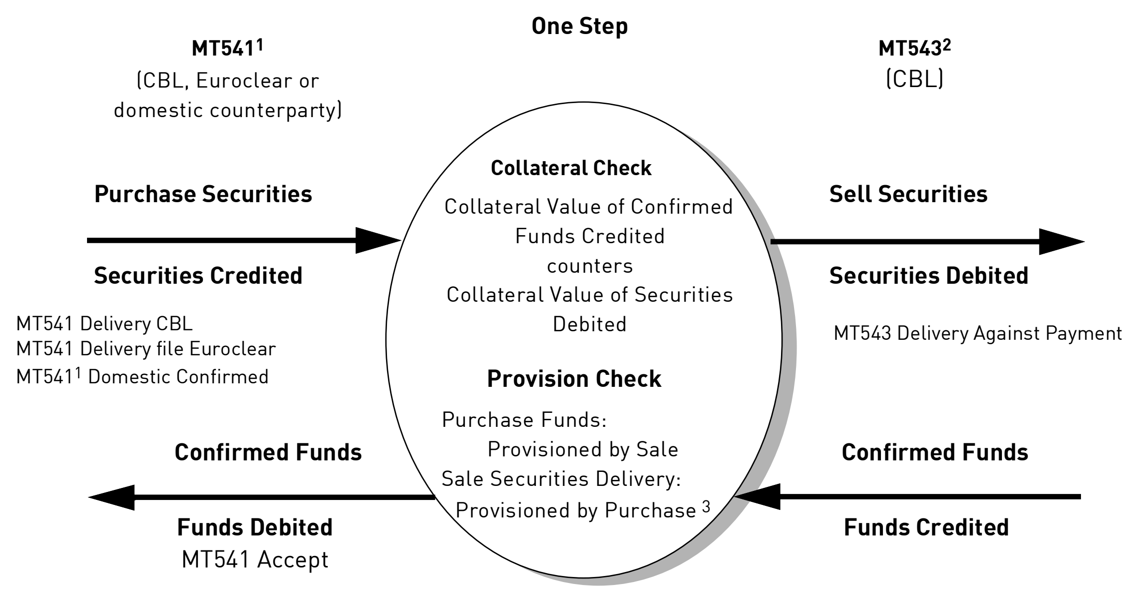
With Internal counterparties

If securities are received against payment from an Internal or Bridge counterparty, and delivered against payment in the same processing to an Internal counterparty, there are no cash Provision or collateral requirements as long as the funds countervalue of the securities delivered equals or exceeds the funds countervalue of the securities received.

On back-to-back deliveries to internal counterparties, the client therefore does not have to deposit funds to cover the receipt against payment transaction before the delivery is processed, and no overdraft, collateral or financing arrangements are required on the account.

For securities received against payment from a domestic counterparty, adequate credit lines, cash or collateral provision must be available in the buyer's account.

The back-to-back internal transaction is illustrated in Figure 3.5 below.



1 According to availability of collateral, at the discretion of CBL
2 For Instruction Types see Chapter 4. Securities instructions
3 Purchase instruction for the same common code

Figure 3.5 Back-to-back Internal Transaction

With domestic or Bridge counterparties

On against payment deliveries to domestic and Bridge counterparties, the receipt against payment transaction must satisfy cash provision and collateral requirements before the delivery against payment can be considered in turn for settlement. This is because the receipt creates an overdraft that may or may not eventually be redeemed by the sale. The back-to-back external sale is illustrated in Figure 3.6 below.

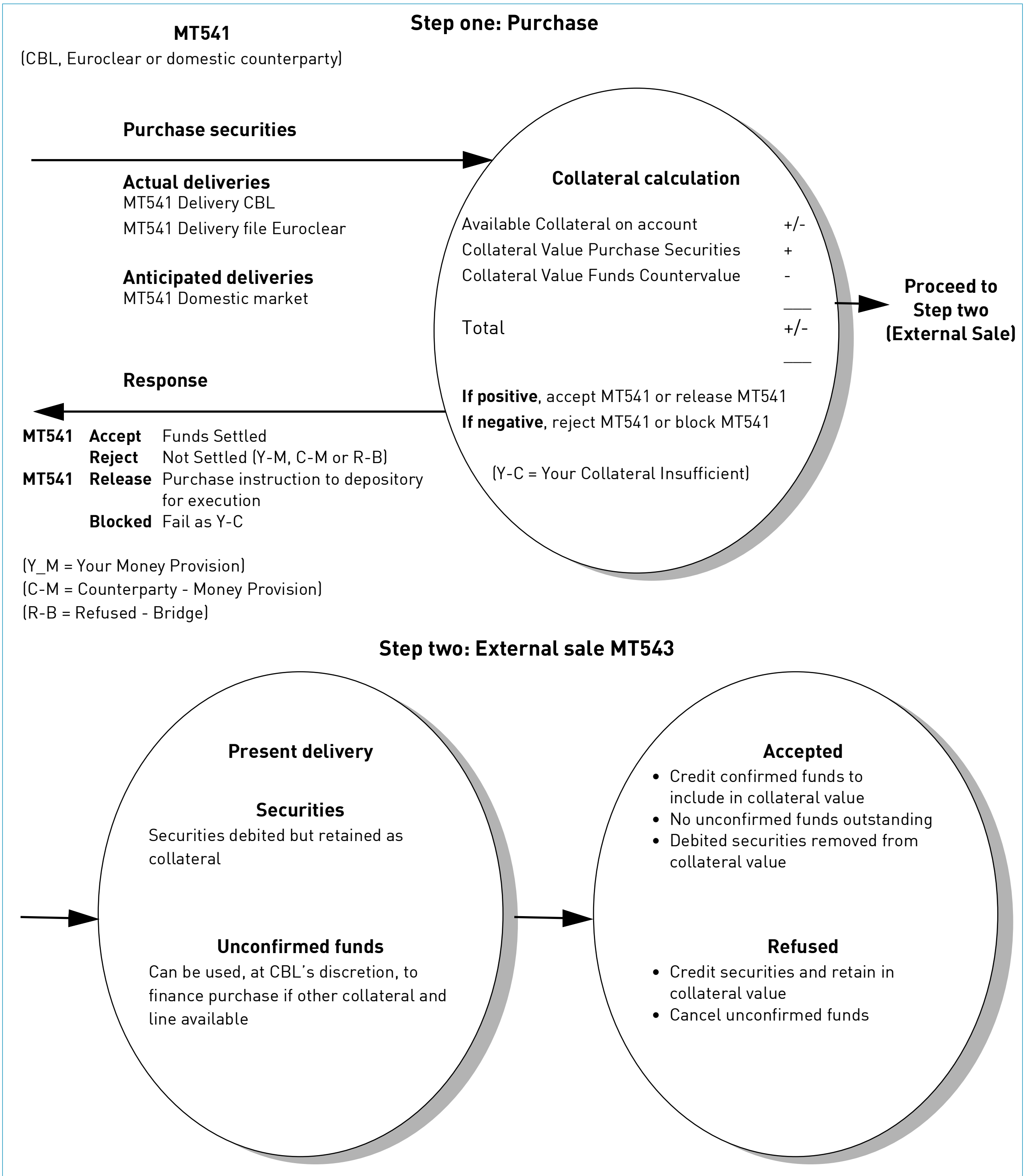


Figure 3.6 Back-to-back External Transaction

If a client is receiving securities against payment (from any counterparty) and delivering them against payment on the same value date to a Bridge or domestic counterparty, the cash provision check will incorporate unconfirmed funds expected on the delivery.

However, sufficient collateral must be available on the account to cover any difference between the funds to be paid and the collateral value, as determined by CBL, of the securities to be received.

At its discretion, CBL may require the client to fund in full the receipt against payment on the Transaction.

Domestic market back-to-back service

The domestic market back-to-back service comprises the following features for against payment and free of payment external transactions:

- Linkage of a single external receipt with a single external delivery;
- Verification that the external receipt and delivery constitute a valid back-to-back transaction;
- Simultaneous release of the receipt and the delivery to the depository.

Settlement of delivery will only be possible once the related back-to-back receipt is confirmed.

Settlement of both instructions will be achieved where both the CBL client and the domestic counterparty meet their settlement obligations and fulfil the market back-to-back requirements within the relevant deadlines.

Note: Back-to-back transactions involving two CBL clients must be settled as internal transactions and not as transactions through the underlying domestic market. External transactions requiring the simultaneous debit and credit of CBL's safekeeping account in a depository's books will be rejected by the depository.

Validation criteria

In order to create the external back-to-back linkage, a unique Pool ID is used to link only one external receipt and one external delivery instruction.

Both instruction legs (receipt and delivery) in a back-to back transaction must have:

- The same Pool ID (unique per CBL client account and common code) to complete the pool;

  When a pool is incomplete (that is, when both instructions do not carry the same Pool-ID), that instruction will not be released for settlement but will stay pending with the status “Pool incomplete” until it is either cancelled or the missing instruction is provided to complete the pool for onward processing.
- The same instructing party’s account;
- The same common code;
- The same requested settlement date;
- A nominal security amount on the receipt instruction no smaller than that on the delivery instruction.

If any of these conditions is not met, both instruction legs will be rejected and reported as such.

Whether the depository in a particular market is participating in the back-to-back service is indicated in the Market Link Guide.

The Pool ID

The Pool ID (also called pool reference) can be up to 16 alphanumeric characters long and must be unique per instructing party’s account and common code for all active back-to-back transactions. The Pool ID can be reused only when the last instruction of a previous back-to-back transaction that used it is considered to be no longer active (that is, either it has settled or been cancelled or it has been rejected on the domestic market).

3.7 Matching requirements

Internal and Bridge transactions

Internal and Bridge transactions are subject to settlement instruction matching in CBL. Matching information is available to clients by means of pending transaction reports MT537 (Statement of Pending Transactions) and MT548 (Settlement Status and Processing Advice).

Matching should occur as soon as possible after a transaction is arranged in order to detect differences or errors in the instructions submitted by the two counterparties. ICMA[1] Rule 204 stipulates that instructions should be submitted "in such time and manner and including such information as to enable the clearing systems to issue a pre-settlement confirmation report by the end of the business day following the trade date".

The matching of internal instructions takes place in real-time. Bridge instructions are matched through inter-ICSD matching transmissions, known as ACE transmissions. Exchanges of such transmissions take place every two minutes from 01:55 until 21:00.

The settlement details that require matching so that an Internal or Bridge transaction can be successfully matched are described in Fields used for first layer matching on page 3-17.

External transactions

Binding markets

For domestic markets in which matching is "binding" (that is, once matched, an instruction can only be cancelled upon bilateral agreement between the parties to the trade)[2] provisioning is required before instructions are released for matching. Clients have the option to release the instruction to the domestic market immediately. By setting the "immediate release" flag on the individual instruction the client specifies that the instruction is to be sent to the depository as soon as provisioning is successful, irrespective of whether the formal provisioning period for the respective depository has been reached. If the "immediate release" flag is not set, the instruction is only sent to the depository after the start of the formal provisioning period and on successful provisioning.

Once an instruction has been submitted to CBL, the client will not be able to update the flag on the instruction. Such change can only be made by cancelling and sending a new instruction.

In order to receive pre-matching information on a complete pool of back-to-back trades, at least the opening leg must be flagged for immediate release. Both instructions will then be released immediately on successful provisioning, irrespective of the formal provisioning period.

Non-binding markets

For domestic markets defined as a "non-binding" (that is, an instruction can be cancelled unilaterally even when Matching has already taken place), clients do not have to set a flag for immediate release. On receipt, the instruction will be sent to the depository immediately for pre-matching (irrespective of the formal provisioning period and without provision check) and then for settlement (after the start of the formal provisioning period and on successful provisioning).

Valid external settlement instructions that have been identified as belonging to the same back-to-back pool will be sent for pre-matching to the depository irrespective of whether the status of the pool is "complete" (that is, the entered external receive and delivery instructions have a common Pool ID and satisfy the back-to-back conditions) or "incomplete".

1. International Capital Market Association
2. Information about binding and non-binding markets and pre-matching methods can be found in the Market Link Guide for the respective domestic markets.

Fields used for first layer matching

First layer matching is performed on the details of the trade and on the settlement location of the two parties or their agents.

Transaction type

Receipts and deliveries are matched according to the transaction type. For example, an MT541 Receipt Against Payment Internal instruction is matched with an MT543 Delivery Against Payment Internal instruction. This rule does also apply to Bridge and external instructions where matching is required.

Account number

Each counterparty must specify the account number to which delivery of securities or payment of funds is to be made. The counterparties' account numbers are matched in order to agree this.

Place of Settlement

The place of settlement will determine whether the instruction will settle internally, on the Bridge or externally.

Requested settlement date

Matching of the requested settlement date confirms the value (in terms of funds) or availability (in terms of securities) to which both parties agree.

Instrument code

Both counterparties must agree as to the instrument in which they have traded and on the market for the relevant place of safekeeping. Each instrument is identified by its common code or ISIN. Where the same instrument is held in more than one position on an account, the place of safekeeping and ISIN, or common code must be provided to identify the relevant account position.

Nominal Amount

Each counterparty must agree the amount of securities to be delivered on each transaction.

ISO currency code and Countervalue

The ISO currency code and countervalue are a matching element for against payment transactions. The exact requirements are as follows:

Internal and Bridge transactions in EUR

For all internal and Bridge instructions against payment in EUR, the following cash tolerance levels apply:

- EUR 2 for transactions of an amount up to or equal to EUR 100,000; and
- EUR 25 for transactions of an amount greater than EUR 100,000.

Internal and Bridge transaction in non-EUR

For instructions against payment in non-Euro currencies, the following cash tolerance levels apply:

- EUR 2 equivalent for transactions of an amount up to or equal to EUR 100,000 equivalent; and
- EUR 25 equivalent for transactions of an amount greater than EUR 100,000 equivalent.

When the instruction is processed for settlement, the transaction settles with the countervalue instructed by the seller.

Specific annotations identify internal and Bridge transactions that have settled on the seller's amount.

A currency and countervalue can be given for information purposes only in free of payment instructions (MT540 and MT542) with internal and Bridge counterparties. Such information is not used for settlement matching.

External transactions

In the case of external against payment instructions, the maximum discrepancy tolerated in settlement matching varies in accordance with market practice and the conditions of the domestic link. Details are given in the Market Link Guide.

Trade information

Trade information consists of three fields:

- Trade Date: mandatory field
- Trade Price: the actual price of the securities as agreed by the two trading parties at the time of the trade.
- Special instructions Code: indicating delivery status.

Trade date and price matching

The Trade Date is a mandatory field for all settlement instructions. Any internal or Bridge instructions received without a trade date will be rejected and the client must re-instruct. Domestic instructions follow local market rules. Details are given in the respective Market Link Guide.

The Trade Price is an optional matching field. Any discrepancy - except in the sixth decimal place of the Trade Price - will result in the instruction remaining unmatched.

Standards for trade price

To minimise the number of settlement failures arising from the use of different standards for Trade Price, clients are recommended to express trade prices as follows:

Bonds:	The price is expressed as a percentage of par (= 100).
Shares:	The price per share is given.
Warrants:	Applying mainly to USD-denominated Warrants, the price of the Warrant is expressed as a percentage of the par (= 100) value of the bond to which it was originally attached.
Short-term paper:	The paper's yield to maturity is expressed as a percentage (for example, 9.63).
New issues:	The net price is given, including the reallowance.
Investment funds:	The price per Investment Fund Share is given.

Special Instructions Code (indicating delivery status)

The Special Instructions Code describes the delivery conditions, or status, agreed upon for the trade. It is used only in specific circumstances; usually, the trade is concluded without special conditions; that is, the delivery status is equal to "N", which is the default value.

According to the Rules and Regulations of the International Capital Market Association (ICMA), there are situations where "Guaranteed Delivery" is recommended.

The relevant situations and rules are:

Rule 184:	Special situations - exercise of rights attached to securities or public offers;
Rule 454:	Buy-in execution;
Rule 458:	Confirmation of buy-in execution.

If a guaranteed delivery is agreed upon, then the letter "G" (= guaranteed delivery) can be entered in the relevant field. This will have no effect on the priority of settlement in CBL's processing.

Even if not a matching field, as per the Settlement Discipline Regime, clients should use a field indicating the transaction type in their settlement instructions based on the following taxonomy:

- Purchase or sale of securities;
- Collateral management operations;
- Securities lending/borrowing operations;
- Repurchase transactions;
- Other ISO codes.

Please refer to the Xact via Swift User Guide for more information.

Second layer matching

Second layer matching applies to internal CBL and Bridge transactions, and can minimise cross-matching and reconciliation problems. Domestic market instructions can be optionally matched on the second level in those domestic markets where second layer matching is applied. In this instance, the rules of the domestic market prevail. For further details, please refer to the Market Link Guide.

For Internal CBL and Bridge transactions, the service is optional and matching will only be performed on the second layer information if it is provided by both parties. If the information is present in both client instructions but it does not match, then the instructions are unmatched and cannot be released for settlement.

If the information is missing from one party to the transaction, then the instructions will be matched on the first layer information.

Cash instructions are excluded from the service.

Fields used for second layer matching

Deliverer's Custodian (DECU) information or Seller (SELL)

Deliverer’s Custodian (DECU) is used for internal instructions only.

For Bridge transactions, matching on the Seller field is attempted only if the BIC is reported. Other formats are ignored for matching purposes.

Each counterparty must specify the valid identifier of the party that interacts with the delivering agent (that is, the deliverer's custodian or seller who actually delivers the securities).

Receiver's Custodian (RECU) or Buyer (BUYR)

Receiver’s Custodian (RECU) is used for internal instructions only.

For Bridge Transactions, matching on the Buyer field is attempted only if the BIC is reported. Other formats are ignored for matching purposes.

Each counterparty must specify the valid identifier of the party that interacts with the receiving agent (that is, the receiver's custodian or buyer who actually receives the securities).

Common Trade Reference (COMM)

Each counterparty must specify the agreed reference.

Additional matching fields

For internal CBL transactions, the opt-out indicator and the cum/ex coupon indicator are additional matching fields. If included by one counterparty, the other counterparty must also include this information and both values must match.

Matching rules for internal instructions only

The Deliverer's/Receiver's Custodian level has priority over the Seller/Buyer level, meaning that matching is achieved if:

- The field of the deliverer's custodian (:95a::DECU) matches with the field of the deliverer's custodian (:95a::DECU) in the counterparty's instruction or, if not present, with the field of the seller (:95a::SELL).

- The field of the receiver's custodian (:95a::RECU) matches with the field of the receiver's custodian (:95a::RECU) in the counterparty's instruction or, if not present, with the field of the buyer (:95a::BUYR).
- The field of the buyer (:95a::BUYR) matches with the field of the receiver's custodian (:95a::RECU) in the counterparty's instruction or, if not present, with the field of the buyer (:95a::BUYR).
- The field of the seller (:95a::SELL) matches with the field of the deliverer's custodian (:95a::DECU) in the counterparty's instruction or, if not present, with the field of the seller (:95a::SELL).

Second layer matching fields are valid only if either the Deliverer's/Receiver's Custodian respectively Seller/Buyer BIC or a participant account identification is used on both instructions. Combinations of BIC and participant account identification or the presence of the party's name and address are not accepted. In such case, the information will be ignored and matching will be performed on the first layer matching fields. Second layer matching of the Common Trade Reference is valid only if the same reference is used on both instructions.

N.B.: Duplicates

To avoid duplicate instructions, clients are strongly recommended to cancel their initial instruction before re-instructing with the same message reference. No check is performed for duplicates on the second layer market participant matching information.

3.8 The single matching account service

The single matching account service facilitates the process of matching instructions and reduces the number of matching failures for clients with multiple accounts. This service enables counterparties to use the same account number, of their CBL counterparty, for all of their securities transactions, whilst the CBL client can choose any of their accounts to send and settle corresponding instructions.

Principles of the service

In order to use this service a CBL client must define one of their accounts as the Group Matching Account (GMA). The GMA can be either a published or an unpublished account and will then be used by the counterparties for all internal, external and Bridge instructions being settled between these two parties.

The CBL client then decides which of their remaining accounts are going to be associated with the group Matching account. This can be any number of accounts, provided they belong to the same legal entity under the same legal framework. Whilst the number of account groups to be set up is not limited per client, an account can only belong to one group.

The GMA is used for Matching purposes only and the account number used in the settlement instruction will be the effective settlement account.

Limitation of the service for investment funds

CBL clients cannot use their Sub-Matching Account (SMA) for Investment Fund Services. Respectively, client holdings of investment fund shares cannot be maintained in a SMA. The use of SMAs could lead to rejection of order or delays in processing orders. Internal transfer to a SMA is also forbidden for investment funds. CBL cannot be held liable of any loss resulting from the use of a SMA.

Matching rules

The following matching rules apply to client instructions and respective counterparty instructions:

- Instructions from other CBL or Bridge counterparties using an account number other than the GMA and being defined as belonging to a Matching group will be rejected by Clearstream Banking. The counterparty will receive the following error message: “Sub-Matching Account may not be used as the counterparty account”.
- Instructions received from domestic counterparties, for which the concerned client has not issued a matching instruction, will continue to be reported as “your instruction missing” and will not be rejected.
- For DTCC ID processing, clients are requested to inform their counterparty not to instruct against a GMA but to continue to use the appropriate settlement account.
- Cash and securities instructions that do not require matching can be instructed against any account belonging to a matching group. To prevent the use of such accounts, clients can use the “Selective acceptance service for Internal instruction”.
- Instructions generated internally by CBL for administrative purposes for an internal account can also be matched against instructions issued on any account belonging to a Matching group, such as instructions generated for Triparty Collateral management services or Strategic Securities Lending (SSL) transactions.
- Instructions transmitted for matching to domestic markets or to Euroclear will always include details of the GMA.
- In domestic markets where the tax rate is used for Matching purposes, CBL will include the rate in the client's instruction applicable to the underlying account used for settlement.

Settlement rules

The following settlement rules apply:

- All instructions free of or against payment transmitted to a domestic market or to Euroclear for settlement will include the details of the GMA.
- Within CBL, all validation, including provisioning, will be performed against the account specified in the instruction. For example, the optional settlement flag setting, credit lines and the settlement sequence option in the instruction will be according to the account specified in the instruction.
- Clients can use delivery instructions without matching for transfers of securities between accounts in the same account matching group, in different matching groups, or to or from any other counterparty, as long as the receiving account is not blocked for such instruction type.
- Any instruction (free of and against payment) can settle between Sub-Matching Accounts (SMA) linked to the same Group Matching Account (GMA).
- Any instruction (free of and against payment) can settle between a Sub-Matching Account (SMA) and the Group Matching Account (GMA) defined for such SMA.

Reporting

The results of single matching account service processing will be reported through all communications media.

Alleged instructions (instructions sent from counterparties for which no matching instruction has been found by Clearstream Banking) are reported only in client reports relating to the GMA against which the counterparty has instructed.

All custody notifications are sent to the Swift address of the account holding the position.

In order to subscribe to the single matching account service clients must contact Clearstream Banking Client Services or their respective Relationship Officer.

3.9 Internal delivery instructions without matching

Only internal delivery instructions without matching involving transfers of financial instruments between different accounts opened in the name of the same client is allowed in CBL in accordance with Article 5.2 of the Technical Standard 2018/1229 and the ESMA Q&A on CSDR regarding "delivery without matching" instructions ("dump" instructions). The option to instruct delivery instructions without matching on accounts managed by the same account operator is subject to a feasibility and risk assessment conducted by CBL on case-by-case basis.

A Selective Acceptance service is available if the client wants to create a specific group within their institution and only allow transfers between a restricted group of accounts (a given account can only belong to one single group).

If a group is created (only possible with accounts that belong to the same institution) the below rules will apply:

If the emitter and the counterparty are not part of a group, internal delivery instructions without matching are allowed if both accounts belong to the same institution.

If the emitter and the counterparty are part of different groups, internal delivery instructions without matching are not allowed.

If the emitter is part of a group but the counterparty is not, then the emitter can deliver without matching to the counterparty (provided that both accounts belong to the same institution), but not the other way around.

In order to subscribe to the Selective Acceptance service clients must contact their Client Services Officer or Client Relationship Officer.

Note: CBL will not accept internal delivery instructions without matching instructions between accounts from different institutions (regardless of the group concept).

Even if there is no matching, the trade date is mandatory in any Internal delivery without matching instructions. If the trade date is not present, the instruction will be rejected.

3.10 The optional settlement flag

The optional settlement flag enables clients to determine, for cash management purposes, which against payment internal and Bridge securities transactions are included in the optional settlement period processing. Once an instruction has been instructed by the client to be included in the optional settlement processing, it is no longer possible to change the flag setting. The instruction must be cancelled and the client must re-instruct. An instruction that was initially excluded from the optional settlement processing by the client can, however, be amended for further inclusion in the optional settlement processing.

By default, all transactions on the account are EXCLUDED from the optional settlement processing. This default account option applies to all client accounts unless the client specifically requests a standing instruction.

Clients can instruct CBL to include automatically in the optional settlement processing all eligible Internal and Bridge transaction types on specified accounts. Clients can do this when opening an account, or subsequently by Swift MT599 or free-format message via Xact Web Portal for the attention of Banking Operations, CBL, giving at least two business days' notice. Clients receive confirmation via Swift of the date on which the Standing instruction will be implemented.

For both internal and Bridge transactions both counterparties' instructions must have the appropriate flag setting if they want their instructions to be settled in the optional settlement processing. If only one counterparty has the appropriate flag setting, the transaction is reported as "mismatched" on the flag setting and will not be considered in the optional settlement processing.

CBL recommends that all instructions for settlement of transactions in CFF Qualified Investment Fund Shares against an FIA be flagged for automatic inclusion in the optional settlement processing.

Instruction flags

An instruction flag can be input by clients on specific internal and Bridge instructions, regardless of whether the client's account is operated on the basis of the default option or a standing instruction. Xact Web Portal users are requested to refer to the online help for more information.

An instruction flag may be used:

- On a new instruction, to indicate that the flag setting at account level (default Account Option or Standing instruction, as applicable) should not apply to that specific instruction (for example, at account level), the flag is set at the Default Option for mandatory settlement only but the client requires this new instruction to be eligible for mandatory and optional settlement.
- To change the flag setting on an instruction that has already been sent using the account setting (default Account Option or Standing instruction, as applicable) but the client now wishes to deviate from the account setting in respect of this specific instruction (for example, the instruction was originally sent using the Default Option for mandatory settlement only but the client now requires that the instruction be eligible for mandatory and optional settlement).
- It is not possible to change the value of the optional settlement flag from "Mandatory and optional" to "Mandatory only". Only the change from "Mandatory only" to "Mandatory and optional" is possible.
- Once a trade is eligible for the optional settlement processing, it remains eligible for settlement in the optional settlement period until the trade has been settled or cancelled.

An exception to these rules applies to internal instructions related to primary market transactions. All primary market instructions for value primary date will automatically be included in the optional settlement processing of the closing date, overriding any default flag for the account.

The deadlines for the modification of flags on internal instructions are the same as those for instruction input:

	Modification from mandatory only to optional
Internal receipts and deliveries in all currencies except ARS, CAD, GBP, MXN, PEN and USD.	SD 20:00
Internal receipts and deliveries in ARS, CAD, GBP, MXN, PEN and USD	SD 20:00

In order to meet the matching requirements described in The settlement day on page 3-6, any modification to an instruction flag on a Bridge instruction must be received before the last ACE transmission relevant to the nature of the related instruction (delivery or receipt) and the modification required (from mandatory only to optional or vice versa). The timings in the following table are **indicative times**[1] to illustrate the last opportunities to modify an instruction Flag on Bridge instructions:

	Modification from mandatory only to optional
Bridge receipts in all currencies except ARS, CAD, EUR, GBP, MXN, PEN and USD	SD 18:30
Bridge deliveries in all currencies except ARS, CAD, EUR, GBP, MXN, PEN and USD	SD 18:30
Bridge receipts in EUR and GBP	SD 18:30
Bridge deliveries in EUR and GBP	SD 18:30
Bridge receipts in ARS, CAD, MXN, PEN and USD	SD 18:30
Bridge deliveries in ARS, CAD, MXN, PEN and USD	SD 18:30

Requests for flag modifications received after the above mentioned times will be processed on a “best efforts” basis.

Transactions automatically included in the optional settlement period processing

Please note that Primary market transactions are **automatically** included in the optional settlement period processing. All Internal against payment instructions for value primary date will automatically be included in the optional settlement period processing of the closing date.

Note: All free of payment transactions settle in the mandatory settlement period throughout the day.

1. Clients are recommended to send the modification to the instruction flag as early as possible.

Flag setting requirements for optional settlement period processing

As illustrated in Figure 3.7 below, internal and Bridge transactions must have appropriate flag settings to be included in the optional settlement processing:

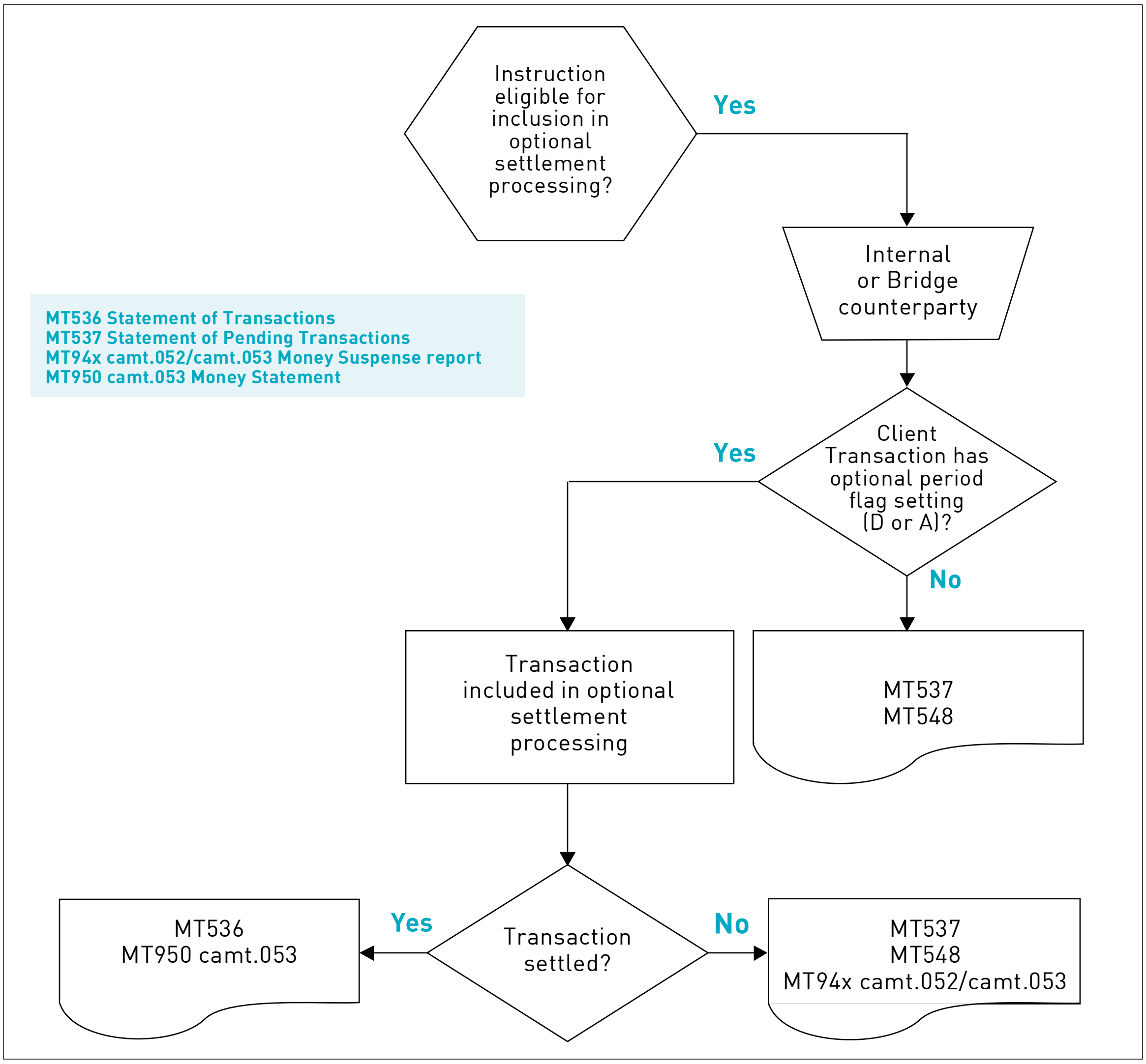


Figure 3.7 Flag setting requirements for optional settlement period processing

Reporting of flag settings

Flag settings on internal and Bridge securities transactions, and their matched or mismatched status, are reported on the MT537 (Statement of Pending Transactions), MT548 (Settlement Status and Processing Advice) and the MT94xcamt.052/camt.053 (Money Suspense report).

Note: On transactions reported as "mismatched", the only discrepancy between counterparties' instructions is the flag setting. Mismatched transactions are still eligible for settlement in the mandatory settlement period processing.

On reports to clients using the default option on their account, no flag setting appears against transactions unless the client has used an instruction flag. On reports to clients using a standing instruction on their account, the setting code "A" appears against transactions, unless the client has used an instruction Flag. Mismatched instructions are reported to clients as "disagreement processing batch."

3.11 Transaction Linking Service

The Transaction Linking Service enables clients to automatically make deliveries or receipts of securities dependent (contingent) upon the prior settlement of other, specifically linked, securities Transactions.

The service consists of the following:

- Settlement of one or several deliveries can be made dependent on the successful settlement of one or several receipts (Delivery Contingent on Receipt - DCR); or
- Settlement of one or several receipts can be made dependent on the successful settlement of one or several deliveries (Receipt Contingent on Delivery - RCD).

The service can be used between any combination of Internal, Bridge or External instructions, for any number of receipt and delivery instructions and for any combination of settlement details. The only linkage criterion is the Pool ID.

Validation criteria

The type of linkage, DCR or RCD, must be specified on settlement instructions as the first three characters of the Pool ID, with the appropriate code word, as follows:

Connectivity medium	Pool ID format	Field(s) to be used
Xact Web Portal	16x	Pool ID
Xact via Swift and Xact File Transfer	:POOL//16 x	Field:20C: sequence A1

DCR: The receipts settle according to usual settlement process but the deliveries remain “on hold” until all linked receipts have settled.

RCD: The deliveries settle according to usual settlement process but the receipts remain “on hold” until all linked deliveries have settled.

These instructions are eligible for partial settlement. All receipts (deliveries) that are part of a RCD (DCR) link are only released for settlement when the deliveries (receipts) linked with same Pool ID are fully settled (not partially settled).

The linking conditions DCR or RCD and the appropriate Pool ID can be specified immediately when sending instructions to CBL or, provided that the transactions are still pending in CBL, they can be added or amended at a later stage using Xact Web Portal. Removing linking conditions from a Pending instruction is not possible. In order to correctly process the linking, it is recommended that all settlement instructions belonging to a Pool ID are sent at the same time.

Instructions that are already being settled must not be part of the group of instructions to be linked.

The Pool ID

The Pool ID is the unique identifier for all instructions in a transaction pool. It can be up to 16 alphanumeric characters long, including the preceding code word DCR or RCD which form an integral part of the Pool ID. It must be unique per instructing party's account and for all active Transactions involved in the Transaction pool.

The Pool ID can be reused in case the last instruction of a previous transaction pool that used it is no longer active, that is, it has been cancelled, rejected or it has settled.

The Pool ID being the sole criterion for linking transactions, it is not a requirement that the security code, settlement date, nominal value or other characteristics of the linked transactions must be identical.

Incomplete pool

If a transaction or a pool of transactions with a Pool ID is present exclusively on the buy side or on the sell side, then, depending on the linkage criterion (receipt with RCD, delivery with DCR), the contingent transaction(s) will not be released for settlement.

To release such transaction(s), the pool can be completed by inputting the opposite instruction type with an identical Pool ID; they can be released by entering a replacement instruction or by cancelling the "contingent" instruction and entering a new instruction without a Pool ID.

A Pool ID can be changed on Pending instructions via Xact Web Portal. For all other connectivity channels, the instruction must be cancelled and re-input with the modified Pool ID.

Reporting

Linked instructions will be available for matching and pre-matching, with reporting performed according to the current procedures. At the start of the provisioning period, all contingent instructions will be kept "on hold" until the condition for releasing it to settlement processing is met that is, the linked instructions have settled.

N.B.: For users of the Transaction Linking Service

This service supports many-to-many linkage. Therefore, if clients input linked instructions after the start of the provisioning period, for one or several transactions included in a given set of linked Transactions, the client must ensure the following:

- for a DCR link, that all the related receipt instructions have been input; or
- for a RCD link, that all the related delivery instructions have been input.

This will ensure that the "linking" conditions are known by the settlement system and can be met before contingent instructions are released for settlement.

Restrictions

The Transaction Linking Service cannot be used in combination with the following services:

- Domestic back-to-back processing;

  Clients should continue to use this in case only domestic market instructions are to be linked.
- Domestic Repo.

The Transaction Linking Service can be used in combination with the use of the "Hold/Release" mechanism but the following must be considered:

- Placing a linked instruction on hold means that contingent instructions cannot settle until the linked transaction upon which their settlement depends has been released and settled.
- Releasing an instruction that is contingent on the settlement of a linked transaction results in the link being broken for that instruction and it is released for normal settlement.

Further information is available in the Connectivity User Guides.

3.12 Hold/Release mechanism for securities settlement instructions

The Hold/Release mechanism enables clients to temporarily hold back a securities transaction from settlement, even if cash or securities provision is available, and to release it only when settlement is desired.

The service is available for internal, Bridge and external instructions, free of payment or against payment.

The "Hold" condition can be specified immediately when sending instructions to CBL or, provided that the instructions are still pending in CBL, it can be added at a later stage.

The "hold flag" on a Pending instruction can be removed by the emitter of the instruction.

Instruction matching is unaffected by the Hold/Release functionality. Once released, the instruction follows the normal settlement pattern.

Reporting

Reporting is adapted to reflect the impact on the status of instructions on hold as follows:

- Status BOTH is reported when the two matching instructions are on hold.
- Status PREA is reported when the emitter's instruction is on hold and its counterparty's instruction is released.
- Status PRCY is reported when the counterparty has instructed an instruction "On Hold" and the emitter has entered a released instruction.

Cash balance forecast reports include the cash countervalue of instructions "On Hold", provided they qualify for inclusion in the calculation according to existing rules. The fact that instructions are on hold has no impact on forecast calculations.

The reporting of on hold instructions will be done at any time (even before the requested settlement date) for both matched and unmatched instructions.

Restrictions

An instruction cannot be held back from settlement in the following instances:

- The instruction to be put on hold is "locked-in" for settlement or provisioned and released to the domestic market. Instructions that had been transmitted to a settlement location external to CBL cannot be put on hold, even if the actual domestic settlement has not yet taken place.
- The instruction has reached an end of life state.
- The instruction is part of a "Domestic Back to Back pool". These different pool types cannot be commingled with "Hold/Release" regardless of whether a pool status is complete or incomplete.

  If an instruction contains both "Domestic Back to Back" information and "Hold" information, the "Hold" information will be rejected. A modification request to add a Hold flag to an instruction that is participating in such a "Pool" will be rejected and an error message generated.
- Cash and "for Matching only" instructions cannot be put on hold.

The "Hold/Release" mechanism can be used in combination with the Transaction Linking Service but the following must be considered:

- Transaction linking automatically puts the contingent instruction(s) on hold until settlement of the linked instruction(s) is achieved. Hence contingent instructions that are pending cannot be put on hold as they have this status already.

- Placing a linked instruction on hold means that contingent instructions cannot settle until the linked transaction upon which their settlement depends has been released and settled.
- Releasing an instruction that is contingent on the settlement of a linked transaction results in the link being broken for that instruction and it is released for normal settlement.

Impact on other functionality

Immediate Release flag: The “Hold flag” takes precedence over the “Immediate release flag” in case the two flags are present in the same instruction. The instruction will not be released for settlement processing until the client releases the instruction.

Priorities: The “Hold flag” overrides any priority setting for the provisioning of the instruction on hold. Priority will take effect only when the instruction is released for settlement.

3.13 Settlement sequence

As illustrated in Figure 3.8 below, once an instruction is ready for settlement (matched and released), the order in which Transactions are considered for provisioning and settlement is determined by:

- The Transaction priority (assigned by the client or by CBL);
- The Settlement Sequence Option on the account.

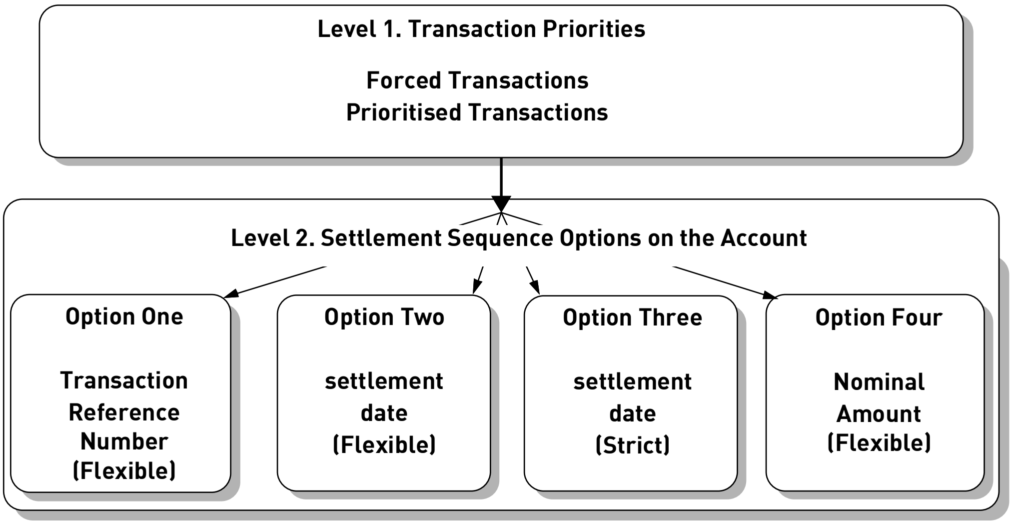


Figure 3.8 Transaction priorities and Settlement Sequence Options

Priority can be assigned to transactions by CBL (in the case of forced Transactions), or it can be allocated by the client, using a Priority Code input on the instruction.

Note: A client cannot assign a Priority Code on cash instructions (pacs.008, pacs.009, MT210/camt.057). Cash on the account will be used first to provision securities purchases to maximise settlement efficiency, provided that the securities instruction fulfils the conditions to settle.

Clients specify the Settlement Sequence Option when an account is opened; they can change it subsequently if required. The option specified applies only to transactions for delivery of securities.

Level 1. Transaction priorities

Forced transactions

CBL may “force” transactions such as:

- Securities settlement and fund payments, where settlement has already occurred and the account is to be updated;
- Primary market transactions, where funds have been released through the lead manager;
- Fees and charges due on the account.

Forced transactions always have the highest priority.

Prioritised transactions

Clients can prioritise both deliveries (to control settlement in a specified security code) and receipts (to control the use of funds). Full details of how to prioritise transactions are given in the communications user manuals.

The priority code gives one transaction priority over other instructions ready for settlement on the same account and in the same security or currency. Clients can prioritise a securities transaction when the instruction is first sent to CBL.

It is possible to add priority to pending instructions, but this will depend on the transaction type and on the stage the instruction is at in its life cycle, as follows:

- If it is an internal Transaction, priority can be added at any stage.
- If it is other than an internal Transaction:
  - If the instruction has been processed at least once and as a result appears in an MT537 (Statement of Pending Transactions), priority can be added at this stage, unless the instruction is already provisioned.
  - If the instruction has been sent but not yet processed[1], the client is obliged to cancel the instruction and send a new one, specifying a priority code, under a new transaction number.

The priority code takes effect when the transaction reaches the processing for the requested settlement date and if all matching requirements for settlement are satisfied. The priority code is most effective on deliveries of securities, free or against payment. Provision is reserved to settle the highest priority transaction. Once reserved, this provision cannot be used to settle any other instruction as long as the highest priority transaction is still eligible for settlement.

During real-time settlement and end of day processing, not all instructions are permanently presented for settlement as not all are continuously eligible. Eligibility for settlement and provision depend on the following:

- The settlement period: mandatory or optional;
- The processing timings of domestic markets;
- For Bridge transactions, the file exchange timing scheduled between CBL and Euroclear Bank.

Only prioritised instructions eligible for settlement can be prioritised according to the client's settlement sequence. Since the eligibility of client instructions has an impact on the client settlement sequence, clients should consider the above when inputting their instructions. Additionally, transaction linking and hold/release functionalities are available (as described in Transaction Linking Service on page 3-27 and Hold/Release mechanism for securities settlement instructions on page 3-29) to further secure the transaction settlement sequence.

A priority code can also be input on an against payment receipt Internal instruction and a Bridge receipt instruction (MT541 instruction) to determine which transaction will settle first if funds are insufficient to settle all transactions, but the priority handling of receipt instructions cannot be guaranteed in all instances as it can be overridden by the priority treatment of deliveries. Furthermore, it can only take effect if the counterparty presents the securities for settlement. If the counterparty of a prioritised receipt instruction is not able to propose its delivery, other purchases/receipts in the same currency can nonetheless be settled.

In the event that there are insufficient funds to settle all eligible receipt transactions for a given security, the rules applied after considering the priority of instructions take the instruction with the largest countervalue first. In case of identical countervalues, the instruction with the lowest client reference number is settled first.

Note: A priority code cannot be input by the client on cash instructions (MT210/camt.057, pacs.008 or pacs.009).

1. In this context, pre-matching and consequent appearance in the MT537 (Statement of Pending Transactions) or the MT578 (Settlement Allegement report) is not to be considered as "processing".

Level 2. Settlement Sequence Options on the account

The account Settlement Sequence Option determines the order in which transactions with the same priority are queued by CBL for provisioning. With the exception of option three (settlement date (strict) - see Figure 3.8 on page 3-31), settlement sequences are Flexible, meaning that:

- If a transaction higher in the queue cannot be settled with the provision available, then transactions lower down the queue will be settled (if sufficient provision is available).
- Provision will not be reserved for a transaction that does not settle.

During the mandatory settlement period, the process is repeated several times. Transactions already settled cannot be unwound; therefore, at each stage, only those transactions that have previously failed to settle are re-queued for provisioning and settlement.

Deliveries are ordered as follows:

Option one: Transaction Reference Number (Flexible)

This is the "default" Settlement Sequence Option applied to client accounts if no request is made by the client. It can be summarised as follows:

First: Transactions that are two days or more past the requested settlement date are provisioned in the following order:

- Transaction reference number (lowest number first);
- Nominal amount (largest first), if the same reference number is used.

The same reference number can be used if the information in one or more of the following fields is different from that in an instruction that has already been received for processing or that is in the MT537 (Statement of Pending Transactions): Instruction Type, Instructing Party's Account Number, Counterparty's Account Number, Security Code, Nominal.

Second: Transactions for the settlement date of the processing and the previous settlement date are considered for settlement in the same sequence as above.

Option two: Settlement date (Flexible)

Transactions are considered for settlement in the following order:

First: Requested settlement date (oldest first);

Second: Nominal Amount (largest first);

Third: Transaction reference number (lowest number first).

Option three: Settlement date (Strict)

Transactions are provisioned for settlement in the same sequence as in option two, above, except that the first criterion (Requested settlement Date) is applied strictly. This means that, within the same priority, Provision will be reserved for instructions with the oldest settlement Date first, for as long as the instruction is eligible to settle. Transactions will be provisioned for settlement, in the following order:

First: Requested settlement date (oldest first, Strict);

Second: Nominal Amount (largest first);

Third: Transaction reference number (lowest number first).

Option four: Nominal Amount (Flexible)

Transactions are considered for settlement according to the following criteria:

First: Nominal Amount (largest first);

Second: Requested settlement date (oldest first);

Third: Transaction reference number (lowest number first).

3.14 Processing of collateral movements with central banks

CBL facilitates the collateral movements that are required for executing payments through T2 RTGS (RTGS - Real-time Gross Settlement Express Transfer system) the euro payment system operated by the central banks of the European Union.

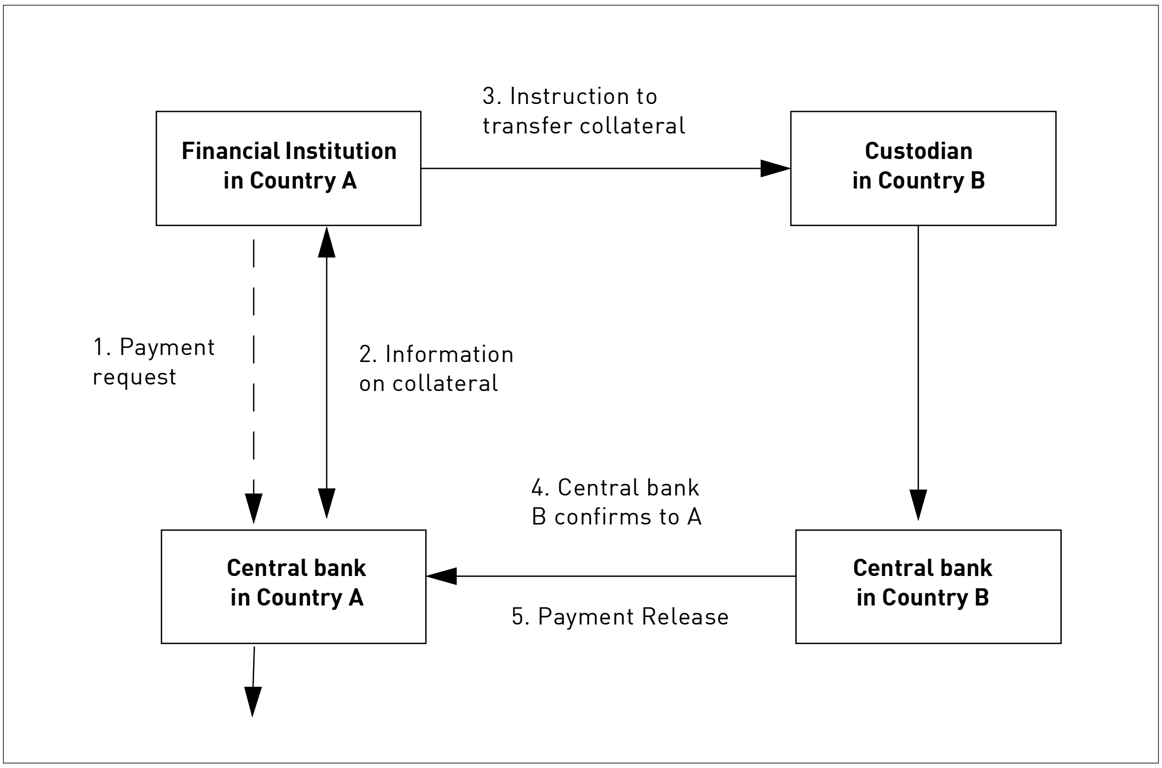


Figure 3.9 T2 RTGS

Background information

Payments and the related collateral movements are executed during the T2 RTGS working hours from 07:00 to 18:00 (CET). Regular holidays for T2 RTGS are as follows:

- 1 January
- Friday before Easter Sunday
- Monday after Easter Sunday
- 1 May
- 25 December
- 26 December

Collateral eligibility rules

All operations of the European System of Central Banks (ESCB) that provide liquidity necessitate the deposit, by the counterparty of the operation, of adequate collateral value in the form of securities. The deposit is made at the relevant central bank, via a national or international Central Securities Depository.

Detailed information on the eligibility as collateral and its valuation have been published by the European Central Bank (ECB) on their website www.ecb.int.

Collateralisation of monetary operations

A financial institution may obtain funds from the central bank of the member state in which it is established, provided that the financial institution has sufficient collateral. Securities serving as collateral can be transferred through national Central Securities Depository (CSD), through the international Central Securities Depository ((I)CSD or through the Central Securities Depository (CSD) as shown in Figure 3.9 on page 3-34.

In the latter case, the financial institution instructs the national Central Securities Depository (CSD) bank, in the country or the international Central Securities Depository ((I)CSD in which its securities are held to transfer them to the account of the central bank of that country in favour of the national central bank of the financial institution. As soon as the national central bank is informed by the correspondent central bank that the collateral has been received, the central bank of the member state in which the financial institution is established makes credit available or executes the payment as instructed by the financial institution. The ECB has been assessing the Links to domestic markets since early 1999 with the aim of helping to establish this as a full book-entry process within CBL. A list of these Links is available on the ECB website www.ecb.int.

The Links currently assessed for CBL are the following:

- Austria: Link to OeKB CSD GmbH (via CEU CASCADE (Germany));
- Belgium: Link to Euroclear Bank;
- Belgium: Link to NBB (via CEU CASCADE (Germany));
- Croatia: Link to SKDD;
- Cyprus: Link to CDCR;
- Denmark: Link to Euronext Securities Copenhagen (via CEU CASCADE (Germany))
- Finland: Link to Euroclear Finland (via Citibank Europe PLC);
- France: Link to Euroclear France (via CEU CASCADE (Germany));
- Germany: Link to CEU;
- Greece: Link to BOGS (via CEU CASCADE (Germany));
- Italy: Link to Euronext Securities Milan (via CEU CASCADE (Germany));
- Latvia: Link to NASDAQ CSD SE Latvian Securities Settlement System (via CEU CASCADE (Germany));
- Lithuania: Link to NASDAQ CSD SE Lithuanian Securities Settlement System (via CEU CASCADE (Germany));
- Luxembourg: Link to LuxCSD;
- Malta: Link to MaltaClear (via CEU CASCADE (Germany));
- Netherlands: Link to Euroclear Nederland (via CEU CASCADE (Germany));
- Portugal: Link to Euronext Securities Porto (via CEU CASCADE (Germany));
- Slovak Republic: Link to CDCP (via CEU CASCADE (Germany));
- Slovenia: Link to KDD (via CEU CASCADE (Germany));
- Spain: Link to Iberclear (via CEU CASCADE (Germany)).

The ECB website should be used as the point of reference for the most up to date list of Links.

For the cross-border use of eligible instruments, all national central banks maintain securities accounts with each other. The securities remain immobilised in the Central Securities Depository (CSD) or in the ICSDs.

Where necessary to meet settlement deadlines, financial institutions will be able to pre-deposit instruments with central banks for the account of their national central bank.

Alternatively, and as opposed to the earmarking of collateral for specific operations, institutions can choose to maintain a pool of instruments with their central banks. In these circumstances, the administration of the collateral is simplified because no case-by-case transfers are required.

The following sections describe how CBL clients can use their securities deposited in CBL as collateral for supporting T2 RTGS payments.

Operational procedures

The T2S settlement system operates on a real-time basis and it is important for users to be able to move collateral with equal speed between CBL and the central bank.

CBL clients can choose to transact collateral movements on a "continuous settlement" basis. This new service caters for the transfer of securities between CBL and the Central Bank of Luxembourg (BCL) within minutes. The T2 RTGS payment associated with the movement of securities is executed by the national central bank of the client within an allowed maximum time of two hours.

Instructions to move collateral from client accounts to the account of BCL are executed by CBL upon receipt, from 21:00 SD-1 to 18:00 SD. The transfer of collateral can be made on a free of payment basis only.

If the transfer is specified for a future settlement Date, it will be kept pending until that date is reached. Settlement will occur at the start of settlement processing and the central bank will be notified on the settlement Date, in the early morning.

Instructions for same-day execution that are received in CBL during T2S working hours will be processed immediately by CBL, and the central bank will be advised that the collateral has been made available in their account with CBL.

It is expected that payments will be released by the central bank through T2 RTGS within two hours after receipt of the client's instruction in CBL.

How to instruct CBL

Clients wishing to transfer securities to BCL instruct CBL with a Matching MT542 instruction (delivery of securities free of payment). The return of collateral from BCL is also made free of payment, using a MT542 instruction, in which case the client instructs with a Matching MT540 instruction (receipt of securities free of payment).

Where the payment is to be executed by BCL directly, clients must use counterparty account 82800 for collateral transfers. If the payment is to be executed by a central bank other than BCL, counterparty account 82801 must be used.

Notifications and reports on collateral movements with Central Banks

Collateral movements are reported in the same way as any other settlement activity, through CBL's standard set of reports. Please refer to Chapter 11. Reports and information services.

Fees

The standard Clearstream Banking Fee Schedule applies to the Transactions effected with the central bank.

3.15 Interest claims

CBL adopts the ICMA Recommendation to its Rule 406, that applies to all interest claims against clearing agents. As a consequence:

- no claim shall be considered for amounts of less than USD 100 or its equivalent in another currency;
- no claim shall be considered after a lapse of thirty calendar days from the date on which the Transaction was actually settled.

These guidelines apply to all CBL clients and Transactions processed in all securities accepted in CBL.

3.16 Recycling of instructions when a security code is not open

The instruction recycling service improves the handling of settlement of instructions when the instruction relates to a security code that has not been opened by CBL.

The standard procedure is to keep the instruction pending until the end of the real-time processing (RTP) period of the business day of its receipt. If the security code is opened before the end of the RTP of the business day of its receipt, the instruction is accepted for regular processing. In the event that the security code is not opened by the end of RTP, the instruction is automatically cancelled and a new instruction must be submitted by the client when the security code is finally opened.

Clients who have subscribed to the instruction recycling service will, when sending a settlement instruction in a security code not yet open in CBL, avoid automatic cancellation at the end of the RTP because the instruction is kept pending for a longer period while the eligibility of the security code in CBL is investigated.

Principles of the service

Clients must register for the service by completing the subscription form (available on our website or upon request) and send it back to CBL as explained below. By so doing, the client agrees with the principle of the service as described below.

The service is managed and executed at the client's account level. This means that all settlement instructions for an account that has subscribed to the service will be recycled in the event that the relating security code is not opened by the end of CBL RTP on the day of the receipt of such instructions. All settlement instructions for accounts that do not participate in the service will be automatically cancelled at the end of RTP of the business day of their receipt if the relating security code has not been opened.

The settlement instruction will be recycled during a period starting on and including the day of receipt of the instruction up to the client's requested settlement date (RSD) or for four business days, whichever is the longer (the "recycling period"). The instruction will remain pending until the related security code is opened within the recycling period. If the related security code is not opened within the recycling period, the instruction will automatically be cancelled at the end of the recycling period.

Specifics of the service

During the recycling period:

- The instruction will fall in the status "incomplete" upon receipt and will be recycled until RSD or for at least four Business Days, whichever represents the longer period. For example:
  - If an instruction is received 10 days before RSD, it is cancelled in the 1st settlement cycle in the overnight processing of RSD.
  - If the settlement instruction is received on RSD-2, it is cancelled in the 1st settlement cycle of the overnight processing of RSD+2.

  Upon receipt of the client's instruction, an MT548 Settlement Status and Processing Advice will be released with Status, Reason and Reason Narrative fields set accordingly.

Subsequently:

- If, at the end of the recycling period, the security code has not yet been opened, a last MT548 CAND will be sent with the reason why the security code could not be opened included in the Reason Narrative field. The settlement instruction will be cancelled automatically.
- If the security code is opened during the recycling period, the instruction is sent for further processing and the usual life cycle reason codes will be applied accordingly.

Note: Reason codes and their respective descriptions are published in the Xact via Swift User Guide.

Clients will be made aware that, if the security code is opened during the recycling period, their settlement instruction will be automatically sent for processing without prior notification from CBL. It remains the client's responsibility to monitor activities during the recycling period for any impact that the release for processing of their settlement instruction may have on their cash position.

Clients will have the possibility to cancel their instruction themselves, at any time during the recycling period, but only under the conditions described in The purpose of this section is to define the securities settlement rules applicable to the processing of the instructions in accordance with Article 111(1) of the Payment Services Law. This section aims in particular to set out the rules determining the ability of a client to revoke or amend its settlement instructions and the moments in time when the instructions become irrevocable, binding and unconditional. on page 4-1.

Clients subscribing to the recycling service are advised to carefully follow up the status of their pending instruction during the recycling period as well as any change with regard to trade details of the security (including the security price). The release of the instruction for processing once the security code is opened is not a guarantee of its settlement, which remains subject to CBL's rules of settlement as described in the Governing Documents.

Registration for the service

To register for the instruction recycling service, which is a free service, clients must send a completed application form (available on request or on our website). The form should be received by CBL at least two business days before the requested start date and should be sent to:

> Clearstream Banking S.A.
> Account Administration
> L-2967 Luxembourg

Application forms are available from CBL Client Services or Relationship Officers.

Any request change (such as to add the service or remove the service to/from a specific client account) should be sent in either writing by registered mail, signed by authorised signatories, or via a Swift MT599 or Xact Web Portal free-format message to the above address.

Such requests must be received by CBL at least two business days before the date on which the change should take effect and may be accepted at CBL's sole discretion.

Cancellation of the service

Cancellation of the instruction recycling service can only be effected by a written notification, signed by authorised signatories, via a Swift MT599 or Xact Web Portal free-format message. The cancellation will be effective two business days following the receipt by CBL of the cancellation notice.

Admittance to the service

Admittance to the instruction recycling service is at the discretion of CBL.

3.17 Partial release for internal and Bridge deliveries

The partial release functionality enables a client to release a previously "on hold" delivery instruction for part of the original quantity of the instruction.

Clients can use either Swift messages or Xact Web Portal in order to partially release their delivery instructions.

A partial release request will be accepted provided that it meets the below criteria.

- The instruction is an internal or Bridge delivery instruction.
- The underlying instruction is still alive (still pending in the system/not end of life).
- The underlying instruction is eligible for partial settlement.
- The underlying instruction of the counterparty is eligible for partial settlement.
- The quantity mentioned in the partial release is in line with the minimum and multiple tradable quantity set-up on the security and in line with the partial settlement rules.
- The underlying instruction is "on hold".
- The nominal quantity mentioned in the partial release request should always be less than the remaining quantity of the underlying instruction (if equal or higher it will be a full release).
- The quantity type (FAMT/UNIT) of the partial release request will be validated (similar to standard settlement instruction)
- The underlying instruction must be matched.
- The underlying instruction is not part of a DCR (Delivery Contingent Upon Receipt) linkage.

Note: For a transaction that has already been partially released, if the delivering party sends a modification request to change the partial settlement flag of his instruction to NPAR (not eligible to partial settlement), the modification request to change the instruction to NPAR will be rejected.

For a transaction that has already been partially released, if the receiving party sends a modification request to change the partial settlement flag of the instruction to NPAR (not eligible to partial settlement). The instruction from the delivering party will be put back on hold for the full remaining quantity of the transaction.

Instruction subject to partial release

Free of payment and against payment internal and Bridge deliveries instructions are eligible for partial release. Partial release is not offered on receipt instructions.

Partial release timing

The settlement of a partially released internal instruction can be done at any time, even outside of a partial settlement window provided that both parties have the partial settlement flag and that the client has enough position to settle the full partially released quantity.

The settlement of a partially released Bridge instruction can only be done in a partial settlement window (four windows on the Bridge) provided that both parties have the partial settlement flag. The timing of the partial settlement windows can be found in section 3.18.

Cancellation/modification of a partial release request

Cancellation

In order to cancel a partial release request, the client should either:

- Put the instruction back on hold for the full remaining quantity via a new modification request; or
- Release the underlying instruction for the full remaining quantity via a new modification request.

Modification

Similar to the cancellation of a partial release request, before doing any modification on the released quantity, the full remaining quantity should be put back on hold before sending any new partial release quantity. A partial release request will not be accepted if the instruction has not been put on hold for the full remaining quantity.

Transaction linking service with partial release

The RCD (Receipt Contingent on Delivery) service can be used with the partial release. The client can decide to partially release the delivery if needed. The receipt that is contingent to the delivery will only be released for settlement when the delivery is fully settled.

However, the DCR (Delivery Contingent on Receipt) service cannot be used with the partial release and any request to release partially a delivery instruction that is part of a DCR will be rejected.

End of day process

CBL recycles the partial release request until the instruction is either settled/cancelled or the partial release request is cancelled.

Sequencing

Internal instructions are extracted for settlement in any eligible standard settlement cycle, so they will be considered in the sequencing, but only for the released quantity.

However, as bridge instructions with a partial released quantity will only be extracted for settlement in the partial settlement window, they will only be considered in the sequencing in these settlement cycles for the quantity that is released.

3.18 Partial settlement for internal and Bridge instructions

Partial settlement

Partial settlement consists in the settlement of one unique transaction in several phases until the full settlement of the original quantity or the cancellation of the remaining outstanding quantity. Each time part of the original quantity has been settled, the effective settlement is reported to clients specifying the quantity of securities effectively settled, the quantity of securities previously settled (if any), and the quantity of securities remaining to be settled.

Partial settlement is triggered in the case of a lack of securities on the delivering client's account. Partial settlement is not triggered in the case of a lack of cash on the receiving side.

There may be multiple partial settlements for a given instruction on the same processing day and/or over multiple processing days.

Instructions subject to partial settlement

Free of payment and against payment internal and Bridge transactions are eligible for partial settlement.

Partial settlement timing

Fixed partial settlement windows

Partial settlement takes place in six windows for Bridge settlement and in ten windows for internal settlement.

Partial settlement time windows:

No.	Time window (CET)[a]	Number of partial runs per ICSD[b]	Transaction type
1	Around 22:30 on SD-1 (start of the day)	1	Internal settlement only
2	Around 06:05 on SD	1	Internal settlement only
3	Around 07:05 on SD	1	Internal settlement only
4	From 08:25 to 09:25	2	Internal and Bridge settlement
5	From 10:15 to 11:15	2	Internal and Bridge settlement
6	From 13:05 to 14:25	3	Internal and Bridge settlement
7	From 14;35 to 15:55	3	Internal and Bridge settlement
8	From 16:15 to 17:35	3	Internal and Bridge settlement
9	From 17:45 to 19:05	3	Internal and Bridge settlement
10	Around 20:00 on SD (end of the day)	1	Internal settlement only

a. Timings are indicative and represent the periods during which each ICSD, for Bridge transactions, will propose partial deliveries to the other ICSD and receive partial settlement feedback.
b. Each ICSD processes the same number of partial runs during a period.

The above table only provides an estimation by when the partial settlement will be attempted. An instruction can only be partially settled if the instruction is still eligible for settlement on that day.

Account setup: Default value for partial settlement

The partial settlement indicator is set up at the client account level with two values (PART = partial settlement is applicable, and NPAR = partial settlement is not applicable). The default value at account level is "NPAR", meaning that by default partial settlement is not applicable to all settlement instructions. This indicator can be modified at any time by the account owner.

To change the account setup (to opt-in), the account owner must contact Clearstream by sending either an authenticated MT599 message via Swift, Xact Web Portal or a letter to CBL with authorised signatures to the attention of Account Administration Luxembourg.

Partial settlement at the level of the instruction

The default setup at account level for a particular instruction can be changed. The input of a partial settlement indicator at instruction level is possible. The partial settlement indicator at instruction level can be updated at any time. The last value provided by the client remains effective until the instruction has been effectively settled or has been cancelled.

For internal and Bridge instructions, Clearstream allows clients to change the partial settlement indicator even for instructions that have already been partially settled. This change only affects the remaining quantity still to be settled.

The values below are accepted in Xact Web Portal and Swift:

- PART: Eligible for partial settlement;
- NPAR: Not eligible for partial settlement.

Partial settlement threshold

Clearstream's partial settlement algorithm (used for internal and Bridge transactions) considers both the minimum and multiple tradable amounts of the underlying security before any partial settlement attempt.

The settlement algorithm ensures that the remaining security quantity to be settled, after a partial settlement, is at least equal to the minimum settlement amount and in line with the multiple settlement amount.

Cancellation of a partially settled instruction

Clients have the possibility to cancel their partially settled instruction with either the original or the remaining quantity/cash amount as CBL does not validate the quantity/cash amount of the cancellation/ modification. Except for release modification where the quantity will be taken into account.

3.19 French registered securities

Registration

Registration principles

CBL will handle the registration process for VEN, VON and LBS directly with Euroclear France (Issuance of BRN – "Bordereau de Référence Nominative") on behalf of clients.

If registration fails with Euroclear France or the issuer, CBL will inform clients on how to proceed.

Registration details

For details about registration through settlement instructions, please refer to the Market Link Guide - France.

3.20 Settlement reporting under the Settlement Discipline Regime

Clearstream provides a reporting which is line with the requirements mentioned in Article 11 of the SDR and includes the below features:

- Real-time information on matched instructions;
- Real-time information on pending instructions that can still be settled on intended Settlement date with the reason why it is pending;
- Real-time information on failing instructions that can no longer be settled on the intended settlement date with the reason why it is failing;
- Real-time information on fully-settled and partially-settled instructions;
- Real-time information on cancelled instructions by the system or the client;
- Real-time information on if the instruction can still be partially settled;
- Real-time information on if the instruction is on hold.

3.21 CSDR Settlement Discipline Regime

Introduction

In relation to Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories (CSDR) and the specific requirements prescribing a "Settlement Discipline Regime" (SDR), CBL herewith describes its services relevant for CBL clients.

The information mainly covers:

- The calculation, application and reporting of daily settlement fails cash penalties and their subsequent monthly payment through CBL, including penalties calculated and reported by the T2S penalty mechanism and European domestic markets to CBL;
- The relevant clients' reporting obligations towards CBL in the event of the execution of CSDR mandatory buy-ins, if and when applicable;
- Aspects of the settlement fails monitoring and measures agreed with relevant CBL clients to improve their settlement efficiency.

Important note: CBL clients are required to use Xact Web Portal to subscribe to receive Swift MT537 penalty messages or query penalties information online. Access to the Xact Web Portal is required to address penalties "appeals" to CBL (exceptionally, CBL may accept appeal requests raised via MT599). Further information can be found in the "Xact Web Portal User Manual".

Disclaimer: As described in detail in this chapter, various reference data used for the penalties calculation is based on data published and maintained in ESMA databases for which CBL is not responsible for. Hence, CBL cannot provide any representation or warranty that the relevant data used by CBL is complete, accurate or up to date. As a result, CBL will not accept any client appeals nor claims for damages in this regard.

Settlement fails cash penalties

The following chapters provide detailed information about the daily and monthly processing of SDR cash penalties.

Penalties lifecycle and business days calendar

This chapter covers the penalties lifecycle for CBL internal, Bridge and domestic settlement.

The following scenarios apply:

- Daily events:
  - Calculation and application of cash penalties;
  - Daily reporting.
- Monthly events:
  - Appeal period;
  - Monthly reporting of "global net amounts" (GNA) to be paid or received;
  - Actual collection and distribution of "global net amounts".

The illustration below summarises the lifecycle of the cash penalties.

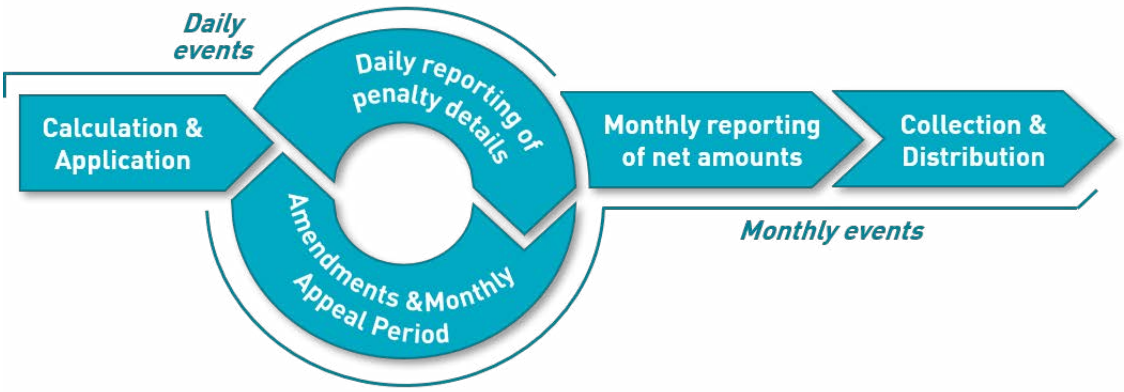


Figure 3.10 Daily and monthly events

Daily and monthly events apply for the business days defined below.

Individual business days (BDs) calendars

BDs are only relevant for the application of daily events defined below.

Based on the above, a penalty does not apply:

- For "free of payment" instructions: For the days when Creation is closed.
- For "against payment" instructions: For the days when Creation and/or the payment system of the relevant currency is closed (if the cash leg is to be settled in the payment system of the relevant currency).

Note: CBL internal and Bridge settlement against payment in Creation is allowed even if the central bank of the settlement currency is closed. Hence, cash penalties apply if settlement fails in Creation on such day.

BDs in Creation are all days except:

- Saturdays and Sundays;
- 25 December; and
- 1 January.

Common Penalties Business Days (PBDs) calendar

In the ECSDA "Penalties Framework", ECSDA Member CSDs agreed on common principles for a harmonised process in the definition and counting of "business days" for the CSDR penalties management. Such specific "business days" are called "Penalties Business Days" (PBDs).

PBDs are only relevant for the application of monthly events defined below.

Penalties lifecycle

- Daily events:
  - Calculation and application:
  - Cash penalties are calculated and applied on each business day, depending on the Calculating-CSD.
  - Daily reporting.

- Cash penalties, including details on the calculation and related transaction, are reported on each business day. The daily report sent on a given business day includes cash penalties calculated and applied for the previous business day.

- Monthly events:
  - Monthly appeal period:
    The appeal period for cash penalties starts on the day the cash penalty is calculated and applied. Such appeal period ends latest on the 10th PBD of the next calendar month[1].
    Note: If CBL or the domestic market is closed on this day, the appeal period already ends on the previous PBD.
  - Monthly reporting of global net amounts (GNA):
    CBL sends monthly reports for month M usually on the 14th PBD on month M+1 but as soon as the information is provided to CBL and successfully reconciled by CBL.
    See section "Monthly reports" for details.
  - Collection and distribution:
    Upon calculation of the GNA, CBL generates "against payment instruction with zero quantity of securities" settlement instructions usually on the 15th PBD of M+1 to settle (that is, collect/distribute) the GNA on the 18th PBD of M+1.
    See section "Monthly collection/distribution of cash penalties".

Cash penalties mechanism

As per Article 7(2) of CSDR, Clearstream Banking established a penalty mechanism for each securities settlement system it operates.

CBL applies its own penalty mechanism for internal settlement fails occurring in its securities settlement system Creation, including for failing Bridge delivery instructions.

For external settlement fails outside Creation, including domestic as well as failing Bridge receipt instructions, CBL processes cash penalties as reported to CBL from the penalties calculating (I)CSD or CBL's agent/depository. In such cross-CSD settlement fails scenario, involving multiple CSDs, only the CSD where settlement actually takes place is responsible for calculating and applying the cash penalties. This CSD is referred to as the "Calculating CSD". The CSD, acting as an Investor-CSD, applies the daily amounts reported by the Calculating CSD and reports them afterwards to its own clients.

The table below summarises, per type of settlement, the relevant penalty mechanism that is calculating, applying and reporting the cash penalties.

Settlement type	
Internal (CBL-CBL) Settlement instructions with a counterparty in CBL	All cash penalties are calculated and applied by the CBL penalty mechanism.
Bridge (CBL-EB) Settlement instructions with a counterparty in Euroclear Bank (EB)	Cash penalties on CBL deliveries are calculated and applied by the CBL penalty mechanism. Cash penalties on CBL receipts are calculated by the EB Penalty Mechanism.
External settlement (CBL- domestic market) Settlement instructions with a counterparty neither in CBL nor in EB	For settlement with counterparties in a T2S-In CSD, all cash penalties are calculated and applied as reported by the T2S penalty mechanism. For settlement with counterparties in a non-T2S CSD, cash penalties are calculated and applied as reported by the local CSD's penalty mechanism.

Figure 3.11 Penalty mechanisms

1. If the CBL client is identified as an "Investor-CSD" in CBL the appeal period ends one day later.

Cash penalties scope and currency

The descriptions in the following chapters apply to the CBL penalty mechanism. For detailed information relating to external settlement in domestic markets, please refer to the Clearstream Banking Market Link Guides.

In relation to the applicable penalties amounts currencies, for CBL internal and Bridge transactions, cash penalties are calculated and applied in Euro (EUR), only.

Hence, the CBL penalty mechanism applies an exchange rate to calculate a cash penalty if:

- The reference price or denomination currency of the financial instrument is not expressed in EUR.
- The amount of cash to be delivered is not expressed in EUR (for settlement fails due to "lack of cash").

For fails due to lack of cash, the (foreign) currency of the cash leg is used to identify the relevant currency discount rate to calculate the penalties (see section "Cash discount penalty rates").

Important note: Cash penalties not calculated by the CBL penalty mechanism or for Bridge transactions will be reported to and have to be paid by the CBL clients in the currency as applied by the relevant penalty mechanism. CBL will not process any currency conversion.

Instructions subject to cash penalties

The CBL penalty mechanism calculates and applies cash penalties for all OTC as well as stock exchange transactions settlement instructions on Creation that are:

- Matched; and
- Failing to settle (in part or in full) on and after their Intended Settlement Date (ISD).

This applies for all CBL instructions types:

- Delivery or receipt versus payment;
- Delivery or receipt free of payment;
- Against payment instruction with zero quantity of securities.

The CBL penalty mechanism does not apply cash penalties:

- If the client is restricted from settlement, regardless of the reason;
- If the security is restricted from settlement, regardless of the reason;

Market Claims and Transformations (corporate actions on flows) are subject to cash penalties. However, corporate actions on stock are not subject to cash penalties.

If there are cancellations:

- If a settlement instruction is cancelled prior matching, no cash penalty will be applied.
- If a settlement instruction is matched, cash penalties will be applied until the instruction is bilaterally cancelled.

Note: Penalties applied for transactions bilaterally cancelled after the ISD will not be removed.

Specificities for some CBL services

Triparty collateral services

CBL proposes safekeeping and monitoring of securities that are held as collateral to cover exposures of any bilateral principal agreement, handling the allocation, optimisation and substitution in straight-through processing.

Such triparty collateral services (including triparty repo, securities lending and collateral management) resulting in settlement instructions will be subject to cash penalties.

Securities lending and borrowing services

Penalties apply on closing transactions and related market claims and transformations.

CBL proposes Automated Securities Lending and Borrowing services (ASL and ASL principal) to enhance settlement efficiency. If a borrower fails to deliver/return the securities following a recall, then the settlement fail will be subject to cash penalties.

Even though the actual lender of the securities is not known by the borrower, CBL will re- distribute the cash penalties to the actual lender. This applies for the ASL, ASLplus and ASL principal services.

For details, please refer to the ASL/ASL principal/ASLplus Programme Product Guides on the Clearstream Banking website.

Investment Funds Services

All settlement instructions generated for CFF Qualified Investment Fund Shares from/to a Fund Issuance Account (FIA) are out of scope as Fund Issuance Accounts are not considered as client under the definition of CSDR.

New issues settlement

Transactions that fail to settle on ISD (and when the ISD is the same as the issuance Closing Date) will be subject to cash penalties.

This applies to:

- Syndicated new issues distributions (delivery from the Lead manager to allotees);
- Non-syndicated new issues distributions (delivery from the Issuing and paying agent to the Dealers).

Penalties apply also when the distribution is eligible for back valuation and the instructions settle on the business day following issue or closing date with back valuation to issue or closing date. Penalties will be applied based on the reason for failing at the end of the applicable settlement window, either the mandatory settlement window or the optional settlement window.

No settlement fail penalties apply when ISD of the client instruction is before the closing date of the security and the instruction is withheld by CBL from CBL or Bridge settlement due to a securities new issue being in status “undistributed”.

Bridge settlement

An upcoming early or final redemption of a security leads to the security becoming no longer eligible for Bridge settlement prior to the redemption date. In such cases, the penalty computation will be stopped by CBL and Euroclear Bank as of the relevant Bridge settlement ineligibility date.

Back-to-back transactions

CBL offers access to and settlement as well in non-European markets. If settlement actually takes place in a CSD outside the EU/EEA (that is, not subject to CSDR), no CSDR cash penalties apply.

In the context of a back-to-back transaction, when one transaction is to be settled in CBL, and the other transaction in a CSD outside CSDR reach, the party buying and selling the securities might be imposed to pay cash penalties, while not being the party at fault.

This scenario is illustrated below.

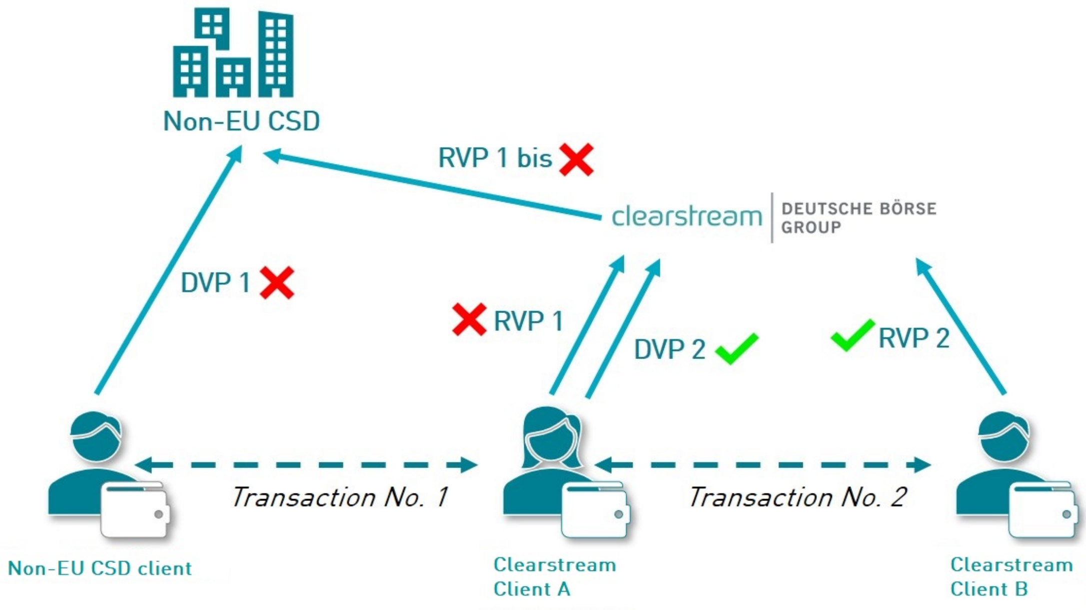


Figure 3.12 Back-to-back transaction.

If the counterparty in a CSD not subject to CSDR fails to deliver the securities, the CBL client A does not receive the securities, then CBL client A:

- Will not receive a cash penalty credit.
- Will be imposed to pay cash penalties to CBL due to the settlement fail versus CBL client B.

CBL does not accept penalties appeals due to such "imbalances".

Financial instruments subject to cash penalties

A financial instrument is considered by CBL as being eligible for cash penalties if:

- The ISIN is listed in the Financial Instrument Reference Data System (FIRDS) database, published by ESMA and;
- The ISIN is not in the list of exempted shares as per the EU Short Selling Regulation (SSR).

Note: The FIRDS database includes non-EU securities traded or admitted to trading on an EU trading venue. Unless exempted, these non-EU securities are eligible for cash penalties when the actual settlement takes place in an EU/EEA CSD.

In line with ESMA Q&As, changes in the ISIN scope as reflected in the ESMA databases apply for penalties that are calculated on ESMA database update publication date + 1 business day.

The FIRDS database may include financial instruments that were already terminated. CBL does not apply cash penalties for settlement fails on financial instruments that are terminated, for the days after the termination date.

Types of cash penalties

The CBL penalty mechanism distinguishes two types of cash penalties:

- Late Matching Fail Penalties (LMFP);
- Settlement Fail Penalties (SEFP).

Late Matching Fail Penalties (LMFP)

The CBL penalty mechanism calculates and applies LMFP to settlement fails on instructions eligible for cash penalties if such settlement instruction matches after the relevant settlement cut-off time of its ISD.

Figure 3.13 below illustrates whether LMFP applies or not. If matching occurs during:

- The period in green, then no LMFP applies;
- The period in red, then the CBL penalty mechanism calculates and applies LMFP (provided that the settlement instruction is eligible for cash penalties).

Figure 3.13 Eligibility to LMFP

For a given settlement instruction, the CBL penalty mechanism calculates and applies LMFP only once, that is, on the day the settlement instruction matches. Such LMFP applies retroactively to all business days, from the ISD to the matching date. For each past fail date a daily reference price applicable for the single fail date is used for the penalties calculation, that is, different reference prices may apply if the matching occurs more than one business day after the ISD.

The CBL penalty mechanism considers each business day where the settlement instruction was due to settle, from the ISD and until the actual matching date:

- Including such matching date if the instruction matched after the end of the relevant settlement cut-off;
- Excluding such matching date if the instruction matched before the end of the relevant settlement cut-off.

Figure 3.14 below illustrates the application of LMFP:

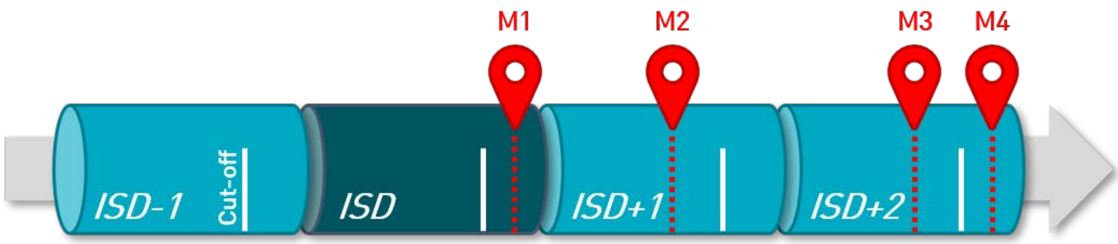


Figure 3.14 Application of LMFP

- If matching occurs on ISD after the cut-off time (M1), then the CBL penalty mechanism calculates one LMFP on ISD+1, applying to one single day, the ISD.
- If matching occurs on ISD+1 before the cut-off time on such ISD+1 (M2), then the CBL penalty mechanism calculates one LMFP on ISD+1, applying to one single day, the ISD.

- If matching occurs on ISD+2 before the cut-off time on such ISD+2, then the CBL penalty mechanism calculates one LMFP on ISD+2, applying to all business days from ISD until matching, excluding such matching day, that is, the ISD and ISD+1.
- If matching occurs on ISD+2 after the cut-off time on such ISD+2, then the CBL penalty mechanism calculates one LMFP on ISD+3, applying to all business days from ISD until matching, including such matching day, the ISD, ISD+1 and ISD+2.

The LMFP is charged to the CBL client that was last to provide its settlement instruction (or modification to its settlement instruction, if applicable) for the period between the ISD and the day of instruction matching. The acknowledgement timestamp of the instruction is used to determine the failing client.

If both clients send their instructions late, after the end of the relevant settlement period of the ISD, only one of the two clients of a transaction is charged with the LMFP, that is, the client who was last to enter its "settlement instruction". If settlement instructions are entered by CBL on behalf of its client(s), as it is the case for market claims, the same rule applies. In the rare event when the timestamps are identical, the securities delivering client will be charged by default.

LMFP applies even if the settlement instructions have been bilaterally cancelled after matching but before the end of the relevant settlement cut-off (in this situation, however, SEFP will not apply, see section "Settlement Fail Penalties (SEFP)".

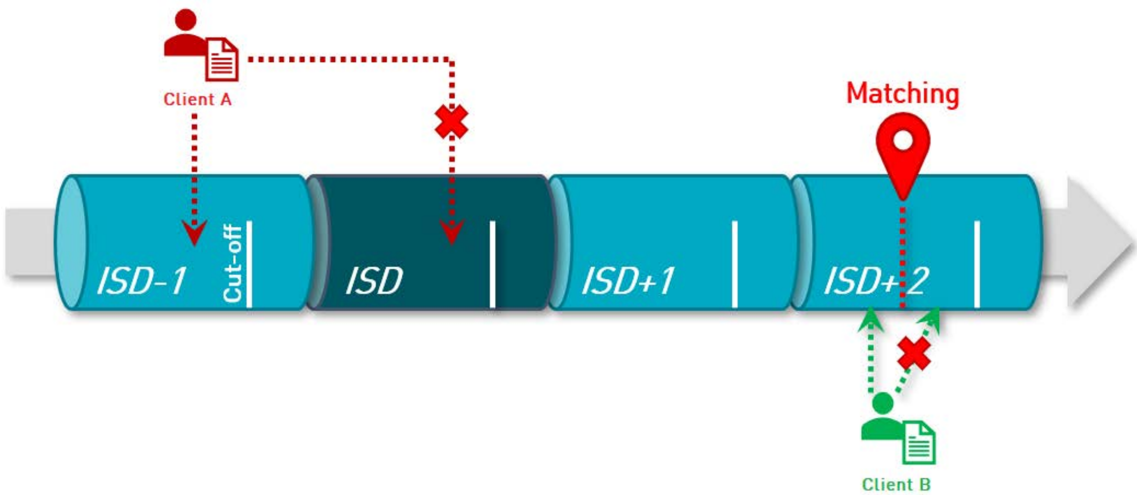


Figure 3.15 Application of LMFP on cancelled settlement instructions

The CBL penalty mechanism will identify two situations where LMFP is not applied:

- Re-denomination
  If a re-denomination event occurs (for example, a change in the denomination currency of a security), CBL will:
  - Cancel the relevant pending settlement instructions;
  - Amend the relevant static data in its system; and

- Re-instruct the settlement instructions, cancelled during the first step, taking into consideration the amendments processed in the second step.

Because the settlement instructions are re-instructed, keeping the original intended settlement date, and matched, the re-instructed settlement instructions are subject to LMFP if matching occurs after the ISD.

The CBL penalty mechanism includes a specific exemption for this process and does not apply LMFP on re-instructed settlement instructions in the context of the re-denomination process. CBL clients are not required to provide any specific information or to perform any specific task to benefit from this exemption.

- New settlement instruction resulting from a partially successful buy-in:
  As required by CSDR, in case only parts of the failing securities delivery quantity were bought in, CBL clients shall:
  - Bilaterally cancel their initial failing settlement instruction; and
  - Re-instruct for the remaining quantity of securities not bought-in.
    Consequently, cash penalties will only be calculated and applied for the remaining quantity of securities instead of the initial full quantity. When the new settlement instruction is re-entered by the client with the original (past) ISD, this settlement instruction will become subject to LMFP.
    Only under the condition that both settlement instructions contain the required "buy-in partially successful" indicator the CBL penalty mechanism will not apply LMFP in such cases (please refer to the "Xact via Swift User Guide" for details).

Settlement Fail Penalties (SEFP)

The CBL penalty mechanism calculates and applies SEFP to settlement fails if the settlement instruction:

- Is matched before the end of the relevant settlement period of the current business day;
- Has reached its ISD;
- Fails to settle (in part or in full) and remains to settle until the end of the relevant settlement cut-off of that business day (if not bilaterally cancelled).

For a given settlement instruction, multiple SEFPs may be calculated and applied, that is, one SEFP per business day when the settlement instruction fails to settle. The CBL penalty mechanism calculates and applies one SEFP at the end of each business day, considering the settlement status and reason at the end of the relevant settlement cut-off, provided that all three criteria mentioned above are fulfilled.

Figure 3.16 below illustrates the application of SEFP.

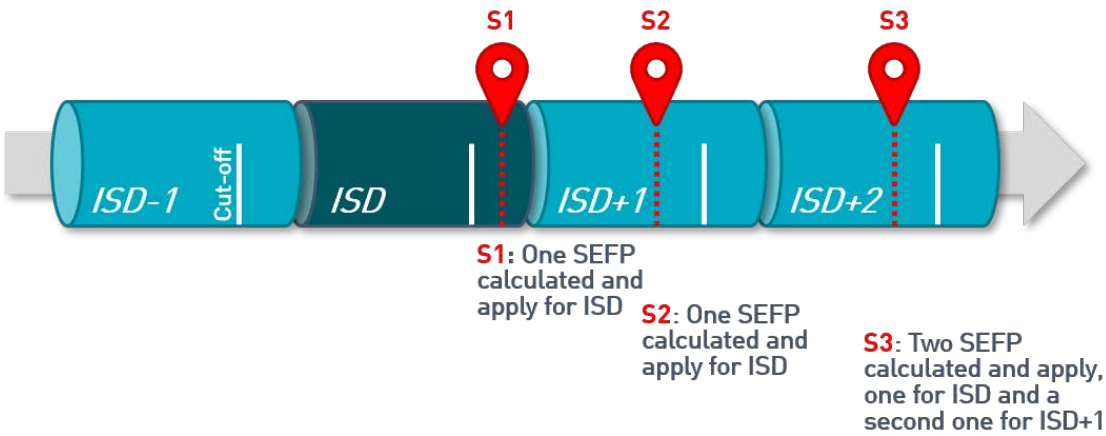


Figure 3.16 Application of SEFP

- If settlement instructions fail to settle before the end of the relevant settlement cut-off on ISD, but settle overnight (S1), then the CBL penalty mechanism calculates and applies a SEFP on ISD.
- If settlement instructions fail to settle on ISD but settle on the next business day before the end of the relevant settlement cut-off, then the CBL penalty mechanism calculates and applies a SEFP on ISD, but not on ISD+1.
- If settlement instructions fail to settle on ISD and ISD+1 but settle on ISD+2 before the end of the relevant settlement cut-off, then the CBL penalty mechanism calculates and applies:
  - One SEFP on ISD for settlement fail on ISD; and
  - One SEFP on ISD+1 for settlement fail on SD+1 but not on ISD+2.

The SEFP will be charged to the client:

- Having set the settlement instruction "On Hold";
- Being lack of securities, provided that no settlement instruction is "On Hold";
- Being lack of cash, provided that no settlement instruction is "On Hold" or lacks securities.

Note: If both settlement instructions are "On Hold", then both parties to the transaction will be charged with a SEFP to be paid to the counterparty. The different calculation methods described in section "Types of cash penalties" settlement fails on deliveries and receipts against payment apply. CBL does not calculate penalties when a settlement transaction failed due to CBL's own action for example in relation to settlement instruction refusal or de-selection from a Bridge settlement processing cycle in special occasions.

The table below summarises the party to the transaction that is to be charged with the SEFP, depending on the settlement fail reason:

Instruction	Buyer	Seller
Settlement instruction set "On hold" by the Buyer/Seller	The Buyer must pay an SEFP to the Seller.	The Seller must pay an SEFP to the Buyer.
	Note: When both, Seller and Buyer put their instruction "on hold", an SEFP applies to both.	
Lack of securities from the Seller	N/A	The Seller must pay an SEFP to the Buyer.
Lack of securities from the Seller and Instruction set "On hold" by the Buyer	The Buyer must pay an SEFP to the Seller.	N/A
Lack of cash from the Buyer	The Buyer must pay an SEFP to the Seller.	N/A
Lack of cash from the Buyer and Instruction set "On hold" by the Seller	N/A	The Seller must pay an SEFP to the Buyer.
Lack of securities from the Seller and lack of cash from the Buyer	N/A	The Seller must pay an SEFP to the Buyer.

Figure 3.17 Identification of the client to be penalised

Note: The CBL penalty mechanism will not apply any SEFP if the settlement instruction becomes invalid: A settlement instruction may become invalid/fall into a repair mode if it no more meets the validation rules (it will not be rejected). In this situation, the settlement instruction will not be eligible for settlement and the relevant client will be required to cancel and re-instruct their settlement instruction. If the invalid instruction is not cancelled, then it will result in a settlement fail. However, the CBL penalty mechanism does not apply to any SEFP if the settlement fail is due to the settlement instruction being invalid. CBL clients do not need to provide any specific information or to perform any specific task to benefit from this exemption.

Calculation and application of cash penalties

The CBL penalty mechanism applies a calculation method that is depending on the type of settlement instruction of the client causing the settlement fail.The table below describes the different penalties calculation methods:

Calculation Method	SECU	MIXE	CASH
Formula	Security Penalty Rate X Quantity of undelivered securities X Price of the security for the relevant business day	Cash Discount Penalty Rate X Quantity of undelivered securities X Price of the security for the relevant business day	Cash Discount Penalty Rate X Amount of cash failed to be delivered
Type of settlement instruction of the failing client	• DVP • DFP • RFP	• RVP	Against payment instruction with zero quantity of securities

Figure 3.18 Determination of the calculation method

Note: For partial settlement, the cash penalty amounts are calculated based on the remaining quantity of securities to be settled.

Security penalty rates

The Security Penalty Rate is the fixed rate applied for settlement fails due to "lack of securities", depending on:

- The CFI-classification of the relevant financial instrument;
- The liquidity indicator of the relevant financial instrument;
- Whether the underlying securities trade occurred on a SME Growth Market, or not.

The security penalty rates as published by ESMA apply.

If there are rate changes, for penalties calculated by CBL and independent from the ISD of the failing settlement transaction, the latest penalty rates as published by ESMA apply for all new or modified penalties as of the entry into force date of the change defined by ESMA.

The below table defines the applicable Security Discount Penalty Rates depending on the above-mentioned criteria:

Type of settlement fail	Classification of the security (CFI Code)	CSDR Classification	Liquidity Indicator	Traded on a SME Growth Market	Penalty Rate (in bps)
Lack of securities	E*****	SHRS	True False n.a.	No No Yes	**1.00** **0.50** **0.25**
(The applicable Penalty Rate is referred to as "Security Penalty Rate")	DN**** D**T** D**C**	SOVR	n.a.	n.a.	**0.10**
	D*****, Except DN****, DY****, D**T** and D**C**	DEBT	n.a.	No Yes	**0.20** **0.15**
	R*****	SECU	n.a. n.a.	No Yes	**0.50** **0.25**
	CE****	ETFS	n.a. n.a.	No Yes	**0.50** **0.25**
	C**** Except CE****	UCIT	n.a. n.a.	No Yes	**0.50** **0.25**
	DY**** Except DY*T** and DY*C**	MMKT	n.a. n.a.	No Yes	**0.20** **0.15**
	TTN***	EMAL	n.a. n.a.	No Yes	**0.50** **0.25**
	Other	OTHR	n.a. n.a.	No Yes	**0.50** **0.25**

Cash discount penalty rates

The Cash Discount Penalty Rate is the rate applied by the CBL penalty mechanism for settlement fails due to a "lack of cash", depending on the underlying settlement or payment currency.

The applicable Penalty Rate is referred to as "Cash Discount Penalty Rate", that is, the official interest rate for overnight credit charged by the central bank issuing the settlement currency with a floor of zero.

The applicable cash penalty rates (that is, the daily interest rates) are derived per settlement currency as described in the "ECSDA Penalties Framework".

Note: The ECSDA Penalties Framework is describing for each currency how to derive the Central Bank rate for penalties calculation purposes applies (for example, for EUR, the "marginal lending facility rate" defined by the European Central Bank (ECB) and published on its website, divided by 360, is used).

The cash discount rates as published per currency by the relevant Central Bank apply. If there are rate changes, these will be considered by CBL as of the following business day for all new penalties in the case of EU/EEA currencies as well as CHF, GBP, JPY and USD. Otherwise, rate changes will apply as of the second business day of the month following the change.

Liquidity indicator

The liquidity indicator is a binary classification of securities applying only when the financial instrument type of the security derived from its CFI code is "SHRS".

The information on whether the share is considered a liquid or an illiquid share is derived from the ESMA FITRS database.

If settlement fail applies to a share and the liquidity indicator for the share is not available or the instrument type category is unknown, then it will be considered as "illiquid".

In line with ESMA Q&As, changes in the liquidity indicator as reflected in the ESMA FITRS database apply for penalties that are calculated on ESMA database update publication date + 1 business day.

SME Growth Market transactions

The CBL penalty mechanism applies a lower security penalty rate, if the transaction in the financial instrument identified in the settlement fail was actually traded on a SME Growth Market.

Such security penalty rate is applied by the CBL penalty mechanism, only if:

- Both instructions show the same "place of trading" four-digit Market Identifier Code (MIC); and
- The trading venue identified in the field is included in the latest available list of SME Growth Market Trading Venues maintained and published by ESMA (that is, to be considered by CBL; the SME MIC must be listed in the ESMA database on the day the penalty is calculated).

Daily reference price

The CBL penalty mechanism applies the reference price of the security for the business day when the settlement instruction actually failed to settle:

- For shares and similar instruments, the reference price is the closing price of the "most relevant market in terms of liquidity".
- For other securities, the reference price is the closing price of the trading venue with the highest turnover.

If the cash penalty is a LMFP applying on multiple days, then the CBL penalty mechanism calculates the LMFP, applying the relevant reference price for each applicable day. If the LMFP applies on business days more than three months in the past, then, for those days, the CBL penalty mechanism applies the oldest available reference price, the three-months old price.

The reference price used will be the last available price of the "MiFID trading venue" relevant for an ISIN, or, if not available, another trading venue, or derived by CBL from its own sources or a default (for example, issuance) price[1].

Update of a cash penalty

A change of the reference data used for the calculation of a cash penalty may be considered by the CBL penalty mechanism maximum until, and including, the 12th PBD of the next month. When reference data needed to calculate a penalty becomes available only after the appeal deadline ended, such new penalty (NEWP) will still be considered by CBL in its daily and monthly penalties reports.

1. Any price used for the penalty calculation must not be older than the entry into force date of the CSDR Settlement Discipline Regime, that is, 1 February 2022.

Unless a cash penalty can no longer be modified (for instance, is inactive or has been removed), the CBL penalty mechanism automatically re-calculates existing and active cash penalties impacted by a change in the reference price of a security for the relevant business day the cash penalty applies. Once re-calculated, the updated cash penalty is reported to the relevant clients via the daily reports described in section "Daily reports".

Daily and monthly reporting of cash penalties

CBL reports cash penalties, including details on the calculation and the related settlement instruction, on a daily basis.

In addition, CBL provides monthly reports usually on the 13th PBD (only for Bridge) and after (usually on 14th PBD, for CBL internal, domestic markets and upon receipt), each month, considering active cash penalties calculated and applied on the previous month. These monthly reports include one monthly "Global Net Amount" (GNA) each, per counterparty-CSD and per currency, as well as the details of the relevant daily cash penalties composing the GNA.

CBL reports details on cash penalties exclusively via ISO 15022 MT537.

Upon receipt of the CBL reporting, if the client identifies during its reconciliation process, for example, inconsistencies, missing reporting or penalties and mismatches, this should be reported as soon as possible and before the end of the appeal period to CBL via the standard communication channels or the Xact “appeals” function. The CBL penalties reporting shall be considered as complete, correct and final after the end of the appeal period as no corrections can be done after that point in time.

Important note: The reports must be actively subscribed for and scheduled by the CBL clients via Xact Web Portal. The same applies for querying penalties information via Xact Web Portal.

For details about the penalties reporting content, please refer to the connectivity manuals and user guides on the Clearstream Banking website.

For cases where the daily penalties reporting from its supplier(s) is delayed, CBL will include these penalties upon receipt and in the next available daily report batch. The monthly reports are provided to clients upon receipt and after successful reconciliation by CBL versus the daily reports’ data.

Daily reports

CBL reports newly calculated cash penalties and amendments to already calculated cash penalties in two separate reports (covering new and modified penalties).

CBL clients can select the time(s) when to receive their daily reports (even though new and amended cash penalties are reported in two separate messages, the reporting times scheduled apply to both (for instance, new and modified penalties) reports, that is, it is not possible to receive only one of the two reports. More specifically:

- The report including new cash penalties only contains new cash penalties calculated or received since the last report.
- The report including amended cash penalties only contains amendments to cash penalties processed by CBL or received from its depositories since the last report.

If for a given time scheduled by the CBL client, there is no new or amended cash penalty to be reported, then the client will receive a "no activity" daily report (separate for "new" and "amended" penalties).

Monthly reports

CBL may provide several monthly reports for a given period because of its multiple domestic markets links available. Nevertheless, the monthly report for a given market link will only be reported once.

The table below summarises the expected time per market link.

Clearstream Banking S.A. (CBL)	
Internal (CBL-CBL) Settlement instructions with a counterparty in CBL.	On the 14th PBD of the month, between 08:30 and 09:00 CET (after daily calculation of new cash penalties and re-calculation of amended cash penalties).
Bridge (CBL-EB) Settlement instructions with a counterparty in Euroclear Bank (EB).	On the 13th PBD of the month, between 09:00 and 10:00 CET (after successful reconciliation of the cash penalties with EB).
External settlement (CBL- domestic market) Settlement instruction with a counterparty neither in CBL nor in EB.	For settlement with counterparties in a T2S-In CSD, on the 14th PBD of the month, between 08:30 and 09:30 CET (after successful reconciliation of the cash penalties calculated by the T2S penalty mechanism). For settlement with counterparties in a non-T2S CSD, after receipt and successful reconciliation of the cash penalties calculated by the local penalty mechanism.

Figure 3.19 Expected times for generation of the monthly reports

If, for a given month, there is no active cash penalty to be reported, CBL will not generate any "no activity" monthly reports, separately for "new" and "updated" penalties and for each reporting batch that the client has subscribed to.

The CBL monthly penalty MT537 PENA report does not include any "removed" penalties while the monthly aggregates in the Xact Web Portal currently include them. On the other hand, the MT537 PENA includes penalties with "computed" flag ("CMPU") "yes" and "no", while Xact Web Portal only includes penalties with "CMPU" flag "yes".

Monthly collection/distribution of cash penalties

"Monthly penalties collection/distribution" refers to the actual debit or credit of the monthly "Global Net Amount(s)" (GNA) reported by CBL to its clients (per counterparty-CSD and per penalties currency).

CBL will collect or distribute each GNA on the 18th PBD of the following calendar month via "against payment instruction with zero quantity of securities" settlement instructions towards its clients. The settlement instructions will be generated by CBL in Creation on behalf of its clients using the relevant five-digit Creation securities and (default) cash account of each client to collect the amounts due from or distribute the amounts entitled to be received by the CBL clients.

CCP-related penalties are included in the penalty amounts processed.

Note: Cash penalties applied to a CBL client's "Single Securities Accounts" will be collected/ distributed on the related CBL client's "Single Cash Account" as per standard settlement process.

The penalty amounts to be processed by the CBL clients can be derived from the monthly penalty reports and "against payment instruction with zero quantity of securities". Penalties settlement instructions. Penalties are not reported through the standard monthly client invoice.

Global Net Amount (GNA)

The GNA is the net amount of cash penalties to be paid (if negative) or received (if positive).

For each client, CBL will net the amount of cash penalties:

- Per currency

- Per Counterparty's CSD/ Account Servicer / Depository

The GNA is further netted per CBL's depository (indeed, CBL clients may settle with a single counterparty via two different market links, depending on the financial instrument, CBL does not net cash penalties from different market links).

Each GNA reported by CBL to clients will trigger two "against payment instruction with zero quantity of securities" settlement instructions:

- If the GNA is negative, the amount is due to be paid by the client, then CBL will generate:
  - One instruction to debit the client's account;
  - One instruction to credit the relevant dedicated account of CBL.
- If the GNA is positive, the entitled amount is to be received by the client, then CBL generates:
  - One instruction to debit the relevant dedicated account of CBL;
  - One instruction to credit the client's account.

CBL automatically matches both "against payment instruction with zero quantity of securities" settlement instructions.

For the penalties to be paid or collected at domestic markets level, these can be charged, collected and distributed to the clients once CBL has successfully reconciled the domestic markets reports or actually received cash from the local market. Therefore, the payments can be delayed due to discrepancies in the cash penalties processes, notably with respect to the pay dates, applied in the various markets.

Late or missing cash funding from CBL client(s)

If CBL clients do not provide the required cash amount(s) in the currency(ies) as reported by CBL in its monthly penalty report (see sections “Monthly collection/distribution of cash penalties” and “Monthly reports”), CBL may:

- Contact and urge the failing clients for immediate feedback and action as well as written information on the mitigating actions taken to avoid future penalties payments fails due to the lack of cash funding to meet their penalties payments obligations;
- In parallel, identify any alternative cash accounts maintained under the same client LEI and, if available, transfer the required cash amount, in line with the CBL GTCs without prior client consent.

Important note: To avoid delays in the settlement of penalties payment processing CBL clients are required to comply with their obligations to timely and sufficiently fund their Creation cash account to ensure the settlement instruction related to penalties can settle in the night-time settlement cycle for value date 18th PBD. Reference is made to the Article 29 of the General Terms and Conditions and in particular to the paragraphs 3 and 5. Clients are reminded that as failing clients, they have the obligation to pay the Penalties in accordance with the CSDR and to fund their relevant accounts to enable CBL to charge, collect and distribute the Penalties to the counterparties. In the event of non-compliance with such payment obligations by clients, CBL reserves the right to force the debit of such payment in any relevant account(s) of the clients and/or initiate a foreign exchange (FX) transaction to convert and debit the corresponding cash amount held by the client in another currency into the currency required for the payment of the amount due and/or to inform the relevant supervisory authorities in charge of the enforcement of penalties mechanism in accordance with Article 8 CSDR as well as to inform the impacted counterparty(ies).

For the payment of the monthly GNA, CBL is redistributing the amounts actually collected on or after the intended pay date of the GNA. This means, if there is late or insufficient cash funding of the cash account of to be debited CBL client(s), CBL does not delay the cash distribution until all penalties to be collected have actually been paid by all to be debited CBL clients. However, CBL neither collects nor distributes partial GNAs: If the cash balance of a client’s cash account is insufficient to collect the full amount due, the debiting penalty PFOD instruction will remain pending until the full penalty cash amount has been funded. Similarly, credit penalty PFoDs will only be settled in full or remain pending until CBL has collected the required cash amount. As a final step, if not all debit penalties could be collected by CBL, corrective PFoD instructions may be entered in the month following the intended pay date of the GNA to recalculate the GNAs by excluding all penalties of the failing CBL client from the GNA calculation. Such recalculation may lead to debits of the counterparty(ies) of the failing CBL client(s) that were credited although the cash could not be collected from the failing CBL client (that is, their counterparty). The initial failing CBL internal PFoDs will be cancelled and the impacted clients may bilaterally claim their counterparty for the penalties due. This process applies as well in the event of a client insolvency.

Details of penalties settlement instructions

Once CBL has provided clients with their "Global Net Amounts" to be paid or received, it will generate "against payment instruction with zero quantity of securities" the settlement instructions on behalf of its clients. CBL clients are not required to generate any settlement instruction relating to the collection and distribution process of cash penalties.

- The settlement instructions are generated with Trade Date 16th PBD and Intended Settlement Date 18th PBD.
- The Settlement Transaction Type is "PAIR".
- CBL uses a single common "dummy" ISIN LU2128008567 for all settlement instructions relating to cash penalties.
- CBL generates the settlement instructions with the highest possible settlement priority.
- The settlement instructions generated by CBL are not eligible for partial settlement.

CBL will report the matching and settlement status for the instructions as per the client's standard reporting (for example, via MT548, if scheduled by the client, and/or via Xact Web Portal). Details can be found in the Xact via Swift User Guide.

Appeals

CBL clients may submit Appeal requests to CBL within a dedicated appeal period that starts once a new penalty has been reported by CBL and ends latest on the 10th PBD of the payment month.

CBL clients can submit appeals for any cash penalties reported by CBL, regardless of the Calculating-CSD. Appeal requests on cash penalties not calculated by the CBL penalty mechanism will be forwarded for further processing (when such appeals are rejected by the calculating-CSD or penalty mechanism (like T2S), CBL will subsequently reject the CBL client's request).

CBL clients shall submit appeal requests to CBL in priority via Xact Web Portal. CBL may, exceptionally, accept appeal requests raised via MT599 to the attention of PSG Settlement Operations. Like the appeal requests submitted via Xact Web Portal, such MT599 requests shall be sent to CBL within the dedicated appeal period that starts once a new penalty has been reported by CBL and that ends latest on the 10th PBD of the payment month. The MT599 to be sent to CEDELULLXXX titled "ATTN: Settlement CSDR/ PSG – Penalties Appeal request" shall contain:

- Client Account Number;
- Penalty Reference;
- Penalty Calculation Date;
- Penalty Currency;
- Appeal Type (Amendment, Removal, Re-inclusion, Other);
- Appeal Reason.

For appeal acceptance, an updated penalty report will be provided automatically. Rejected appeals will be charged as usual, no further response to the requesting client will be provided.

Appeals need to include the applicable appeal reason or a proper description for CBL to be able to assess the validity of the appeal request. Appeals without sufficient (mandatory or optional) appeal reasoning information will be rejected without further processing. A financial instrument suspension from trading will not be considered by CBL as valid appeal reason

Note: It is neither possible for CBL clients to raise nor for CBL to process appeals after the end of the appeal period. Hence, appeals should be raised as soon as the daily penalty information was made available to the CBL clients and ensure appeals are regularly raised towards CBL latest until the 5th PBD to allow for processing prior the end of the appeal period.

Any appeals received and processed by CBL will ultimately either be in status:

- "Accepted"

  The investigation performed by CBL operational staff concluded that the appeal request is valid, and the relevant cash penalty has been amended accordingly, based on the information provided by the CBL client; amended penalties will be reported and labelled as such by CBL as "modified penalties"; or

- "Rejected"

  The investigation performed by CBL or the domestic market concluded that the appeal request is not valid, and the relevant cash penalty not amended; rejected appeals will not trigger a dedicated reporting.

  Note that rejected appeals will be subject to charges as per the CBL Fee Schedule and/or external fees (if applicable, for penalties calculated by domestic markets).

"Accepted" Appeals will lead either to the penalty:

- "Removal
  - If insolvency proceedings are opened against the failing client.
  - If the ISIN of the financial instrument is suspended from settlement due to a reconciliation issue.
  - If settlement fail is due to a technical impossibility at (I)CSD level (for example failure of the infrastructure components, cyber-attack, network issues).
  - Due to another reason (the client's appeal request is requiring a free-text description).
- Re-inclusion
  - The client's appeal request is requiring a free-text description.
- Amendment
  - Calculation Details requested to be adjusted:
    - The Reference Price (If Calculation Method is not CASH);
    - The currency of the Reference Price (If Calculation method is not CASH);
    - The CSDR Classification Type;
    - The Liquidity Indicator;
    - The SME Growth Market Indicator;
    - The Security Penalty Rate Type;
    - The (Security/Cash Discount) Penalty Rate;
    - The expected Penalty Amount;
    - The client's appeal request is requiring a free-text description.

Please refer to the Xact Web Portal User Manual for further details about the submission and processing of Appeal requests.

Note: If an appeal request cannot be finalised before the monthly report generation, the penalty amount as reported by CBL will be charged.

Buy-ins

If and when applicable, CSDR Article 7.aobliges trading parties and CCPs to initiate buy-ins for failing settlements in any financial instrument in scope that cannot be settled within a certain time period. Trading parties shall arrange the buy-in themselves in line with prescribed SDR rules and reporting requirements. For CCP-cleared transactions, the CCP shall initiate the buy-in.

Despite the fact that CBL has no role in the buy-in initiation process, CSDR requires to provide buy-in execution details for settlement instructions failing at CBL that were subject to mandatory buy-in initiation according to CSDR.

Once the buy-in process has been actually executed, the execution details shall be provided to CBL by the CBL client via a specific "MT530 "buy-in" message.

Please refer to our "Xact via Swift" User Guide for details.

Important note: Any buy-in execution notifications are only used for the compliance of CBL and its clients with the relevant CSDR regulatory reporting and record keeping requirements of CSDs. They do not trigger any buy-in initiation, execution, settlement or other "CSDR mandatory buy-in regime" related activities on the side of CBL.

Monitoring Settlement Fails (settlement efficiency)

CSDR requires CBL to measure its clients' individual settlement efficiency (on CBL client LEI-level) to identify:

- The "Top 10" CBL clients (by settlement transactions value and volume) that are failing to deliver securities/ provide cash on ISD, including "late matching" fails, and report them to CBL's regulator (CSSF);
- "Consistently and systematically failing participants" (that may ultimately be suspended from settlement by CBL) comparing their settlement efficiency versus the CBL settlement system's overall performance.

Note: As CBL lacks the view on the CBL clients' underlying clients settlement data, CBL clients are encouraged to analyse the settlement behaviour as well as fail reasons, patterns and late matching situations at the level of their underlying clients.

CBL is also obliged to publish anonymised transactions' fails and efficiency data to the public.

Note: Only settlement fails caused by the client itself and subject to CSDR penalties are considered, that is, settlements outside EU/EEA CSDs are excluded from the assessment.

Top 10 failing clients identification and working arrangements

CBL identifies the "Top 10 failing clients" by their settlement fails value and volume on a monthly basis in line with the ESMA fails reporting guidelines.

The following metrics are applied by CBL:

CBL client efficiency: The efficiency calculation by number and by value considers (per client LEI) all eligible instructions of the previous month with: 100 - (sum of fails * 100/ sum of eligible instructions). Eligible instructions include all matched instructions during the calculation period (that is, matched instructions settled or cancelled on or after ISD; instructions settled after ISD include all failure reasons (lack of securities/ cash and beyond). Fails for the client's efficiency are restricted to matched instructions settled after ISD due to the single client lack of cash (when receiving client) or lack of securities (when delivering client). Instructions cancelled or on-hold after ISD are counted in fails and are included in the number and value of eligible instructions.

Clients whose fails represent at least 0.1% (that is, those clients that, according to the CSDR text, "have the most significant impact on the securities settlement system") of the total settlement instructions fails by volume or by value in CBL and limited to ISINs subject to SDR will be subject to "working arrangements". This means CBL will notify the clients via email requesting them within two weeks to analyse and provide the main reasons for their settlement fails and confirm which CBL services or other measures they intend to apply as concrete means to enhance their settlement efficiency. The client feedback will be passed on to CBL's regulator.

Note: When CBL itself (acting as Investor-CSD in another CSD on behalf of the CBL clients) is identified as a "Top 10" failing client", the underlying CBL clients will be identified and approached by CBL to provide feedback according to the local CSD's requirements.

Consistently and systematically failing clients identification

Annually, CBL identifies "consistently and systematically failing participants" (that is, the CBL client efficiency rate must "at least be 15% lower than the rate of settlement efficiency of the securities settlement system, during at least a relevant number of days over the 12 previous months") to potentially suspend these clients from settlement.

The following metrics are applied by CBL:

1. CBL settlement system efficiency: The efficiency calculation by number and by value considers all eligible instructions of the previous 12 months with: 100 - (sum of fails * 100/ sum of eligible instructions). Eligible instructions include all matched instructions during the calculation period (that is, matched instructions settled or cancelled on or after ISD. Fails include only matched instructions settled after ISD due to the client's lack of cash or securities or "on hold".
2. Consistently and systematically failing clients: The efficiency calculation by number and by value considers (per client LEI) all eligible instructions of the previous 12 months with: 100 - (sum of fails * 100/ sum of eligible instructions). Eligible instructions include all matched instructions during the calculation period (that is, matched instructions settled or cancelled on or after ISD. Fails for the client's efficiency are restricted to matched instructions settled after ISD due to the single client lack of cash or lack of securities. Instructions cancelled or on-hold after ISD are counted in fails and are included in the number and value of eligible instructions. The number of failing days is the number of business days where the client's efficiency "is at least 15 % lower than the rate of settlement efficiency of that securities settlement system, during at least a relevant number of days over the 12 previous months" (the "threshold", that is, the CBL settlement system efficiency rate - 15%). The client's efficiency is computed for every business day, so the computation is restricted to clients below the threshold. The "relevant number of days" is 10% of the number of business days between the reception date of the "oldest" instruction (not just fails) and the reception date of "newest" over the last 12 months. For each client (LEI) below the threshold, the "success rate" by number or value will be calculated.

   CBL clients whose fails represent at least 3.5% of the total settlement instructions fails by volume or by value in CBL will be contacted to assess the fail reasons and apply actions to avoid or limit re-occurrence. If the client LEI appears in the CBL-internal "Top 10" failing clients lists of the fourth quarter of the same year as well as in the forthcoming annual "suspension" report, CBL may initiate the actual suspension of the client from settlement after consulting CBL's regulator. The client name as well as the suspension start date will be published in advance. CBL will take the necessary measures to ensure that relevant settlement instructions are blocked from settlement or new instructions received on or after the suspension date can no longer be entered into the CBL system by the suspended client.

3.22 Smart Realignment service

Background

The Smart Realignment service entails the automated generation of free of payment securities delivery instructions ("realignments") by CBL on behalf of subscribing clients. The service aims to increase settlement efficiency and, for example, decrease CSDR penalties, by reducing the number of failing delivery instructions due to a client lacking securities on or after the intended settlement date (ISD).

As trigger for CBL to generate realignment instructions, the "Full scope service" considers any fails in CBL-eligible securities of the markets being in scope of the Smart Realignment service. Alternatively, the service scope can be limited by clients to only cover securities delivery fails related to their Eurex "special Repo" trading activity ("Special scope service").

If a relevant settlement fail is detected, intra- or across Clearstream CSDs realignment instructions will be generated to transfer an available securities long position from a client's dedicated "source" account(s) to the same client's "target" account(s) being in demand of such securities to be able to settle the client's delivery instruction.

Note: The subscription to the Smart Realignment service does not discharge clients from their responsibility to ensure their instructions can settle on the ISD and comply with CBL's governing documents, as applicable. More specifically, clients must actively monitor and manage their failing securities deliveries to ensure sufficient inventory is available at the right time and place to allow for timely settlement. Hence, the Smart Realignment service is considered as a last resort to reduce or avoid settlement fails.

Service scope

Eligible client accounts and service subscription

Only client securities accounts categorised as "own assets" and linked to the same valid Legal Entity Identifier (LEI) are eligible for the Smart Realignment service. This includes CBL group-matching GMA accounts. Special purpose accounts (like CBL CFF-FIA or collateral pledge/ transfer accounts) and client accounts with no valid LEI assigned are not eligible.

Clients must ensure that they meet the account eligibility criteria at all times for their accounts subscribed to the Smart Realignment service. Otherwise, the account(s) will no longer be considered as eligible by CBL to generate realignment instructions.

To request the service, clients must submit the completed and signed Smart Realignment Service subscription form available on the Clearstream website. With its subscription, the client authorises CBL to generate settlement instructions on its behalf. The client must define to use a securities account either as a "source" account, a "target" account or both. A single account can be made eligible either for the "Full scope" or "Special scope" service.

For the "Special scope service", the same Smart Realignment service features and conditions as for the" Full scope service" apply except that only failing securities delivery instructions to specific Eurex accounts as receiving counterparty are considered as trigger for the realignment instructions generation process. The relevant Eurex Clearing AG accounts serving as the CBL clients' counterparty are:

- CBL account 51295;
- CEU account 7525 000;
- Euroclear Bank account 22563.

The below table illustrates the realignments generation behaviour for the possible "target" and "source" accounts Smart Realignment service scope eligibility combinations:

Target account eligibility	Source account eligibility	Realignment from source account
Full Service	Full Service	For any fails within the full service scope
Full Service	Special service	Limited to Target account fails with Eurex account as counterparty
Special service	Full service	Limited to Target account fails with Eurex account as counterparty
Special service	Full service	Limited to Target account fails with Eurex account as counterparty
Special service	Special service	Limited to Target account fails with Eurex account as counterparty

The Clearstream Fee Schedule applies for any realignment instructions generated by the Smart Realignment service.

Failing settlement instructions scope

Detection of failing securities delivery instructions

CBL applies the following rules to determine whether an instruction[1] is subject to the Smart Realignment service:

- The instruction must be settled in one of the markets within the scope of the service.
- The security must be eligible for settlement in at least one of the markets in scope, including securities that are not T2S-eligible.
  Any type of financial instrument can be in scope.
- The delivery versus payment or free of payment instruction:
  - Must be matched and:
    - For CBL-internal, Bridge, T2S and non-T2S domestic pre-matching markets, it fails due to "LACK "(lack of securities).
    - For non-T2S domestic markets without pre-matching, it is flagged as "Your Security Provision".
  - The ISD must be on or before the current business day.
  - The instruction must not be “on hold” by the deliverer or receiver or both or be otherwise restricted from settlement, that is, the instruction must be eligible for settlement or already submitted for settlement to be in scope.

The required securities quantity to be transferred to the target account is calculated by CBL

- Considering any long position on the source account; but
- Ignoring pending receipt instructions (whether matched or unmatched), if any, on the target account.

If multiple source accounts hold an available position in the required security, CBL will first select an account belonging to the same Clearstream CSD entity as the target account. If the balances available on the source accounts of the same Clearstream entity are insufficient, transfers may be generated across Clearstream CSDs. Multiple realignments from different source accounts and across several Clearstream CSDs are possible.

1. An instruction can be related to any type of business activity, like stock exchange and OTC, including for example collateral management and instructions generated by CBL or CCPs on clients’ behalf.

Failing delivery instructions can be excluded from triggering realignments on a case-by-case basis by clients using the "on hold" functionality.

Applying Clearstream's securities reference data, realignments will not be generated anymore on and after the maturity date of an ISIN.

Markets and securities

Settlement fails in securities that are eligible for settlement in CBL for the following markets are in scope of the Smart Realignment service:

- Austria,
- Belgium,
- France (except for registered shares),
- Germany,
- Greece,
- Italy,
- Netherlands,
- Spain,
- Portugal,
- Selected XS/ EU ISINs[1].

For securities listed on several stock exchanges, common codes (linked to the same ISIN code) are used by CBL to identify the market where the securities are actually held:

- One home common code with the Issuer-CSD.
- As many remote common codes as there are stock exchanges where the security is listed.

Realignments apply at security common code level, that is, only available positions in the same (home or remote) security common code as the failing one will be used by CBL to generate realignment instructions. As common codes do not exist in T2S, the Smart Realignment service considers only the home common code in case of cross-CSD realignments between CBL and CEU accounts.

Tax restrictions

For some markets, restrictions related to the tax certification status of the client accounts involved and according to the reference data maintained in Clearstream's account management systems may apply.

In the following cases, realignment instructions are only generated by CBL under certain conditions:

- Belgium: For debt securities held with NBB Belgium, realignments are generated only for "BE tax flag = X" labelled accounts.
- Italy: Realignments are only generated for "IT tax flag = S" labelled accounts.

1. Covers T2S-eligible debt instruments with ISIN prefix "XS" or "EU" that are or were previously eligible for the Eurex "special Repo", according to the "All eligible Special Securities" list as published daily on the website https://www.eurex.com/ex-en/markets/eurex-repo/special-repo. CBL cannot be held liable for the correctness of the information provided in this file.

Realignment process steps

The detection process for failing delivery instructions in CBL is triggered at fixed points in time during the business day:

Window #	Start time (CET)
Realignment window 1	07:30
Realignment window 1	09:30
Realignment window 1	10:30
Realignment window 1	12:30
Realignment window 1	14:40
Realignment window 1	15:15
Realignment window 1	15:40
Realignment window 1	16:40
Realignment window 1	17:40
Realignment window 1	18:10
Realignment window 1	19:40

Settlement cut-off times are considered to ensure that - under normal circumstances - realignments are only triggered when the failing delivery instruction on the target account can still settle after the realignment instruction has been processed and settled. For example, no realignments will be generated anymore for T2S versus payment deliveries after 16:00 CET, respectively 18:00 CET for failing free of payment delivery instructions.

Depending on the client's accounts subscribed to the Smart Realignment service and when applicable, CBL automatically generates on client's behalf "multi-directional" securities positions transfers (realignments) either intra CSD (between two CBL or CEU accounts) or across Clearstream CSD's entities (from a CBL to a CEU account or vice versa).

Note for cross-CSD realignments: If a client subscribes to the Smart Realignment service from both CEU and CBL accounts held with each of the CSDs, the Smart Realignment service may be provided across both Clearstream CSDs. For this purpose, CEU and CBL will exchange relevant information and generate securities delivery instructions on behalf and for the account of the client from a source account in either CEU or CBL to a target account in the other Clearstream CSD when a security cannot be sourced from a client account held in the target account CSD entity. In such instance, positions checks in the other CSD will be applied and when an available position exists, a realignment delivery instruction from the source account CSD entity (for example, CEU) to the target account CSD entity (for example CBL receiving the securities) will be generated by the delivering CSD and the corresponding receipt instruction will be generated by the receiving CSD. As it is the case for any other cross-CSD settlement flows, the CSD´s own omnibus account serves as intermediary from/ to which the securities are finally booked from/to the CSD's underlying client's safe custody account (that is the source and target accounts in the case of the realignments). To cater for such realignment scenario, with its service subscription, a power of attorney authorising CBL to perform the Smart Realignment service in respect of accounts not held with CBL will be provided by clients.

CBL will generate as many realignment instructions from as many source accounts as necessary (and available) to fully or partially fulfil the "lack of securities" quantity of the pending delivery instruction. In case of several failing instructions in the same security on the same target account, individual realignments for every single failing instruction will be generated and for each source account (if there are multiple and up to the maximum quantity available / eligible on each source account). Should the realigned quantity not be sufficient to settle all fails, the realigned position will be consumed in line with the settlement prioritisation rules of the target account or the failing instructions.

Note: If multiple delivery instructions are failing due to "lack of securities" in the same or multiple target accounts, available securities of the source account(s) will be realigned considering the pending delivery instruction with the highest failing quantity, first. If the quantities are identical, CBL will prioritise by "oldest ISD", first; if the ISDs are identical, "against payment" instructions take priority.

Example:

- CBL target account 12345 has three securities delivery instructions failing in the same security for a total quantity of 130: DVP for quantity 100 + FOP for quantity 20 + DVP for quantity 10; the target account 12345 available balance is five, that is, total quantity missing is 125;
- CBL source account 12121 holds 40; CEU source account 1234 012 holds 70.
- Three realignments are generated:
  - Intra-CBL: 40 from source account 12121 to target account 12345 (triggered by DVP 100);
  - Across CSDs (CEU to CBL): 60 from source account 1234 012 to target account 12345 (triggered by DVP 100);
  - Across CSDs (CEU to CBL): 10 from source account 1234 012 to target account 12345 (triggered by FOP 20);
- As a result, CBL target account 12345 receives a total of 110 that can be used for settlement as per the settlement priorities defined on the target account or delivery instructions level.

CBL realignment instructions are generated as "released" and "to be matched". The standard settlement priority applies; partial settlement is applied by default.

Pending realignment instructions, if any, can be managed by clients (for example, put "on hold") in the same way as their own instructions. Failing realignment instructions remain pending unless they are settled or bilaterally cancelled by the client. Failing realignments will be subject to CSDR settlement fail penalties. CBL does not perform checks to determine whether a realignment instruction for a failing delivery instruction was already generated in a previous realignment window.

Reporting

For all realignments instructions Swift ISO 15022 status messages generated by CBL through the Smart Realignment service, the transaction reference ("RELA") is a unique value of 16 characters starting with "REAL" (for example, "20C::RELA//REAL000000044234").

A common reference ("COMM") in the format "CREAL" followed by a 11-digit unique number is provided to map the delivery and receipt legs of the Realignment transaction (example: "20C::COMM//CREAL94625437689").

The settlement Transaction indicator is "TRAD" ("22F::SETR//TRAD").

The narrative ("NARR") contains the term "REAL" plus the full reference of the failing client delivery instruction on the target account (example: "70E::SPRO//REAL-JR12345678XYZ").

Target accounts

The quantity to be transferred to the target account is calculated by CBL without taking into account any pending receipt instructions (whether matched or unmatched) on the target account.

Any (held-free) long position, if available on the target account, will be considered when calculating the quantity to be realigned.

Source accounts

If multiple source accounts of a client hold the required security, CBL will first try to select an account held within CBL as the target account, that is, intra-ICSD transfers will apply.

If the available balance(s) on those source account(s) are insufficient, transfers across Clearstream (I)CSDs will be initiated, that is, multiple realignments from different source accounts may occur.

If multiple eligible source accounts are available, a random selection will apply.

This means in more detail:

- Step 1 : Clearstream (I)CSD entity selection

If available, source accounts within the same entity as the target account are preferred. If no or only a part of the required quantity is available in the source account(s) within the same entity, a source account from the other entity (if appliable) will be considered.

- Step 2: Quantity-based ordering

If multiple source accounts are identified in step 1, the account with the highest available quantity will be selected first. The remaining source accounts will be considered when the available quantity is insufficient to cover the full delivery quantity required by the target account.

- Step 3: Source account ID ordering

If multiple source accounts meet the criteria in steps 1 and 2 in an identical way, the source account will be selected by using the account number in ascending order.

Even if the available securities balance (this is, "available balance" minus "pending deliveries eligible for settlement"; positions used as collateral are not considered as being available for realignments) on the source account is not sufficient to fully cover the "lack of securities" quantity on the target account, the actually available and eligible quantity will be realigned from the source account.

When a source account itself lacks sufficient quantity of the same security for a delivery, no realignment in that security will be generated from this source account.

When a source account is lacking collateral, no realignments from that source account will be generated at all.

An available balance on a source account may be subject to realignment even if the underlying security code is subject to a custody event.

Note: Failing realignments (if any) generated by CBL will not trigger a consecutive realignment.

Realignments quantities calculation aspects

Realignment instructions will be triggered considering the actual quantity missing to settle a delivery fail on the target account, no minimum quantity threshold is applied. However, the quantity to be realigned must comply with the minimum tradable amount (MinTA) and the multiple tradable amount (MulTA) of the security, as defined in Clearstream´s reference data.

This may result in "over-realignments" or "under-realignments" to the target account, for example:

- The target account lacks securities for 200;
- The source account shows a held free position of 1,500;
- MinTA = 1,000;
- MulTA = 100.
- To match the MinTA condition, CBL will realign 1,000 from the source account, that is, "over-realign" 800 to the target account.

Risks associated with the Smart Realignment service

By subscribing to the Smart Realignment Service, clients acknowledge the following inherent risks associated with the Smart Realignment service and agree not to hold CBL liable should any of these risks materialise:

- In relation to CBL's securities lending services, the Smart Realignment service cannot be used to close existing loans or avoid the opening of new ones if the target account is eligible for automatic borrowing.

- The instruments scope as defined by CBL applies; regarding T2S-eligible debt instruments with ISIN prefix "XS" or "EU" eligible for "special Repo" trading of Eurex Clearing AG, CBL cannot be held liable for the correctness of the information provided in the publication file by Eurex Clearing AG.
- The Smart Realignment service operates independently of settlement platforms like T2S, including in contingency situations. Realignment instructions could still be generated when the settlement system is constrained, and redundant realignment instructions could be generated or triggered after the settlement cut-off times of the settlement system or platform.
- The quantity of securities to be realigned must comply with the minimum tradable amount (MinTA) and multiple tradable amount (MulTA) of the security as defined in CBL's reference data. The client acknowledges that this may result in "over-realignments"or "under-realignments" to the target account.
- CBL does not bear any responsibility for settlement failures of realignment instructions, including where a realignment instruction for a source account may be generated that conflicts with a new delivery instruction which the Client entered in parallel for the same account and security or where the realigned quantity is not sufficient to settle all relevant fails. In such cases, the realigned position will be consumed in line with the settlement prioritization rules of the target account or the failing instructions.
- The realignment quantity calculated by CBL may be too high or low because new settlement instructions received during or after a realignment window will only be considered in the following realignment window, if applicable.
- CBL does not verify whether a realignment instruction for a failing delivery instruction was already generated in a previous realignment window.
- Realignment instructions may be generated even when a source or target account is blocked from settlement unless such account is removed from the Smart Realignment service upon Client's request; settlement blockings on security code level or otherwise are not considered. Both instances may lead to failing realignment instructions.
- Failing realignment instructions, if any, remain pending unless they are settled or cancelled by the client. Failing realignment instructions may generate CSDR settlement fails penalties. The client is advised to actively monitor and manage failing realignment instructions.

3.23 Restriction on settlement of U.S. equities by U.S. participants

In accordance with the rules and regulations of the U.S. Securities and Exchange Commission (SEC), CBL does not permit the settlement of U.S. equities by U.S. participants.

- U.S. participants must not receive U.S. equities by internal or Bridge settlement on their CBL account; nor may they deliver US equities by internal or Bridge settlement from their CBL account.
- Internal or Bridge settlement of U.S. equities by U.S. participants may contravene SEC rules and constitutes a violation of CBL procedures. Each participant is responsible for ensuring compliance with these restrictions.

U.S. equities, as referred to in this section, are defined as equities and equity products of U.S. issuers (for example, common shares of a company incorporated in a U.S. state, U.S. closed-end mutual funds etc.).

A U.S. participant, as referred to in this section, is any entity with a U.S. residence (based on the location of its executive office or principal place of business), including, without limitation:

- Any U.S. bank (as defined by Section 3(a)(6) of the Securities Exchange Act of 1934);
- Any broker-dealer registered as such with the SEC even if such broker-dealer does not have a U.S. residence; and

A foreign branch of a U.S. bank or U.S. registered broker-dealer.

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4. Securities instructions

This chapter provides information on cancellation and amendments of Instructions and, the definition of the moments of entry and of irrevocability of the transfer orders in the CBL securities settlement system as well as the finality of transfers of securities and cash. It also includes information on internal, Bridge and external instructions, including life cycle diagrams showing the reports in which a Transaction may appear, according to its Settlement status.

ISO 15022 terminology is used for Message Types MT54x and applies to ClearstreamXact (Xact Web Portal, Xact File Transfer and Xact via Swift) as appropriate.

4.1 Settlement finality

According to the Articles 39 (2) and 39 (3) of the CSDR, a CSD shall:

- Ensure that each securities settlement system that it operates defines the moments of entry and of irrevocability of transfer orders in that securities settlement system in accordance with Articles 3 and 5 of Directive 98/26/EC of the European Parliament and of the Council of 19 May 1998 on settlement finality in payment and securities settlement systems, as amended ("**SFD**").
- Disclose the rules governing the finality of transfers of securities and cash in a securities settlement system.

The SFD has been implemented under Luxembourg law by the law of 10 November 2009 on payment services, as amended (the "**Payment Services Law**").

The purpose of this section is to define the securities settlement rules applicable to the processing of the instructions in accordance with Article 111(1) of the Payment Services Law. This section aims in particular to set out the rules determining the ability of a client to revoke or amend its settlement instructions and the moments in time when the instructions become irrevocable, binding and unconditional.

Moments of enforceability, irrevocability and finality of instructions

Internal instructions

For the purpose of this sub-section, the term "transfer orders" used in the CSDR, SFD and Payment Services Law shall be understood as any Instruction between two counterparties in CBL using their accounts in CBL (referred hereto as **internal instructions**) which results in the assumption or discharge of a payment obligation as defined by the rules of the system (that is, this Client Handbook), or to transfer the title to, or interest in, a security or securities by book entry.

Moment of entry

The moment of entry of the internal instruction reflects the moment from which an instruction produces effects towards a third party.

According to Article 111(1), paragraph 4 of the Payment Services Law, the moment of introduction of the transfer order in the CBL securities settlement system is defined by the governing rules of said system.

Internal instructions are deemed to be introduced into the CBL securities settlement system when they are successfully validated by the CBL securities settlement system, in view of the matching and the settlement processes.

Validation rule: CBL validates the Sender's Message Reference for all internal securities instructions. If the Sender's Message Reference is not unique for a given common code per account, the instruction will be rejected as considered as a duplicate.

Note: Rejected instructions are not considered as entered into the CBL securities settlement system. An instruction that has been validated may become invalid in the case of change in reference data. Both rejected and invalid instructions are not eligible for settlement. Instructions that are affected by a change in reference data, may be reinstructed by CBL for and on behalf of the client (and deemed to be input by the client).

The client will be notified as soon as practicable if any of its instructions are invalidated, rejected or reinstructed by CBL to enable the client to submit a new instruction or countercheck the status of its reinstructed instruction. CBL does not guarantee the timeliness of such notification.

Internal instructions introduced into the CBL securities settlement system successfully validated, but still unmatched, can be cancelled by the client unilaterally.

Moment of irrevocability

The moment of irrevocability of the internal instructions reflects the moment from which the internal instructions cannot be revoked or amended unilaterally by the instructing client.

In accordance with Article 111 of the Payment Services Law, and in view of determining the moment of irrevocability of an internal instruction pursuant to such law, internal instructions become irrevocable under the CBL securities settlement system rules as soon as they are matched (please refer to "**Matching, Matching for settlement**" in the glossary).

Matched internal instructions can only be bilaterally cancelled. Clients cannot cancel their matched internal instructions unilaterally even if the requested settlement date has not been reached.

Once both counterparties have sent their cancellation requests, both instructions are immediately cancelled and reported accordingly. If only one cancellation request has been received, both instructions are not put on hold and remain eligible for settlement until the second cancellation request is received.

If no matching cancellations are received and the instruction has not settled by the end of day processing on settlement date, CBL will, in the name and on behalf of the client issue a renewed cancellation request for the new instruction for settlement on the next settlement date; such new cancellation request must be matched by the client's counterparty.

Moment of finality

Internal instructions that have settled in the CBL settlement system are final. The finality of the internal instructions occurs upon successful debit and credit of the relevant client accounts.

As from this point in time, the settlement is definitive, binding, enforceable and unconditional between the client, the counterparty and any third party.

Such internal instructions are reported to clients as settled via Xact Web Portal, ClearstreamXact MT536 (Statement of Transactions), MT54x and an additional MT950 camt.053 (Money Statement) for against payment.

Internal instructions that have not settled by the end of day processing on settlement date fail. In such cases, CBL will initiate, in the name and on behalf of the client, a new settlement instruction for settlement on the next settlement date until either the settlement is successful, or the cancellation requests are received from both clients.

Note: For automatic cancellation of pending instructions, see Section 4.5 "Automatic cancellation of pending instructions" on page 25.

External instructions

Transactions settling with a domestic counterparty (that is, in the context of links) are considered by CBL as relating to external instructions for the finality of deliveries of securities. These can be settled in the domestic markets either against or free of payment. Please refer to the respective Market Link Guide for further details.

For the purpose of this paragraph, "Depository" shall refer to another central securities depository (CSD), a securities settlement system (SSS) operated by a CSD (that is, a linked issuer SSS) to which CBL entrusts the safekeeping and administration of securities that CBL holds, either directly with local CSDs or indirectly with intermediaries, on behalf of the clients. For the avoidance of doubt, the term "Depository" shall be understood as the entity with which CBL has its securities account for the deposit of the securities on behalf of the clients.

Any external instruction that has not been transmitted to the domestic market (for example, because of provisioning failure) remains in suspense for a period of 45 business days after the Requested Settlement Date. At the end of this period, the client who submitted the instruction is requested to either cancel or confirm it. If the Instruction is neither cancelled nor confirmed, it remains in suspense for a further 15 business days, after which it is automatically cancelled. If confirmation is received from the client, the 60 business-day period (that is, 45 plus 15) starts over again.

Moment of entry, irrevocability and finality of external instructions

The rules governing the moments of entry, of the irrevocability of external instructions and the enforceability of deliveries of securities and cash to or from a domestic counterparty are defined by each of the Depositories or local issuer SSSs (for indirect links) in accordance with the domestic rules applicable to such market. The irrevocability and enforceability of the external instructions are then achieved in the books of the depositories or local issuer SSSs. Please refer to the respective Market Link Guide for further details.

Validation rule: CBL validates the Sender's Message Reference for all External securities instructions. If the Sender's Message Reference is not unique for a given common code per account, the instruction will be rejected as considered as a duplicate.

Note: Rejected instructions are not considered as entered into the CBL securities settlement system. An instruction that has been validated may become invalid in the case of change in reference data. Both rejected and invalid instructions are not eligible for settlement. Instructions that are affected by a change in reference data, may be reinstructed by CBL for and on behalf of the client (and deemed to be input by the client).

The client will be notified as soon as practicable if any of its instructions are invalidated, rejected or reinstructed by CBL to enable the client to submit a new instruction or countercheck the status of its reinstructed instruction. CBL does not guarantee the timeliness of such notification.

Once the external instructions are final (that is, irrevocable and unconditional) with the depository or local issuer SSS and upon notice of credit/debit of the relevant account of CBL with such depository, CBL will update the clients' accounts accordingly. As per Article 7.2 of the law of 1 August 2001 on the Circulation of Securities, as amended, clients acquire the interest in domestic securities as soon as the securities are credited to the securities account of CBL with the depository and before the credit to clients securities account.

Amendment and cancellation of pending external instructions

For domestic markets in which matching is "binding", an Instruction can only be cancelled upon bilateral agreement between the parties to the trade.

Generally, a pending external instruction can only be amended by cancelling the initial Instruction and submitting a new Instruction with the correct settlement details.

Any specific rules for the cancellation of unsettled transactions with domestic counterparties are given in the respective Market Guide. An external instruction is settled and considered final in either of the following circumstances:

- If it has been settled in the domestic market but is not yet reported as settled; or
- If it has been reported as settled via Xact Web Portal or ClearstreamXact MT536 (Statement of Transactions), MT54x and additional MT950camt.053 (Money Statement) for against payment.

Note: For automatic cancellation of pending instructions, see Section 4.5 "Automatic cancellation of pending instructions" on page 25.

Bridge instructions

An instruction introduced by a client into the CBL securities settlement system with the view of the matching and the settlement with a Euroclear Bank counterparty (Bridge counterparty) is considered by CBL as a "Bridge instruction".

Moment of entry, irrevocability and finality of Bridge instructions

Moment of entry

The moment of entry of the Bridge instructions reflects the moment from which an instruction produces effects towards a third party.

Bridge instructions sent by clients to CBL are deemed to be introduced into the CBL securities settlement system when they are successfully validated, in view of the matching and the Bridge settlement processes.

Validation rule: CBL validates the Sender's Message Reference for all Bridge securities instructions. If the Sender's Message Reference is not unique for a given common code per account, the instruction will be rejected as considered as a duplicate.

Note: Rejected instructions are not considered as entered into the CBL securities settlement system. An instruction that has been validated may become invalid in the case of change in reference data. Both rejected and invalid instructions are not eligible for settlement. Instructions that are affected by a change in reference data, may be reinstructed by CBL for and on behalf of the client (and deemed to be input by the client).

The client will be notified as soon as practicable if any of its instructions are invalidated, rejected or reinstructed by CBL to enable the client to submit a new instruction or countercheck the status of its reinstructed instruction. CBL does not guarantee the timeliness of such notification.

Moment of irrevocability

The moment of irrevocability of the Bridge instructions reflects the moment from which the Bridge instructions cannot be revoked or amended unilaterally by the instructing client.

A Bridge instruction is irrevocable when it can no longer be cancelled unilateraly by the client, or, in respect of an instruction sent by Euroclear, in accordance with the terms of the Bridge Agreement.

Clients can request a cancellation for all Bridge instructions already sent to CBL.

Matched Bridge instructions can only be cancelled bilaterally. Clients cannot cancel their matched bridge instructions unilaterally even if the requested settlement date has not been reached.

Once both counterparties have sent their cancellation requests, unless already settled, the corresponding matched Bridge instructions are immediately cancelled and reported to the client. If only one cancellation request has been received, the transaction remains eligible for settlement until the second cancellation request is received.

If the second cancellation request is not received by CBL and the transaction has not settled by the end of day processing on settlement date, CBL will, on the next settlement date:

- issue in the name and on behalf of the client having sent the cancellation request, a new cancellation request together with a new Instruction for settlement; and
- issue in the name and on behalf of the client not having sent the cancellation request, a new instruction for settlement.

As long as the cancellation request is not received from the counterparty, the transaction will not be cancelled.

Finality of the Bridge instructions

Finality of the Bridge instructions is reached when the settlement is definitive, binding, enforceable and unconditional between the client, the Bridge counterparty and any third party.

A Bridge receipt or delivery cannot be cancelled or amended in the following circumstances:

- If provision has been debited from the account during the settlement processing but confirmation or refusal of the transaction has not yet been received from the counterparty;
- If it has been reported as settled via Xact Web Portal or ClearstreamXact MT536 (Statement of Transactions), MT54x and additional MT950 camt.053 (Money Statement) for against payment.

Note: For automatic cancellation of pending instructions, see Section 4.5 "Automatic cancellation of pending instructions" on page 25.

Any unmatched Instruction that has not been settled or cancelled remains in suspense for a period of 45 calendar days after the Requested Settlement Date. At the end of this period, the client who submitted the Instruction is requested to either cancel or confirm it. If the instruction is neither cancelled nor confirmed, it remains in suspense for a further 15 calendar days, after which it is automatically cancelled. If confirmation is received from the client, the 60 calendar-day period (that is, 45 plus 15) starts over again.

Back-to-back transactions

Clients cancelling back-to-back instructions that **have** already been released into the market must first cancel the linked delivery instruction. Clients can cancel the linked receive instruction when CBL has received confirmation of the cancelled linked delivery instruction from CBL's depository.

Clients cancelling back-to-back instructions that **have not** been released into the market must follow the same procedure as for the cancellation of a standard non-linked instruction.

Note: If only one of the linked instructions is cancelled the pool is broken so the remaining instruction will stay in the system and not be processed at all unless a new instruction is entered to complete the pool.

It is not possible to amend instructions that belong to a valid back-to-back pool. This includes changes to the Pool ID itself. A Pool ID cannot be added to a valid instruction, and a back-to-back instruction that has already been accepted by CBL cannot be "de-linked". In these cases, the instructions must be cancelled and re-input.

Reporting of cancelled transactions

The diagram in Figure 4.1 below illustrates the reporting of transactions that are cancelled, either by the client or automatically:

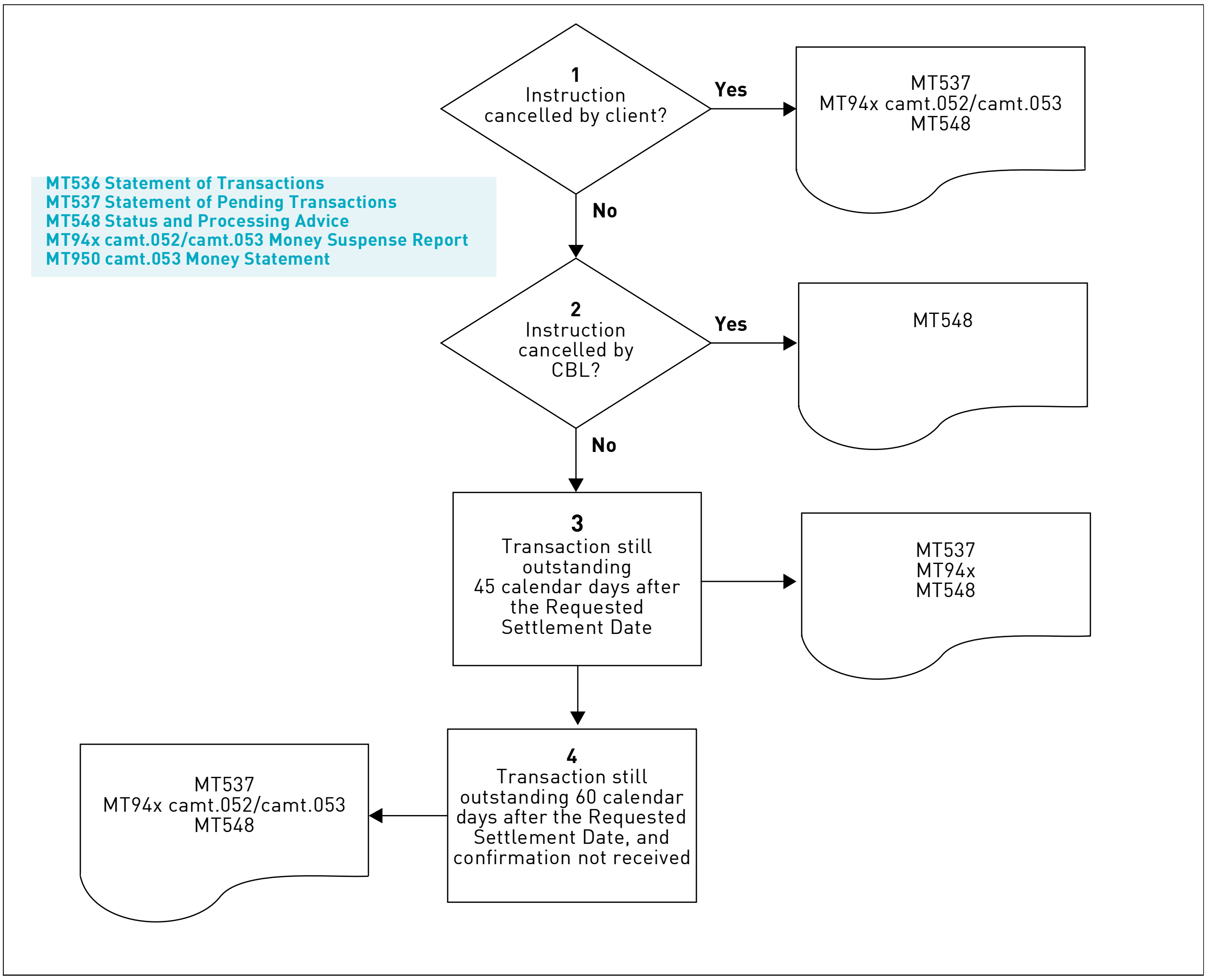


Figure 4.1 Reporting of cancelled Transactions

4.2 Internal and Bridge instructions

The same instruction types are used for instructions with both internal and Bridge counterparties:

- MT541 and MT543 instructions are for against payment receipt and delivery respectively;
- MT540 and MT542 instructions are for free of payment receipt and delivery respectively.

All instruction types require matching on settlement details, except internal MT542 instructions (free of payment transfer of securities without matching, where the receiving account is not blocked for MT542 instructions).

Where the same security is held in more than one position on an account, the place of safekeeping and ISIN, or the common code must be provided to identify the relevant account position for the instruction.

Internal and Bridge instruction types

General descriptions of each internal instruction are presented in the following sections.

Inter-account transfers

MT542 instruction - Free of payment transfer

MT542 instruction - Free of payment transfer	
See flowchart, Figure 4.2 on page 4-8	MT542 instruction, which does not require matching, can be used to execute a free of payment transfer of securities between CBL accounts. An MT542 instruction is entered by the delivering party and does not require a corresponding instruction from the beneficiary. Before settlement, it is reported to the instructing party only. Receipt of securities via an MT542 instruction is only possible for those accounts where a "set of selectively blocked accounts" has not been requested by the account holder. The use of MT542 instructions is recommended for transfers of securities between clients' own accounts only. To execute free of payment transfers to internal counterparties, clients are advised to use matching MT540 or MT542 instructions submitted by the beneficiary and the delivering party respectively.
Flowchart box 2	Prior to the Requested Settlement Date, the transaction is reported via MT537 (Statement of Pending Transactions).
Flowchart box 3	On the Requested Settlement Date, the transaction is considered for settlement in the mandatory settlement period processing (no optional settlement period is available for free of payment transactions).
Flowchart box 4, 5	If the transaction is in a new issue, it is assigned pending status until confirmation of the closing is received.
Flowchart box 6, 7	Transactions that fail the provision check are reported to the instructing counterparty under MT537 (Statement of Pending Transactions), while settled transactions appear on the MT536 (Statement of Transactions) and MT54x (Confirmation). Updated positions are given in the MT535 (Statement of Holdings).

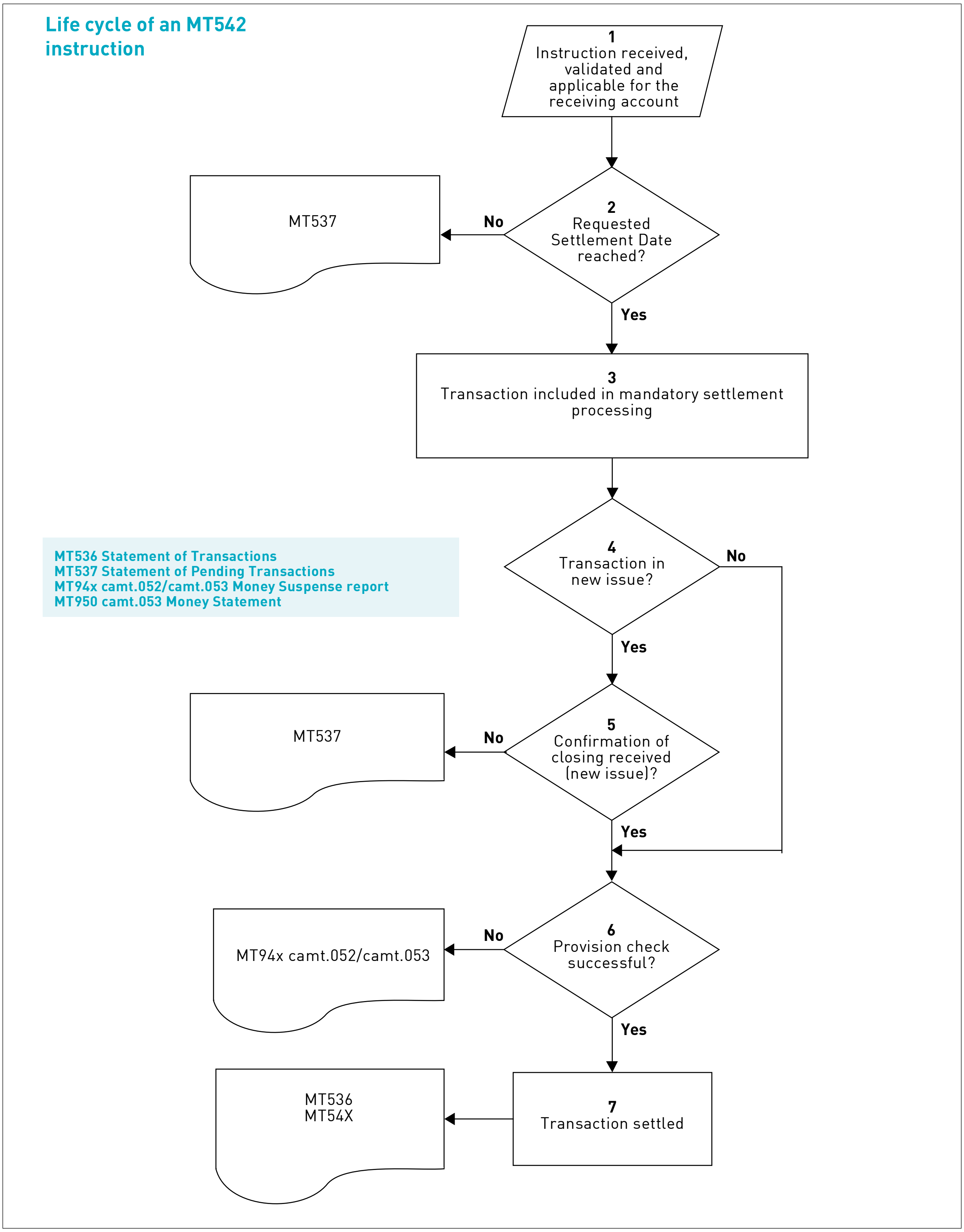


Figure 4.2 Life cycle of an MT542 instruction

Receipts

MT541 instruction - against payment receipt

MT541 instruction - against payment receipt	
See flowchart, Figure 4.3 on page 4-10	An MT541 instruction is an order to receive against payment securities purchased from an internal or Bridge counterparty.
Flowchart box 2	An MT541 instruction can only be executed if there is a matching MT543 instruction from the seller.
Flowchart box 3, 4, 5	If a transaction is to be included in the optional settlement processing, both the buyer's and the seller's instruction must have the appropriate flag setting.
Flowchart box 6, 7	If the transaction is in a new issue, confirmation of the closing must be received before it can be executed. On the closing date, before confirmation of closing, the transaction is assigned pending status.
Flowchart box 8	Securities to be purchased are included in the collateral provision check.

MT540 instruction - Free of payment receipt

MT540 instruction - free of payment receipt	
See flowchart, Figure 4.3 on page 4-10	An MT540 instruction is used for a receipt of securities from an internal or Bridge counterparty free of payment (or with separate, external cash settlement), when matching is required before settlement can take place.
Flowchart box 2	An MT540 instruction can only be executed if there is a matching MT542 instruction from the delivering party. In the case of external cash settlement, pre-settlement matching on countervalue and currency code can be carried out if the delivering and receiving parties have both entered the corresponding information in their instructions. However, matching on these fields is not a criterion for settlement.
Flowchart box 6, 7	If the transaction is in a new issue, confirmation of the closing must be received before it can be executed. On the closing, before confirmation of closing, the transaction is assigned pending status.

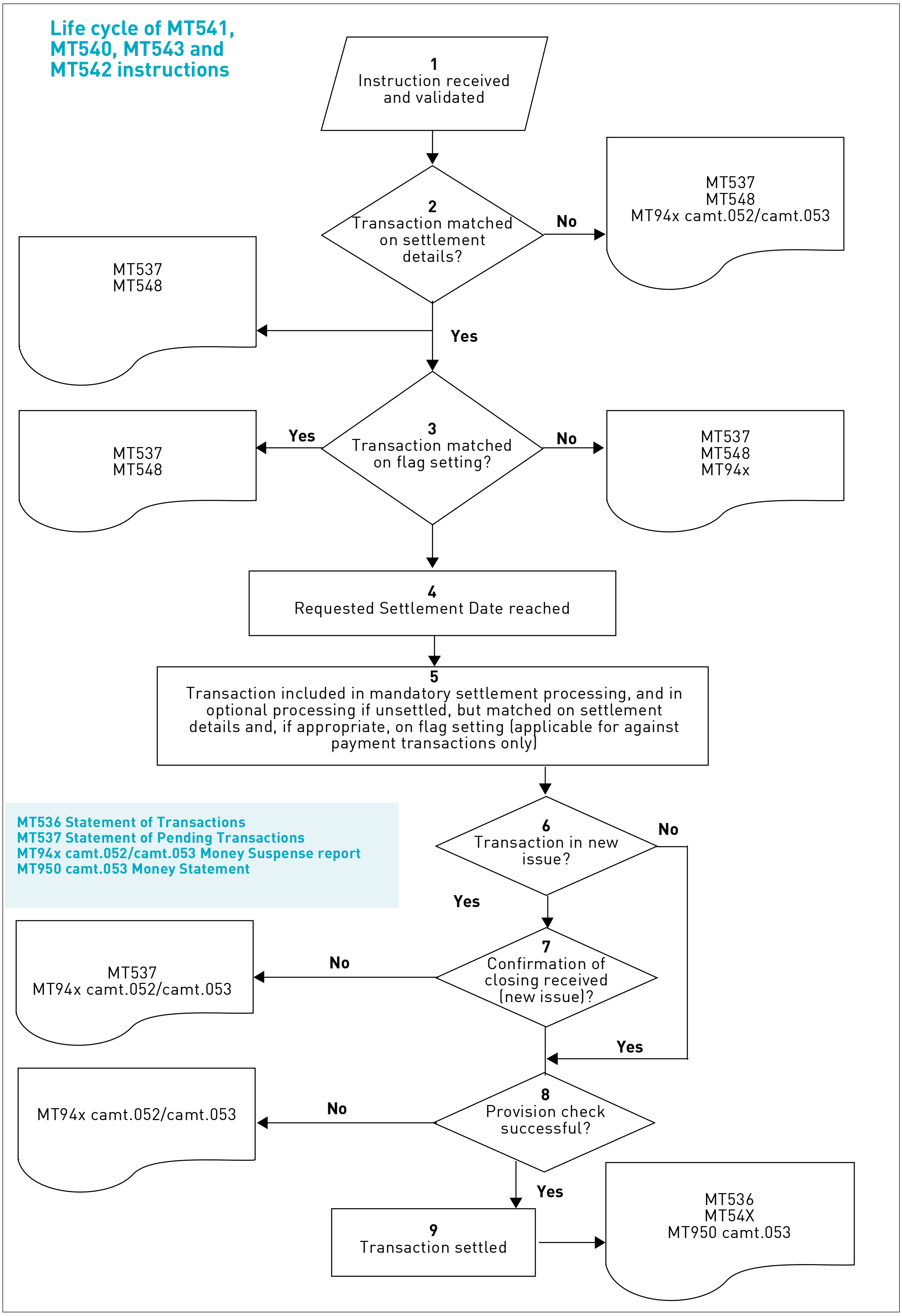


Figure 4.3 Life cycle of MT540, MT541, MT542 and MT543 instructions

Deliveries

MT543 instruction - Delivery Against Payment

	MT543 instruction - delivery against payment
See flowchart Figure 4.4 on page 4-11	An MT543 instruction is an order to deliver securities against payment to an internal or Bridge counterparty. It can only be executed if there is a matching MT541 instruction from the buyer.
	The life cycle of a Bridge MT543 instruction is identical to Figure 4.3 on page 4-10, except in the case of refused Bridge deliveries. This is illustrated in the flowchart in Figure 4.4 on page 4-11 and continued in Figure 4.5 on page 4-12.
Flowchart box 9	The transaction is released to Euroclear and counterparty feedback is awaited.

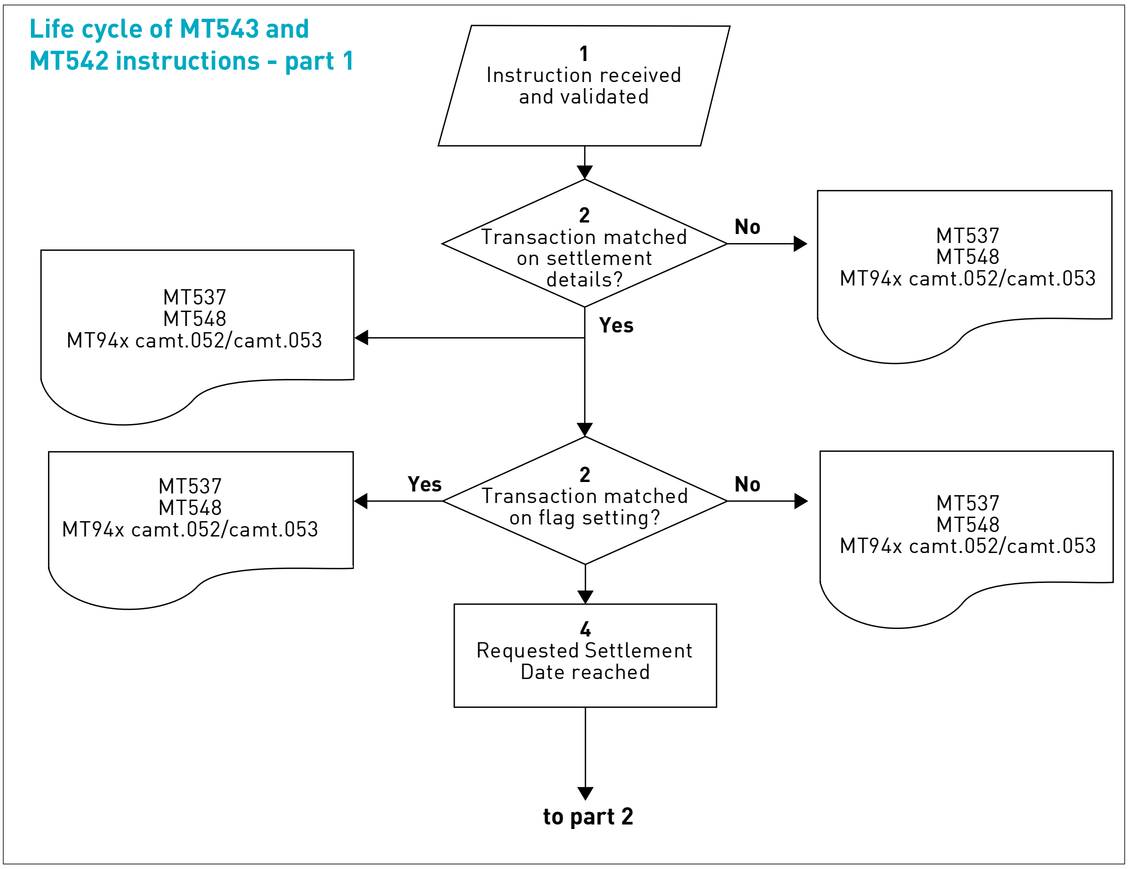


Figure 4.4 Life cycle of MT542 and MT543 instructions (Bridge deliveries) - part 1

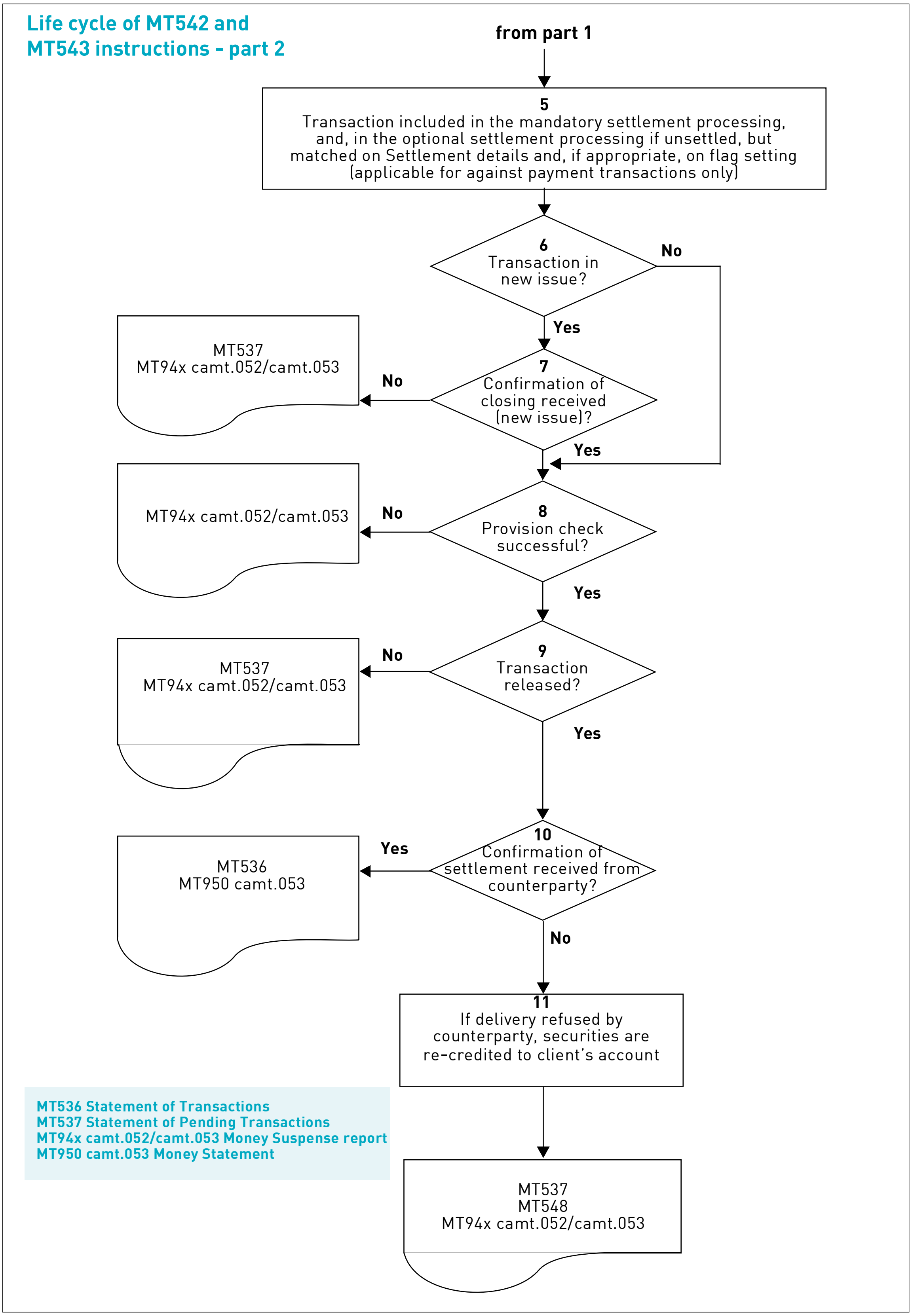


Figure 4.5 Life cycle of MT542 and MT543 instructions (Bridge deliveries) - part 2

MT542 instruction - Free of payment delivery

MT542 instruction - free of payment delivery	
See flowcharts, and Figure 4.5 on page 4-12	An MT542 instruction is used for a delivery of securities to an internal or Bridge counterparty free of payment (or with separate, external cash Settlement), when Matching is required before Settlement can take place.
Flowchart box 2	An MT542 instruction can only be executed if there is a matching MT540 instruction from the receiving party. In the case of external cash settlement, pre-settlement matching on countervalue and currency code can be carried out if the delivering and receiving parties have both entered the corresponding information in their instructions. However, matching on these fields is not a criterion for Settlement.
	The life cycle of an MT542 instruction is identical to that illustrated in Figure 4.3 on page 4-10, except for refused Bridge deliveries, as illustrated in Figure 4.4 on page 4-11.

MT543 and MT542 instructions - refused Bridge deliveries

MT543 and MT542 refused Bridge deliveries	
See flowcharts, Figure 4.4 on page 4-11 and Figure 4.5 on page 4-12	Refused delivery transactions are reported via MT537 (Statement of Pending Transactions) and additional MT94x camt.052/camt.053 (Money Suspense report) for against payment.

4.3 External instructions

An external transaction is a receipt or delivery of securities from or to an external counterparty, other than CBL or Bridge counterparty. To initiate an external transaction, the client sends an MT540 or MT541 instruction (for receipts), or an MT542 or MT543 instruction (for deliveries).

Note: External instructions are not valid for transfers of CFF Qualified Investment Fund Shares. For information about the applicable procedures, please see "9.2 CFF Settlement and custody services" on page 9-9.

Settlement may depend on the domestic counterparty fulfilling certain requirements. These are detailed, for each link, in the Market Guide, under the heading "Procedures for domestic counterparties".

Where the same security is held in more than one position on an account, the place of safekeeping and ISIN, or the common code must be provided to identify the relevant account position for the instruction.

Full instruction formats for external instructions are also given in the Market Link Guide.

For instructions related to Crypto Assets, that is, transactions settling with a counterparty at CBL's custodian or deposits and withdrawals of Crypto Assets, such transactions are considered by CBL as relating to external instructions. Transactions settling with a counterparty at CBL's custodian can be settled only against payment while deposits and withdrawals of Crypto Assets can be settled only free of payment. For further details about Crypto Assets related instructions, clients should refer to the Crypto Assets Market Link Guide.

General descriptions of each external instruction are presented on the following pages.

Receipts and deliveries from/to an external counterparty

Receipts of securities from an external counterparty

The instruction types to be submitted for external receipts vary according to the domestic link, as described below:

- For against payment receipts, an MT541 instruction must be given.
- For free of payment receipts, an MT540 instruction must be given.

Note: Once a client initiates an MT540 Transaction in the appropriate circumstances, the CBL depository can verify that the securities presented for credit to the client's account are the correct issue and the correct quantity.

However, in exceptional cases where an MT540 instruction is not provided, the CBL depository, as a courtesy, may enter an instruction to credit the securities it receives to a client account.

For further details, clients should refer to the instruction specifications given in the Market Link Guide.

Deliveries of securities to an external counterparty

As a general rule, the instruction types for external deliveries, whether counterparty details are given in text format or the counterparty is identified (as for most Links) by account number with the local CSD, BIC or name, can be summarised as follows:

- For free of payment deliveries, an MT542 instruction must be given.
- For against payment deliveries, an MT543 instruction must be given.

However, there are exceptions to these rules and clients should refer to the instruction specifications given in the Market Link Guide for further details.

Counterparty account numbers are available on the Clearstream website.

Note: If an MT542 instruction is the only instruction type available for free of payment deliveries to the domestic market, it can represent either a book-entry delivery or a physical delivery. If both an

MT542 (counterparty text) and an MT542 (counterparty account number) instruction are available for free of payment deliveries, the MT542 (counterparty text) instruction always represents a physical delivery, and the MT542 (counterparty account number) instruction a book-entry delivery.

Physical deliveries

Physical deliveries to a depository bank

Securities to be received in CBL must be submitted directly to the depository appointed for that particular issue.

When submitting securities physically to a depository, clients must ensure that a shipment advice accompanies each delivery in accordance with ICMA Rule 328, and that the securities are of good delivery. The shipment advice must provide both:

- A full description of the securities delivered, including the attached coupons; and
- The name and CBL account number of the beneficiary.

The contents of a physical delivery are checked by the depository against the information provided on the accompanying description, in accordance to the requirements of the relevant depository bank. All certificates received are verified and, wherever applicable, the certificate numbers of the delivered securities are compared with a reference list of certificate numbers that have been reported lost or stolen.

As soon as CBL is notified by the depository that registered securities of good delivery have been received, the account of the beneficiary is credited.

Depending on the domestic market, it may be necessary to register securities with the depository's nominee. In such cases, it is possible that the credit of the securities may be delayed (by the registrar in charge) or that securities are credited as blocked until the completion of the registration process. During such period, the securities would not be available for onward deliveries.

If it is determined that the securities received do not constitute good delivery, CBL's depository will refuse the delivery and return the securities unless they have been reported lost or stolen or are subject to a Stop Order in which case the depository may be obliged to seize them.

Any security found to be not of good delivery at any time after its deposit with CBL may be debited to the account of the client for whose account the security was most recently deposited in the CBL system. The client will bear the costs of the return of such securities.

Note: There may be additional requirements per depository and therefore clients should refer to the respective Market Guide for further details.

Physical deliveries and securities in global form

As long as an issue exists in global form (that is, no definitive certificates are available), physical delivery of the securities is not possible. Nevertheless, clients can at any time submit instructions (usually MT542) to have the securities delivered physically as soon as this becomes possible, provided that the terms of the issue allow for the exchange of the global note into definitive certificates.

While the instruction is outstanding (that is, until the issue is converted into definitive certificates), it remains in the MT537 (Statement of Pending Transactions) and additional MT94x camt.052/camt.053 (Money Suspense report) for against payment.

On settlement of the transaction, after the certificates have become available, the instruction is reported in the MT536 (Statement of Transactions) and additional MT950 camt.053 (Money Statement) for against payment.

Realignment

The securities positions held by CBL and Euroclear in domestic markets and Investment Fund Registers are frequently realigned in accordance with the electronic positions.

Exceptionally, an external instruction or investment fund order in respect of securities cannot be executed, either because specific denominations of the instructed nominal amount are temporarily unavailable or because the balance held at the depository or Investment Fund Register is insufficient. This can occur, either due to a general insufficiency of the required denominations in the issue, or because the realignment of the position at the depository or Investment Fund Register is outstanding.

Transactions failing for these reasons are shown in the MT537 (Statement of Pending Transactions) and additional MT94x camt.052/camt.053 (Money Suspense report) for against payment. Investment Fund Orders involving a position with an outstanding Realignment may be delayed or rejected by the OHA or CBL.

CBL cannot accept any responsibility or liability to pay claims based on delays, failures or rejections in the execution of External instructions or investment fund orders in respect of securities for reasons of denominations or because the realignment of the position at the depository or Investment Fund Register is outstanding.

External instruction types are described on the following pages.

4.4 External instruction types

Receipts

MT541 (external) instruction - against payment receipt

MT541 instruction - against payment receipt (external)	
See flowchart, Figure 4.6 on page 4-19	An MT541 (external) instruction is an order to receive securities against payment from a domestic counterparty, other than CBL.
Flowchart box 2, 3	If, during the provision check when the instruction is processed for release, insufficient collateral to cover the net difference in the collateral value of the funds to be paid and the securities to be received is available, the instruction appears via MT537 (Statement of Pending Transactions) and additional MT94x camt.052/camt.053 (Money Suspense report) for against payment. Normally, a client with sufficient collateral only needs to provide the funds countervalue for the date when the cash is due to be debited from the account. However, at CBL's discretion, a client may be required to deposit the full cash countervalue before the instruction is released to the depository.
Flowchart box 4	After the instruction has been released to the domestic depository, the Transaction appears via MT537 (Statement of Pending Transactions) and additional MT94x camt.052/camt.053 (Money Suspense report) for against payment.
Flowchart box 5	The date on which CBL calculates that the transaction may be expected to settle in the domestic market, after release to the depository, is referred to as the "Estimated Settlement Date". Once the Estimated Settlement Date has been reached, the transaction is annotated on client reports as pending. The pending annotation indicates that the transaction is expected to settle in CBL with funds value for the settlement date of the processing or earlier, upon receipt of confirmation of settlement from the depository. In the case of transactions with some domestic counterparties, the pending status also indicates the pre-settlement matching status of the transaction (matched / unmatched).
Flowchart box 6	If Ssettlement is confirmed, the transaction is reported via MT536 (Statement of Transactions) and additional MT94xcamt.052/camt.053 (Money Suspense report) for against payment and MT535 Statement of Holdings. If the depository cannot confirm Settlement on the Estimated Settlement Date, the instruction remains in the MT537 (Statement of Pending Transactions) and additional MT94x camt.052/camt.053 (Money Suspense report) for against payment.
	For each domestic market, the period after which the instruction may be subject to cancellation is given in the Market Link Guide.

MT540 instruction - free of payment receipt

MT540 instruction - free of payment receipt (external)	
See flowchart, Figure 4.6 on page 4-19	An MT540 instruction is an order to receive securities free of payment from a domestic counterparty, other than CBL. Please refer to the Market Guide to find out whether this is required for free of payment receipts from a specific domestic market. In many domestic markets, the use of the MT540 instruction is not a requirement and, when an MT540 is not provided, the CBL depository, as a service, enters an instruction to credit the securities it receives to a client's account. However, clients are advised that, if a client initiates an MT540 transaction in the appropriate circumstances, the CBL depository can verify that the securities presented for credit to the client's account are the correct issue and the correct quantity. Therefore, for the receipt of securities free of payment, CBL recommends that clients use the MT540 instruction in all domestic markets. Furthermore, clients must ensure that MT540 free of payment transactions are instructed latest with the applicable provisioning deadline.

MT541 (German domestic) instruction - against payment receipt

MT541 instruction - against payment receipt	
	An MT541 instruction represents a receipt against payment instruction by a domestic counterparty (in the German domestic market only/CASCADE), for which a corresponding MT543 instruction from the CBL client is missing. An MT541 instruction is used for reporting purposes only in the MT537 (Statement of Pending Transactions) and additional MT94xcamt.052/ camt.053 (Money Suspense report) for against payment.

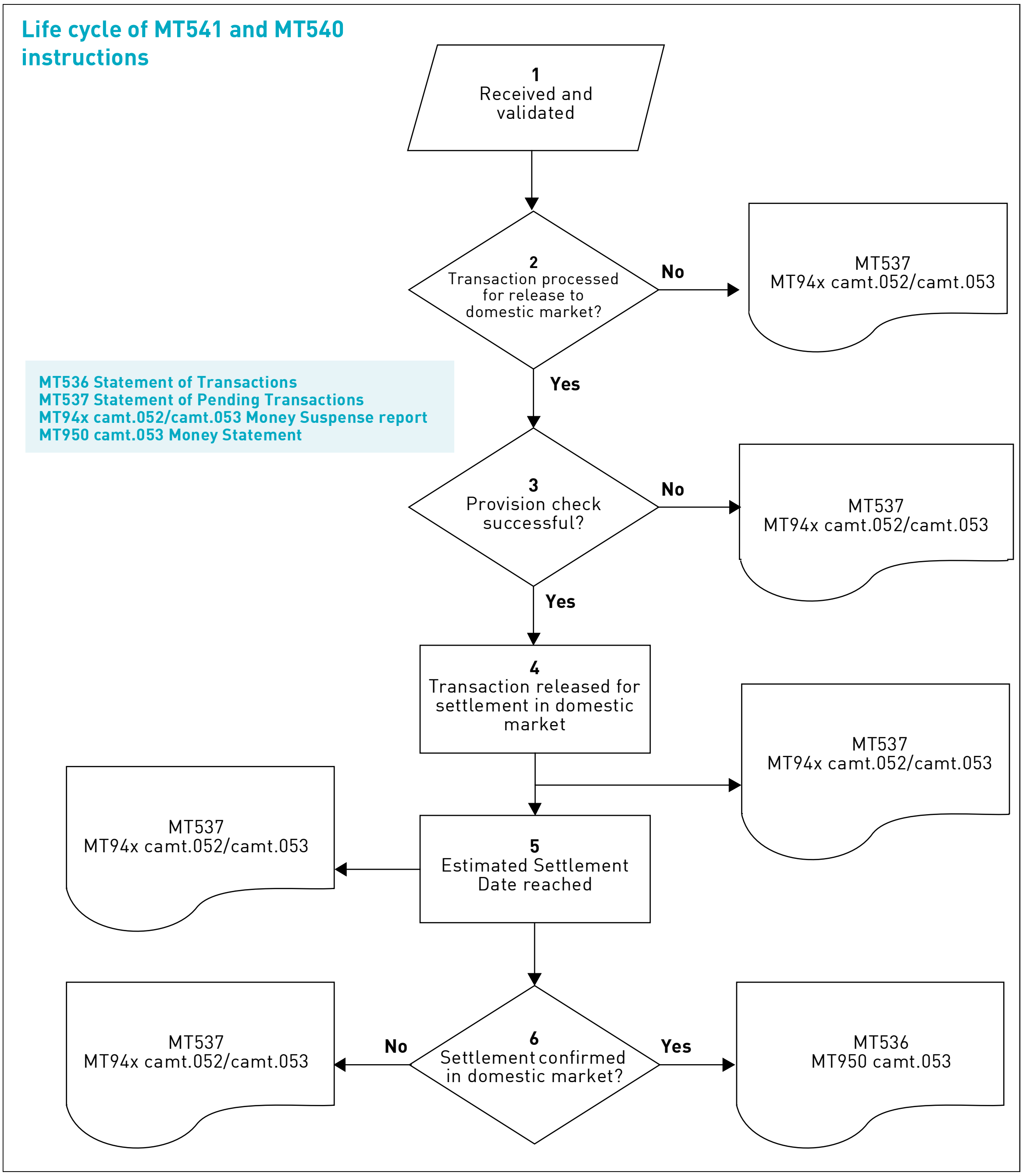


Figure 4.6 Life cycle of MT541 and MT540 instructions

Deliveries

MT542 instruction - free of payment delivery

MT542 instruction - free of payment delivery (external)	
See flowchart in Figure 4.7 on page 4-21	An MT542 instruction is a free of payment delivery of securities to an external counterparty other than CBL. An MT542 instruction may represent either a book-entry transaction or a physical delivery of securities.

MT542 instruction - free of payment delivery

MT542 instruction - free of payment delivery	
See flowchart Figure 4.7 on page 4-21	An MT542 instruction is used to deliver securities free of payment, by book-entry transfer, to a domestic counterparty. In client instructions, details of the depository or clearing system and the account to which delivery is to be made must be given.
Flowchart box 2	An MT542 instruction is considered for settlement in the appropriate CBL processing for the Requested Settlement Date in the domestic market.
Flowchart box 3	Provision checks are carried out for securities and collateral. If the CBL client does not have the necessary securities provision, or if the debit of the securities would cause the collateral level on the account to fall below the required level, the instruction is not transmitted to the depository. Instead it is reported in the MT537semt.018 SecuritiesTransactionPendingReport semt.020 SecuritiesMessageCancellationAdvice (Statement of Pending Transactions) and additional MT94x camt.052/camt.053 (Money Suspense report) for against payment. Any MT542 Transaction in Suspense Provision is reconsidered in all subsequent processings until the securities and collateral provision are sufficient for the Transaction to be released for dettlement or, alternatively, until it is cancelled.
Flowchart box 4	If the provision checks are successful, the instruction is transmitted to the depository. Execution of the instruction is shown in the MT536 (Statement of Transactions) and additional MT950camt.053 (Money Statement) for against payment.
Flowchart box 5	If the instruction is rejected by the depository and the securities are returned, they are re-credited to the account of the delivering party in CBL from which they were debited. The re-credit of the securities is reported in the MT536 (Statement of Transactions) and additional MT950 camt.053 (Money Statement) for against payment). Clients wishing to re-present the instruction for settlement must submit a new MT542 instruction.

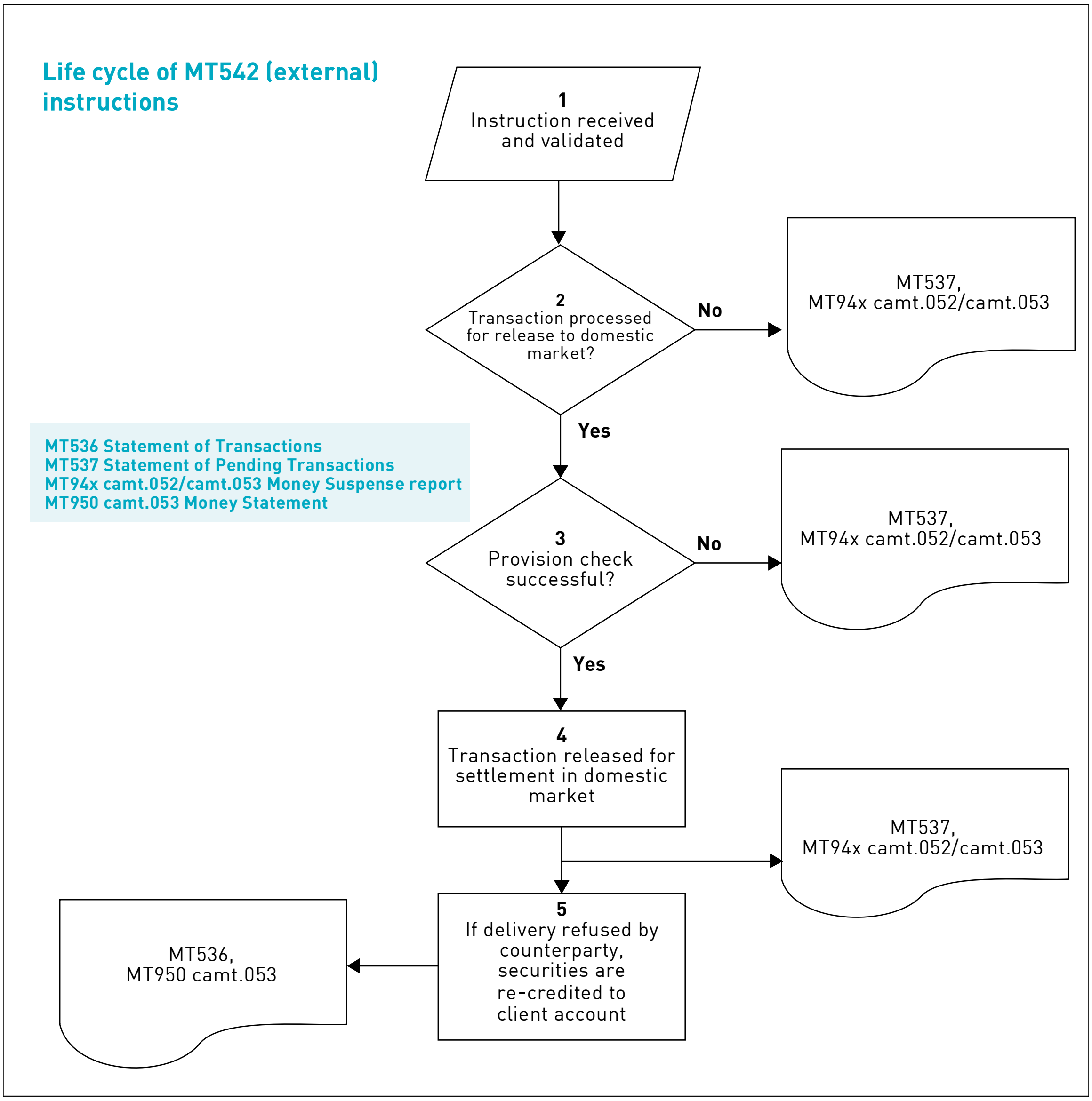


Figure 4.7 Life cycle of MT542 (external) instructions

MT543 (German domestic) instruction - delivery against payment

MT543 (German domestic) instruction - delivery against payment	
See flowchart in Figure 4.8 on page 4-24	An MT543 instruction represents a delivery against payment instruction by a domestic counterparty (in the German domestic market only - CASCADE), for which a corresponding MT541 instruction from the CBL client is missing. An MT543 instruction is used for reporting purposes only in the MT537 (Statement of Pending Transactions) and additional MT94xcamt.052/ camt.053 (Money Suspense report) for against payment.

MT543 instruction - delivery against payment

MT543 instruction - Delivery Against Payment	
See flowchart in Figure 4.8 on page 4-24	An MT543 instruction is used for a Delivery Against Payment of securities to a counterparty in a domestic market. In client instructions, details of the depository or clearing system and the account to which delivery is to be made must be given.

MT543 instruction - delivery against payment

MT543 instruction - delivery against payment (external)	
See flowchart in Figure 4.8 on page 4-24	An MT543 instruction is a delivery against payment of securities to a domestic counterparty. In client instructions, details of the depository or clearing system and the account to which delivery is to be made must be given.
Flowchart box 2	In order to effect Settlement in the domestic market on the Requested Settlement Date, an MT543 instruction is processed for release to the domestic depository or clearing system during the appropriate settlement processing.
Flowchart box 3	Provision checks are made for securities and collateral. If the necessary securities provision is not available, or if the debit of the securities would cause the collateral level on the account to fall below the required level, the instruction is not transmitted to the depository. Instead it is reported in the MT537 (Statement of Pending Transactions) and additional MT94xcamt.052/camt.053 (Money Suspense report) for against payment. Any MT543 Transaction in Suspense Provision is reconsidered in all subsequent processing until the securities and collateral provision are sufficient for the transaction to be released for settlement or, alternatively, until it is cancelled.
Flowchart box 4	If the provision checks are successful, the instruction is released to the depository or clearing system and is reported in the MT536 (Statement of Transactions) and additional MT950camt.053 (Money Statement) for against payment).The collateral value of the securities is maintained in the account until the transaction is either settled or cancelled.

MT543 instruction - delivery against payment (external)	
Flowchart box 5	Upon release of the instruction, CBL calculates when the transaction may be expected to settle in the domestic market. This date is referred to as the "Estimated Settlement Date". Once the instruction has been released to the domestic depository, the funds countervalue on the transaction appears in the MT537 (Statement of Pending Transactions) and additional MT94x camt.052/camt.053 (Money Suspense report) for against payment until the Estimated Settlement Date has been reached. From the Estimated Settlement Date until confirmation is received from the depository, the cash countervalue for the transaction appears in the MT537 (Statement of Pending Transactions) and additional MT94x camt.052/camt.053 (Money Suspense report) for against payment. Unconfirmed funds are also included in the MT536 (and additional MT950 camt.053 for against payment).
Flowchart box 6	If confirmation of settlement is received from the depository, the cash countervalue is credited as confirmed funds and is reported in the MT536 (Statement of Transactions) and additional MT950 camt.053 (Money Statement) for against payment). The report indicates the value with which the funds have been credited and shows the details of the client reference and securities delivered as given on the delivery instruction.
Flowchart box 7	If the instruction is rejected by the depository and the securities are returned, they are re-credited to the account of the delivering party in CBL from which they were debited. The re-credit of the securities is reported in the MT536 (Statement of Transactions) and additional MT950 camt.053 (Money Statement) for against payment). The MT210/camt.057 Transaction representing the expected cash countervalue appears in the MT537 (Statement of Pending Transactions) and additional MT94x camt.052/ camt.053 (Money Suspense report) for against payment. Clients who want to re-present the instruction for settlement must submit a new MT543 instruction.

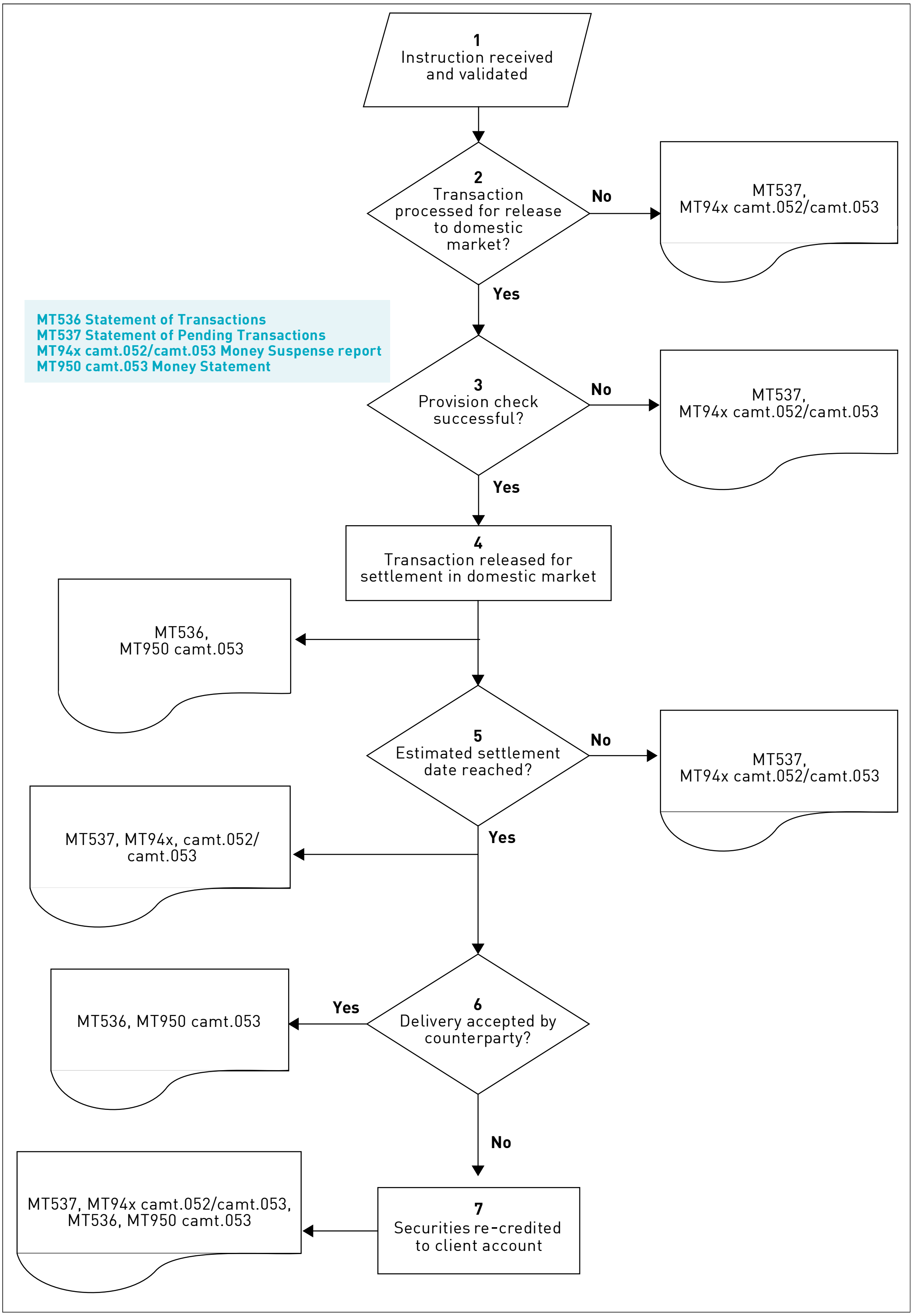


Figure 4.8 Life cycle of MT543 (external) instructions

4.5 Automatic cancellation of pending instructions

Internal settlement

Unmatched instructions

- For instructions that are still unmatched 15 business days following the requested settlement date, a request is sent to the client to either cancel or confirm the instruction. If the client does not confirm that the instruction is still valid within the next five business days, the instruction will automatically be cancelled. If the client confirms within this five-day period that the instruction is still valid, the period starts over again (20 business days).
- Any change in the hold and release status of the instruction will reset the count of the days. Any change of the partial settlement indicator, priority code or settlement flag will not reset the count of days.
- If the unmatched instruction becomes "matched" within the 20-business-day period, the 60-business-day period for the matched instruction starts as from the day of matching.

Matched instructions

- For instructions that are matched and still not settled after 45 business days following the requested settlement date or the matching date (depending on which one is the latest), CBL sends a request to the client to either cancel or confirm the instruction. If both counterparties do not confirm within the next 15 business days that their instruction is still valid, the transaction will automatically be cancelled. The automatic cancellation of matched instructions can only be prevented provided that both participants agree to extend the period.
- Any change in the hold and release status of the instruction will reset the count of the days. Any change of the partial settlement indicator, priority code or settlement flag will not reset the count of days.
- Any partial settlement will reset the count of days.

Bridge settlement

Unmatched instructions

- Any unmatched CBL delivery instruction that has not been settled or cancelled remains in suspense for a period of 15 business days following the Requested Settlement Date. If such an instruction is still unmatched after 15 business days following the requested settlement date, CBL sends a request to the client to either cancel or confirm the instruction. If the client does not confirm that the instruction is still valid within the next five business days, the instruction will automatically be cancelled. For CBL receipt instructions, the 20-day period applies as well, but a CBL receipt instruction will only be cancelled upon confirmation from EB that the instruction has been cancelled on EB's side.
- Any change in the hold and release status of the instruction will reset the count of the days. Any change of the partial settlement indicator, priority code or settlement flag will not reset the count of days.
- If the unmatched instruction becomes "matched" within the 20-business-day period, the 60-business-day period for the matched instruction starts as from the day of matching.

Matched instructions

- For matched instructions, the suspense period is 45 plus 15 business days. If a matched Bridge instruction is still not settled after 45 business days following the requested settlement date or the matching date (depending on which one is the latest), CBL sends a request to the client to either cancel or confirm the instruction. If the client does not confirm within the next 15 business days that their instruction is still valid, the instruction will be cancelled. However, as bilateral cancellation applies on the Bridge, the cancellation of the transaction can only be applied if the cancellation has been received on both CBL and Euroclear Bank side.

- Any change in the hold and release status of the instruction will reset the count of the days. Any change of the partial settlement indicator, priority code or settlement flag will not reset the count of days.
- Any partial settlement will reset the count of days.

External instructions

- Any external instruction that has not been transmitted to the domestic market (for example, because of provisioning failure) remains in suspense for a period of 45 business days after the Requested Settlement Date. At the end of this period, the client who submitted the instruction is requested to either cancel or confirm it. If the Instruction is neither cancelled nor confirmed, it remains in suspense for a further 15 business days, after which it is automatically cancelled. If confirmation is received from the client, the 60-business-day period (that is, 45 plus 15) starts over again.
- Any external instruction that has been transmitted to the domestic market is subject to the cancellation rules from local domestic agent/CSD.

4.6 Short selling of income or corporate action proceeds

Short selling of income or corporate action proceeds (that is, selling securities with entitlement to the income or corporate action proceeds covered by a receipt of the same securities without entitlement to the income or corporate action proceeds) is not authorised in CBL. Accordingly, CBL reserves its discretionary right to debit the account of the client instructing such short selling for an amount equivalent to the gross income or gross corporate action proceeds.

In addition, the client instructing such short selling shall indemnify CBL against all direct or indirect liabilities, damages, expenses, losses or any claims that CBL might incur if other CBL client(s) or any other third party have either been deprived due to the short selling from all or part of their entitlement to tax reclaims (if any) linked to the income or corporate action proceeds received by such CBL client(s) in respect of the securities of the same description as the ones in which the short selling transaction occurred, or have suffered any other loss, damages, expenses, costs or claims due to the short selling.

More generally, the client instructing the short selling of income or corporate action proceeds, that is, the seller, shall be responsible and liable for all the consequences of the short selling on the tax treatment of the tax reclaims under the relevant tax regime.

Please refer to Chapter 8.Asset servicing.

5. Cash Financing services

CBL acts solely as a securities settlement System and not as a payment system or a Cash Correspondent Bank. Clients are therefore reminded that the accounts they open with CBL should not be used to perform third party payments or any other cash movement not linked to their securities in deposit with CBL. Without prejudice of any further action under the terms of our General Terms and Conditions, CBL reserves the right to block and/or to reject any payment either received for credit to a client account in CBL or processed from such account, that could qualify as a third party payment, or where the final beneficiary is not a corporate institution or a financial institution. For the avoidance of doubt, any payment not linked to any security related service or collateral management service provided by CBL as described herein is also deemed to be a third party payment.This prohibition does not apply to payments made by a CBL client to its settlement counterparty in CBL in relation to bilaterally agreed cash compensations on transactions settled in CBL. Furthermore since only cash transfers are permitted, clients may not instruct via an MT100 (or pacs.008) series type message and must use the appropriate pacs.009 series type message unless CBL has specifically agreed otherwise.

The services that CBL provides to clients for the Settlement and custody of securities are complemented by various services for the management of their cash positions and foreign exchange. These services include two alternative Financing arrangements available to clients:

- Unconfirmed Funds Facility.

  An intraday Financing facility that is available for settling securities Transactions and cash withdrawal.

- Technical Overdraft Facility (TOF) or Umbrella Credit and Collateral Services Facility (UCCS).

  A short-term Financing facility that is available for settling securities Transactions.

Further details are given in this chapter.

Cash correspondents

For every Settlement currency, at least one Cash Correspondent is appointed to handle the external payment and receipt of funds between the domestic banking system for the currency and CBL. Details of the Cash Correspondent banks are provided for each market link on the Clearstream website.

5.1 Cash management and Financing

Each CBL account has a cash as well as a securities component. The cash management services provided by CBL are available for all currencies accepted in CBL (unless specified otherwise).

Cash deposit is a banking type service that shall be directly related to CBL's core or ancillary services and used for operational purposes with CBL only. Clients shall ensure that all payment obligations related to CBL's services are met in due time. Cash holding entails in this respect a credit risk against CBL and/or a default of CBL's cash correspondent bank.

Note: Clients' long balances held with CBL at the end of day may not be subject to remuneration.

CBL reserves the right to apply additional charge against clients' long balances kept overnight with CBL to reflect adverse conditions encountered on the relevant markets, as the case may be.

The subjects covered in this chapter are summarised as follows:

- Currencies accepted in CBL and the network of Cash Correspondent banks, in Settlement currencies and Cash Correspondent banks on page 5-3;
- Cash instruction deadlines, in Cash instruction processing on page 5-4;
- Cash instruction Types, including "life cycle" diagrams, in Cash instruction types - Missed cash deadlines on page 5-9;
- Foreign exchange (FX) services: automatic; case-by-case; service on securities settlement instructions, in Foreign Exchange services on page 5-15;
- Financing facilities, including the Unconfirmed Funds Facility and the Technical Overdraft Facility (TOF), in Technical Overdraft Facility (TOF) on page 5-38;
- Collateral valuation, in Interest calculations and reporting on page 5-49;
- Interest calculation, in Interest calculations and reporting on page 5-49.

5.2 Settlement currencies and Cash Correspondent banks

Almost all the currencies accepted in CBL are Settlement currencies, which can be used to make clean payments and to settle against payment Transactions, irrespective of the currency in which the securities are issued.

Occasionally, CBL may accept securities for Settlement that are denominated in a non-Settlement currency. In such a case, funds movements in the currency of denomination are not possible in CBL, but the securities can be received or delivered against payment in any other CBL Settlement currency. All currencies are identified by their ISO currency code.

A network of correspondent banks administers external cash Transactions for the various Settlement currencies accepted. The operations carried out by the correspondent banks include the receipt and confirmation of acceptance of funds remitted for credit to client accounts at CBL and the execution of payments.

A list of the currencies accepted in CBL and the relevant correspondent banks is given in the Cash Timings Matrix on the Clearstream website. A complete list of eligible Settlement and non-Settlement currencies is available on the Clearstream website.

A complete list of cash instruction input deadlines for all currencies is available in the form of the Cash Timings Matrix on the Clearstream website. All timings in this matrix are given in CET unless otherwise noted. Cash instruction input deadlines are aligned with local times which means that Clearstream takes daylight saving time (DST) changes around the world into account when setting its CET deadlines.

Consolidated lists of eligible currencies and their domestic market holidays (in the form of the Cash and Securities Holidays matrix) is available on the Clearstream website.

In case of severe stress causing a (potential) shortage of a non-relevant currency, the CSD may decide that the provisional settlement services in non-relevant currencies could be executed for their equivalent value in a relevant currency as per Article 36.9 of Delegated Regulation (EU) 2017/390.

In such a case, Clearstream will inform clients and provide information which currencies are affected.

All settlement and cash withdrawal instructions in a non-relevant currency (already in the system or newly received) will be put on hold until the shortage of a non-relevant currency is over.

Clients willing to withdraw cash in the non-relevant currencies can receive the equivalent value in EUR, provided they:

- Cancel their pending cash withdrawal instruction in non-relevant currency; and
- Send free format message instructions (for example, MT299, MT399 or MT599) asking for a FX for the equivalent value in EUR.

5.3 Cash instruction processing

Cash deadlines

Currencies are grouped according to instruction deadline, stated in Central European Time (CET) and standard for all communications media.

Clearstream's CET instruction deadlines take daylight saving time (DST) changes around the world into account. Therefore, the cash instruction input deadline will not change in local time but, when seasonal time changes occur in the local market, the CET deadline will automatically adjust in order to maintain a consistent local market deadline.

For instruction deadlines (published in CET only) please refer to the Cash Timings Matrix and the Settlement Timings Matrix on the Clearstream website.

For a consolidated list of domestic market holidays, please refer to the Cash and Securities Holidays matrix.

Deadlines are published for the entire year and will be updated in October every year. In the interim, any ad-hoc updates to timings will be performed on a case-by-case basis.

Cash repair performed on client cash instruction

There are two types of cash repair service, defined in the following sections:

- Automatic, which is performed for all clients and cannot be unsubscribed from.
- Optional, which is performed for clients whose account is flagged with Cash Repair = Yes.

Notes

1. Optional cash repair is set by default to all CBL client accounts, unless explicitly requested by the client, via Swift or Xact Web Portal free-format message, to unsubscribe from this service. If the optional cash repair service is unsubscribed, repair services will be disabled in the above-mentioned cases.
2. Cash repair will only be performed on a pacs.008 instruction solely to the extent that the clients are authorised by CBL to use this message type for payments from CBL.
3. Clients are reminded that the requirements of the Funds Transfer Regulation EU 2015/847 must be met at all times and ensure they provide in their instructions, when applicable, the requested information about the payer and the payee. CBL will not provide any repair service should this information be missing or incomplete. Clients not meeting the requirements of EU Regulation 2015/847 may experience late processing or rejection of their instruction by the CBL Cash Correspondent banks.

1. Automatic cash repair

1.1 Missing Clearstream account number (Swift only)

Upon receipt of a Swift cash instruction with no instructing account specified, the Clearstream cash processing system will automatically repair the instruction by substituting for the missing account as follows:

- If a principal account has been predefined at the client's request, this principal account will be used.
- If no principal account has been predefined, the cash instruction is rejected and the sender automatically notified via an authenticated message.

Note: Clients can predefine a principal account, from among their existing accounts, by sending an authenticated Swift or Xact Web Portal free-format message, for the attention of PRGconnect indicating that they want to define a specific account as the "Principal account for the BIC ABCDEFGHXXX". This account will then be used in reference to the repair of cash instructions via Swift. For securities instructions, the client should always indicate the relevant account.

1.2 Free text mentioned in payment party fields

Upon receipt of a cash withdrawal of funds (all media) where payment parties are used with free text, the Clearstream cash processing system will automatically convert the name and address to its corresponding Swift BIC code, as long as a corresponding entry is present in the Swift BIC book directory. Should the conversion not be applied, the free text will remain in the Swift message that is sent out to Clearstream's Cash Correspondent and potentially delay further the payment of the funds.

1.3 Missed cash deadlines (Non-STP EUR withdrawal of funds only[1])

A special handling applies to non-STP EUR withdrawal of funds instructions received after the standard client EUR deadline (16:00).

- If instruction is eligible[2] and received before the client T2 RTGS deadline (16:30), the late non-STP withdrawal instruction (without /RT indication) will be automatically repaired to be processed via T2 RTGS.
- If instruction is not eligible (not T2 RTGS format compliant[2]) or if the non-STP EUR withdrawal instruction arrives after the T2 RTGS client deadline, then normal handling is applied (see 5.4 Cash instruction types - Missed cash deadlines on page 5-9).

2. Optional cash repair

2.1 Missed cash deadlines

Instructions eligible for the automatic cash repair service, described above, are excluded.

Late pre-advices and withdrawal of funds instructions that are subject to the optional cash repair service will be automatically repaired. Instructions that have missed the client deadline will be accepted for next available processing with next applicable value, the sender is not automatically notified.

If the optional cash repair service flag is set to NO, pre-advices and withdrawal of funds instructions that arrive later than the published deadline for the currency are automatically rejected and the sender is automatically notified via an authenticated message.

1. For a description of non-STP EUR withdrawal of funds instructions, see FI to FI Customer Credit Transfer (pacs.008) or Financial Institution Credit Transfer (pacs.009) Withdrawal of funds on page 5-10.
2. T2 RTGS Swift format is compliant when the first content in the Intermediary and Account With Institution fields is a valid T2 RTGS direct participant and when only BIC codes are used to specify Ordering, Intermediary, Account With and Beneficiary Institutions.

2.2 Pre-advices without Cash Correspondent details (Swift only)

Swift Pre-advices received with no Cash Correspondent details that are subject to the optional cash repair service will be automatically repaired, as follows:

- Upon receipt of a cash Pre-advice (MT210 or camt.057) where no Cash Correspondent is specified, the cash processing system will, as long as only one Cash Correspondent is appointed for the specific currency, automatically repair the instruction.
- If several Cash Correspondents are available (for example, for EUR), the Clearstream cash processing system will not be able to repair the instruction.

Pre-advices of funds that cannot be repaired and invalid Pre-advices whose optional cash repair service flag is set to NO will, in each case, be automatically rejected and the sender automatically notified via an authenticated message.

Compliance screening of client cash instruction

A withdrawal of cash instruction that contains free text in field :72: will be stopped and checked for compliance purposes.

Cancellations and amendments to instructions

Clients cannot amend a cash instruction already sent to CBL.

Cash instructions can be cancelled and a new instruction sent provided that the cancellation instruction and the new instruction are received before the deadline for the relevant instruction Type (or, in the case of Pre-advices, the earliest deadline for the value date given in the Notice to Receive (Pre-advice of entry of funds) (see Cash instruction types - Missed cash deadlines on page 5-9 for details).

This is only applicable to cancellations fulfilling the automatic process format. Free formatted or non automatic cancellations will be processed on a best effort basis.

A Notice to Receive (camt.057 or MT210) cannot be cancelled or amended when it is already settled.

If the client sends a cancellation request of a payment via camt.056 (or MT292), CBL will reject the message via camt.029 or (MT299).

However, if the pre-advice of funds is not settled yet, the client can request a cancellation of the message, via camt.058 (MT292). In the instance that camt.057 (MT210) or camt.058 (MT292) are rejected by CBL, it will be via MT299 or MT295.

A pacs.008 or pacs.009 - withdrawal of funds cannot be cancelled or amended in the following circumstances:

- If it has been reported as settled; **and**
- If it has been released for payment.

In these circumstances, the pacs.008 or pacs.009 instruction - withdrawal of funds is considered by CBL to be irrevocable.

It is important to note that to reject a payment instruction (pacs.008, pacs.009), CBL will use pacs.002 (RJCT) or MTx95.

Cancellation of uncovered Pre-advices

Standard rule

Pre-advices that are not covered just before the currency deadline on the third Business Day following the theoretical[1] value date are automatically cancelled in CBL unless reconfirmed via Swift (MT299) or free format message to CBL's Nostro Operation Department.

Exceptions

Currencies affected are:

1. EUR (TGT)
   Where funds should have been sent to the CBL account on the T2 RTGS. Pre-advices that are not covered by 18:00 CET on theoretical[1] value date are cancelled in CBL next Business Day (VD+1) at 09:00 CET.
2. Please see the following table:

AED	AMD	ARS	BHD	BWP	CNY	CZK	GEL	HUF	IDR	ILS	ISK	KRW	KWD	KZT	MYR
MXN	OMR	PEN	PHP	PLN	RON	RUB	SAR	SGD	THB	TRY	UYU	ZAR			

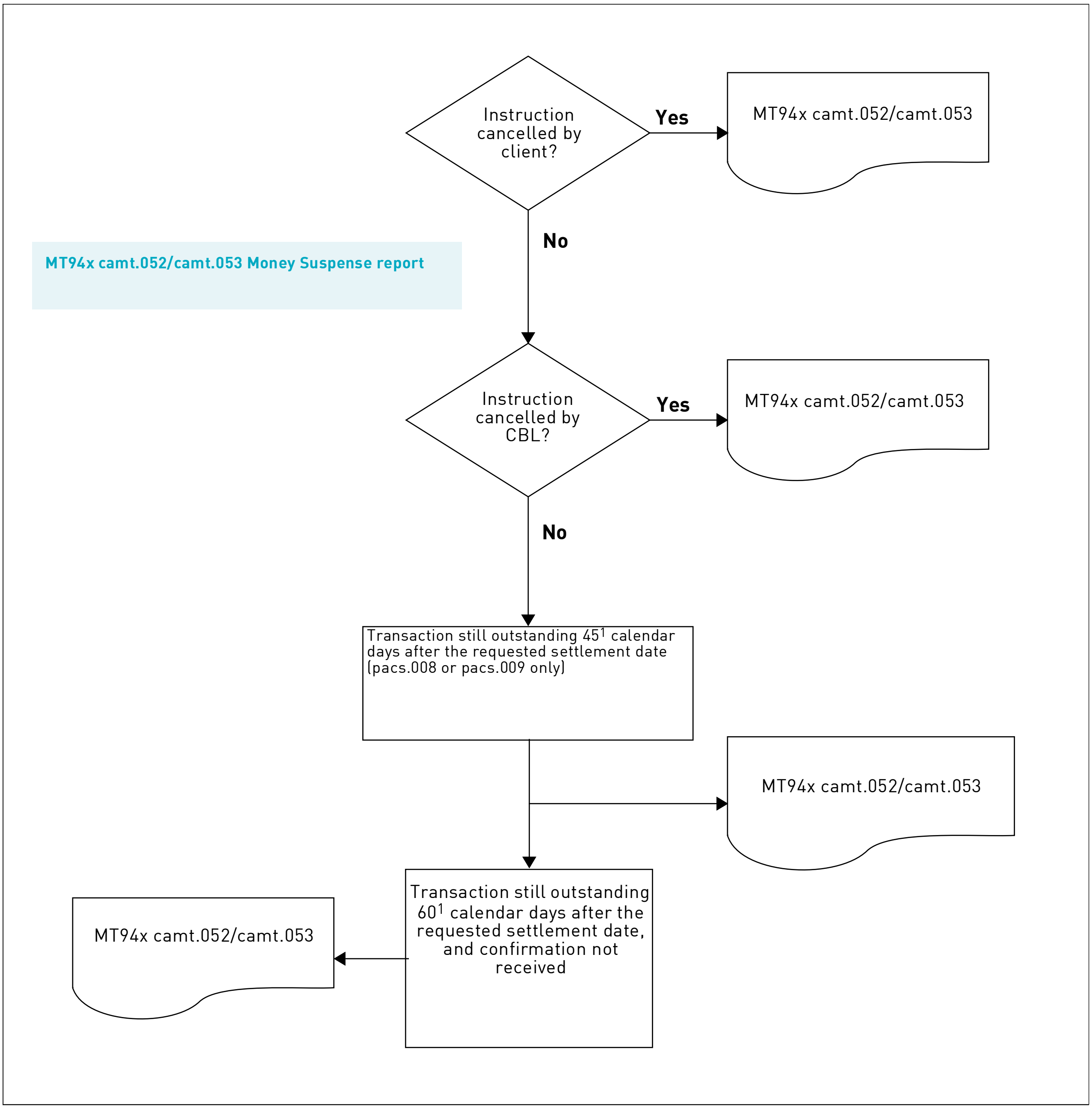
For these above-listed exceptions, pre-advices that are not covered just before the currency deadline on the next Business Day following the theoretical[1] value date are automatically cancelled in CBL.

Charges, as shown in the Clearstream Banking Fee Schedule, are debited to clients should a cancellation of an uncovered Pre-advice be performed by CBL.

1. Calculated by the CBL system.

Reporting of cancelled cash instructions

Cancelled cash instructions are reported as illustrated in Figure 5.1.



1. Only applicable to cash withdrawals and transfers

Figure 5.1 Reporting cancelled cash instructions

5.4 Cash instruction types - Missed cash deadlines

Pre-advice of entry of funds (MT210) / Notification To Receive (camt.057)

An MT210/camt.057 instruction coming from outside CBL for credit to a client's CBL account. Funds are remitted through CBL's Cash Correspondent bank for the relevant currency.

Pre-advices are sent by clients to ensure that funds that they have instructed their correspondent bank to pay to CBL's Cash Correspondent bank for the relevant currency are considered as Unconfirmed Funds for Settlement purposes, and they will receive the same value once CBL receives confirmation from its Cash Correspondent bank.

The amount of a Pre-advice must equal the amount transferred. If a client uses a single fund transfer to cover several Pre-advices, the amount transferred will differ from any of the amounts pre-advised and consequently a late covering charge may be incurred.

If a Pre-advice has been received before the applicable deadline, then funds are credited with good value after confirmation of their receipt with good value by the Cash Correspondent. If pre-advised funds are received after the value date for the Pre-advice, then funds are nevertheless credited with the value date of the Pre-advice but a late covering charge will be incurred.

Funds not pre-advised before the applicable deadline will not be credited with good value. If there is no Pre-advice within the deadline, any funds paid to CBL's Cash Correspondent bank will be subsequently identified and applied with the first available value date following that of the missed deadline.

Funds expected by book transfer from another CBL client (a pacs.008 or pacs.009 instruction) must not be pre-advised. The same applies to credits such as Coupon payments and Redemptions, which are made automatically by CBL.

Transfers of funds only (that is, without an associated movement of securities) cannot be executed across the Bridge to counterparties in Euroclear. They can only occur via the Cash Correspondent banks of CBL and Euroclear.

The diagram in Figure 5.2 on page 5-10 illustrates the life cycle of a Pre-advice of entry of funds as described above.

Note: As a general rule, clients are advised to submit Pre-advices on the basis of the net value of Transactions to be settled in each currency for each Settlement Date (rather than on the basis of individual Transactions).

Non-receipt of pre-advised funds

A client who pre-advises funds is responsible for ensuring that the funds are paid as advised. CBL takes all Pre-advices into account in the management of its treasury, thereby enabling clients to be credited with good value.

Non-receipt, however, adversely impacts CBL's actual funds positions with Cash Correspondents and, for this reason, CBL may, at its discretion, levy a penalty debit interest charge on pre-advised funds that have not been received. Clients should therefore ensure that pre-advised funds are actually paid, even if they discover after sending the Pre-advice that sufficient funds are already available on their account.

For cancellations, see Cancellations and amendments to instructions on page 5-6.

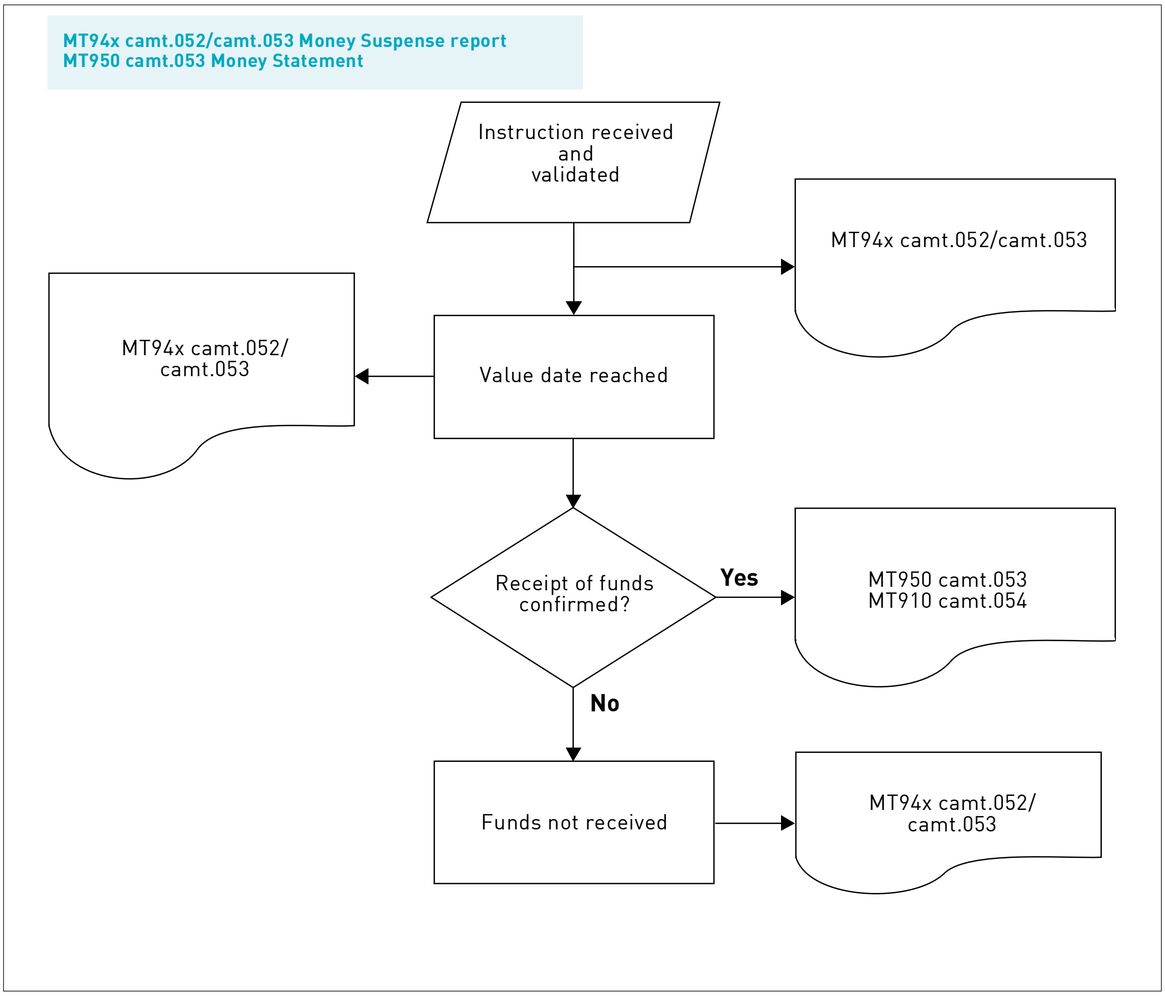


Figure 5.2 Life cycle of a Pre-advice of entry of funds

FI to FI Customer Credit Transfer (pacs.008) or Financial Institution Credit Transfer (pacs.009) Withdrawal of funds

A pacs.008 or pacs.009 instructions is a withdrawal of funds from the client's CBL account for payment outside CBL. A withdrawal of funds via pacs.008 is only allowed if the client is authorised by CBL to use this message type for payments from CBL.

Execution of the cash instruction is conditional on a cash Settlement Provision check on the client's account. According to the Settlement Provision sequence (see Settlement sequence on page 3-31), cash available on the account will be used first to provision securities purchases to maximise Settlement efficiency, provided that the security instruction fulfils the conditions to settle.

Pacs.008 or pacs.009 instructions processed by the CBL correspondent bank on the Business Day corresponding to the value date in the country of the relevant currency. If the value date requested is a Business Day in CBL, but not in the country of the currency of payment, funds will be paid with the next available value date.

After each Settlement processing, CBL carries out a review of outstanding funds payments. On an exceptional basis, further payments may, at CBL's discretion, be released **after** the Settlement processing, when the Settlement results are known. Any such payments are reported after the following Settlement processing. The value date applied is that which would have applied in the preceding Settlement processing.

Clients are reminded that CBL will process payments only related to securities Transactions and corporate events. Furthermore, CBL will not process payments when it identifies that the final beneficiary is not a financial institution.

Clients are reminded that the requirements of the Funds Transfer Regulation EU 2015/847 must be met at all times and ensure they provide in their instructions, when applicable, the requested information about the payer and the payee. CBL will not provide any repair service should this information be missing or incomplete. Clients not meeting the requirements of EU Regulation 2015/847 may experience late processing or rejection of their instruction by the CBL Cash Correspondent banks.

To determine whether a BIC (Bank Identifier Code) corresponds to a qualifying financial institution, clients should check the category of participant (please refer to paragraph 9 of the preface to the white pages of the BIC Directory). Some of the categories relate to financial institutions and others to non-financial institutions (please refer to the yellow pages of the BIC Directory). Some categories of non-financial institutions are: TRCO; BEID; MCCO; and TESP.

Other categories have restricted access to Swift services and clients will find the restrictions in the FIN matrix restrictions. A non-connected BIC not belonging to the above listed categories is considered a financial institution. For an exhaustive list of codes, please refer to the latest BIC Directory.

Clients are reminded of the importance of using BICs whenever possible for payment details (fields Pay to, For account of and In favour of). If no BIC exists to identify a party, all possible information (bank's full name and city) should be used to identify it.

For EUR withdrawals of funds, CBL applies a better cash deadline if the EUR withdrawal of funds instructions are STP. To be considered STP, an instruction must follow the format below:

- The Ordering Institution BIC is equal to the Beneficiary Institution BIC.
- Fields that correspond to the payment parties contain a published BIC (no account number should be input in these fields).
- No narrative fields are present.

CBL reserves the right to amend the above mentioned criteria at any given time with notice to its clients.

Any EUR withdrawal of funds instructions that do not follow this format will be considered as non-STP.

The diagram in Figure 5.3 below illustrates the life cycle of a pacs.008 or pacs.009 instruction as described above.

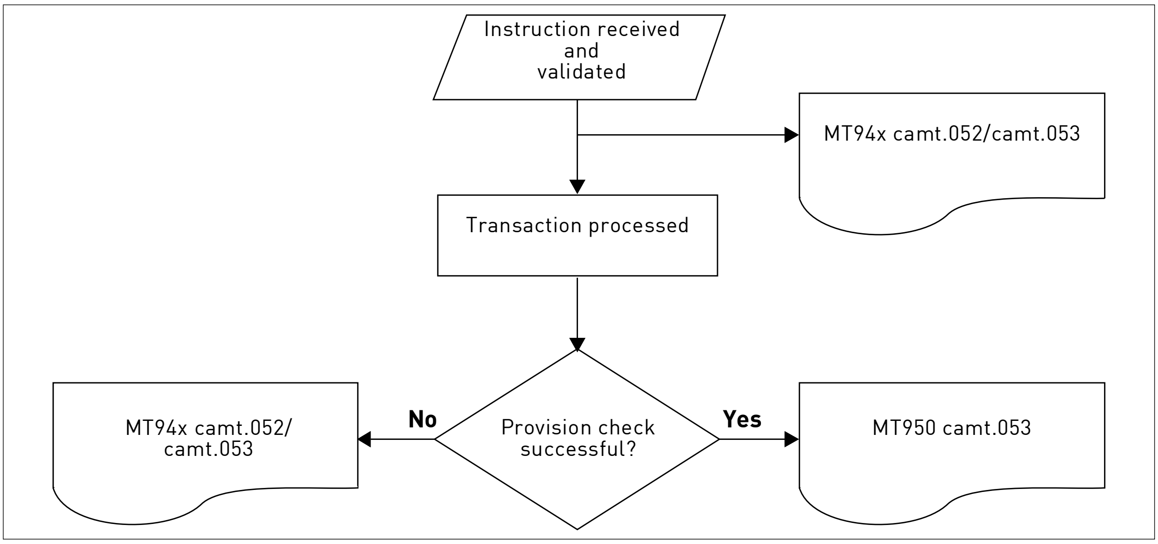


Figure 5.3 Life cycle of a pacs.008 or pacs.009 instruction

- Withdrawals of funds in currencies **ARS, AMD, BHD, CAD, CHF, CZK, DKK, EUR, GBP, GEL, HUF, ILS, ISK, KZT, MXN, NOK, OMR, PEN, PLN, RON, RUB, SAR, SEK, TRY, USD, UYU** and **ZAR** are processed from the first available processing for the value date (and continuously thereafter).
- Withdrawals of funds in currencies **AED, AUD, BWP, CNY, HKD, IDR, JPY, KRW, MYR, NZD, PHP** and **SGD** are first processed at the end of day, on the Business Day before the value date and the real-time processing for the value date. Exception: Payment instructions received via pacs.008 in JPY and NZD will not be processed for same day value in the real-time processing.
- Withdrawals of funds in currencies **KWD, THB** and **XAU** are processed at the end of day, on the Business Day before the value date.

For cancellations, see Cancellations and amendments to instructions on page 5-6.

MT380 Foreign Exchange Order or free-format message (MT299, MT399 or MT599) for Foreign Exchange (FX)

An MT380 Foreign Exchange Order or a free-format message (MT299, MT399 or MT599) is provided to request currency conversion in a standardised format.

An MT380 Foreign Exchange Order or a free-format message (MT299, MT399 or MT599) for the attention of Forex, is used to instruct a FX Transaction on a case-by-case basis . The client will define the currency and amount to convert, and indicate both the buy and the sell currencies. The FX request must be for the client's own CBL account.

Example FX instruction:

Account	12345	
Amount/Currency	1,000,000.00	USD
Action buy/sell	buy	
Requested value date	30.10.YYYY	
Counter currency		EUR

The instruction deadline for this type of service isby default two Business Days before the requested value date (VD-2), timing depending on the currency (refer to the Cash Timings Matrix for exceptions).

The FX instruction will first undergo a credit and collateral provision check. After the deadline, CBL effects the FX Transaction and debit instructions are generated. Pending instructions are reported in the MT94x camt.052/camt.053 (Money Suspense Report). On value date, a credit and debit are posted to the client's account and reported in the MT950camt.053 (Money Statement).

An MT380 or a free-format message (MT299, MT399 or MT599) instruction, once sent, must be considered as irrevocable (unless rejected during the validation process) and cannot be cancelled.

Manual cancellation may be possible on request, on a "best effort" basis, if the FX instruction has not yet been executed at that stage.

N.B.: Clients must however absolutely recheck with their Client Services Officer the status of the FX instruction (already rejected, suspended, valid but not yet executed or executed) before sending a reverse FX instruction.

Note: More detailed information about the FX Service is provided in Foreign Exchange services on page 5-15.

The diagram in Figure 5.4 below illustrates the life cycle of a Forex instruction as described above and should be viewed in conjunction with Figure 5.6.

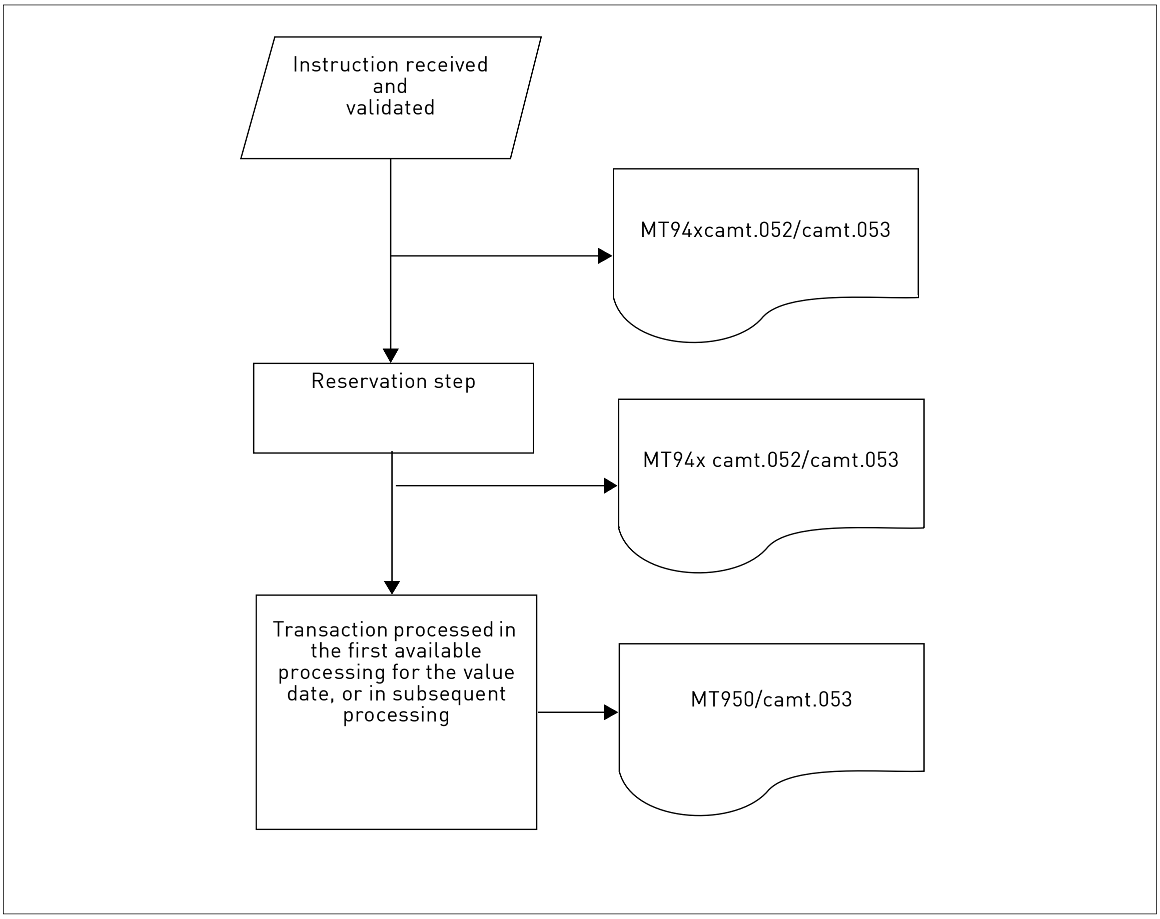


Figure 5.4 Life cycle of a foreign exchange instruction

FI to FI Customer Credit Transfer (pacs.008) or Financial Institution Credit Transfer (pacs.009) - Book-entry transfer of funds

Clients must use a pacs.008 or pacs.009 instruction to transfer funds from one CBL account to another. These transfers are in Confirmed Funds. A book-entry transfer of funds will create simultaneous entries on both debit and credit accounts.These entries are reported via MT940/MT942 or camt.052/ camt.053, with the related life cycle status, immediately upon receipt of a valid transfer instruction.

Only the client requesting the payment should submit a pacs.008 or pacs.009 instruction, by means of which the beneficiary's account will automatically be credited. **The beneficiary must not pre-advise funds to be received by book-entry transfer**. An invalid transfer instruction will be rejected to the instructing party only.

The pacs.008 or pacs.009 instruction cannot be used for cash transfers to Bridge counterparties. Clients who want to transfer funds to a Bridge counterparty must remit funds through the respective Cash Correspondent banks of the two ICSDs.

Note: The value date applied to a pacs.008 or pacs.009 instruction is the Settlement Date of the processing. The pacs.008 or pacs.009 instruction is not available for book-entry transfer of funds with back value.

For cancellations, see Cancellations and amendments to instructions on page 5-6.

The diagram in Figure 5.5 below illustrates the life cycle of a pacs.008 or pacs.009 instruction as described above and should be viewed in conjunction with Figure 5.6.

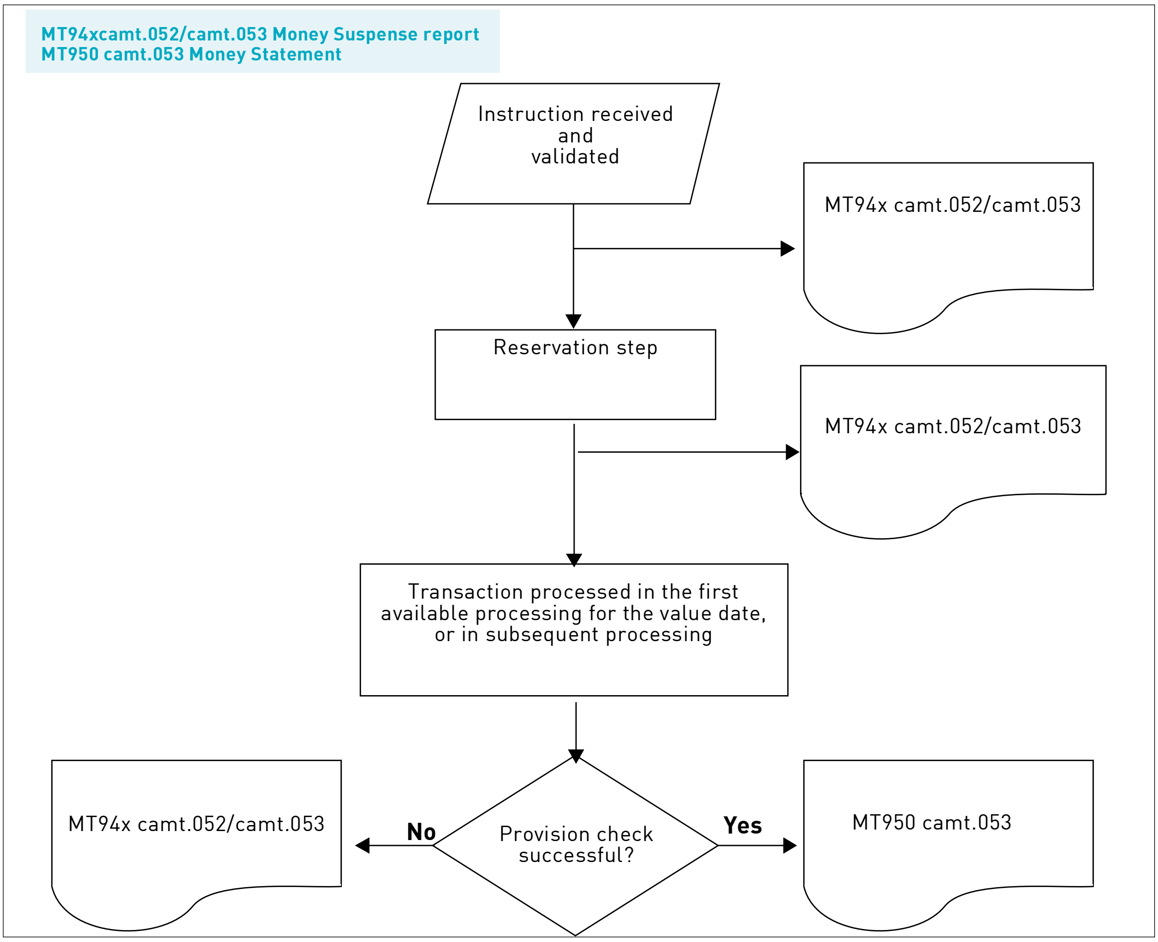


Figure 5.5 Life cycle of a book entry transfer of funds instruction

5.5 Foreign Exchange services

CBL offers the following Foreign Exchange (FX) services:

- Automatic FX service for custody proceeds;
- Automatic FX service for interest charges;
- Automatic FX service for standard monthly fees;
- Automatic FX service for securities settlement;
- FX service for securities settlement instructions;
- Case-by-case FX service.

For CBL to process FX instructions, the client must either have sufficient cash on its account or sufficient credit facility from the Trade Date which is two Business Days before value date (VD-2) by default.

Clients can send FX linked to securities settlement and case-by-case FX requests with value date T+1 for selected currencies.

Communications media

Clients can use the services via the following communications media:

- **Automatic FX services**

  Clients must submit a completed FX service application form.

- **Case-by-case**

  Clients must submit FX instructions using any of the following media, a free format message or 9E instruction in Xact Web Portal or send a Swift MT380 Foreign Exchange Order, MT299, MT399 or MT599 for the attention of Forex.

- **FX service for securities settlement instructions**

  For Swift ISO 15022, clients must add the FX request in the field :11A: of against payment securities settlement instructions.

FX processing life cycle

The following describes the life cycle of an FX instruction:

1. On Trade Date, a valid instruction is input.
2. The instruction is checked against cash and credit availability.
3. The required cash amount is reserved based on a provisional rate. This reservation attempt is made once a day for three (3) consecutive Business Days.
4. If none of the three (3) attempts is successful, the FX instruction will be rejected.
5. If the reservation is successful, the Treasury Department hedges the client's trade.
6. The client's FX rate is fixed within the range of the day, and the trade is completed.

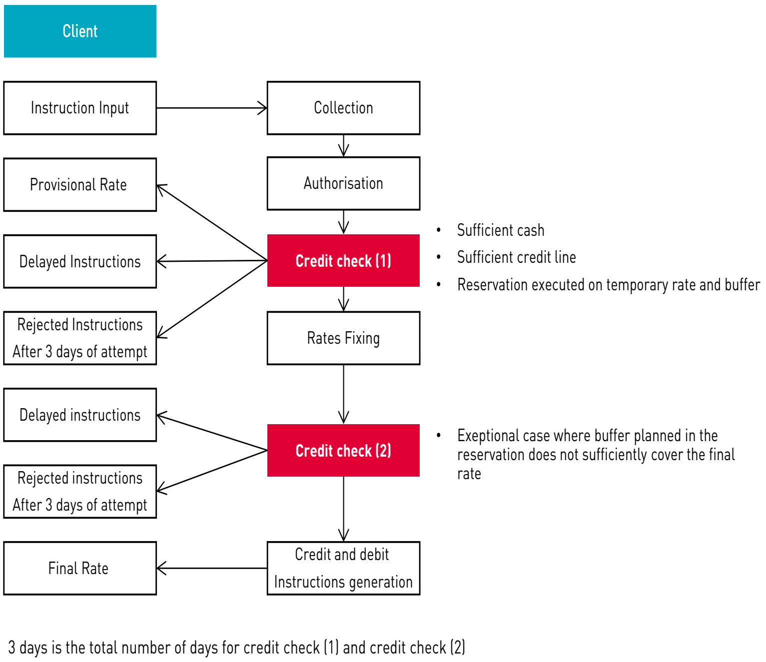


Figure 5.6 Life cycle of FX processing

Automatic FX service for custody proceeds

Custody proceeds eligible for this service

The following custody proceeds are eligible for this service:

- Custody proceeds from the following events: INTR, DVCA, CAPG, DECR, SHPR, REDM, PRED, PCAL, MCAL and DRAW;
- Custody proceeds from Collective Safe Custody (CSC) securities in foreign currencies (valid for CEU clients only).

This includes:

- Reversals and value date adjustments of custody proceeds;
- Tax adjustments related to custody proceeds;
- Compensation payments if processed via cash instructions only.

Clients have the ability to have a) only interest and Dividend payments (and related compensations) automatically converted, and/or b) only Redemptions automatically converted.

The conversion applies to both credit and debit custody payments.Custody proceeds are converted on itemised basis.

The automatic FX instruction will only be initiated once the custody proceeds are credited to the account, that is, once the MT566 has been generated and sent to clients, this may delay the processing of the FX by up to one (1) day.

Reversals and value date adjustments

In the case of a reversal on a given custody payment, the original payment and the reversal are performed on two different days. The FX rates used to convert the original income and the reversal amount may vary according to market conditions.

For errors originating from a third party, CBL will apply the FX rate fixed on the date of the processing of the reversal. The results of any fluctuations in exchange rates will be passed on to clients as appropriate. In exceptional cases where CBL is deemed responsible for an error, CBL will apply the FX rate used for the original payment.

Using the Automatic FX service for custody proceeds

The Automatic FX service for custody proceeds enables clients to arrange for interest and Dividend payments and/or Redemption to be automatically exchanged either:

- On payment date, D, into a base currency of their choice with value two days later (D+2); or
- On D+1 with value three days later (D+3).

This service is used as described below.

The automatic FX instruction will only be initiated once the MT566 confirmation of proceeds from CBL's depositories and agents has been received and fully reconciled and credited to the account of the client.

Step 1

CBL identifies custody proceeds (debits and credits) eligible for the Automatic FX service:

Credits:
On D/D+1, CBL generates a pacs.008 or pacs.009 instruction (Withdrawal of funds) instruction in the original currency and a Pre-advice of entry of funds instruction in the converted currency for value D+2/ D+3 respectively for each custody proceeds on which an FX Transaction is to be executed.

Debits:
On D/D+1, CBL generates a Pre-advice of entry of funds instruction in the original currency and a pacs.008 or pacs.009 instruction (withdrawal of funds) instruction in the converted currency for value D+2/D+3 respectively for each custody proceeds on which a FX Transaction is to be executed).

Reporting
Pending FX instructions are reported in the MT94x camt.052/camt.053 (Money Suspense report). Book-entry movements are reported in the MT950 camt.053 (Money Statement).

FX instructions related to the conversion of custody proceeds are identified by the original custody Instruction Transaction number in the narrative field (position dependent upon other contents of the narrative field). The narrative field also shows the FX rate and the Security Code of the underlying custody proceeds.

Step 2

On D+2/D+3 respectively, the withdrawal of funds instruction and the Pre-advice of entry of funds instruction are posted to the client's account. The same value date is applied to both credit and debit FX instructions.

Reporting

Pending FX instructions are reported in the MT94xcamt.052/camt.053 (Money Suspense report). Book-entry movements are reported in the MT950 camt.053 (Money Statement).

FX instructions related to conversion of custody proceeds are identified by the original custody Instruction Transaction number in the narrative field (position dependent upon other contents of the narrative field). The narrative field also shows the FX rate and the Security Code of the underlying custody proceeds.

Automatic FX service for interest charges

The Automatic FX Service for interest charges allows for a conversion on a monthly basis of all interest charges on clients' cash Balances into a base currency. The converted charges will have the same value date as the original interest charge (except for a currency holiday, in which case the next possible conversion date will be used).

Using the Automatic FX service for interest charges

CBL identifies interest charges eligible for conversion two days before the value date, which is the 15th of the following month (or the next Business Day should the 15th not be a Business Day for CBL and/or the currency is closed). The credit and debit instructions resulting from the conversion will have the same value date as the original interest charge (except for a currency holiday, in which case the next possible conversion date will be used).

Reporting

Pending FX instructions are reported in the MT94xcamt.052/camt.053 (Money Suspense report). Book-entry movements are reported in the MT950 camt.053 (Money Statement).

FX instructions related to conversion of interest charges are identified by the unique four-letter code word INTC in the narrative field (position dependent upon other contents of the narrative field). The narrative field also shows the FX rate and the underlying interest charge Transaction number.

Automatic FX Service for monthly standard fees

The Automatic FX Service for monthly standard fees allows for a conversion on a monthly basis of monthly fees into a base currency. The converted fees will have the same value date as the original monthly fee (except for a currency holiday, in which case the next possible conversion date will be used).

Using the Automatic FX service for monthly fees

CBL identifies monthly fees eligible for conversion two days before the value date, which is the 15th of the following month (or the next Business Day should the 15th not be a Business Day for CBL and/or USD is closed). The credit and debit instructions resulting from the conversion will have the same value date as the original monthly fee (except for a currency holiday, in which case the next possible conversion date will be used).

Reporting

Pending FX instructions are reported in the MT94x camt.052/camt.053 (Money Suspense report). Book-entry movements are reported in the MT950 camt.053 (Money Statement).

FX instructions related to conversion of monthly fees are identified by the unique four-letter code word MFEE in the narrative field (position dependent upon other contents of the narrative field). The narrative field also shows the FX rate and the underlying monthly fee Transaction number.

Automatic FX service for securities settlement

The Auto FX for securities settlement service enables clients to link their security purchase and security sale instructions to Automatic FX service and automatically synchronise the value date[1] of FX instruction with the requested settlement date of the securities instruction.

Auto FX for securities settlement service identifies client's security purchase and sale instructions on trade date (D) before FX cut off time per currency, and automatically creates FX instructions to exchange payments:

- Conversion from home currency to foreign currency for security purchase instructions;
- Conversion from foreign currency to client's home currency for security sale instructions.

Important Note: Auto FX for Securities settlement instructions follow an independent lifecycle once created. Consequently, if any amendments or cancellations are made for the underlying securities settlement instruction, corresponding changes to the Auto FX for securities settlement instruction must be manually made on trade date, day (D) before the 11:30 CET deadline.

Step 1:

- Clients subscribe to Auto FX for Securities settlement service by completing the Auto FX Application Form.
- CBL identifies security settlement instructions of subscribed accounts on the real time settlement system based on the following filters:
  - Account eligibility: Y/N;
  - Currency eligible as specified in client's Auto FX Application form: Y/N;
  - Type of security settlement instruction: Purchase/Sale;
  - Securities settlement instruction against payment: Y/N.
- Once a settlement instruction is successfully identified on trade date, day D, CBL generates Auto FX instructions to settle on the requested settlement date[1] of the underlying securities settlement instruction for D/D+1/D+2.

Step 2:

On D/D+1/D+2 respectively, the withdrawal of funds instruction and the Pre-advice of entry of funds instruction are posted to the client's account. The same value date is applied to both credit and debit FX instructions.

Reporting

Pending FX instructions are reported in the MT94x camt.052/camt.053 (Money Suspense report).

Book-entry movements are reported in the MT950 camt.053 (Money Statement). FX instruction status including instruction details are reported on execution date.

FX instructions related to the Auto FX for securities settlement are identified by the security settlement instruction transaction number.

Amendments and cancellation of FX operations for Auto FX for Securities services

A securities instruction with its associated Auto FX for securities settlement instruction that was already sent on day D before the 11:30 CET deadline can still be amended or cancelled between the time the instruction was sent and the FX deadline 11:30 on day D.

To request cancellation or amendment for an Auto FX for securities settlement instruction, a free format Swift message (MT299, MT399 or MT599) must be sent before the 11:30 CET deadline.

After the 11:30 CET deadline on day D the Auto FX for securities settlement instruction associated with a securities settlement instruction sent on day D before the 11:30 CET deadline must (unless either of the instructions is rejected during the validation process) be considered as irrevocable and cannot be cancelled.

1. For Security sell instructions the Requested Value Date of the FX instruction may be modified to the Next Possible Value date based on the timing of the FX instruction generation.

1. For Security sell instructions the Requested Value Date of the FX instruction may be modified to the Next Possible Value date based on the timing of the FX instruction generation.

To cancel an already executed Auto FX for securities settlement operation, an "opposite" manual FX instruction must be sent. The value date and exchange rate of the "opposite" instruction may be different from those applied at the execution of original FX operation specified in the securities settlement instruction. The results of any fluctuations in exchange rates will be passed on to clients as appropriate.

In the case of a reversal on a given security settlement instruction, or errors originating from a third party, CBL will still execute the Auto FX for securities settlement instruction unless it is cancelled on day D before the 11:30 CET deadline. If such Auto FX for securities settlement instructions are not cancelled or amended on day D before the 11.30 CET deadline, the client is still required to fund the generated Auto FX for securities settlement instruction or manually cancel the Auto FX for Securities settlement instruction on day D before the 11:30 CET deadline.

In exceptional cases where CBL is deemed responsible for an error on the securities settlement or Auto FX for Securities settlement instructions, CBL will reverse apply the same FX rate used for the original payment.

Auto FX for Securities settlement execution timeline

Securities Settlement instructions received at CBL on day D before the 11:30 CET deadline will trigger the generation of an Auto FX for securities settlement instruction with identical requested value dates D/D+1/D+2.

Requested settlement date (RSD) of the securities instruction	Auto FX for securities settlement execution	Generation of the FX-related MT210/camt.057 and pacs.008/ pacs.009 instructions	Value date of the FX-related MT210/camt.057 and pacs.008/ pacs.009 instructions
RSD = D	RSD	RSD	RSD
RSD = D+1	RSD-1	RSD-1	RSD
RSD = D+2	RSD-2	RSD-2	RSD
RSD = D+n[a]	RSD-2	RSD-2	RSD

a. "n" is greater than two Business Days.

Securities Settlement instructions received at CBL on day D after the 11:30 CET deadline will trigger the generation of an Auto FX for securities settlement instruction with identical requested value dates D/D+1/D+2.

Requested settlement date (RSD) of the securities instruction	Auto FX for securities settlement execution	Generation of the FX-related MT210/camt.057 and pacs.008/ pacs.009 instructions	Value date of the FX-related MT210/camt.057 and pacs.008/ pacs.009 instructions
RSD = D	n/a	n/a	n/a
RSD = D+1	RSD	RSD	RSD
RSD = D+2	RSD-1	RSD-1	RSD
RSD = D+3	RSD-2	RSD-2	RSD
RSD = D+m[a]	RSD-2	RSD-2	RSD

a. "m" is greater than two Business Days.

Auto FX for securities settlement will not be executed:

- If the Auto FX for securities settlement request is cancelled on day D before the 11:30 CET deadline; or
- If a securities Settlement instruction containing an Auto FX for securities settlement request is sent on day D after the 11:30 CET deadline and cancelled prior to the next day D+1 11:30 CET deadline.

Automatic FX services: optional features

The following additional features are optional and available upon request:

Limitations on currencies

All currencies accepted by CBL for FX service can be converted into a base currency. Clients can choose which currencies should be included in the automatic conversion procedure.

Limitations on amount

Clients can specify minimum and maximum amounts by currency, below and above which FX Transactions will not be carried out by CBL.

Minimum amount

If a minimum amount is specified, the Automatic FX service will only be effected when the currency amount of the single underlying instruction is equal to, or greater than, the minimum amount specified by the client. Amounts below the minimum amount specified by the client will not be converted at any time throughout the service.

Maximum amount

If a maximum amount is specified, the Automatic FX service will only be effected when the currency amount of the single underlying instruction is equal to, or less than, the maximum amount specified by the client. Amounts above the specified maximum amount will not be converted at any time through the service.

Registration for Automatic FX services

Registration

To register for the Automatic FX services, clients must send a completed Automatic FX application form (available on request). The form should be received by CBL at least two Business Days before the requested start date and should be sent to:

Clearstream Banking S.A.
Account Administration
42, avenue JF Kennedy
L-1855 Luxembourg

Application forms are available from CBL Client Services Officers or Client Relationship Managers.

Cancellation

Cancellation of the Automatic FX service can only be effected by a written notification signed by authorised signatories, via a Swift MT299 or free format message. The cancellation will be effective two Business Days following the receipt of the cancellation notice.

If a single specific FX instruction presented for the Automatic FX service is requested to be cancelled on an exceptional basis, not a general cancellation of the service, the client is requested to send a Swift MT299 by the FX instruction deadline on the requested Settlement Date at the latest. The FX instruction will be cancelled on a "best efforts" basis, if it has not yet been executed.

Admittance

Admittance to any of the FX services is at the discretion of CBL.

Amendments to the Automatic FX services application form

Amendments to the application form (such as requests to use one of the optional features) should be sent in writing, requested via a written notification by registered letter signed by authorised signatories, or via a Swift MT299 or free format message to the address above.

Any request to change the contents of the application form must be received by CBL at least two Business Days before the date on which the change should take effect and may be accepted at CBL's sole discretion.

FX service for securities settlement instructions

This service gives clients the ability to synchronise the value date of the FX Transaction with the Requested Settlement Date of the securities instruction.

Clients can request the conversion of the currency of the underlying Settlement Transaction provided that the currency is eligible for FX services in CBL and the base currency of their choice is eligible for FX services without any restrictions. Please see FX services offered, per currency on page 5-29.

Using the FX service on securities settlement instructions

The FX service for securities instructions allows clients to include a FX request in any against payment securities settlement instruction for the associated FX instruction to be generated automatically instead of sending a separate FX instruction. Clients need to enter appropriate information in the securities settlement instruction as shown in the following figure. With this information, the cash Countervalue of a securities settlement instruction will become eligible for conversion.

The Swift ISO 15022 securities settlement instruction field designated for FX requests is Currency field :11A: with qualifier FXIB or FXIS.

Please see DVP securities settlement instructions with an FX request on page 5-25 and RVP securities Settlement instructions with an FX request on page 5-25 for detailed information.

Eligibility of all against payment securities instructions

The FX operation will be executed irrespective of the Settlement status of the securities instruction associated with it. The original against payment securities instruction will settle in the original currency and amount specified in the cash Countervalue field. The FX operation will be executed on the same client account as the associated securities instruction.

FX deadline

The instruction deadline is 11:30 CET two Business Days before value date (VD-2) except for the following currencies: AUD, CAD, CHF, EUR, GBP, IDR, JPY, MXN, MYR,THB and USD (see Case-by-case FX service on page 5-26). For these currencies, the instruction deadlines mentioned in all of the following articles must be adjusted accordingly.

For instructions received after the instruction deadline, CBL will execute the FX operation on a "best efforts" basis.

Amendments and cancellation of FX operations

Securities settlement instructions sent on day D before the 11:30 deadline

A securities instruction with its associated FX instruction that was already sent on day D before the 11:30 deadline can still be amended or cancelled between the time the instruction was sent and the FX deadline 11:30 on day D.

In order to request a cancellation or an amendment, a free format Swift message (MT299, MT399 or MT599) must be sent before the 11:30 deadline.

After the 11:30 deadline on day D the FX instruction associated with a securities instruction sent on day D before the 11:30 deadline must (unless either of the instructions is rejected during the validation process) be considered as irrevocable and cannot be cancelled.

In order to cancel an already executed FX operation, an "opposite" FX instruction must be sent. The value date and exchange rate of the "opposite" instruction may be different from those applied at the execution of original FX operation specified in the securities settlement instruction. The results of any fluctuations in exchange rates will be passed on to clients as appropriate.

Securities settlement instructions sent on day D after the 11:30 deadline

A securities instruction with its associated FX instruction that was already sent on day D after the deadline 11:30 can still be amended or cancelled between the time the instruction was sent and the next FX deadline 11:30 on day D+1.

After the 11:30 deadline on day D+1 the FX instruction associated with a securities instruction sent on day D after 11:30 deadline must (unless either of the instructions is rejected during the validation process) be considered as irrevocable and cannot be cancelled.

In order to cancel an already executed FX operation, an "opposite" FX instruction must be sent. The value date and exchange rate of the "opposite" instruction may be different from those applied at the execution of original FX operation specified in the securities settlement instruction. The results of any fluctuations in exchange rates will be passed on to clients as appropriate.

Timeline for securities settlement instructions with FX request

For a trade on day T and Settlement on T+3, if the securities instruction is to be settled and the associated FX operation executed for the same date, the client should submit the securities instruction before the T+1 11:30 CET FX deadline.

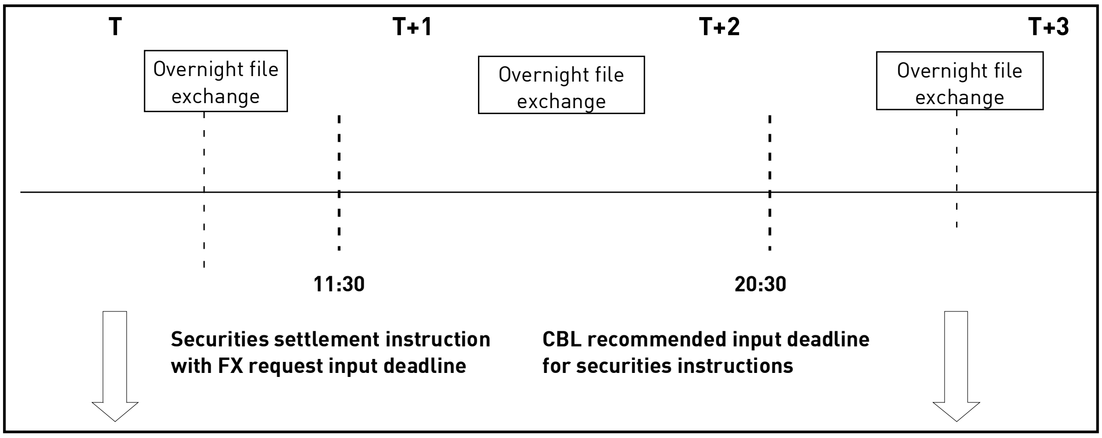


Figure 5.7 Timeline for securities settlement instructions with FX request

FX execution timeline

Securities settlement instructions sent on day D before the 11:30 deadline

Securities settlement instructions received at CBL on day D before the 11:30 deadline with a valid FX request will have Pre-advice entry of funds and a pacs.008 or pacs.009 instruction[1]resulting from the conversion generated for value date as per the following figure:

Requested settlement date (RSD) of the securities instruction	FX execution	Generation of the FX-related MT210/camt.057 and pacs.008/ pacs.009 instructions	Value date of the FX-related MT210/camt.057 and pacs.008/ pacs.009 instructions
RSD = D	RSD	RSD	RSD+2
RSD = D+1	RSD-1	RSD-1	RSD+1
RSD = D+2	RSD-2	RSD-2	RSD
RSD = D+n[a]	RSD-2	RSD-2	RSD

a. "n" is greater than two Business Days.

Securities settlement instructions sent on day D after the 11:30 deadline

Securities settlement instructions received at CBL on day D after the 11:30 deadline with a valid FX request will have Pre-advice of funds and a pacs.008 or pacs.009 instruction[1] resulting from the conversion generated for value date as per the following figure:

Requested settlement date (RSD) of the securities instruction	FX execution	Generation of the FX-related MT210/ camt.057 and pacs.008/ pacs.009 instructions	Value date of the FX-related MT210/ camt.057 and pacs.008/ pacs.009 instructions
RSD = D	RSD+1	RSD+1	RSD+3
RSD = D+1	RSD	RSD	RSD+2
RSD = D+2	RSD-1	RSD-1	RSD+1
RSD = D+3	RSD-2	RSD-2	RSD
RSD = D+m[a]	RSD-2	RSD-2	RSD

a. "m" is more than three Business Days.

FX will not be executed:

- If a securities settlement instruction containing the FX request is both sent and cancelled on day D before the 11:30 deadline; or
- If a securities settlement instruction containing a FX request is sent on day D after the 11:30 deadline and cancelled prior the next day D+1 11:30 deadline.

1. Pre-advice entry of funds instruction: Pre-advice of entry of funds; a pacs.008 or pacs.009 instruction: withdrawal of funds.

FX processing

DVP securities settlement instructions with an FX request

On a DVP (Delivery Versus Payment) instruction, the currency and amount specified as the cash Countervalue (Sell currency) will be debited from the client's account and the converted amount in the currency specified as the Buy currency will be credited to the client's account.

A pacs.008 or pacs.009 instruction will be created for the amount and currency given in the cash Countervalue field of the securities settlement instruction and Pre-advice of funds will be created with the equivalent amount in the Buy currency.

For DVP instructions, use the qualifier/code word **FXIB** followed by the ISO code of the Buy currency. The following tables show the values to use:

ClearstreamXact	DVP securities instruction currency (Sell currency)	Buy currency	FX request
Case A	EUR	ISO currency code	FXIB//ISO currency code
Case B	ISO currency code	EUR	FXIB//EUR

RVP securities Settlement instructions with an FX request

On a RVP (Receipt Against Payment) instruction, the currency and amount specified as the cash Countervalue (Buy currency) will be credited to the client's account and the converted amount in the currency specified as the Sell currency will be debited from the client's account.

A Pre-advice of funds will be created for the amount and currency given in the cash Countervalue field of the securities Settlement instruction and a pacs.008 or pacs.009 instruction will be created with the equivalent amount in the Sell currency.

For RVP instructions, use the qualifier/code word **FXIS** followed by the ISO code of the Sell currency. The following tables show the values to use:

ClearstreamXact	RVP securities instruction currency (Buy currency)	Sell currency	FX request
Case C	EUR	ISO currency code	FXIS//ISO currency code
Case D	ISO currency code	EUR	FXIS//EUR

Validation criteria for ISO 15022 instructions

The cash Countervalue on a securities against payment instruction will be eligible for FX only if the instruction is validated successfully and has a correctly formatted FX request.

Format requirements

Currency field :11A: of the securities against payment instructions will be scanned for the FX request details. If provided in the correct format, this will be a valid FX request.

MT541 messages

The information must be provided in the field :11A: with the qualifier FXIS followed by the ISO currency code of the Sell currency.

Example: :11A::FXIS//USD

MT543 messages

The information must be provided in the field :11A: with qualifier FXIB followed by the ISO currency code of the Buy currency.

Example: :11A::FXIB//EUR

Reporting

Pending FX instructions are reported in the MT94x camt.052/camt.053 (Money Suspense report). Book-entry movements are reported in the MT950 camt.053 (Money Statement).

FX instructions related to the conversion of the cash Countervalue of a securities instruction are identified by the unique four-letter code word SETT in the narrative field (position dependent upon other contents of the narrative field). The narrative field also shows the exchange rate and CBL 7-digit transaction reference of the securities transaction.

Case-by-case FX service

The case-by-case FX (foreign exchange) service allows clients to arrange, for a specific event, the conversion of cash Balances or income proceeds into a currency of their choice.

The case-by-case FX service is available for an FX between two currencies eligible for this service (for the complete list of currencies eligible please see FX services offered, per currency on page 5-29).

Using the case-by-case FX service

To effect an FX Transaction using the case-by-case FX service, clients must send their FX instruction via one of the following media, a Swift MT380, MT299,MT399 or MT599 instruction Type (for the attention of Forex) or an Xact Web Portal free format message.

The instruction deadline for the case-by-case FX service is 11:30 CET two Business Days before value date (VD-2), except for the following currencies: AUD, CAD, CHF, CNY[1], EUR, GBP, IDR, JPY, MXN, MYR, THB and USD. The client can input instructions at any time up to the 11:30 deadline (VD-2) described above.

The currencies are converted according to spot market procedure for value date two Business Days later (except for a currency holiday, in which case the next possible conversion date will be used).

The FX request must be for the client's own account. The client defines the Buy and Sell currency and the amount to be converted up to a maximum of EUR 10,000,000 or the equivalent in another currency:

Buy currency: Currency that will be credited to the client's account.

Sell currency: Currency that will be debited from the client's account.

To effect an FX Transaction exceeding the EUR 10,000,000 or its equivalent in another currency clients should:

- Submit several instructions in the system for lower amounts.
-

Provided the applicable deadlines have been met and based on the usual credit approval the FX instruction will still be executed with good value. In case of receipt of the confirmation after the deadline, the FX instruction will be executed with good value on a best efforts basis, but with a different FX rate from the daily CBL foreign exchange fixing rate.

Once an instruction is sent, it must be considered as irrevocable unless rejected during the validation process and cannot be cancelled. Manual cancellation may be possible on request, on a "best efforts" basis, if the FX instruction has not yet been executed at that stage.

N.B.: Clients need nevertheless absolutely to recheck with their Client Services Officer the status of the FX instruction (already rejected, suspended, valid but not yet executed or executed) before sending a reverse FX instruction.

1. CBL may be forced to square the FX positions in the respective domestic markets, therefore, the instruction deadline for the case-by-case FX service in these currencies is 10:00 CET Winter (VD-2) and 11:00 CET Summer time (VD-2).
For instructions received after the instruction deadline, CBL will execute the FX operation according to spot market procedures and on a "best efforts" basis.

Reporting

Pending FX instructions are reported in the MT94x camt.052/camt.053 (Money Suspense report). Book-entry movements are reported in the MT950 camt.053 (Money Statement).

FX instructions related to the case-by-case FX service are identified by a unique four-letter code word FX9E in the narrative field (position dependent upon other contents of the narrative field). The narrative field also shows the FX rate.

Additional information on the FX services

Exchange rates

Provisional rate

On Trade Date when a valid instruction is input, it will be checked against cash and credit availability and the required cash amount is then reserved based on a provisional rate which is derived from the Bloomberg rates feed. This reservation attempt occurs once a day for three (3) consecutive Business Days.

Final rate

The FX rate is assigned on request date and includes a spread, which depends on the liquidity of the currency pair.

The FX rates fixed are as quoted in the foreign exchange market against the EUR.

For FX instructions of currency pairs where the EUR is not part of the pair, the system calculates a cross rate using the fixed rates against the EUR.

The rate fixed is market conform, meaning it reflects the current market conditions and the exchange rates of the currencies being traded.

Further details about currencies offered and any potential restrictions that may apply are outlined in the section FX services offered, per currency on page 5-29.

Clients are able to retrieve FX rates assigned from narrative field of the Pre-advice of funds and a pacs.008 or pacs.009 instruction that accompany the details of the transaction.

All FX rates are published daily via the Clearstream Codelist application at around 16:00 each Business Day.

The FX rates published on the Clearstream Codelist application are only informative and shall not be used as an official reference.

Withdrawal of converted funds

Instructions to withdraw funds resulting from a FX Transaction are subject to the normal deadlines for each currency.

Suspension of FX services

CBL may temporarily suspend and/or cancel any outstanding FX service instruction if circumstances do not permit orderly trading and/or trade execution. In this event, CBL will notify clients as soon as possible.

Refusal of an FX instruction

CBL may refuse an FX service instruction if it has been rejected during the validation process.

CBL holidays and currency holidays

Value dates: If the conversion value date is a non-Business Day for CBL or involves a currency on holiday, the next possible value date will be used.

EUR holidays: CBL can now process FX instructions even on EUR holidays. However, clients should note that:

- For EUR pairs, settlement will occur on the next available value date;
- For other currency pairs, instructions will be processed as usual.

Consultation: For specific trading needs, especially around holidays, CBL recommends consulting with its Client Support Team.

For all FX instructions, clients are advised to consult a currency holiday schedule beforehand.

FX services offered, per currency

Eligible currencies for the Automatic FX service, case-by-case and FX services for securities settlement instructions are shown below. The list of eligible currencies may be modified at any time without prior notification by CBL depending on market conditions.

Currency	FX Service offered?	Restrictions or special handling details?
AED	YES	None.
AMD	YES	None.
AUD	YES	Clients can send FX linked to securities settlement and case-by-case FX requests with value date T+1.
BHD	YES	Yes - with one exception.
		As CBL must square FX positions with the CCB directly, FX instructions sent on the day the currency is closed (or received after the FX instruction deadline on the preceding Business Day) may be delayed and the requested value date cannot be guaranteed.
CAD	YES	Clients can send FX linked to securities settlement and case-by-case FX requests with value date T+1.
CHF	YES	Clients can send FX linked to securities settlement and case-by-case FX requests with value date T+1.
CNY	YES	None.
CZK	YES	None.
DKK	YES	None.
EUR	YES	Clients can sendFX linked to securities settlement and case-by-case FX requests with value date T+1.
GBP	YES	Clients can send FX linked to securities settlement and case-by-case FX requests with value date T+1.
GEL	YES	Yes - with one exception.
		As CBL must square FX positions with the CCB directly, FX instructions sent on the day the currency is closed (or received after the FX instruction deadline on the preceding Business Day) may be delayed and the requested value date cannot be guaranteed.
HKD	YES	None.
HUF	YES	None.

Currency	FX Service offered?	Restrictions or special handling details?
IDR	YES (limited)	Yes. For all FX services, clients must provide a broker securities trade confirmation along with the FX instruction before the IDR FX deadline. Clients must adhere to the following requirements: • Include details of underlying trades or corporate action reference (EXRI CORP ID, instructed quantity, and subscription cost value) in the optional wording field of the FX instruction. • The purchased IDR amount cannot exceed the securities trade or corporate action instruction settlement amount but may be less. • A buy IDR FX instruction's value date must be on or before the settlement date of the underlying trade or corporate action instruction. • A sell IDR FX instruction's value date must be on or after the settlement date of the underlying trade or corporate action instruction. • The underlying securities settlement instruction or corporate action must be received before executing the FX transaction. Failure to comply may result in delayed FX request settlements. Please note: Buy IDR FX instructions can cover domestic Securities purchases (61) or charges on CBL accounts, while non-domestic Securities purchases (41) are subject to Indonesian Central Bank restrictions. CBL can execute buy IDR FX instructions unrelated to a domestic Security purchase if the client's counterparty sends a sell IDR FX instruction for the respective non-domestic Security sale (51). **Special deadline: 08:00 CET (VD-1) winter time / 09:00 CET (VD-1) summer time, subject to an IDR 50 billion threshold limit. Instructions received after this deadline will be executed on a "best efforts" basis.** Clients are responsible for compliance with regulatory requirements. CBL is not liable for losses, claims, or damages resulting from non-compliance, and clients agree to indemnify CBL for any such consequences. Note that: • Clients can send FX linked to securities settlement and case-by-case FX requests with value date T+1. • Swift MT380 or free format instructions sent via Swift MT299/MT399/MT599 may benefit from the above instruction deadline if the value date T+1 is clearly requested. For instructions above the threshold limit or received after the instruction deadline, CBL executes the FX operation according to spot market procedures and on a "best efforts" basis. As CBL must square FX positions with the CCB directly, FX instructions sent on the day the currency is closed (or received after the FX instruction deadline on the preceding Business Day) may be delayed and the requested value date cannot be guaranteed.
ILS	YES	None.
ISK	YES	Swift MT380 or MT299/MT399/MT599 instruction; only case-by-case FX service.
JPY	YES	Clients can send FX linked to securities settlement and case-by-case FX requests with value date T+1.

Currency	FX Service offered?	Restrictions or special handling details?
KRW	YES	Special deadline: 06:30 CET (VD-2).
KZT	YES	None.
MXN	YES	Clients can send FX linked to securities settlement and case-by-case FX requests with value date T+1.
MYR	YES (limited)	Yes.

Buy and Sell FX instructions are possible under the condition that prior to instructing, the client must send an MT599 to the attention of Treasury Backoffice, stating the following: "Attn: Clearstream Banking Treasury Backoffice. Clearstream Account Number: Clearstream account(s) number(s).

We, (entity name), hereby unconditionally represent and warrant that we do not and will not conduct or transact in any offshore MYR non-deliverable forwards and / or offshore MYR foreign exchange derivatives contracts, as well as any future product of financial instruments of similar substance.

We, (entity name), agree to indemnify Clearstream Banking and to hold Clearstream Banking harmless for any claims, fines, penalties, damages or losses, whether direct of indirect, resulting from an untrue, incomplete or inaccurate representation." Once the MT599 is recorded with CBL Treasury Backoffice, then the following rules apply to MYR currency for FX instructions:

Sell MYR FX instructions are possible if there are sufficient funds on the CBL client account at the FX instruction deadline.

If the Balance is not sufficient, sell MYR FX instructions related to securities sales will be suspended until the securities sale has settled. Sell MYR FX instructions exceeding MYR 10,000 directly linked to a securities instruction (FX instruction directly set on the securities instruction) will be suspended until the securities instructions has settled. Depending on the agreement from the agent in Malaysia, the FX will then be executed with good value.

N.B.: Same-day FX is only possible where an underlying domestic sell securities trade has settled on that day. Sell FX instructions sent for a value date different from that of the relating securities instruction may be delayed and executed with an other than requested value date.

If the client sends buy and sell MYR FX instructions for the same value date, CBL will execute the buy instruction first to deblock the securities purchase and will suspend the sell FX instruction until the Balance on the CBL client account is sufficient to execute the FX. Depending on the agreement from the agent in Malaysia, the FX will then be executed with good value but with a different FX rate than that of the buy FX instruction.

Currency	FX Service offered?	Restrictions or special handling details?
		FX instructions for amounts less than or equal to MYR 10,000 may nevertheless, if CBL Treasury estimates that the CBL overall liquidity position with the agent in Malaysia allows it to do so, be executed immediately without awaiting the securities settlement or the available Balance. **Special deadline: 10:00 CET (VD-1) winter time / 11:00 CET summer time. (VD-1), subject to a threshold limit of MYR 8 million.** Instructions received after this deadline will be executed with the requested value on a "best efforts" basis only. Note that: • Clients can send FX linked to securities settlement and case-by-case FX requests with value date T+1. • Swift MT380 or free format instructions sent via Swift MT299/MT399/MT599 may benefit from the above instruction deadline if the value date T+1 is clearly requested. For instructions above the threshold limit or received after the instruction deadline, CBL executes the FX operation according to spot market procedures and on a "best efforts" basis. As CBL must square FX positions with the CCB directly, FX instructions sent on the day the currency is closed (or received after the FX instruction deadline on the preceding Business Day) may be delayed and the requested value date cannot be guaranteed.
NOK	YES	None.
NZD	YES	None.
OMR	YES	None.
PEN	YES	Yes - with one exception. As CBL must square FX positions with the CCB directly, FX instructions sent on the day the currency is closed (or received after the FX instruction deadline on the preceding Business Day) may be delayed and the requested value date cannot be guaranteed.
PHP	YES (limited)	Yes. Swift MT599 and 9E instructions; only case-by-case FX service. **Only restricted sell PHP FX instructions are allowed.** Only custody proceeds resulting from securities with a Bangko Sentral Registration Document (BSRD) can be requested for FX. The exact details clearly mentioning the origin of the funds must be set on the FX order. When completing its FX instruction, the client must strictly comply with the procedure as described in the Link Guide - Philippines under "Foreign exchange and repatriation of income proceeds". Clearstream Banking Luxembourg will forward the details with the FX request to the agent in the Philippines. Upon his reply, the FX will be executed with best possible value date. Buy PHP FX instructions may be accepted in very exceptional circumstances (for example, if CBL's own PHP currency FX position would allow CBL to satisfy the client request). Before sending such an instruction, the client must first verify, with his Relationship Officer or with CBL Treasury, that it will be accepted. As CBL must square FX positions with the CCB directly, FX instructions sent on the day the currency is closed (or received after the FX instruction deadline on the preceding Business Day) may be delayed and the requested value date cannot be guaranteed.
PLN	YES	None.
QAR	YES	None.

Currency	FX Service offered?	Restrictions or special handling details?
RON	YES	None.
RSD	YES	None. As CBL must square FX positions, FX instructions sent on the day the currency is closed (or received after the FX instruction deadline on the preceding Business Day) may be delayed and the requested value date cannot be guaranteed.
RUB	YES	Only case-by-case FX service.
SAR	YES	None.
SEK	YES	None.
SGD	YES	None.
THB	YES (limited)	Yes. Forced FX: If the overall CBL Balance at the Cash Correspondent Bank in Thailand exceeds the maximum regulatory amount, CBL will be forced to do a same-day FX at a penalty FX rate in order to reduce the balance. This forced FX will be booked, without prior advice, to the client accounts presenting the largest balances. The FX will consist of a sale of THB against USD value D at a penalty FX rate, fixed by the Bank of Thailand. These operations may be repeated as often as necessary. Measures to avoid forced FX: • Clients are advised to be extremely careful to keep their THB Balances at the lowest practicable levels. • clients are requested to match value dates of FX instructions and security instructions. • If the client sends buy and sell THB FX instructions for the same value date, CBL will execute the buy instruction first to deblock the securities purchase and will suspend the sell FX instruction until the money is as confirmed balance on the account. Depending on the agreement from the agent in Thailand, the FX will then be executed with good value but with an FX rate other than that on the buy FX instruction. • Clients should take care that they send buy THB FX instructions only if they need THB on their account to cover securities purchases or charges on their CBL account. • For internal trades (41/51) with related FX instructions from both buyer and seller, CBL will, in order to avoid the overall balance at the CCB exceeding the regulatory maximum amount and a partially forced FX being performed with a penalty FX rate, execute both FX instructions at the same time.

Currency	FX Service offered?	Restrictions or special handling details?
		Special deadline: 10:00 CET (VD-1) winter time / 11:00 CET (VD-1) summer time, subject to a threshold limit of THB 30 million. Instructions received after this deadline will be executed with the requested value on a "best efforts" basis only. Note that: • Clients can send FX linked to securities settlement and case-by-case FX requests with value date T+1. • Swift MT380 or free format instructions sent via Swift MT299/MT399/MT599 • may benefit from the above instruction deadline if the value date T+1 is clearly requested. For instructions above the threshold limit or received after the instruction deadline, CBL executes the FX operation according to spot market procedures and on a "best efforts" basis. As CBL must square FX positions with the CCB directly, FX instructions sent on the day the currency is closed (or received after the FX instruction deadline on the preceding Business Day) may be delayed and the requested value date cannot be guaranteed.
TRY	YES	None.
UAH	YES	Yes. UAH is ineligible for Automatic FX services. FX is possible for interest income derived from government bonds received after 1 April 2023. Principal redemption derived from government bonds, including the so-called "military bonds" will remain unrepatriable until further notice, as the national bank of Ukraine (NBU) has postponed their decision regarding the repatriation of principal repayments until a significant easing of security and macroeconomic risks occurs.
USD	YES	Clients can send FX linked to securities settlement and case-by-case FX requests with value date T+1.
UYU	YES	Yes - with one exception. As CBL must square FX positions with the CCB directly, FX instructions sent on the day the currency is closed (or received after the FX instruction deadline on the preceding Business Day) may be delayed and the requested value date cannot be guaranteed.
ZAR	YES	None.

Contact details

For further information about the FX services, please contact CBL Client Services.

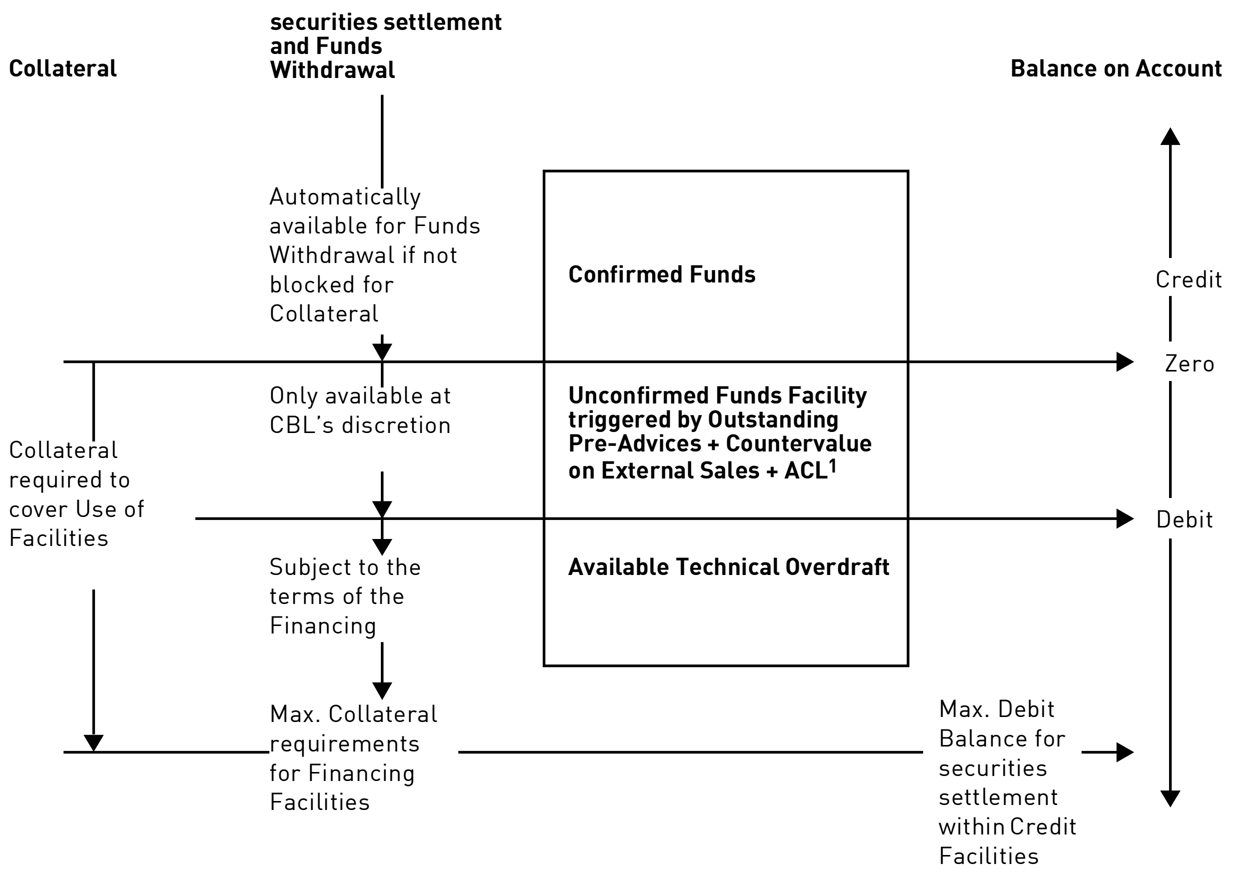
Clients should note that, as is normal practice within financial organisations, CBL has implemented telephone line recording. The main purpose of telephone line recording is to ensure that the interests of CBL and of its clients are protected against misunderstanding or miscommunications under the provisions of the applicable laws.

CBL may access recordings of telephone calls uniquely for the purpose of clarifying the content of business dealings.

- Determine whether business dealings have been conducted;
- Determine the content of business dealings that have been conducted;
- Collate evidence in preparation for arbitration, litigation or private settlement negotiations;
- Determine what information has been provided to third parties including statements made to the press.

5.6 Financing: availability of funds

Figure 5.8 below illustrates the availability of funds for securities settlement, FX Services and cash withdrawal under the various Financing facilities available to clients, and the corresponding requirements for Collateral on the account to cover use of these facilities.



1. Available for cash loan. Income proceeds that were advanced to clients during the night will now be booked on the client's account on payment date as an unconfirmed entry of funds. These entries are qualified as Available for Cash Loan (ACL).

Figure 5.8 Financing: availability of funds

Each type of Financing facility is described in greater detail on the pages that follow.

Clients are reminded that all Financing undertaken by CBL is at its sole and absolute discretion.

In line with Articles 9, 10, 11, 15, 24 (b) of Commission Delegated Regulation (EU) 2017/390 of 11 November 2016 (supplementing Regulation (EU) No 909/2014), credit facilities are granted on a collateralised basis with the exception of entities.

In line with Article 23 (1) point (b) of Commission Delegated Regulation (EU) 2017/390 of 11 November 2016 (supplementing Regulation (EU) No 909/2014), CBL only extends credit facilities that are uncommitted and unconditionally cancellable at any time by CBL, and without prior notice to the borrowing participants of the securities settlement system operated by the CSD.

Clients should note that financing facilities may be unavailable or restricted in less liquid currencies.

Unconfirmed Funds Facility (UCF)

The UCF can be used for securities settlement, withdrawal of funds linked to ACL (Available for Cash Loan) income events and corporate actions requiring payment of exercise fees. These fees can settle against available credit limits and related FX services. The terms governing the UCF are described in the Credit Terms and Conditions (CTCs), Client Application Form and Annexes signed by clients.

Definition of UCF

Without prejudice of CBL's General Terms and Conditions funds are reported as unconfirmed if, on the date a report is retrieved, confirmation of the receipt of funds is outstanding. Unconfirmed Funds are constituted on the basis of the following outstanding instructions:

- Pre-advice instructions, between their value date and the time when the receipt of funds is confirmed by CBL's Cash Correspondent;
- Instructions for against payment deliveries of securities, between the expected value date of funds to be received and the time when confirmation of settlement is actually received by CBL from the clearing system or depository;
- Unconfirmed funds linked to ACL income events, between their value date and the time when the receipt of funds is confirmed by the Paying Agent or CBL's Cash Correspondent.

Until confirmation is received, such funds appear on client reports as Unconfirmed Funds. When confirmation has been received, the funds are credited as Confirmed Funds, with value date of the Pre-advice, or if for a Delivery Against Payment of securities instruction, with the value date on which the funds were received by CBL.

Individual Transactions in Unconfirmed Funds are reported and so clients can monitor amounts that are outstanding and, where appropriate, take action to ensure payment.

Characteristics of the UCF

It can be used:

- On an intraday basis, to purchase securities at the start of the settlement processing overnight against covering funds to be confirmed by the end of real-time processing on value day;
- On an intraday basis, to withdraw the funds linked to ACL income events;
- On an intraday basis, for FX services;
- On an intraday basis, for corporate actions requiring payment of exercise fees.

Clients that do not want to use the ACL facility for securities settlement and withdrawal of funds have to opt out and send an MT599 to the attention of Banking Operations (Account Administration), which shall read as follows "Please de-select ACL facility for a/c..." (please ensure in this case that the relevant accounts are listed), otherwise this message will be ignored by CBL.

Debit positions must not continue beyond the end of real-time processing on value date.

Technically, a currency or the account may be blocked from the start of the third settlement day if either the individual currency overdraft or the overall net overdraft Balance on the account (offsetting debit and credit Balances in each currency) is not repaid within that timeframe, either by proceeds from against payment deliveries or by pre-advised funds.

Note: Any overnight borrowing will be subject to debit interest rates that are subject to a yearly review.

The value of every currency overdrawn, or drawn, under the terms of the facility is revalued in USD on a real time basis and compared against the value of available collateral on the client's account. Only the amount actually drawn needs to be collateralised.

The credit line is fixed in USD, but can cover other currencies as described in Figure 5.9. The exchange rate used is determined daily by CBL.

The UCF's size depends on the financial standing of the client in whose name the account is opened and the liquidity of the respective currency. It can be cancelled unconditionally, at any time, without previous notice. CBL may also suspend the UCF for any given currency, at any time, without previous notice.

Any change to the agreed UCF credit limit will be communicated via electronic authenticated message (via Swift or other secured communication method (Swift is only applicable if the UCF is documented by the CTCs)) or via non-electronic authenticated message accepted by CBL.

Life cycle of the UCF

Before value date

The Pre-advice of Funds instruction is created:

- By client Pre-advices;
- By CBL, linked to ACL income events;
- By CBL, through release of an external Delivery Against Payment Transaction;

and is reported in the MT94x camt.052/camt.053 (Money Suspense report).

On value date

The Pre-advice of Funds instruction enters Unconfirmed Funds Status at the start of the real-time processing for the value date of the Pre-advice or external Delivery Against Payment Transaction.

Becomes available for securities settlement if:

- The aggregate of all Unconfirmed Funds is within the agreed credit limit of the client's Unconfirmed Funds Facility; **and**
- Sufficient Collateral cover is available.

Becomes available for cash withdrawal if:

- The aggregate of all Unconfirmed Funds from ACL income events is within the agreed credit limit of the client's Unconfirmed Funds Facility; **and**
- Sufficient Collateral cover is available.

In any case the lowest value will be considered.

Is reported in the MT94xcamt.052/camt.053 (Money Suspense report).

After value date

The Pre-advice of Funds instruction remains in Unconfirmed Funds Status until either:

- **Confirmed:**
  - By the CBL Cash Correspondent if a pre-advice; **or**
  - By the paying agent or CBL Cash Correspondent if an ACL event; **or**
  - By the clearing agent or depository if an external Delivery Against Payment Transaction.

  Confirmed Funds are reported, with the value date indicated, in the MT950camt.053 (Money Statement).

or

- **Cancelled:**
  - If pre-advised funds are not received by the Cash Correspondent, the client incurs a debit interest charge to cover the cost of Funding the overdraft.
  - If the external Delivery Against Payment transaction is refused by the clearing system or depository.[1]

  Cancelled transactions are reported in the MT94xcamt.052/camt.053 (Money Suspense report).

Eligible currencies

The following currencies[1] are eligible for use in the Unconfirmed Funds Facility:

02	USD	12	DKK	23	MXN	36	CZK	68	AED
03	CHF	15	NOK	25	EUR	37	PLN	75	CNY
07	GBP	16	SEK	26	NZD	40	HUF	78	BWP
10	AUD	19	JPY	27	ZAR	49	ILS		
11	CAD	20	HKD	33	SGD				

Figure 5.9 Currencies eligible for use in the Unconfirmed Funds Facility

Technical Overdraft Facility (TOF)

The purpose of the Technical Overdraft Facility (TOF) is to facilitate the Clearance of securities Transactions against payment. It is also used for the settlement of client FX trades and corporate action exercise fees.

The terms governing the TOF are described in the Credit Terms and Conditions (CTCs), Client Application Form and Annexes signed by clients before the facility is made available.

Characteristics of the Technical Overdraft Facility (TOF)

The principal characteristics of the TOF are as follows:

- The TOF is an intraday credit line made available for the purchase of securities at the start of the settlement day against covering funds to be confirmed by the end of real-time processing on value date. The time limit applies at two levels:
  - To individual currencies;
  - To the overall net positions across all debit and credit Balances on the accounts, through CBL's right of set-off.
- Debit positions must not continue beyond the end of real-time processing on value date. Technically, a currency or the account may be blocked from the start of the third settlement day if either the individual currency overdraft or the overall net overdraft Balance on the account (offsetting debit and credit Balances in each currency) is not repaid within that timeframe, either by proceeds from against payment deliveries or by pre-advised funds.

  Note: Any overnight borrowing will be subject to debit interest rates that are subject to a yearly review.
- The value of every currency overdrawn, or drawn, under the terms of the facility is revalued in USD on a real time basis and compared against the value of available Collateral on the client's account. Only the amount actually drawn needs to be collateralised.
- The agreed credit limit is fixed in USD, but can cover other currencies as described in Figure 5.10. The exchange rate used is determined daily by CBL. Additional currencies may be eligible at a reduced amount.
- It applies to only one account. Separate applications must be made for overdraft facilities that apply to other accounts of the same client.
- The TOF size depends on the financial standing of the client in whose name the account is opened and the liquidity of the respective currency. It can be cancelled unconditionally, at any time, without previous notice. CBL may also suspend the TOF for any given currency, at any time, without previous notice.

1. For the conditions covering cancellation of failed deliveries in each domestic market, please refer to the Market Guide.
1. Subject to revision depending on market conditions.

- Any change to the agreed TOF credit limit will be communicated via electronic authenticated message (via Swift or other secured communication method) or via non-electronic authenticated message accepted by CBL.

Eligible currencies

The following currencies[1] are eligible for use in the Technical Overdraft Facility:

AUD	CAD	CHF	DKK	EUR	GBP
JPY	NOK	NZD	SEK	USD	

Figure 5.10 Currencies eligible for use in the Technical Overdraft Facility

Umbrella Credit and Collateral Services (UCCS)

Umbrella Credit and Collateral Services (UCCS) are Clearstream services available to facilitate client's credit and Collateral management requirements. The services provide:

- An umbrella credit line at client level, that is, accessible from any account the client has with CBL, and
- A Collateral pool to secure the use of above credit line. The Collateral pool can be credited from any account of the client's choice.

In addition to CBL providing global credit lines on individual accounts, an umbrella credit line is accessible from any account the client has with CBL and offers clients the choice of five account set-up options. As illustrated below, where the settlement account (SA in the diagram), credit and Collateral behaviours under the different options are specified.

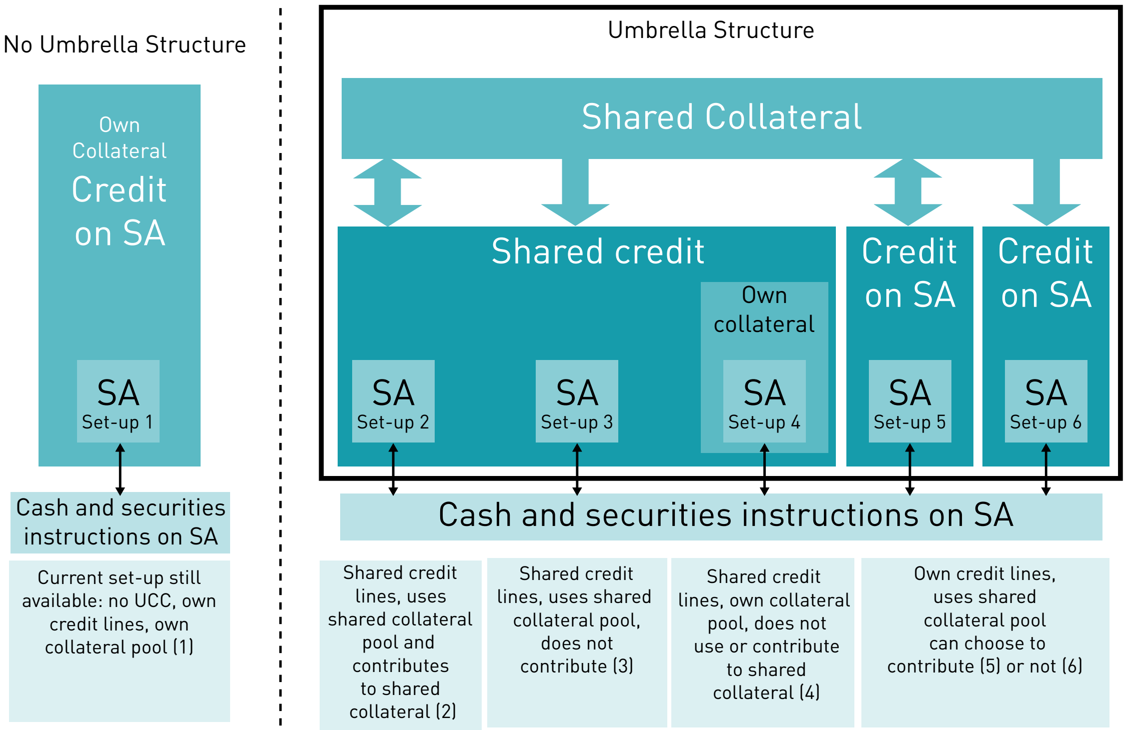


Figure 5.11 UCCS account set up options

1. Subject to revision depending on market conditions.

Each individual account linked to an umbrella structure can configure three options. These options define the individual accounts credit or Collateral behaviour as being stand alone or shared within the structure.

The monitoring of both the credit line throughout participating accounts and of the available Collateral are fully automated and processed on an on-line basis.

For more details on CBL's UCCS please contact Clearstream Client Services or your Relationship Officer.

How to arrange an Unconfirmed Funds Facility (UCF), Technical Overdraft Facility (TOF) or an Umbrella Credit and Collateral Services facility (UCCS)

Clients who would like to arrange a UCF, a TOF or a UCCS facility must apply in writing to their Client Services Officer or Relationship Officer stating the account number and the amount of the credit line required in USD. The latest available annual report or audited financial statements, including an income statement and balance sheet, must also be provided.

When an application for a UCF, a TOF or a UCCS facility is approved, the Credit Terms and Conditions, Client Application Form and Annexes are forwarded in duplicate to the applicant for signature. This document must be endorsed with authorised signatures. One copy of the Credit Terms and Conditions, Client Application Form and Annexes is returned to the client's Client Services Officer or Relationship Officer and the other is kept by the client.

A UCF, a TOF or a UCCS facility is only implemented after CBL receives the properly completed agreement(s) and sends the client an authenticated message confirmation.

5.7 Collateral valuation

Through the General Terms and Conditions, CBL has a general right of retention and set-off on all assets held on the client's account that secure obligations towards CBL by the client for the services rendered by CBL. All assets held by the client in CBL are pledged in favour of CBL to the extent of any credit facilities granted to the client.

The client is required to notify CBL if there are any assets, held by CBL in any account, that the client is not entitled to use as collateral against his own obligations towards CBL. This may apply, for example, to securities held on behalf of the client's underlying clients.

The calculation of collateral values is illustrated in Figure 5.12 below.

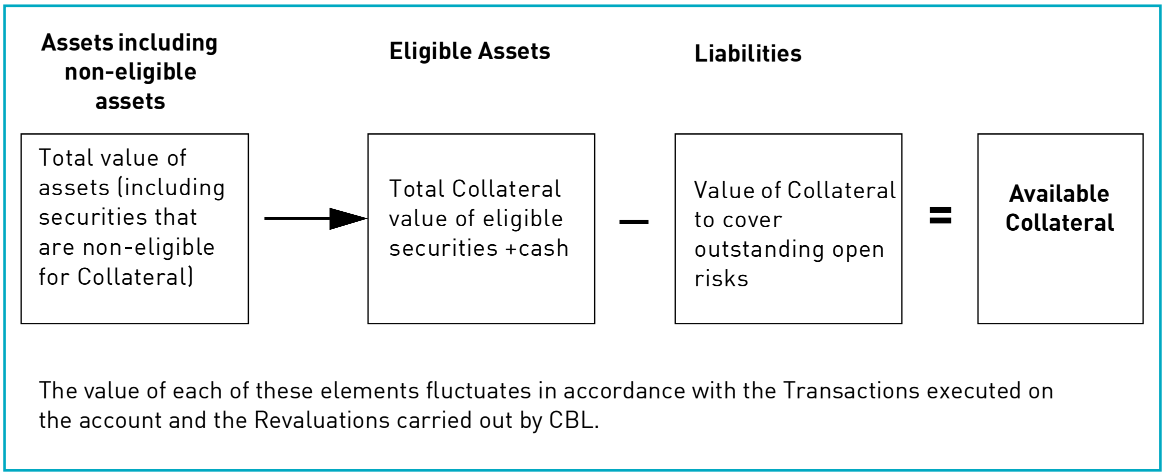


Figure 5.12 Calculation of Collateral values

Underlying client securities and other holdings that cannot be pledged to secure the obligations of the client should be segregated into a separate safe custody account, under notification to CBL that this is an underlying client account. If the client fails to inform CBL that securities and other holdings are not available for pledging, then CBL is entitled to assume that all the securities and other holdings are available to be taken as collateral when conducting business on behalf of the client.

Clearstream Banking Luxembourg/Clearstream International monitors Collateral to support:

- Clearing and settlement activity;
- Technical Overdraft Facilities or temporary overdrafts;
- The ASL programme;
- ASLplus programme;
- Triparty Agency Services.

Securities and other holdings that are pledged against a credit facility provided for securities borrowing are excluded from the calculation of collateral to cover any other credit arrangements. The process of controlling collateral for securities borrowing and the conditions under which Clearstream Banking Luxembourg/Clearstream International administers collateral with regard to Triparty Agency Services, ASLplus, are described in the relevant product documentation.

The collateral value of all securities and other holdings on the client's account must at all times be equal to, or greater than, the total value of all obligations that CBL undertakes on behalf of the client.

The enforcement of any pledge granted in favour of CBL pursuant to its Governing Documents or other client documentation is carried out in accordance with such documentation and (unless otherwise agreed) by Luxembourg law, it being understood that such enforcement methods may be carried out alternatively or cumulatively. Unless expressly agreed otherwise, if such enforcement is carried out by:

- sale, CBL will determine the price by selecting and accepting in good faith offer(s) for any collateral determined by CBL to be liquidated. This sale can be organised by selling such assets in a private sale at normal commercial terms, in an organised sale or in a public sale (whether or not, at CBL's discretion, made by or through a stock exchange).

  The value of the pledged collateral will be the price obtained in such sale.

- appropriation, such appropriation will be made at the value determined by CBL at its absolute discretion and acting in good faith, or by any neutral third party appointed by CBL, or any other pricing information services selected by CBL, each time selected by CBL at its sole discretion for the purposes of making or assisting it in making such determination, considering inter alia any listed price (if any), any published net asset value (if any), the respective market spreads, and any liquidation impacts. Such determinations shall be binding on the client absent manifest error.

For the avoidance of doubt, such determination process can be carried out before or after the appropriation. The value of the pledged collateral will be determined as at the date of the appropriation. The value of the pledged collateral will be the one so determined. CBL may elect, in its sole discretion, to appoint another person to which the right to appropriate the pledged collateral shall be transferred in lieu of CBL, it being understood that such appointment shall not affect CBL's rights and obligations against the relevant pledgor.

CBL shall be indemnified by the client on first demand against all legal, administrative or others costs, expenses and fees which CBL may incur in preserving, enforcing or obtaining its rights, or attempting the same, as well as any costs, expenses and fees (including legal fees) relating to the enforcement of any pledge granted in favour of CBL pursuant to its Governing Documents or other client documentation.

Eligibility of securities

Type of instrument

CBL decides whether a security is accepted as collateral. The security rating and the conditions of the security, such as the size of the issue, its currency of denomination, its special characteristics, its liquidity or its volatility may be decisive factors in accepting a security as eligible for collateral. The fact that an issue is not accepted as collateral should not necessarily be taken as an indication that the paper is of poor or doubtful quality.

The eligibility for collateral purposes of specific securities is indicated by the collateral value in the MT535 (Statement of Holdings) and also in the Xact Web Portal reference data query Financial Instruments indicated in the field Collateral Percentage.

The following instruments are eligible as collateral to support cash Financing facilities and the ASL Programme:

- Fixed income securities with a minimum S&P, Fitch or Moody's rating of BBB-/Baa3:
  - issued by sovereigns and central banks;
  - issued by local and regional governments;
  - issued by government agencies and supranational institutions;
  - issued by corporate and credit institutions;
  - European covered bonds.
- Selected Equities included in STOXX Europe 50 and STOXX North America 50 indices.

The following instruments are not eligible:

- Investment funds;

- Warrants;
- Structured securities, for example CDO, CLO, CLN, MBS;
- Own paper (excluded).

Collateral haircuts

Securities that are eligible are subject to "haircut" deduction from their market value when the collateral value of a holding is calculated.

CBL's methodology for collateral valuation of securities is composed of various elements (risk factors), among which - instrument type, credit risk associated with the financial instrument, issuer type and country of the issuer, the maturity of the asset, asset's price volatility and liquidity, as well as the wrong-way risk linked to the collateral security.

In addition to a haircut based on the risk factors, the haircut of the central bank issuing the currency is used as floor to assign a haircut. CBL applies this comparison check for all major central banks: the European Central Bank (ECB), the United States Federal Reserve (FED), the Bank of England (BoE) and the Bank of Japan (BoJ).

The following table provides an overview of the indicative baseline (lowest) haircut ranges applied for EUR and USD denominated securities:

Government and supranational issuers:	
AAA rated: From 3%	AA rated: From 4%
A rated: From 6%	BBB rated: From 9%
Municipal and provincial issuers:	
AAA rated: From 3%	AA rated: From 4%
A rated: From 6%	BBB rated: From 9%
Corporate issuers:	
AAA rated: From 4.5%	AA rated: From 5.5%
A rated: From 7.5%	BBB rated: From 10.5%
Bank and financial issuers:	
AAA rated: From 15.5%	AA rated: From 16.5%
A rated: From 18.5%	BBB rated: From 21.5%
Selected Equities:	
Fixed at 30%	

Additional haircuts are applied for securities issued in other currencies to cover FX risk. CBL reserves the right to make exceptions to eligibility rules and haircuts at its own discretion. Securities prices are automatically collected, daily, from several recognised external information providers, such as Refinitiv, ICE Data Services and SIX Financial Information. Securities collateral with a price age older than two days will be considered as ineligible.

Collateral tier

As required by Article 9 (1), point (b), sub-point (i) to sub-point (iii) of the above-mentioned regulation, CBL has a collateral hierarchy (four separate collateral tiers), which categorises collateral securities based on their quality and liquidity, by having HLC assets for T1a, T1b and T2 and non-HLC assets classified as T3.

Note: CBL uses the term HLC (Highly Liquid Collateral) in place of the term QLR (Qualifying Liquid Resource) used in the regulation.

QLR are constituted of HLC with minimal credit and market risk.

Tier	Collateral	HLC	Description
T1A	Y	Y	Highly liquid collateral (sovereigns, central banks, multilateral development banks and European mechanisms issuances)
T1B	Y	Y	Highly liquid collateral (liquid instruments of good quality issued by reliable issuer with low credit risk)
T2	Y	Y	Highly liquid collateral (transferable instruments that are ECB eligible)
T3	Y	N	High quality collateral (other transferable instruments)
T4	N	N	Not available for collateral

Collateral concentration limits

Concentration levels will be calculated based on end of day and intraday peak exposure collateral positions of clients with secured credit facilities and concentration limits will be applied on the following criteria.

Concentration limits are set in accordance with Article 14 of Commission Delegated Regulation (EU) 2017/390 of 11 November 2016 (supplementing Regulation (EU) No 909/2014). Both absolute (amount-based) and relative limits per concentration criteria are applicable, whereas amount-based limit acts as a minimum enforceable threshold.

Concentration Criteria	Concentration Limits Application	Absolute Concentration Limits (in USD)	Relative Concentration Limits
Issuer	Maximum concentration of securities issued by entities belonging to same group. No concentration limit applies on securities issued or guaranteed by Governments, Central Banks, German States or Supranational rated BBB (Standard & Poor's / Fitch) and above or Baa2 (Moody's) and above.	250,000,000	25%
Country	Maximum concentration on any single country rated BBB- (Standard & Poor's / Fitch) or Baa3 (Moody's). No concentration limit applies on securities where the country of issuer is rated BBB (Standard & Poor's / Fitch) and above or Baa2 (Moody's) and above.	250,000,000	15%

Concentration Criteria	Concentration Limits Application	Absolute Concentration Limits (in USD)	Relative Concentration Limits
Wrong Way Risk - Issuer Type	Maximum concentration on securities issued by Financial institutions rated BBB- (Standard & Poor's / Fitch) or Baa3 (Moody's). No concentration limit on securities issued by financial institutions rated BBB (Standard & Poor's / Fitch) and above or Baa2 (Moody's) and above.	100,000,000	25%
Wrong Way Risk - Same Country	Maximum concentration on securities issued by entities of the same country as that of the client if country is rated BBB- (Standard & Poor's / Fitch) or Baa3 (Moody's). No concentration limit applies if the country is rated BBB (Standard & Poor's / Fitch) and above or Baa2 (Moody's) and above.	250,000,000	15%
Instrument type	Maximum concentration on Equities, Certificates of Deposit, Commercial Paper, and Stripped Bonds.	• Equities: 200,000,000 • Certificates of Deposit/ Commercial Paper: 50,000,000 • Stripped Bonds: 50,000,000	• Equities: 20% • Certificates of Deposit/ Commercial Paper: 5% • Stripped Bonds: 10%
Settlement currency	Maximum concentration on securities issued in non-major currencies. No concentration limit on securities issued in the major currencies: EUR, USD and GBP.	• CAD, CHF, JPY: 500,000,000 • AUD, DKK, NOK, SEK: 250,000,000 • HKD, SGD, MXN, PLN, NZD, CZK, HUF, ZAR: 50,000,000 • CNY: 10,000,000	50%
Credit Rating	Maximum concentration on securities rated BBB- (Standard & Poor's / Fitch) or Baa3 (Moody's). No concentration limit on instruments rated BBB (Standard & Poor's / Fitch) and above or Baa2 (Moody's) and above.	100,000,000	25%
ECB Eligibility	Maximum concentration on securities not eligible at the ECB.	500,000,000	55%

Concentration Criteria	Concentration Limits Application	Absolute Concentration Limits (in USD)	Relative Concentration Limits
Liquidity	Maximum concentration on securities with low liquidity score.	50,000,000	10%
Price Volatility	Maximum concentration on securities with high volatility score.	• High price volatility: 250,000,000 • Very high price volatility: 10,000,000	15%

CBL will check the adherence to the above-listed concentration limits and will monitor cases where a client breaches any of those limits. CBL will analyse breaches of the concentration limits and may inform clients accordingly.

Clients will be granted time to accommodate to the new collateral concentration limits criteria.

Highly liquid collateral

Highly liquid collateral is collateral with minimal credit and market risk. For more details, please refer to Article 34 of the Level 2 text - Regulation (EU) 2017/390 on regulatory technical standards (RTS) on prudential requirements as published in the Official Journal on 10 March 2017, available on the Clearstream website.

Eligibility of account positions

The position within an account balance is also, along with the type of instrument, a critical factor in determining eligibility for collateral calculation. The available balance on the account is included in the valuation for collateral purposes. Other balances or positions can be included in or excluded from the calculation of collateral as follows:

- The collateral value of drawn securities and positions blocked for redemption is also maintained.
- Pledged positions taken as Collateral, normally against securities borrowing positions, are excluded.
- The collateral value of securities debited on Bridge/external deliveries is maintained until confirmation of settlement or, in the case of fails, re-credit of the securities.

Funding arrangements of the CSD

In addition to Article 34 of the Delegated Regulation (EU 2017/390) stipulating a requirement for highly liquid collateral from clients, the CSD itself has to put in place reliable funding arrangements that can be converted into cash[1].

Arrangement type	Arrangement
Standard funding arrangements	Uncommitted repo arrangements, uncommitted funding lines, uncommitted FX swap arrangements and available nostro balances
Pre-arranged funding agreements	Committed repo arrangements, cleared repo markets, committed FX swap arrangements, revolving multi-currency credit facility
Client default related funding option	Liquidating collateral in case of client default
Crisis related funding buffers / measures	Minimum liquidity buffer (EUR, USD, GBP), cancelling client UCF/TOF lines, multi-currency EUR-commercial paper programme, intra-group funding
	Monetisation of client assets

As shown above, CBL has several layers of liquidity arrangements in place to avoid severe liquidity shortages, even in the case of multiple simultaneous client defaults. As a measure of last resort, this would include the monetisation of client assets under the right of use. It would only be triggered in the case of a stress event as defined within the Credit Terms and Conditions and the relevant market value of these assets would be calculated on the day when the right of use would be exercised.

Eligibility of cash

CBL applies haircuts on cash positions which are used as collateral. The haircut for cash collateral depends on the FX-volatility of the collateral currency. Currencies in which CBL does not grant credit limits will be assigned a 100% haircut.

Valuation

Prices and exchange rates

CBL obtains price quotation information on a daily basis from major information suppliers. Exchange rates to evaluate all currencies in USD are determined daily by CBL based on market conditions.

Revaluation

Updated information on prices and currency exchange rates is incorporated in the settlement processing and is reflected in the MT535 (Statement of Holdings). Security prices reported in this statement are for information only. During each settlement processing, a revaluation is undertaken of both the value of the eligible securities on the account and the value of the cash borrowing and risks against which that collateral is held, based on the updated information on prices and currency exchange rates.

1. Point (d) of Article 59(4) of Regulation (EU) No 909/2014 requires the CSD-banking service provider to have prearranged and highly reliable funding arrangements in place to ensure that collateral that is provided by a defaulting client can be converted into cash even in extreme but plausible market conditions.

Included in the revaluation are changes that have occurred in the eligibility of securities for collateral purposes. CBL reviews the list of eligible securities on an ongoing basis and may enter changes at any time during the real-time processing. CBL may change the eligibility of any issue for collateral at its sole discretion.

Changes in collateral eligibility of securities, as well as movements in prices and currency exchange rates used in the calculation, may cause the value of collateral to fall below that of the outstanding borrowing against which collateral is held. In such cases, the account may be blocked in the settlement processing and Transactions may remain unsettled.

5.8 Interest calculations and reporting

The calculation of interest for a given month is reported to clients in the Monthly Interest Scale report, Notification of Interest (camt.053), which is available in the morning of the tenth calendar day of the following month (or, if that is not a Business Day, on the next available Business Day after that).

After the interest calculation has been made and reported, subsequent Backvaluations will not be included in the interest scales. Adjustments can only be made by separate book-entry over the account.

Back valuation of funds movements on transactions between CBL counterparties that fail to settle on the requested settlement date is not possible. In each settlement processing, the value date for funds movements on internal and Bridge book-entry Transactions is determined by the settlement date of the processing, with the exception of Primary Market Transactions, which can be backvalued to closing date. For this reason, clients who want to make compensation adjustments for late settlement should arrange to pay compensation by a separate transfer of funds, rather than request CBL to execute back valuation adjustments.

Debit interest is charged on value dated debit balances and is reported as a pacs.008 or pacs.009 instruction. However, where the total amount of monthly debit interest in a currency is less than USD 10.00 or equivalent, no charge is made.

The daily interest rate shall be composed of the following:

- the available interbank money market overnight offer rate for the relevant currency; and
- a risk weighted debit margin applied in accordance with CBL's risk assessment on the CBL credit user and the currency group availability.

Client debit margins

Currencies	TOF	Rating	Risk weighted debit margin
USD, CHF, GBP, AUD, CAD, DKK, NOK, SEK, JPY; EUR and NZD	Yes	AA or A	1.50%
		B	2.00%
		C or D	2.25%
		E, F or G	2.50%
		H, I, J or K	3.75%
	No		4.50%
HKD	Yes		2.50%
ZAR			5.50%
PLN			3.50%
CZK			4.50%
HUF			4.00%
HKD	No		4.50%
ZAR			7.50%
PLN			5.50%
CZK			6.50%
HUF			6.00%
Other currencies			4.50%

5.9 Income main transfer account

The income main transfer account (Transfer 1) is a service that allows the automated transfer of income payments and fees from one Clearstream Banking account to another Clearstream Banking account defined as the client's income main transfer account.

Clients can subscribe to the Transfer 1 service by sending a Swift MT599 (for the attention of Account Administration) or free-format message via Xact Web Portal.

The income main transfer account service is a way for clients to streamline their internal reconciliation processes by centralising their custody proceeds (interest, dividend, reimbursement proceeds), invoices, and debit interest in the same account regardless of the number of settlement accounts in CBL.

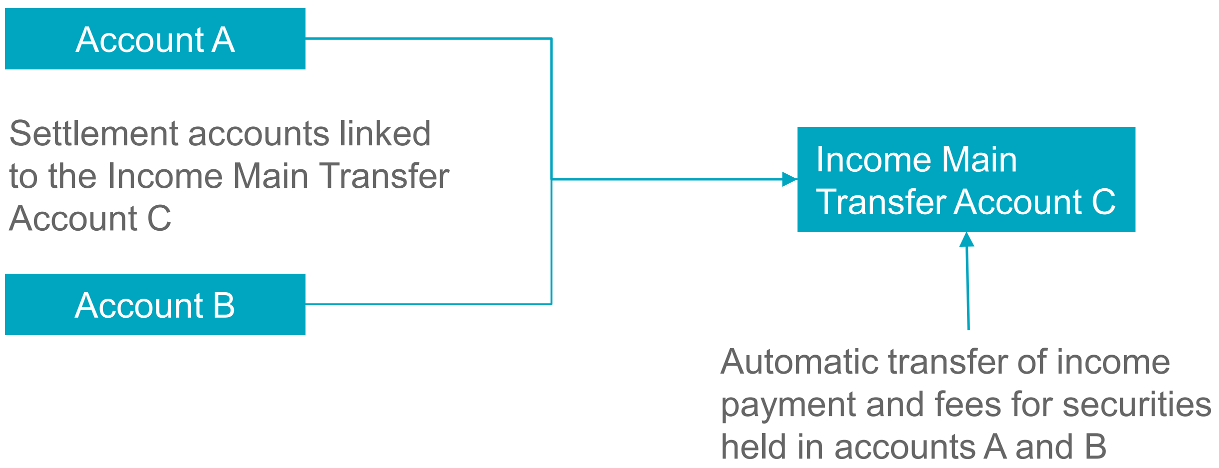


Figure 5.13

Principles

- The service covers all ICSD accounts.
- Automatic income transfer is possible in all settlement currencies.
- Income cash proceeds are credited directly to the income main transfer account while the following fees are charged to that same account:
  - billing fees;
  - out of pocket expenses;
  - monthly interest payments.

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6. Global Securities Financing services (GSF)

CBL undertakes all the administrative and operational burdens required for securities Financing and this chapter details CBL's Global Securities Financing services, comprising securities lending and Collateral management services as follows:

- Automated Securities Lending and Borrowing Programme

  Through its Automated Securities Lending (ASL) Programme, CBL acts as an agent to arrange loans of securities to clients in order to maximise the number of Transactions settled and to provide revenue to lenders. Integration of the securities lending and borrowing programme into the Settlement processing optimises the use of client securities Balances for lending and Settlement purposes.

- ASL principal Programme

  Through the ASL principal Programme, CBL acts as contractual counterparty (borrower) under the loans with the Lender, by virtue of a commission agency arrangement with underlying Borrowers. The ASL principal Programme aims to support settlement efficiency both in the ICSD and in CEU/T2, by making a pool of liquidity composed of assets held by CBL clients in the ICSD, as well as in CEU and in LuxCSD available for automatic borrowing, and providing lenders with enhanced revenue opportunities.

- ASLplus Programme

  Through the ASLplus Programme, lenders have the opportunity to increase revenue streams by making their portfolio available to the wholesale market for strategic lending purposes. CBL acts as contractual counterparty (borrower) under the loans with the Lender in accordance with SLPA and single borrower, negotiating rates on a loan by loan basis. Complementing the existing ASL service, lenders can off-set custody fees with the enhanced revenues.

- Collateral Management Services

  The Triparty Collateral Management Services simplify the administration of various multi currency agreements for Collateral Receivers and Collateral Givers alike, and reduces the operational risks associated with such Transactions by offering true Delivery Free of / Versus Payment Settlement and a comprehensive securities safekeeping service.

CBL can agree, subject to the Securities Lending and Borrowing Rules, to act as the agent for a CBL client who wants to make securities available for borrowing by other clients of CBL. As the agent, CBL would effect the lender's loans from time to time, either automatically or on a case-by-case basis, to enable a borrower, for example:

- To fulfil a contract to sell such securities; or
- To replace an existing loan of securities to a third party.

CBL would also monitor Collateral for all such loan activity.

6.1 Automated Securities Lending Agency model

The Automated Securities Lending and Borrowing Programme (ASL) contributes to CBL's Settlement processing that provides opportunities for borrowers to avoid Settlement failures, and for lenders to earn additional income from their portfolios.

ASL is a fails prevention service that enables Settlement efficiency to be maximised and the predictability of Settlement results to be improved. ASL carries no incremental counterparty risk because the Guarantors underwrite all loans.

Every collateralised loan of securities in CBL is guaranteed by CBL in the ASL Programme. The eligibility criteria for the Collateral on these loans is set out in section 5.7 Collateral valuation under Eligibility of securities on page 5-42.

Concentration limits are applied on all Collateral.

ASL is a flexible service. Lenders can decide which securities they wish to make available for lending by currency, Security Code or percentage of portfolio. The approval of loans can be on a fully automatic basis or on a case-by-case basis as the need or opportunity arises.

Loaned securities are not subject to custody fees for the lender. The lender can recall loans according to the Securities Lending and Borrowing Rules and is not committed for any fixed duration. Borrowers have access to a large pool of lenders and, since the administration of the programme is undertaken by CBL, both lenders and borrowers avoid the substantial overhead costs of arranging securities loans independently.

Integrated lending provides a number of benefits, notably increased Settlement efficiency and improved turnaround on back-to-back Transactions. Intraday lending, which includes all instruments, can enable clients to overcome differences in Settlement timings in different markets.

Lenders recognise that an automated service increases the number of opportunities to lend, which increases revenues, and borrowers appreciate the ready availability of securities, which prevents Settlement fails.

To start using this service, clients of Clearstream Banking need only sign one legal agreement, the Securities Lending and Borrowing Rules, available for Premium users only on the Clearstream website.

For further details about this product, please consult the ASL Product Guide and the Reporting Guide for ASL and ASLplus, both available on the Clearstream website.

6.2 Automated Securities Lending principal model

ASL principal is a unique fails coverage service that forms part of Clearstream's CSD and ICSD securities lending services enabling clients to borrow from or lend to a single pool of securities regardless of their settlement and custody location.

CBL acts as contractual counterparty (borrower) under the loans with the Lender, by virtue of a commission agency arrangement with underlying Borrowers and single borrower to the lender, and single lender to the borrower.

CBL undertakes both the Settlement and the administration of the loaned securities, including income payments and corporate actions.

Loans are fully collateralised and Clearstream International acting as Collateral agent assumes responsibility for the daily mark-to-market and top up/down.

Loaned securities are not subject to custody fees for the lender.

The lender can recall loans according to the legal agreement.

The lender profiling works in conjunction with ASL.

The ASL principal Programme as a lending service for an external settlement platform (T2S) is complementary to the existing ASL Agency product (section 6.1 Automated Securities Lending Agency model).

For further details about this product, please consult the ASL Product Guide and the Reporting Guide for ASL and ASLplus, both available on the Clearstream website.

6.3 ASLplus

In addition to ASL, CBL can offer lenders ASLplus which is complementary to the existing ASL Programme.

The ASLplus Programme provides lenders with the opportunity to enhance their revenues by offering access to the wholesale trading market. This market is driven by demands for strategic lending and is designed to increase revenues by matching the high demand in this market with the supply in the lender portfolios.

CBL acts as a contractual counterparty (borrower) under the loans with the Lender in accordance with SLPA and single borrower to the lender, negotiating rates on a loan by loan basis. CBL undertakes both the Settlement and the administration of the loaned securities, including income payments and corporate actions. Loans are fully collateralised and Clearstream International acting as Collateral agent assumes responsibility for the daily mark-to-market and top up/down. Loaned securities are not subject to custody fees for the lender. The lender can recall loans according to the legal agreement and is not committed for any fixed duration. The lender profiling works in conjunction with ASL.

Lenders must sign the CBL Securities Lending Principal Agreement (SLPA) to start using the service and to start optimising their portfolio fully.

For further details about this product, please consult the ASLplus Product Guide and the Reporting Guide for ASL and ASLplus, both available on the Clearstream website.

The following figure provides a comparison of the lending services:

	Product features
Automated Securities Lending (ASL)	• Short term fails prevention lending. • Rates are not negotiable. • A Guarantor underwrites counterparty risk. • Loans between clients are on an undisclosed basis. • Clearstream Banking handles all administrative and operational functions, including corporate action and income events, daily mark-to-market of both loaned securities and Collateral.
ASL principal	• Short term fails prevention lending. • Rates are not negotiable. • Clearstream Banking acts as contractual counterparty (borrower) under the loans with the Lender in accordance with the SLPA. • Clearstream Banking handles all administrative and operational functions, including corporate action and income events, daily mark-to-market of both loaned securities and Collateral.
ASLplus	• Long term strategic lending opportunities. • Rates are negotiated on a loan-by-loan basis. • Clearstream Banking acts as contractual counterparty (borrower) under the loans with the Lender in accordance with the SLPA and single borrower. • Clearstream Banking handles all administrative and operational functions, including corporate action and income events, daily mark-to-market of both loaned securities and Collateral.

Figure 6.1 Comparison of lending services

6.4 SFTR Reporting Support Service

The Securities Financing Transactions Regulation (SFTR) Reporting Support Service is a voluntary reporting support service offered by CBL to the SFT participants of ASL, ASLplus and ASL principal. All securities lending participants are able to opt for this service on a per product basis.

Subscription to the SFTR Reporting Support Service enables CBL to report selected securities lending transactions and associated collateral on the client's behalf - for the purpose of “Table 1” (Counterparty data) and “Table 2” (Loan & Collateral data) as defined in the SFTR but not for “Table 4” (Reuse data).

As CBL has its own SFTR reporting obligations for ASL, ASLplus and ASL principal, it can replicate and report SFT details from the perspective of CBL's direct counterparty to the SFT. The SFTR Reporting Support Service follows the same process as CBL's own reporting flows. The technique for this is called mirroring, which is offered by IHS Markit's functionality as part of the CBL reporting solution. IHS Markit also provides read only user interface access for CBL clients to allow an oversight of all reporting flow sent on the client's behalf, including the latest statuses.

CBL's Trade Repository (TR) of choice is REGIS-TR. EU based clients subscribing to the SFTR Reporting Support Service must also appoint the same TR in order for their delegated SFTR mirrored messages to be sent there via IHS Markit. While UK based clients subscribing to the service will have their SFTR mirror messages sent to DTCC UK.

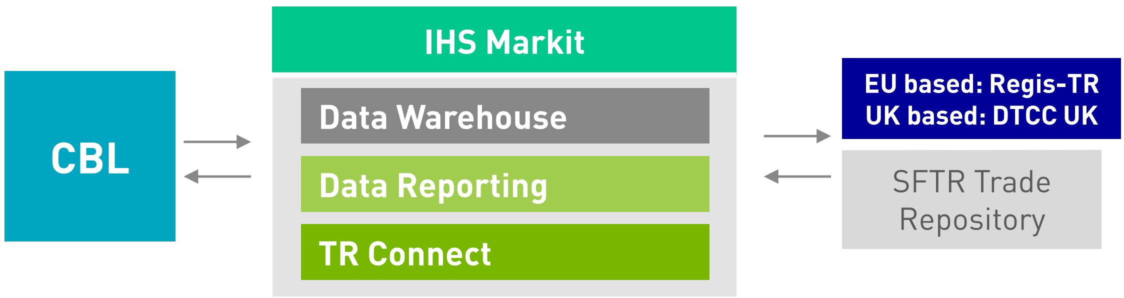


Figure 6.2 SFTR Reporting flow

For further details about this service, please consult the SFTR Reporting Support Service Description.

6.5 SFTR API

The SFTR API allows clients to retrieve information about their securities lending transactions (that is, their participation in the products: ASL, ASLplus and ASL principal), in order to assist with their SFTR reporting as mandated under SFTR regulation introduced in July 2020.

The Securities lending transaction data will be extracted at clients' LEI level as used for SFTR reporting. When called, the API will return all data information about the SFTs of the previous business day, detailing each and every event of the SFTs on that business day.

The SFT data distributed via API allows clients to process the data seamlessly through machine-to-machine communication, allowing the integration of data into client's own systems in a seamless and secure manner.

Access to the SFTR API requires the completion and acceptance of Clearstream Banking's API Agreement with the SFTR API Annex including subscription to Clearstream Banking's connectivity suite (ClearstreamXact). Xact Web Portal provides self-management of the SFTR API credentials.

For further details about this service, clients should consult the SFTR API Specifications.

6.6 Collateral Management Services

CmaX (Collateral management eXchange) is Clearstream Banking's state-of-the art triparty Collateral management system, centralising the following Collateral management services:

- Triparty Repo Service (TRS);
- Triparty Securities Lending Services (TSLS1, TSLS2);
- Triparty Collateral Management Services (TCMS);
- General Collateral (GC) Services;
- Pledge to central banks.

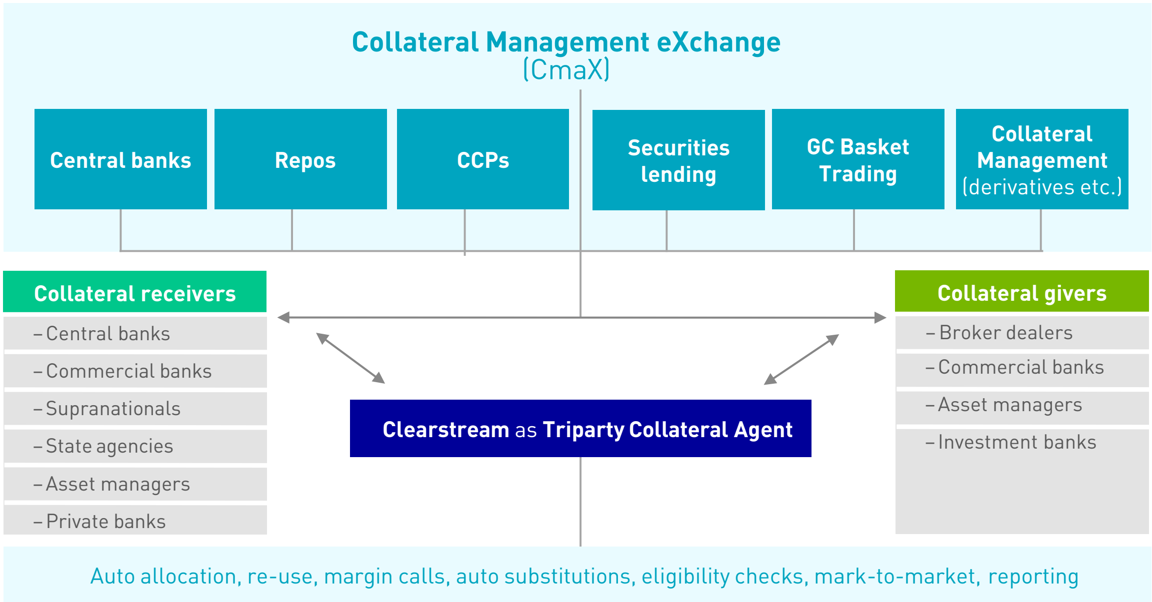


Figure 6.3 Overview of CmaX

The Triparty Collateral Management Services simplify the administration of various multi currency agreements for Collateral Receivers and Collateral Givers alike, and reduces the operational risks associated with such Transactions by offering true Delivery Free of / Versus Payment Settlement and a comprehensive securities safekeeping service.

Main features of the services are:

- True Delivery Against Payment (Repo and TSLS1) and free of payment (TSLS2 and TCMS) Settlement, Pledge to central banks and GC services.
- Use of the sophisticated AutoAssign (AA) Facility, which provides automatic selection, allocation and substitution of securities for triparty Transactions.
- Proactive margin calls for clients that have subscribed to the AutoAssign (AA) Facility.
- Pre-Record Date substitutions of taxable securities for Autoassign (AA) Facility clients.
- Daily mark-to-market using different pricing feeds and detailed daily valuation reports by Transaction and by net exposure.
- Unlimited substitution facilities (Delivery Against Payment).

Value added services:

- Flexible client-defined eligibility profiles, concentration limits and margins.
- A "state-of-the-art" Collateral Reuse Service enabling Collateral Givers to reuse securities received in triparty Transactions to collateralise other triparty Transactions (the Collateral can only be reused within Clearstream Banking's triparty Collateral management services)
- Proactive counterparty introduction service, whereby carefully selected counterparties are introduced to one another
- Flexible communication options, including Swift, secure email, Xact Web Portal, Xact File Transfer and fax.

Details of the service can be found in the Triparty Collateral Management Service (CmaX) Product Guide and the relating supplements, available on the Clearstream website.

Triparty Collateral Management Services

The Triparty Repo Service (TRS)

TRS is designed to simplify the process of administering multi-currency Repurchase Agreements for both Collateral Givers and Collateral Receivers and to reduce the operational risks associated with Repurchase Agreements by offering a comprehensive Delivery Against Payment and securities safekeeping service.

Triparty Securities Lending Service 1 (TSLS1)

TSLS1 is a comprehensive service that provides complete Settlement and valuation of a securities loan as well as the related Collateral management for the duration of the trade.

Simultaneous exchange of loan principal against Collateral enables Settlement of both sides of the Transaction, thus reducing risk and increasing efficiency.

Triparty Securities Lending Service 2 (TSLS2)

TSLS2 provides valuation, but not Settlement, of loan securities and Collateral management services to clients that want to settle the loan securities on a bilateral basis.

Triparty Collateral Management Service (TCMS)

Triparty Collateral Management Service (TCMS) simplifies Collateral administration for both Collateral Receivers and Collateral Givers. Clearstream Banking's TCMS can be used to cover various types of principal agreements that the counterparties may have entered into, such as:

- Bilateral cash loans;
- ISDA/CSA margining;
- Collateralisation for central discount borrowing window;
- Collateralisation of securities lending Transactions etc.

Collateral is delivered from the Collateral Giver's account to the Collateral Account.

Settlement of the Collateral is free of payment.

General Collateral (GC) Services

Clients benefit from anonymous electronic trading on trading platforms (for example, Eurex Repo) in the major currencies (Euro, CAD, GBP, CHF and USD) combined with the Central Counterparty (CCP) services (for example, Eurex Clearing AG or RepoClear) and CBL's fully automated Collateral management and Settlement services.

Central Counterparty (CCP) margining

Clearing members can collateralise their exposures towards Central Counterparties (CCPs) under Luxembourg Law via CBL's Triparty Collateral Management Services.

The Triparty Collateral Management Service engine (CmaX), acting as Collateral location, enables clearing members to cover initial margin requirements for centrally cleared derivatives using the triparty collateral management model.

Pledge to Central Banks

This service enables triparty clients to Pledge Collateral in favour of central banks to gain access to intraday or overnight liquidity, participate in tender operations and discount windows, for risk management purposes, etc.

Provided the participation criteria of the central are met, clients can outsource the full exposure management process to Clearstream Banking, from eligibility checks and Collateral valuation to Settlement and full reporting.

Cross-product Collateral reuse

CmaX offers an innovative cross-product Collateral reuse functionality that enables Collateral Receivers to reallocate Collateral received in triparty Transactions to collateralise other triparty exposures.

Unlimited Collateral reuse is available both to Collateral Givers that have subscribed to the AutoAssign Facility and to Collateral Givers using manual selection of Collateral.

Cross-product Collateral reuse enables clients to reuse any Collateral received in triparty Transactions across the different Collateral management products (TRS, TSLS, TCMS, GC services and Collateral Pledge to central banks).

Collateral Givers can allocate assets that have been received in triparty Transactions (reuse of Collateral) and/or own Collateral to cover exposures.

6.7 Client Services

The daily administration and operational aspects of Clearstream Banking's Collateral Management Services/Securities Lending Services are handled by a dedicated team in Luxembourg.

Assistance is directly available from the **Luxembourg**, as follows:

Luxembourg	Collateral Management	Securities Lending
Group telephone:	+352-243-38113	+352-243-38112
Group fax:	+352-243-38262	+352-243-38201
Group email:	cmax@clearstream.com	asl@clearstream.com aslplus@clearstream.com
Swift address	CEDELULL	CEDELULL

For further information about any of our Global Securities Financing solutions, or if you have specific questions regarding Clearstream Banking's Global Securities Financing Services, please contact your local Global Securities Financing sales team, as follows:

	Luxembourg	London	Frankfurt
Telephone:	+352-243-36868	+44-(0)20-786 27626	+49-(0)69-2 11-1 72 50
	Dubai	**Singapore**	**New York**
	+971-4-331-0644	+65-6597-1621	+1-212-309-1999
Email:	gsf@clearstream.com		

The Clearstream website is at www.clearstream.com.

7. Custody business operations - New Issues

Custody business, together with Clearing and Settlement, constitute the core areas of CBL's business.

7.1 Admission and distribution of New Issues

The admission of securities in CBL is subject to the acceptance by CBL of the issuers that shall fulfil CBL's access criteria. The securities eligible in CBL have to be represented in book entry either in dematerialised or immobilised form.

For the purpose of this chapter, securities in dematerialised form shall be understood as securities recorded electronically, in book-entry form through the CSD.

Before securities become available for Secondary Market Settlement and for CBL's custody management services, both the Closing operations and the distribution of allotments in New Issues can be handled by CBL and are described in this chapter.

Acceptance of a prospective Issuer or Issuer agent on a particular issuance does not guarantee conditional acceptance for future issuances.

Issuers and Issuer Agents must refer to the ISMAG[1] Market Practice Book (including the tailored versions of the checklists established for issuance under programme and standalone to assist in evaluating the completeness of security information thereby allowing for more timely and accurate servicing of the security).

When accepting New Issues, CBL assists Lead Managers, lawyers and Issuing Agents. CBL reviews issue structures and can provide additional information on operational procedures for specific features or requirements of New Issues. CBL also advises on the documentation of these procedures in the Offering Documents such as Prospectus, Offering Circulars or equivalent upon submission for review.

Lead managers should not finalise these documents until CBL has reviewed them, commented on them and confirmed its acceptance of them. However, CBL's advice shall be limited to technical and operational aspects of the New Issue.

Note: It is a mandatory requirement that any changes in the status of the issuer, issuance or in the documentation provided for the initial review shall be communicated to CBL in due course so further eligibility checks can be performed.

CBL does not make any representation nor does it have any duty to monitor or investigate:

i) the underlying commercial Transaction;

ii) the validity or binding effect of any security issued via CBL or any guarantee thereof or any related document under the chosen governing law; and

iii) the compliance of the issuers with the requirements applicable under the law constituting the securities issued.

The issuers and issuing agents remain solely responsible for the compliance with the chosen law governing the issuance and/or the securities.

1. ISMAG was launched aimed at creating standardisation and efficiency for eligibility requirements and asset servicing processes for international securities deposited in the International Central Securities Depositories (ICSDs). The initiative, which is supported by key market players, associations and sponsored by the ICSDs, has the longer term aim of achieving a high level of straight-through processing (STP) in the interactions between market participants, from the issuing community through to investors. The programme was launched to achieve these objectives through harmonisation, standardisation and automation of operational processes.
The Market Practice Book (MPB), issued by the two International Central Securities Depositories (ICSDs), CBL and Euroclear Bank SA/NV, describes the best practices for operational processes in new issues, corporate actions and income for international securities primarily issued through and deposited with the ICSDs.

Note: CBL reserves the right to seek from issuers or their agents a legal opinion from an independent and external law firm confirming that the securities can be represented in book-entry form and to confirm the validity and enforceability of the issuance under the chosen issuance governing law.

Non-compliance with CBL's procedures may result in the security not being made eligible for Clearing and Settlement, in particular, a security cannot be made eligible if not recorded in book-entry form in CBL or the acceptance of the issuance represent a legal, operational and/or financial risk.

Moreover, if there are any changes to the status of the issuer, issuance or in the documentation provided for the initial review communicated to CBL that failed further eligibility checks, then a security may be withdrawn from previous eligibility.

7.2 New issues services

A comprehensive range of services is provided in connection with the eligibility assessment, issuance and distribution of New Issues inclusive of international and domestic markets. Instruments accepted for these services include euro-, global and domestic instruments (Certificates of Deposit, Depositary Receipts, Treasury Bills, Commercial Paper, short- term and medium-term notes, bonds, Equities, Warrants, Equity linked notes and Investment Fund Shares).

CBL requires that all new issues are serviced by agents that are AML regulated financial institutions. Issuer Agents (for example Issuing and Paying Agents, Principal Paying Agents, Lead Managers / Settlement Agents) will be expected to support the issuer in the eligibility and confirmation process and in some instances in the primary settlement. CBL will assess all such entities as part of the eligibility process.

CBL administers the distribution of securities on a free or against payment basis following the recommendations of the May 1984 report of the International Primary Markets Association Task Force on Primary Market Settlements and of subsequent updates to the report produced from time to time.

For the settlement of syndicated against payment distributions, Lead Managers / Settlement Agents will require CBL to open for their usage a commissionaire account. Those commissionaire accounts legally belong to Clearstream but their usage is delegated to the Lead Managers / Settlement Agents. To obtain use of such account type, Lead Managers / Settlement Agents will sign dedicated terms and conditions together with a Power of Attorney and fill in a dedicated commissionaire account opening form.

For Settlement Agents operating on behalf of one or multiple Lead Managers a dedicated terms and conditions document, as well as a corresponding account opening form will be required. Additionally, Settlement Agents acting on behalf of multiple Lead Managers must disclose to Clearstream the Lead Manager's identity for each distribution it aims to settle no later than 10 business days before the closing date. When settling a syndicated distribution, Lead Managers / Settlement Agents will have to first distribute against payment the securities to one of their own accounts (trading or syndication type) in one single transaction before being allowed to redistribute the securities to the allottees. Upon collection of the entire cash amount on the commissionaire account, the Lead Manager/ Settlement Agent will directly pay the Issuer or its designated beneficiary.

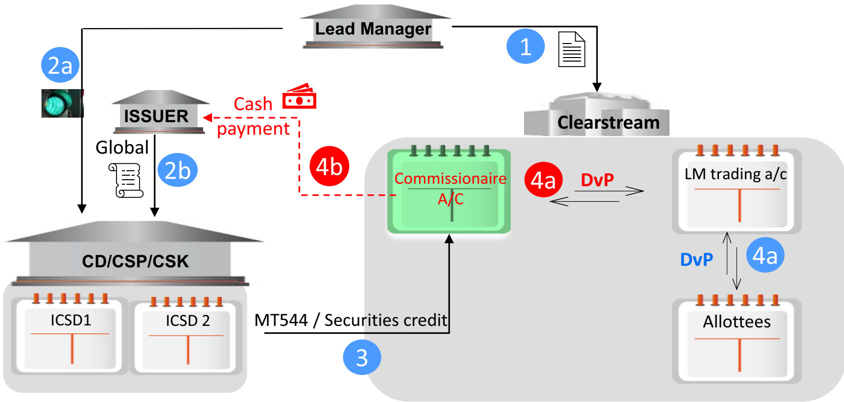


Figure 7.1 Commissionaire account

Step	Description	who?
1	At least two days before closing date, Lead Manager / Settlement Agent sends to CBL its Allotment list to advise of a new syndicated securities distribution. Settlement Agents who work on behalf of multiple Lead Managers, have to ensure they divulge the identity of the Lead Manager they serve at least 10 Business days ahead of the closing date. Within a few days, CBL will formally validate the new issues distribution under the commissionaire account structure. Lead Manager / Settlement Agent books in CBL its DVP settlement instructions between the commissionaire account and its own trading (or syndication) account and versus the allottees and sends CBL its cash payment instruction to pay the Issuer.	LM
2a, 2b	Once condition precedents are met, the Lead Manager / Settlement Agent gives their green light to proceed with the issuance process to ensure that global certificates are sent to the Common Depository-CSK for safekeeping and informs ICSDs accordingly.	LM
3	Common depository/CSP releases its SWIFT MT544 to CBL to mark up the new securities onto the commissionaire account.	CD
4a, 4b	As soon as settlement of securities has taken place between the commissionaire account and the Lead Manager's / Settlement Agent's own trading (or syndication) account, the funds collected on the commissionaire account are transferred to the Issuer or its designated beneficiary as per Lead Manager's / Settlement Agent's instruction.	CBL

LM = Lead Manager
CD = Common Depository

Figure 7.2 DVP model description

Under the syndicated distribution model and provided condition precedents are met, the Common Depository or Common Service Provider will credit the newly issued securities onto the Lead Manager's / Settlement Agent's commissionaire account. Once the settlement of the securities has occurred, the Lead Manager / Settlement Agent, having then collected the relevant cash proceeds, will be able to transfer those as ordered to them by the Issuer.

If the settlement of newly issued securities cannot be completed by the cash deadline, several options can be contemplated in agreement with the Lead Manager / Settlement Agent:

- The settlement is kept and distribution settles after the cash deadline. The payment will be performed under value closing date + 1 business day.
- The settlement will have to be postponed to a future settlement date and securities will have to be returned to the issuer or its intermediaries and the securities marked down in CBL's books.

To ensure a smooth securities settlement, the Lead Manager / Settlement Agent must ensure their counterparties have the capability to entirely buy the securities they instructed them to deliver. If one of the counterparties does not settle their own transaction against the Lead Manager / Settlement Agent during the course of the closing date, the Lead Manager / Settlement Agent would then have to make sure they can nevertheless settle at least the very first transaction in the settlement chain between their commissionaire account and their own account. This first step being mandatory in order to collect the necessary cash proceeds to pay the issuer still under correct value date.

Note: Clients are reminded of the importance of the following paragraph. Clients need to understand the impact of such distributions and their impact on other business activities.

The distribution of New Issues takes place as soon as possible after the completion of the closing. Distribution and onward delivery can occur in the real-time or End of day processing on Closing Date, (the date defined in the agreement between the Issuer, the Guarantor (if applicable), the Lead Manager / Settlement Agent and the other managers setting out the terms and conditions on which the Managers agree to subscribe to the securities) with same-day value, and/or in the real-time processing beginning in the evening of the Closing Date to allow for Bridge Settlements and related internal Transactions. The real-time processing beginning in the evening of the Closing Date includes Transactions in the New Issue both for value Closing Date and for value the Business Day after Closing Date (which is the normal Settlement Date for the processing).

For more particular details on CBL's New Issue services and procedures, and the advantages of using CBL for the distribution of New Issues, please consult your Relationship Officer or the New Issues departments in Luxembourg or London.

7.3 The Issuance Form of International Securities: CGN, NGN, Dematerialised and DLT Native

Issuers can choose between different legal forms and holding structures for the representation of International Debt Securities.

Securities in global bearer form may be represented by a Classic Global Note (CGN) or alternatively a New Global Note (NGN) when intended to be held in a manner that would allow the security to be considered as eligible collateral for Eurosystem monetary policy.

Securities in registered global form may only be represented by a CGN. When intended to be considered as eligible collateral for Eurosystem monetary policy they must be held via the New Safekeeping Structure.

From 16 March 2026, there is the option to issue International securities in Dematerialised form, meaning that they will exist only as book-entry records, with no certificates (global or otherwise) being issued in relation to them.

Issuers can also choose DLT Native Instruments, in which case CBL will be the sole issuer CSD.

The related safekeeping and asset servicing functions will depend on the chosen form of the security, which are described in detail in the following subsections.

DLT Native Security

These securities are constituted under a dematerialised legal form and will exist only as book entry records no global certificate being issued. These securities are issued in the form of ERC-20 tokens on the D7 DLT Platform and recorded in securities accounts opened and maintained on the D7 DLT Platform while distribution takes place on the traditional securities settlement platform. For such issuances, CBL is the sole issuer CSD and will appoint an agent to provide asset servicing.

The Classical Global Note (CGN)

A Classical Global Note (CGN) is a security represented by a Global Certificate that requires annotation to the attached schedule in order to legally evidence (changes to) the total indebtedness (that is, the Issue Outstanding Amount - IOA) of the Issuer.

Common Depositories are appointed by CBL and Euroclear Bank to support the issuance and the distribution of, and to provide asset servicing for, International Securities issued in CGN form. Any questions regarding a Common Depository or CGN should be addressed directly to CBL or to Euroclear Bank and not to the Common Depository.

As a general rule, mandates are allocated to Common Depositories by giving priority to the entity acting as the Issuing Agent for the issue. The New Issue will be allocated to the Common Depository (if any) that fulfils one of the agency roles listed below for the issue and in the following order of priority:

- Registrar or Transfer Agent;
- Issuing and Paying Agent (IPA), Principal Paying Agent (PPA) or Fiscal Agent;
- Conversion, Exchange or Warrant Agent; or
- Any other Issuing Agent function.

If no entity in the Common Depository network has been identified in the information provided at the acceptance or in the issue documentation as performing one of the above Issuer agency functions for a particular issue, the Common Depository mandate will be allocated in accordance with the preference of the Lead Manager or the IPA, as the case may be.

When no such preference exists, the Common Depository mandate will be allocated at the joint discretion of CBL and Euroclear Bank. Notwithstanding the above guidelines, CBL and Euroclear Bank reserve the right to jointly allocate mandates in a different way should operational and/or risk considerations require them to do so.

A Common Depository:

- Is appointed jointly by CBL and Euroclear Bank;
- Represents CBL and Euroclear Bank at the closing[1] for syndicated issues;
- Receives the CGN from the Issuing Agent;
- Provides asset servicing throughout the life of the security (for example, income and corporate actions processing, tax processing);
- Maintains the Issue Outstanding Amount of the CGN and reconciles it with the Issuing Agent;
- Records transfers of interest in the CGN between CBL and Euroclear Bank according to concordant notification from both Clearing systems.

After completion of the Settlement processing at the end of each day, CBL and Euroclear Bank inform the relevant Common Depository of their respective positions in each security held in CGN form. The Depository adjusts its records to reflect the current position of each ICSD.

A list of depositories appointed by CBL and Euroclear Bank is available on the Clearstream website under Key documents/ICSD/ Reference Data.

The New Global Note (NGN)

A New Global Note (NGN) is a security represented by a Global Certificate that refers to the records of the ICSDs for evidence of (changes to) the total indebtedness (that is, the Issue Outstanding Amount - IOA) of the Issuer.

Issuers are required to submit an Issuer-ICSDs agreement to request acceptance of the securities with the ICSDs. The use of the NGN form is required to ensure compliance with Eurosystem[2] Collateral eligibility criteria for the conduct of monetary policy operations. Issuers that want their debt to qualify as eligible Collateral in the Eurosystem must issue in NGN form.

Two agents are appointed by the ICSDs to provide safekeeping and asset servicing respectively for securities issued in NGN form:

- The Common Safekeeper (CSK);
- The Common Service Provider (CSP).

The New Safekeeping Structure (NSS)

After the introduction of the New Global Note (NGN) structure, which applies to international debt securities in global bearer form, the Eurosystem required the ICSDs to review the current custody arrangements for international debt securities in global registered form.

Further to such review, the ICSDs proposed new safekeeping arrangements for such securities, alongside the existing Classical Global Note (CGN) structure.

The use of NSS for registered issues is required to ensure compliance with Eurosystem Collateral eligibility criteria for the conduct of monetary policy operations.

The registered form global notes will be safekept by an ICSD as the Common Safekeeper (CSK) and serviced by a Common Service Provider (CSP);

Registered securities held under the NSS will have the same legal form as existing Classical Global Notes (CGNs) in registered form. The registrar is the legal record keeper.

The registered owner will be a nominee of the ICSD CSK.

1. This is the process in which securities are first authenticated and released by the issuer, the legal documentation is finalised and the securities (represented by a Global Note) are released for distribution to the allottees.
2. The European Central and national central banks of member states that have adopted the single currency.

In order to standardise market processing, the record date for NSS must be clearly indicated in the terms and conditions as payment date minus one business day (Record Date = Payment Date - 1 Business Day).

Issuers are required to submit an Issuer-ICSDs agreement to request acceptance of the securities with the ICSDs.

The Common Safekeeper (CSK)

Common Safekeepers (CSKs) are appointed by CBL and Euroclear Bank to support the issuance of the NGN and the NSS, to perform the Effectuation, if applicable, upon receipt of the authorisation from the Issuer or its Issuing Agent, and to provide safekeeping for it in its vaults.

For an NGN or an NSS security issued by an EEA or G-10 resident or a supranational entity, denominated in an ECB-eligible currency and whose issue documentation indicates that it is intended to be held in such a manner that it would qualify for eligibility as Collateral for intraday credit and monetary policy operations in the Eurosystem, the CSK mandate will be allocated to CBL or Euroclear Bank in accordance with the preference of the Issuing Agent in charge of depositing the NGN or NSS Certificate; that is, the Issuing and Paying Agent for securities issued under programme and the Principal Paying Agent or the Fiscal Agent for securities issued on a stand-alone basis.

Note: The allocation of the CSK mandate to CBL or Euroclear Bank is a pre-condition to allow the debt to be considered as eligible Collateral by the Eurosystem.

Notwithstanding the above guidelines, CBL and Euroclear Bank reserve the right to jointly allocate mandates in a different way should operational and/or risk considerations require them to do so.

For all other NGN securities, the CSK mandate will be allocated in accordance with the same guidelines as apply to CSP mandates (see "The Common Service Provider (CSP)" on page 7-7).

The CSK:

- is appointed jointly by CBL and Euroclear Bank;
- receives the NGN from the Issuing Agent and holds it in safe custody on behalf of the ICSDs;
- effectuates the NGN (when the documentation indicates that Effectuation is required);
- disposes of the NGN at maturity as per the Issuer Agent's instructions

Please refer to the Clearstream website for a list of CSKs and agents appointed by CBL and Euroclear Bank.

The Common Service Provider (CSP)

Common Service Providers (CSPs) are appointed by CBL and Euroclear Bank to support the issuance and distribution of, and to provide asset servicing for, international bearer Debt Securities issued in NGN or NSS form.

As a general rule, mandates are allocated to CSPs by giving priority to the entity acting as the Issuing Agent for the issue. The New Issue will be allocated to the CSP (if any) that fulfils one of the agency roles listed below for the issue and in the following order of priority:

- Issuing and Paying Agent (IPA), Principal Paying Agent (PPA) or Fiscal Agent;
- Conversion or Exchange Agent; or
- Any other Issuing Agent function.

If no entity in the CSP network has been identified in the information provided at the acceptance or in the issue documentation as performing one of the above Issuer agency functions for a particular issue, the CSP mandate will be allocated in accordance with the preference of the Lead Manager or the IPA, as the case may be.

When no such preference exists, the CSP mandate will be allocated at the joint discretion of CBL and Euroclear Bank. Notwithstanding the above guidelines, CBL and Euroclear Bank reserve the right to jointly allocate mandates in a different way should operational and/or risk considerations require them to do so.

A CSP:

- is appointed jointly by CBL and Euroclear Bank;
- receives the IOA mark-up/down instructions from the Issuing Agent and communicates them to CBL and Euroclear Bank;
- provides asset servicing throughout the life of the security (for example, income and corporate actions processing, tax processing).

After completion of the Settlement processing at the end of each day, CBL and Euroclear Bank inform the relevant CSP of their respective positions in each security held in NGN or NSS form.

A list of CSPs and agents appointed by CBL and Euroclear Bank is available on the Clearstream website under Key documents/ICSD/ Reference Data.

Dematerialised Eurobonds structure

"Dematerialised" debt securities are constituted under a new legal form and will exist only as book-entry records with no global certificate being issued.

The Issuance record maintained by the Common Record Keeper will be definitive evidence of the principal amount of debt securities owned by the legal holder and the Issuer's indebtedness.

Two parties are responsible for providing the record keeping and asset servicing functions respectively for securities issued in dematerialised form:

- The Common Record Keeper (CRK);
- The Common Service Provider (CSP).

CRK

The Distributing ICSD will be appointed as CRK, which will act on behalf of both ICSDs and carry out certain tasks required to ensure the integrity of the issue of dematerialised Debt Securities, namely:

- The initial recording of the dematerialised Debt Securities in the Issuance Record;
- The reconciliation and maintenance of the IOA.

CSP

Similarly to the existing process for NGN/NSS, the Issuing Agent will submit the final terms of the issuance to the CSP and the ICSDs no later than the closing date, validating the details of the proposed issuance as set out in the issuance documentation and submit a mark-up instruction to the ICSDs via the Common Service Provider (CSP). The CSP is acting as agent for the ICSDs.

For details on the issuance in dematerialized form, please refer to market coverage international.

7.4 General procedure for the admission and distribution of New Issues

Admission of a New Issue

The admission procedure for New Issues usually begins at the request of the Issuer Agent.

The Issuer Agent must highlight any special feature(s) of the New Issue to CBL and must provide CBL with the information indicated in the following figure:

Type of information required for:	Bonds	Warrants	Equity-Linked Products
Name of Issuer and Issuer's Legal Entity Identifier	X	X	X
Nationality and location of the Issuer	X	X	X
Governing law of the issuance	X	X	X
Issue price	X	X	X
Form of security (CGN, NGN or DLT Native)	X		
(If NGN or NSS) whether the security is intended to be held in a manner permitting Eurosystem eligibility	X		
(If NGN or NSS fulfilling the Eurosystem eligibility criteria), the Issuing Agent's preference for CSK allocation [a]	X		
Where issue is listed	X	X	X
Issuer's ratings	X	X	X
Selling restrictions	X	X	X
Nominal Amount or number of Certificates	X	X	X
Currency of the issue [b]	X	X	X
Closing Date and Closing procedure	X	X	X
Final Redemption date or expiry date	X	X	X
Interest rate and interest payment dates	X		X
Partial Redemption dates	X		X
Denomination of Certificates and minimum tradable denomination	X	X	X
Paying agency and other agency networks	X	X	X
Information on taxation	X	X	X
Certification requirements (TEFRA D or any other)	X		X
Special options or characteristics	X	X	X

a. That is, between CBL and Euroclear Bank (see "The New Safekeeping Structure (NSS)" on page 7-6).

b. For a full list of Settlement/denomination currencies eligible in CBL, please refer to www.clearstream.com, Eligible currencies, or contact your Client Services or Relationship Officer.

Figure 7.3 Information required for admission of a New Issue (international instrument)

Note: To issue the Fund Linked Notes with physical redemption in Clearstream, the Issuer Agent must fulfil the specific conditions as described in the "Acceptance Criteria Acknowledgement Document".

CBL also requires the Issuer Agent to provide the following information and documentation[1] in a timely manner before Closing Date to allow CBL to assess the eligibility of the issue:

- The draft offering documentation or terms and conditions;
- The use of proceeds must be detailed clearly in the terms and conditions;
- An Issuer-ICSD agreement (for NGNs and NSS): one per security issued on a stand-alone basis or one per programme (and per Issuer, in the case of multi-Issuer programmes); this document must be received by CBL before the Closing Date;
- Where applicable, a copy of the usual legal opinion on the validity and enforceability of the securities delivered to the Issuer, such copy required only once per Issuer's country of domicile and per issue's governing jurisdiction[2] (for NGNs only);
- Instructions to Allottees;
- The schedule for the Closing;
- Other documents that may be necessary for CBL in relation to the Closing or administration of the issue after the Closing.

Note: Final pricing details are required for all instruments, especially for issues that are subject to Italian Tax calculation and reporting requirements.

All final documentation should be submitted to CBL and to the Common Depository (for CGNs) or CSP (for NGNs and NSS) at the latest on Closing Date +1 Business Day. Late or untimely submissions of complete documentation may affect CBL's ability to administer and continue with the further admission of the security for Clearing and Settlement purposes.

The Lead Manager or Issuing and Paying Agent must also advise CBL of any substantial changes to the final documentation that were not included in the preliminary terms provided to CBL for the eligibility review.

This includes any changes to the operational processes originally listed in the documentation as well as any amendments or additions that have an impact on the regulatory and compliance framework surrounding the parties involved in the issuance.

Allocation of common codes and ISINs

A Security Code can be a common code or an ISIN. A "common code" is allocated to every security that is accepted in CBL and/or in Euroclear Bank, and is eligible in either one ICSD system or both.

The common code is also used as the basis for the calculation by CBL and Euroclear Bank of the ISIN (International Securities Identification Number) for Euro-instruments, for which CBL and Euroclear Bank act as the joint numbering agency. ISINs allocated by CBL and Euroclear Bank consist of the nine-digit common code for the issue, preceded by "XS" and followed by a numeric check digit. CBL is also the numbering agency for domestic Luxembourg issues, any Luxembourg-domiciled Investment Fund and any equity or warrant with a Luxembourg issuer. For other types of securities, ISINs are allocated by the appropriate national numbering agency. All ISINs allocated by CBL are issued in accordance with the ISO 6166 rules for which ANNA (Association of National Numbering Agencies) acts as the registration authority. Clients can use either the common code or the ISIN to identify securities.

If no ISIN has been allocated to the issue, clients must use the common code.

1. Clearstream recommends that all international new issues documentation submitted for the purpose of determining issuance eligibility and/or ISIN assignment; are clearly documented in English. Deviation from the above recommendation is subject to the discretion of the Clearstream new issues teams and may result in the issue being assessed as ineligible due to the inability of Clearstream to adequately assess and understand the content of the documentation and inherent terms and conditions.
2. Jurisdictions already covered are listed on the Clearstream website, www.clearstream.com.

The allocation of an ISIN or common code by CBL, or the validation by CBL of an ISIN or common code allocated by Euroclear Bank, does not guarantee that the issue will be accepted for admission by CBL. A New Issue can only be accepted for admission by CBL if the required draft documentation on the issue is submitted by the requestor and if the issue itself is deemed eligible for admission.

Note: CBL reserves the right to refuse, suspend or cancel eligibility of any issue or common code at any time.

CBL will treat requests in a non-discriminatory and prompt manner, taking into consideration the timeline for a new issue. In accordance with CSDR, CBL as an Issuer-CSD will respond to requests where we have obtained sufficient information within three months. Where applicable, a refusal notice will be sent to the requestor when there is a need to deny acceptance of an issuer or issuance.

In the event of any questions or concerns over which ISIN has been or should be allocated to a security, clients should contact Client Services, their Relationship Officer, the New Issues department in Luxembourg or London.

Allocation of CFI and FISN codes

In its function as numbering agency, CBL also allocates CFI codes and FISN codes.

The CFI code (Classification of Financial Instruments) is a securities description code promoted by the Association of National Numbering Agencies (ANNA), that describes the characteristics defined when a financial instrument is issued (ISO 10962).

The FISN code (Financial Instrument Short Name) was developed to provide a consistent and uniform approach to standardise short names and descriptions for financial instruments (ISO 18774).

Important Information related to securities issued under Section 3(c)(7)

Section "3(c)(7)" indicates the Issuer of the security is relying on the exemption from the definition of "investment company" provided by Section 3(c)(7) of the Investment Company Act of 1940, as amended (the "Investment Company Act"). Section 3(c)(7) requires that all holders of the outstanding securities of such an Issuer (or, in the case of a non-U.S. Issuer, all holders that are U.S. persons) are "qualified purchasers" ("QPs"), as defined in Section 2(a)(51)(A) of the Investment Company Act and related rules. Under the rules, the Issuer must have a "reasonable belief" that all holders of its outstanding securities (or, in the case of a non-U.S. Issuer, all holders that are U.S. persons), including transferees, are QPs. Consequently, all sales and resales of the securities (or, in the case of non-U.S. Issuers, all sales and resales in the United States or to U.S. Persons) must be made pursuant to Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"), solely to purchasers that are qualified institutional buyers ("QIBs") within the meaning of Rule 144A and are also QP's ("QIB/QPs").

Each purchaser will also be deemed to represent that:

1. The purchaser is a QIB/QP.
2. The purchaser is not a broker-dealer that owns and invests on a discretionary basis less than USD 25 million in securities of unaffiliated Issuers.
3. The purchaser is not a participant-directed employee plan, such as a 401(k) plan.
4. The QIB/QP is acting for its own account, or the account of another QIB/QP.
5. The purchaser is not formed for the purpose of investing in the Issuer.
6. The purchaser, and each account for which it is purchasing, will hold and transfer at least the minimum denomination of securities.
7. The purchaser will provide notice of the transfer restrictions to any subsequent transferees.

The Purchaser also understands that the Issuer may receive a list of participants holding positions in the Notes from one or more book-entry depositories.

The charter, by-laws, organisational documents or securities issuance documents of an Issuer relying on Section 3(c)(7) of the Investment Company Act and Rule 144A of the Securities Act with respect to an offering of securities typically will have the right to (1) require any holder of securities (or, in the case of a non-U.S. Issuer, any holder that is a U.S. Person) that is determined not be both a QIB and a QP to sell the securities to a QIB that is also a QP or (2) redeem any securities held by such a holder on specific terms. In addition, such an Issuer typically has the right to refuse to register or otherwise honour a transfer of securities to a proposed transferee (or, in the case of a non-U.S. Issuer, a proposed transferee that is a U.S. person), that is not both a QIB and a QP. As used herein, the terms "United States" and "U.S. Person" have the meanings given such terms in Regulation S under the Securities Act.

Note: To facilitate compliance with the above-referenced rules, CBL may be requested by the Issuer to:

1. Include the descriptor "3c7" or "144A/3c7" in the security name that appears in clients' securities Settlement reporting and is available via the Clearstream website under Codelist Inquiries / Securities Database;
2. Send an "Important Notice" to holders, via a Corporate Action Notification, outlining the restrictions applicable to 3(c)(7) securities;
3. Provide the Issuer, upon its request, with a list of all CBL clients holding positions in the 3(c)(7) securities issued by the Issuer, all CBL clients holding such positions being deemed to consent to such disclosure.

Issuers may choose to adopt a different procedure to comply with the above referenced rules that may result in the acceptance of 3(c)(7) securities within CBL's system that are not reported as described above

CBL does not represent or warrant the accuracy of the information set forth above, and takes no responsibility for such information.

Important Information related to risk-linked securities

Risk-linked securities mainly refer to securities that involve a transfer of a specified set of risks to investors, for example, hurricanes, earthquakes, windstorms etc.

In addition to any restrictions applicable to 3(c)(7) securities, the purchase and ownership of risk-linked securities may be restricted to investors residing in a "permitted jurisdiction", and may subject certain investors to regulation as a provider of insurance or reinsurance or any other regulation. Clients are advised to consult their legal counsel about the impact of holding risk-linked securities.

Issuers of risk-linked securities may request CBL to:

1. include the descriptor "RLS" or "GRLS" in the security name that appears in clients' securities Settlement reporting and is available by consulting CBL's securities database on the website;
2. send an "Important Notice" to holders, via a corporate action notification, identifying the security as a "risk-linked security" and outlining the applicable restrictions

Note: Issuers may choose a different procedure to inform investors that they are holding risk-linked securities that may result in the acceptance of such designated securities within CBL's system that are not reported as described above

CBL does not represent or warrant the accuracy of the information set forth above, and takes no responsibility for such information.

Distribution of a New Issue

The timetable of events for the distribution of a syndicated New Issue is shown in Figure 7.4 below:

	Timetable of events for distribution of a syndicated New Issue:	Deadline[a]
1	If the Lead Manager / Settlement Agent was not already granted the use of a commissionaire account, the Lead Manager / Settlement Agent must subscribe for the new syndicated distribution service and sign the related documentation: Dedicated Terms and Conditions, Power of Attorney and commissionaire account opening form in addition to the General Terms and Conditions.	CD - 60
2	Lead manager / Settlement Agent to confirm to CBL the details of the New Issue and the Closing procedures to be observed. Full documentation is required at this stage (including Issuer-ICSDs Agreement or copies of legal opinion).	CD - 10
3	Issuer Agent responsible to deliver the NGN/NSS to the CSK and to confirm the election of the CSK for the NGN/NSS to be held in safekeeping with CBL or Euroclear Bank to allow eligibility of the security for Eurosystem monetary operations. Otherwise, Standing instructions, then operational considerations will be determinant.	CD - 10
4	Lead manager / Settlement Agent to request CBL to allocate an ISIN (if CBL is the numbering agency for the issue) and/or to request CBL to allocate a common code or to validate the common code already allocated by Euroclear Bank.	CD - 10
5	Settlements Agents which are appointed by a Lead Manager must provide CBL with their allotment list and with the name of the Lead Manager they work for at least 10 business days ahead of the closing date. CBL will perform a compliance assessment of the latter and formally authorise the securities distribution under the syndication process via a commissionaire account.	CD - 10
6	CBL or Euroclear Bank to confirm appointment of a Common Depository (for CGNs) or CSK and CSP (for NGNs) to the Lead Manager / Settlement Agent.	CD - 10[b]
7	Lead manager / Settlement Agent to forward Allotment List to CBL at least three days in advance of closing date. Lead Manager / Settlement Agent to enter its instruction (MT543 and MT541 instructions) for Delivery of securities against Payment from their commissionaire account to one of its own accounts (trading or syndication). The transaction must be done in one single transaction as per required in the Terms and Conditions governing the new syndicated distribution model and the use of the commissionaire account.	CD - 3
8	Lead manager/ Settlement Agent to confirm, with the Common Depository or CSP, as appropriate, the portion of the Global Note to be deposited on their commissionaire account with the ICSDs.	CD - 2
9	Lead manager / Settlement Agent to send to CBL its payment instruction to transfer the cash proceeds, resulting from the securities distribution, directly to the issuer or to a designated beneficiary as indicated in the Issuer's order(s) on Closing Date minus one by 10:00 CET.	CD - 1 (10:00 CET)
10	Recommended deadline for approval and (for NGNs) transmission to the CSK or CSP, as appropriate, of all legal documents required for the Closing.	CD - 1
11	Once all Conditions Precedent are met and Common Depository or CSP, as appropriate, have released MT544 to CBL, distribution of the securities from the commissionaire account can start.	CD[c] (morning CET)
12	As soon as the delivery of the securities from the commissionaire account to the Lead Manager's / Settlement Agent's own account is settled and thus the related cash has been collected, Clearstream will trigger the release of the payment proceeds to the issuer or the designated beneficiary as ordered by the Lead Manager / Settlement Agent.	CD[c] (morning CET)

a. The dates and times indicated ultimate deadlines. Most activities can be prepared and carried out earlier. CD = Closing Date, CD-2 = two Business Days before Closing Date.
b. If there are no Allottees in CBL, the Lead Manager / Settlement Agent must also inform CBL of this fact.
c. For issues subject to a pre-Closing, this can be arranged on CD-1, otherwise MT544 should not be received later then 12:30 CET on closing date.

Figure 7.4 Timetable of events for distribution of a syndicated New Issue

New Issue Closings

At closing, as soon as the Common Depository or CSK, as appropriate, receives the authenticated Global Note and, for NGNs/NSS upon confirmation of receipt and Effectuation,if applicable, of the Global Note from the CSK, the Common Depository or CSP will release the MT544 without any delay to credit the securities onto the commissionaire account as per instruction received from the Lead Manager / Settlement Agent. This whole process could be done in advance of closing, provided a green light is given by the Lead Manager / Settlement Agent.

As soon as the DVP has taken place between the commissionaire account and the Lead Manager's / Settlement Agent's trading or syndication account, CBL will arrange for payment to be made for the benefit of the issuer as instructed by the Lead Manager / Settlement Agent.

All parties concerned should ensure that all Conditions Precedent are completed and MT544 is released as early as possible, to give sufficient time for the two Clearing systems to release the issue for distribution in the earliest available Settlement processing.

The Lead Manager / Settlement Agent will also ensure to systematically advise the ICSDs that they provided their green light to the common depository or CSK to proceed with the issuance.

Distribution of allotments

Allottees can choose to split their position between CBL and Euroclear Bank. According to the arrangements made between the Lead Manager / Settlement Agent and the Allottees, allotments can be distributed either free of payment or against payment.

Distribution in the real-time or End of day processing of Closing Date

Wherever possible, new syndicated international debt securities should be issued and distributed in the ICSDs' real-time processing cycle, value closing date before the respective currency deadlines. To benefit from this real-time distribution process, the credit of the newly issued securities onto the commissionaire account in the ICSDs' systems should be effected by 12:30 CET on the day of closing (at the latest and earlier depending on the ICSDs' currency deadlines, or in the event of pre-closings).

Ensuring the securities are credited by this time allows primary distribution and grey market instructions to settle within and across the ICSDs.

CBL arranges for the distribution to take place in real-time processing and any internal CBL-CBL transactions on newly issued securities are included automatically by CBL in the optional Settlement processing for value same day.

Distribution after the cash deadline

Distribution occurs as soon as possible after completion of the closing. If the closing takes place in the afternoon of Closing Date after the respective cash deadline and all the parties (ICSDs and Lead Manager / Settlement Agent) agree still to a distribution, then distribution may occur still same day or in the real-time processing that begins in the evening of the Closing Date which is one Business Day after the Closing Date. As a consequence, all the transactions may be settled with good value, but funds will be paid to the issuer with next possible value.

When CBL and Euroclear Bank agree on the distribution of Bridge Transactions, they must also come to an agreement on the back valuation of Secondary Market Transactions in the issue across the Bridge. The Requested Settlement Date of these Transactions can be the Closing Date, or a later date if distribution is delayed by more than one Business Day.

If the back valuation of Bridge Transactions is not agreed by both systems, CBL may, at its discretion, decide to backvalue Transactions **with CBL counterparties only** in the distribution processing.

Back valuation will apply to all Transactions with Settlement Date = Closing Date that settle in the night time processing beginning in the evening of the Closing Date or in the real-time processing of Closing Date +1 if, in the case of internal Transactions, both Transactions have been received by CBL at the latest before 21:00 on Closing Date and, in the case of Bridge Transactions, if they are matched in the last exchange of files with Euroclear Bank on Closing Date.

Parties in a transaction should be aware that back-valued transactions maybe subject to penalties fees.

The back valuation principles will be adapted if distribution is delayed by more than one Business Day.

The timing of the Closing and the distribution processing are illustrated in Figure 7.5 below where D-1, D and D+1 represent consecutive Business Days. All times are CET.

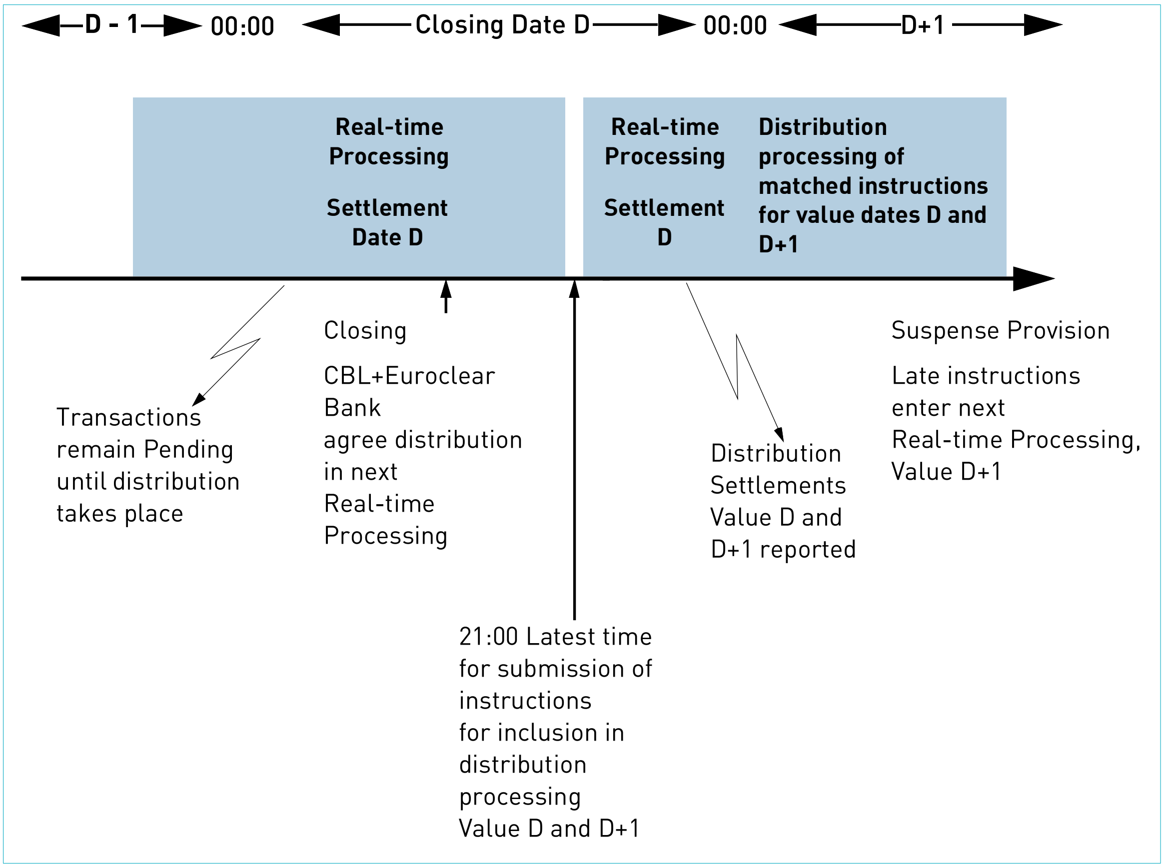


Figure 7.5 The timing of the Closing and the distribution processing

Matching

In order for a Transaction to settle, counterparties' instructions must match with regard to both Requested Settlement Date and Countervalue:

- The **Requested Settlement Date** for a Transaction in a New Issue can be any date. If the client is selling or purchasing securities on the Closing Date for value Closing Date, then the Settlement Date must be equal to the Closing Date, no matter when the issue is distributed.

  The Matching of Settlement Dates enables the Settlement of Transactions. All the Transactions with Settlement Date equal to or between the Closing Date and the Distribution Date will settle in the same processing with value the Settlement Date.

- The **Countervalue** given by the client is based either on the subscription price (for Closing Date Transactions) or on the Trade Price plus accrued interest (for Transactions for Settlement with value after Closing Date). The maximum discrepancy in Countervalue, in accordance with ICMA Rule 304.1, is described in "ISO currency code and Countervalue" on page 3-17.

Funds provision

Payments for a New Issue are given priority by CBL over other Transactions for the Allottee's account, and thus sufficient funds must be available to pay for the purchased allotments. Clients should ensure that funds provisioning, in conjunction with the Financing facilities available on the account, is sufficient to meet subscription payments.

In order to estimate the availability of funds, clients can refer to the Anticipated Net Position reported on the morning of the Closing Date (which includes pre-advised Unconfirmed Funds and Pending New Issue Transactions).

Pre-Closings

Payments for New Issues in some currencies (for example Japanese yen, Australian dollars and New Zealand dollars) must, because of timezone differences, be initiated one day before the Closing Date (refer to the cash currency deadlines for payment timeframes). For these currencies, a **pre-Closing** is normally done, one day before the official Closing Date. A duly authenticated Global Note is delivered to the Common Depository (for CGNs) or CSK (for NGNs/NSS) to be held in escrow until the Global Payment to the Issuer is confirmed on Closing Date.

Late distribution

Any delay in distribution that is due to a delay in the confirmation of actual Closing may only occur if specifically agreed by CBL, and is decided in agreement between both ICSDs.

Claims related to the distribution of New Issues

If CBL has made funds available for the Closing and is subsequently informed that the Closing will not take place as scheduled, any claims made in this respect against CBL, or any penalties for late settlement will be passed on to the Lead Manager / Settlement Agent for consideration.

CBL is not responsible for any such claims that may arise due to any disagreement between parties as to timing, documentation, or other variations of the procedures, or if permission to make the payment is given too late to permit CBL to invest such funds in any relevant money market.

CBL may at any time change the back valuation flag on Closing Date. This depends on when the information on a new distribution (including second tranches) is received. CBL will not honour any claims arising from the above situation.

CBL will not honour any claim relating to a Settlement failure which results from the fact that the client did not make sure that the issue is accepted in CBL.

7.5 General procedure for the admission and distribution of international money market instruments (pre-released securities)

Money market instruments accepted by CBL include Short- and Medium-Term Notes, Eurocommercial Paper, Certificates of Deposit and similar paper issued under revolving underwriting facilities, dealership or similar programme agreements.

Money market instruments that are to be distributed through CBL must be delivered to the Common Depository (if issued in CGN form), to the CSK (if issued in NGN or NSS form) or to the CBL Specialised Depository, if issued in the form of definitive Certificates.

If the issue has been released only partially during the real-time processing beginning in the evening of Closing Date -1, or if it has been released during the real-time processing of Closing Date, then both CBL and Euroclear Bank will open back valuation. Back valuation will apply to all Transactions with Settlement Date = Closing Date that settle in the night time processing beginning in the evening of the Closing Date or in the real-time processing of Closing Date+1 if, in the case of internal Transactions, both Transactions have been received by CBL at the latest before the latest before 21:00 on Closing Date and, in the case of Bridge Transactions, if they are matched in the last exchange of files with Euroclear Bank on Closing Date.

For the avoidance of doubt and notwithstanding the above, CBL does not offer a back valuation service on Transactions for which one of the instruction legs (receipt or delivery) is processed in T2S, as back valuation is not applicable in T2S.

Clients settling with a T2S counterparty should consider that such Transactions are not eligible for back valuation.

Admission of a programme facility

The Issuer, the Issuer Agent or any other agent responsible for the programme facility must, in order to request its acceptance, contact CBL no later than 10 Business Days before the scheduled date of the first issuance permitted under the facility. Documentation received less than 10 Business Days before the first issuance will be dealt with on a “best efforts” basis.

If the facility is deemed acceptable by CBL, the Issuer Agent will be informed of the facility reference number and the Common Depository or CBL depository. The facility reference number is common to CBL and Euroclear Bank. It is an **internal and confidential reference number** and not a Security Code.

In addition, updates to programme facilities must be submitted for review. Any amendments or additions to the previous version should be highlighted to CBL.

The Issuer Agent must provide full and accurate documentation[1] about the facility and any other details requested by CBL, including:

- The types of securities;
- Name of the Issuers;
- The Legal Entity Identifier for each issuer;
- An Issuer-ICSDs agreement (for NGNs/NSS): one per programme (and per Issuer, in the case of multi-Issuer programmes); this document must be received by CBL before the Closing Date;
- Name of the Guarantor;
- Issuer’s countries;
- Applicable governing law;
- Issuer’s ratings;

1. Clearstream recommends that all international new issues documentation submitted for the purpose of determining issuance eligibility and/or ISIN assignment; are clearly documented in English. Deviation from the above recommendation is subject to the discretion of the Clearstream new issues teams and may result in the issue being assessed as ineligible due to the inability of Clearstream to adequately assess and understand the content of the documentation and inherent terms and conditions.

- Initial amount of the facility;
- Signing date of the programme;
- Nominal currency and any currency option;
- Final maturity, if any;
- Types of interest rates;
- Certification requirements (TEFRA D or any other);
- The form of the notes;
- Denominations;
- Tax related information and selling restrictions;
- Whether the securities issued under the facility are intended to be held in such a manner as would allow Eurosystem eligibility, and the Standing instruction for CSK allocation (between CBL and Euroclear Bank) in that case;
-
- Any other specific characteristics, such as Record Dates, put or call options, etc;
- The Issuer Agent must advise CBL of any special feature of the facility.

Allocation of Security Codes for Drawdowns

A separate Common Code is allocated by CBL to each issuance or Drawdown. It is available for Transactions immediately after the receipt of the request from the Issuing Agent. To obtain the codes, Issuer Agents must provide the following details:

- Type of security;
- Issuer's valid Legal Entity Identifier;
- Governing law;
- Form of the notes;
- Where applicable, a copy of the usual legal opinion delivered to the Issuer, such copy required once only per Issuer's country of domicile and per issue's governing jurisdiction[1];
- Whether the security is intended to be held in such a manner as would allow Eurosystem eligibility and, if so, any deviation from the Standing instruction issued at programme level on CSK allocation;
- Interest rate;
- Issue date;
- Maturity date;
- Minimum tradable denomination;
- Issuer name and country;
- Nominal Amount;
- Nominal currency;
- Certification requirements (TEFRA D or any other);
- Facility reference number;
- Notification of any taxation applicable to this Drawdown;
- Any other specific characteristics, such as Record Dates, put or call options, etc.

Issuer Agents must advise CBL of any special feature of the Drawdown, ideally before requesting the codes.

Upon setup and creation of the codes, CBL requires an issuance confirmation with full details to be submitted before the Closing Date. Final documentation (if applicable) must be submitted to both CBL and the Common Depository or the CSP at the latest on Closing Date +1 Business Day.

1. Jurisdictions already covered are listed on the Clearstream website.

Same-day distribution - real-time processing of Closing Date

CBL's real-time processing allows Issuer Agents to distribute money market instruments on a same-day basis, and eliminates the need for Issuer Agents to release notes one day before issuance. In order to benefit from this facility, Certificates must be delivered to the Common Depository or CSK by the deadline as applicable for the issue. They are then available for onward Settlement with same-day value.

Note: If **Closing Date = Requested Settlement Date = Processing Date**, then the instruction is deemed eligible for **primary date** distribution and will therefore be made eligible for **all processings** (inclusive of being flagged to settle in the next optional Settlement processing irrespective of whether the Transaction has an optional Settlement flag added or not).

Some restrictions may apply depending on the tenor of the issue and the counterparties' clearing system account location.

Distribution during the real-time processing beginning in the evening of Closing Date -1

Issuers of money market instruments who want to make the paper available for Transactions with Internal and Bridge counterparties in the real-time processing of Closing Date, should arrange to deposit the paper at the Common Depository or the CSK as applicable, on the Business Day before the issue date, before the deadline for inclusion in the real-time processing.

European Pre-Issuance Messaging system (EPIM)

CBL, Euroclear Bank and Depository Trust and Clearing Corporation (DTCC) have launched a joint initiative product designed to increase the speed and efficiency of ISIN and common code allocation for selected money market instruments. The EPIM platform is an automated, secure system that uses standard messaging formats and a standard messaging protocol to disseminate issuance information between the relevant Primary Market participants.

For more information on EPIM's use and the benefits it can offer, please consult Product Management Eurobonds Luxembourg, your Client Services Officer, Client Relationship Manager or the New Issues departments in Luxembourg or London.

7.6 General procedure for the admission of Fungible issues

New tranches Fungible immediately with an existing issue

CBL requires that details for issues that are Fungible immediately with an existing security be submitted to CBL as soon as possible and preferably no later than VD-3. To ensure that we can confirm that the issue can be funged[1] immediately and that details are amended in a timely manner, the following information must be provided in writing:

For Money Market Instruments:

- Security code;
- New tranche amount;
- Total outstanding amount after increase;
- Issue/Closing Date of new tranche;
- Syndicated/non-syndicated Closing;
- Confirmation that terms and conditions match the details of existing/original tranche;
- Any other documentation that is available for this new tranche.

Note: It is possible to extend the lock up period, however, this is not favoured or encouraged by Clearstream. Consideration also needs to be given to the existing holders as the lock up period will affect their ability to trade this issue with certain investors.

For Syndicated International Instruments (also known as re-openings):

The same information as for Money Market Instruments, which must be incorporated in the relevant legal documentation. CBL must receive a final copy of such relevant legal documentation.

Allocation of Security Codes for Fungible issues

A further tranche will not receive a new Security Code unless the fungibility occurs sometime after the Closing Date +1 Business Day. The appropriate Security Code will be determined on a case by case basis. The code is available for Transactions immediately after the receipt of the request from the Issuing Agent. To obtain the codes, Issuer Agents must provide the following details:

- Name of the Issuer;
- Issuer's valid Legal Entity Identifier;
- Governing law;
- Form of the notes (that is, global or definitive, bearer or registered);
- Interest rate;
- Issue date;
- Maturity date;
- Minimum tradable denomination;
- Name of issue;
- Nominal Amount;
- Nominal currency;
- Facility reference number;
- Date upon which fungibility will occur;
- Certification requirements (TEFRA D or any other);
- ISIN into which it is funging;

1. The consolidation of two or more tranches of securities into a single series represented by a single identification code. For securities subject to TEFRA D, details for issues that are Fungible immediately with an existing security must be submitted to CBL by latest 16:00 CET on certification date -1.

- Accrued interest;
- Any other specific characteristics, such as Record Dates, put or call options, etc.

7.7 General procedure for the admission and distribution of domestic Securities

Admission of a New Issue (domestic Securities)

Domestic securities issues can be accepted by CBL at clients' request, provided that the issue is eligible for acceptance by CBL and that the client provides CBL with sufficient details to ensure the correct identification of the security. The minimum details that must be provided for this purpose are:

- Name of Issuer;
- Issuer's valid Legal Entity Identifier;
- Governing law;
- Domestic identification number and ISIN;
- Form of the notes;
- Interest rate;
- Issue date;
- Maturity date;
- Minimum tradable denomination;
- Nominal Amount;
- Nominal currency;
- Tax related information and selling restrictions;
- Certification requirements;
- Any other specific characteristics, such as Record Dates, put or call options, etc.

Allocation of common codes and ISINs

CBL is the national numbering agency for Luxembourg and allocates an LU ISIN to any domestic Luxembourg Security, any Luxembourg-domiciled Investment Fund and any equity or warrant with a Luxembourg issuer, in line with the ISO 6166 rules and the ANNA guidelines. The LU ISINs are composed of the 2-digits country code (LU) followed by the 9-digit common code and a check digit.

For other domestic Securities, ISINs are allocated by the appropriate national numbering agency. All ISINs allocated by CBL are issued in accordance with the ISO 6166 rules for which ANNA acts as the registration authority. Clients can use either the common code or the ISIN to identify securities.

If no ISIN has been allocated to the issue, clients must use the common code.

The allocation of an ISIN or common code by CBL, or the validation by CBL of an ISIN or common code allocated by Euroclear Bank, does not guarantee that the issue will be accepted for admission by CBL. A New Issue can only be accepted for admission by CBL if full documentation on the issue is submitted by the Lead Manager and if the issue itself is deemed eligible for admission.

Note: CBL reserves the right to suspend or cancel eligibility of any issue or common code at any time.

In the event of any questions or concerns over which ISIN has been, or should be, allocated to a security, clients should contact Client Services, their Relationship Officer or the New Issues department in Luxembourg or London.

Distribution free or against payment

The distribution of New Issues in domestic Securities is usually effected via CBL's link to the relevant domestic market. In this case, a CBL depository in the domestic market undertakes the Settlement of CBL's portion of the issue.

CBL may at any time change the back valuation flag on Closing Date. This depends on when the information on a new distribution (including second tranches) is received. CBL will not honour any claims arising from the above situation.

CBL will not honour any claim relating to a Settlement failure which results from the fact that the client did not make sure that the issue is accepted in CBL.

Allocation of Security Codes for Fungible issues

A Fungible issue will not receive a new Security Code unless the fungibility occurs sometime after the Closing Date. The appropriate Security Code will be determined on a case by case basis. The code is available for Transactions immediately after the receipt of the request from the Issuing Agent. To obtain the common code and ISIN, Issuing Agents must provide the following details:

- Name of Issuer;
- Issuer's valid Legal Entity Identifier;
- Governing law;
- Temporary domestic identification number and ISIN;
- Form of the notes;
- Interest rate;
- Issue date;
- Maturity date;
- Minimum tradable denomination;
- Nominal Amount;
- Nominal currency;
- Tax related information and selling restrictions;
- Certification requirements;
- Date upon which fungibility will occur;
- ISIN into which it is funging;
- Any other specific characteristics, such as Record Dates, put or call options, etc.

7.8 Securities identification

Securities and Crypto Assets are identified by a nine-digit **common code** and, subject to availability, a twelve-character alphanumeric International Securities Identification Number (**ISIN**) issued in accordance with the ISO 6166 rules. Where a security is held by Clearstream in positions at different places of safekeeping, or different place of safekeeping accounts, a different common code will be allocated.

How to obtain details about securities and Crypto Assets

The securities and Crypto Assets that are eligible for deposit in CBL are published, with the name and code of the depository for each issue, in a variety of ways:

- A database of eligible securities and Crypto Assets is maintained on CBL's website codelist.clearstream.com, with daily updates. Clients can receive details of specific securities and eligible places of safekeeping with a simple query.
- A list of eligible securities with full details is maintained as a text file on the Clearstream website under Key documents / ICSD / Reference Data and updated weekly.
- Users of Xact Web Portal can also retrieve the securities data through a variety of query functions (see Reports and information services on page 11-1).
- Details of newly allocated ISINs, confirmed ISINs, and exchanged issues are published monthly in announcements. The "Confirmed ISINs" information gives details of issues for which incorrect ISINs have previously been published.
- An updated list of New Issues is also contained in reports available on a daily basis via ClearstreamXact (see Chapter 11. Reports and information services). Reports produced via ClearstreamXact show the common code of an issue and, if available, its ISIN.

Existing securities not accepted in CBL

CBL can add existing securities not yet accepted provided that it can determine that they are eligible. For this CBL requires as much information as possible about the issue. Ideally, a copy of the documentation should be submitted. As with all new securities, CBL will assess each for its eligibility from a legal, operational and tax perspective to ensure that CBL can service the issue through its life.

Fees for standard and customised services

Issuers or Issuer Agents may be required to pay certain standard fees as notified in the Clearstream Banking Fee Schedule. In addition, Issuers or Issuer Agents may request customised code allocation and settlement monitoring services. Such services may be subject to fees which are mutually agreed. In the event of any questions or requirements, Issuers or Issuer Agents should contact their Relationship Officer or the New Issues department in Luxembourg or London.

8. Asset servicing

CBL provides clients with a full range of asset servicing for income and corporate action (non-income) events that consist of:

- Exchanges;
- Income services;
- Corporate Action services;
- Event notification and entitlement forecast;
- Payment management of asset servicing proceeds;
- Transaction management;
- Tax services;
- Services for CFF Qualified Investment Fund Shares;
- General Meetings services.

CBL clients can access asset servicing processing and reporting via:

- Xact Web Portal;
- Xact File Transfer;
- Swift.

Note: In accordance with the terms and conditions of an issue, custody operations may be subject to prior certification of beneficial ownership.

Additionally some instruction options or certifications may be available for specific account asset types only (own assets, client segregated or client omnibus accounts). The client must ensure that the current account asset type reflected in CBL's systems is one that allows the type of instruction option or certification intended to be sent to CBL with respect thereof. If CBL receives instructions related to asset services which are incompatible with the account asset type defined for the instructing client account, CBL reserves the right to reject or revoke such instructions at any time.

Unless otherwise stated, the term "Global Note" refers to a Classical Global Note (CGN) or New Global Note (NGN), as appropriate. For further information on the definition of a CGN and/or NGN, please refer to Chapter 7. Custody business operations - New Issues

Note: Short Selling of income or corporate action proceeds is not authorised in CBL. For further information, please refer to Automatic cancellation of pending instructions on page 4-25.

8.1 Exchanges

Exchange of a temporary Global Note for permanent global or definitive Certificates

When a New Issue is launched, the securities are represented by a temporary Global Note. On the exchange date, the temporary Global Note is exchanged either into a permanent Global Note (which normally remains in global form until final maturity), or into definitive Certificates. Global Notes are deposited as follows:

- CGN securities are deposited with a Common Depository to provide safekeeping and asset servicing.
- NGN securities and CGN securities in registered form held under the New Safekeeping Structure (NSS) are deposited with a Common Safekeeper (CSK) for the safekeeping of the Global Note and a Common Service Provider (CSP) is appointed to offer asset servicing.

While the issue is represented by a Global Note, all Transactions in the security are executed on a book-entry basis only.

On the date agreed for the exchange, CBL and Euroclear Bank confirm their respective holdings in the temporary Global Note to the Common Depository (for a CGN) or the CSP (for an NGN or CGN in registered form held under the NSS) and to the Issuing Agent.

The holdings recorded on the exchange date serve as the basis for the exchange into a permanent Global Note or for the distribution of definitive Certificates between the two Clearing systems. Book-entry Settlements in CBL are unaffected by this procedure.

The agent instructs the Common Depository or CSK either to cancel the temporary Global Note or to return it to the Issuer when the exchange is completed.

Exchange into definitive Certificates

Instructions for Physical Delivery of securities are maintained in suspense until the definitive Certificates become available to carry out the Transactions.

Definitive Certificates are delivered by the printers to the trustee or to the Fiscal Agent (the "agent") for verification, and for authentication as may be required by the terms and conditions of the issue. As soon as the agent informs CBL that definitive Certificates are available, the exchange of the temporary Global Note into definitive Certificates can be arranged.

CBL arranges for the delivery of the securities from the office of the agent to the CBL Depository. When the definitive Certificates are received and accepted by the Depository, CBL gives its authorisation to the Common Depository (for CGNs) or to the CSK (for NGNs or CGNs in registered form held under the NSS) concerning the disposal of the temporary Global Note in accordance with the instructions of the agent.

Restricted Period for Euro-instruments (TEFRA D regulations)

Euro-instruments are usually subject to sales restrictions and cannot be offered or sold to certain categories of investors. Such restrictions are usually temporary (although they may occasionally be permanent), and are defined in the terms and conditions of the issue.

Euro-instruments are not usually registered under the Securities Act of 1933 of the U.S.A., as amended, and are therefore restricted for United States investors. The issuer of such Euro-instruments may therefore decide to apply TEFRA D regulations.

According to the TEFRA D rules (which relate to the "Tax Equity and Fiscal Responsibility Act of 1982" for U.S. securities sold abroad), no U.S. citizen or anybody who has been resident in the U.S.A. for longer than 183 days may buy a TEFRA D security in the first 40 calendar days after the date of issue.

TEFRA D restrictions are temporary, they apply for a specified period, called the "Restricted Period". The Restricted Period ends upon the exchange of the temporary Global Note.

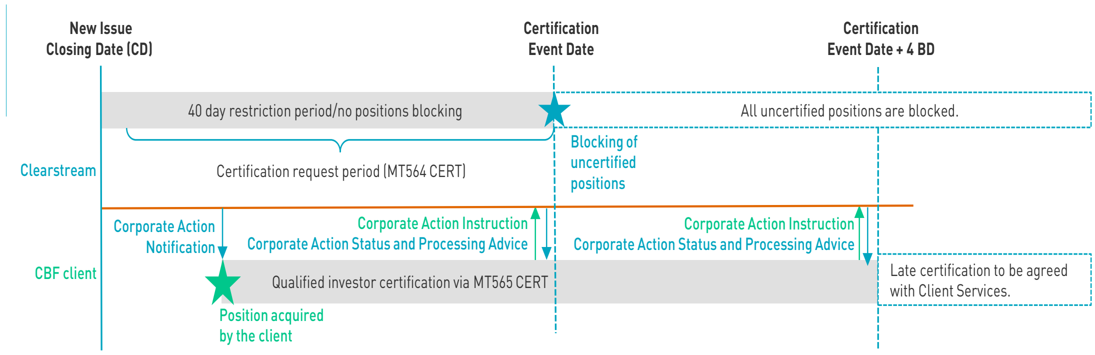


Figure 8.1 TEFRA D certification procedure

In order to obtain payment on an interest Coupon or to obtain definitive Certificates upon exchange of the temporary Global Note, investors must deliver to CBL the appropriate certification as described on page 8 - 4. The date by which the qualified investor certification must be submitted is called the "Certification Event Date". Unless notified to the contrary by the Lead Manager/Issuing Agent the Certification Event Date is fixed to 40 days after the Closing Date. Clients are notified by CBL of the certification event as soon as holdings in the security are acquired. Reminders will also be sent if the duration of the certification period allows.

For clients who do not provide the appropriate qualified investor certification by the Certification Event Date or exclude a portion of holding (securities certified as held by Non Qualified TEFRA D Investors, as defined below) from such certification, the uncertified or excluded portion of their holding in the relevant securities will be blocked for transfer and excluded from any entitlement.

Note: CBL will unblock positions upon receipt of a Certificate but reserves the right to block the same position if the Certificate is rejected by the Issuer or its Issuing Agent. The client remains fully responsible for the Certificate it provides and hereby agrees to indemnify CBL against any direct or indirect loss, claim or damage that CBL could incur as a result of the unblocking followed by rejection of the Certificate by the Issuer or its Issuing Agent.

Clients holding securities requiring qualified investor certification are requested to send the appropriate certification instruction as soon as possible to CBL via the appropriate connectivity medium before the deadline for certification. Clients are strongly recommended to provide certification via Xact Web Portal or formatted Swift Corporate Action instruction. CBL will accept formatted Swift and Xact Web Portal instructions up to four Business Days after Certification Event Date. After four Business Days all such certification instructions will be automatically rejected, hence in such a case clients are requested to first contact CBL Client Services for further assistance with providing a late certification.

If a new tranche is introduced before the certification deadline, the tranche will effectively extend the Restricted Period of the TEFRA D event and a notification specifying the new certification deadline will be sent; this does not require any previously certified position to be re-instructed unless a client acquires an additional holding.

Electronic Certification

Clients are allowed to certify electronically under TEFRA D rules as described in the below paragraphs. Any certifications provided via Xact Web Portal or formatted Swift message shall have the same effect of signed certificate.

CBL will strictly rely on the information and statements provided by the clients and shall not be held liable for any factual errors or inconsistency contained therein. In addition, it is strongly recommended that the clients perform their own tax assessment and consult their own tax advisor regarding the certification.

For the purpose of this section, the following terms and expressions used herein shall have the following meaning:

"Non Qualified TEFRA Investor" refers to a U.S. person, that is a person that is (a) a natural person resident in the United States; or (b) a partnership or corporation organised or incorporated under the laws of the United States; (c) an estate of which any executor or administrator is a U.S. person; (d) a trust of which any trustee is a U.S. person; (e) an agency or branch of a foreign entity located in the United States; (f) a non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person; (g) a discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and (h) a partnership or corporation if: (i) organised or incorporated under the laws of any foreign jurisdiction; and (ii) formed by a U.S. person principally for the purpose of investing in securities not registered under the Act, unless it is organised or incorporated, and owned, by accredited investors who are not natural persons, estates or trusts.

"Qualified TEFRA Investor" refers to a non U.S. person or certain person permitted under the TEFRA D rules to hold the securities in accordance with the § 165 (j) (3) of the Internal Revenue Code of 1986, as amended. "United States" means the United States of America (including the States and the District of Columbia); and its "possessions" include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands.

"U.S. person" refers to a legal entity or a natural person defined as a United Stated person in accordance with the relevant applicable laws and regulations in the United States.

Electronic Certification via Swift (Formatted Corporate Action Instruction)

When instructing, clients must indicate the type of beneficial owner as follows:

1. Securities certified as held by Qualified TEFRA D Investors

Clients must send to CBL a formatted corporate action instruction specifying option QINV, certifying to CBL that the relevant securities are owned by a Qualified TEFRA D Investor.

A securities position held by a Qualified TEFRA D Investor will not be blocked and will be authorised to receive entitlements. This holding will be exchanged from a temporary Global Note to a permanent Global Note or to definitive Certificates, as the case may be. Holders of such securities positions will be entitled to principal and interest payments.

Note: Where the entire holding is held by Qualified TEFRA D Investors, clients can alternatively certify by sending a formatted corporate action instruction with the quantity set to zero and the corporate action option code set to NOQU. Clearstream will accept a formatted corporate action instruction with the instruction quantity set to zero for this corporate action option code only.

2. Securities certified as held by Non-Qualified TEFRA D Investors

Clients must send Clearstream a formatted corporate action Instruction specifying the corporate action option code set to NOQU.

Clients must state that, if there are any changes in ownership between the date when certification is provided and the certification event date, that is, the last day of the Restricted Period, then an updated certification must be provided.

Exchange between Rule 144A and Regulation S ("REGS") line / DWAC

Note: DWAC is a fully automated, interactive DTC function that can be used for the book-entry transfer of securities between participants and DTC transfer agents.

Clearstream clients can transfer Regulation S (Reg S) tranches of U.S. and Eurobonds held in Clearstream to the corresponding Rule 144A tranches in DTC using a two-sided DWAC instruction. The client has to make a DWAC withdrawal of the Reg S tranche in Clearstream and the domestic counterparty has to make a DWAC deposit of the 144A tranche. The transfer agent must have received the necessary forms from both parties prior to the transaction.

Before sending the DWAC instruction, the client should contact the transfer agent and complete all the necessary paperwork.

Note: Alternatively to Swift MT540/MT542 settlement messages, clients can opt to instruct DWAC via Swift MT565 asset servicing messages.

Clients should refer to the Market Link Guide - U.S.A. for further information.

8.2 Income services

Income services relate mainly to the calculation of client entitlement and distribution of proceeds.

Coupons and redeemable securities are automatically presented for payment and proceeds credited to client accounts on payment date, after deduction of applicable withholding taxes and under reserve of receipt of funds by the cash correspondent banks.

Income events with options are considered by CBL as corporate action events.

Income events

Income events include interest payments, dividends, capital gains and redemption payments.

Interest payments and redemption events are usually part of the official terms and conditions of the issued securities. In addition, once an issuer decides to start an income event, it will have to advise all relevant parties in the market (usually in official documentation or offer prospectus) about all aspects of the event.

Calculation methods for interest Coupons

Full details of the applicable event rules are defined in the relevant prospectus of the issue.
The general formula for calculating a Coupon price is:

$$1000 \times \frac{\text{number of days} \times \text{interest rate}}{(360 \text{ or } 365 \text{ or } 366) \times 100} = \text{rate per 1000 (to 6 decimal places)}$$

For Floating Rate Notes (FRN),

- Euro-instruments: the Coupon amount calculated in this way is paid in full to clients, regardless of any rounding of the calculated amount by the Paying Agent.
- Domestic markets: the Coupon amount is paid to clients in accordance to the rounding rules announced in the local market.

As an intermediary, CBL is not responsible for the calculation of Floating Rate Note (FRN) income events since Issuers employ calculation agents for this purpose. However, CBL can calculate rates for some FRN events in certain markets in order to overcome late information and, or, subsequent adjustments or reversals arising from calculation agent errors. Such rates calculated are not binding on CBL.

Types of redemptions

Partially called or matured securities are automatically presented for payment. Redemption proceeds are subsequently credited to client accounts on payment date, once received from our depository or agent.

Information on forthcoming Redemptions (partial, early or final) can be accessed by retrieving the Income Pre-Advice Report (IPAR).

Redemptions in full

Clients are notified of early Redemptions as soon as the information has been received from the agent or published in the financial press.

In the case of early or final Redemption, Transactions in the respective issue can be settled in CBL up to and including the day before the Redemption date.

Securities subject to total Redemption are not eligible for delivery across the Bridge as from the Redemption date.

If a loan in a security is still outstanding at the time the issue matures, the loan is cancelled, and the Redemption proceeds are credited to the lender's account and debited to the borrower's account on the final/early Redemption payment date.

Partial Redemptions

Issues with sinking fund provisions are redeemed in part before the final Redemption date, either:

- by Drawing;
- by repaying for each note the appropriate percentage of principal and reducing the face value of the securities (Redemption on nominal value); or
- by repaying for each note the appropriate percentage of principal without reducing the face value of the securities (Pool Factor).

Drawings

All partial Redemptions including Drawings will be done on a pro-rata basis across client accounts. It will be the responsibility of the depositories to monitor the numbers redeemed by the Issuer and deliver them back accordingly.

A Drawing algorithm will be applied to distribute the total amount to be drawn as equally as possible for each account participating to Drawing.

Drawings processed in CBL are notified to clients. Once a Drawing is announced, CBL sends pre-notifications to inform clients about the available Drawing details such as:

- Drawing date;
- Redemption details; and
- Accrued interest, if applicable.

Once the Drawing has been processed by CBL, clients will receive notification of the Drawing result via Corporate Action Notification, and the result of any subsequent Drawing, if applicable. On payment date, clients will receive confirmation of the debit of drawn securities and the respective cash credit via Corporate Action Confirmation. Furthermore, information on cash movements and entitlements of partial Redemptions by Drawing will be included in the IPAR report.

Upon announcement of the Drawing, domestic market bonds are blocked for External or Bridge deliveries on Record Date of the Drawing. Undrawn bonds are available for Settlement immediately after processing of the respective blocking instructions.

In the case of a Drawing, CBL neither cancels open loans nor processes a Drawing on borrowed/lent account Balances.

It may happen that part of CBL's position in a drawn issue is deposited with Euroclear Bank via the Bridge. This requires CBL to proceed to an **additional** Drawing, thereby increasing the drawn quantity of securities by account.

For a **total** Redemption (whether early or final), Transactions in the redeemed issue can be settled in CBL up to and including the day before Redemption date, **whereas** positions drawn in a **partial** Redemption are blocked immediately and therefore cannot be used for settling trades. Although no longer available for delivery, the blocked securities still form a part of the client's securities holdings and can still be considered for Collateral purposes until payment for them has been received.

While these Redemption payments are usually made on an interest payment date, the payment will be made separating the interest from the Redemption amount of the drawn bonds.

In the exceptional case that the Drawing event must be processed on a Business Day within the interest period, the accrued interest and the Redemption amount of the drawn bonds are credited in a single payment. The payment confirmation generated details the interest and Redemption amount split.

Redemption on nominal value

In the case of Redemption on nominal value, an equal part of all notes of a security is redeemed and the denominations are reduced accordingly.

Amounts to be redeemed are notified to clients as soon as the information is received from the agent or published in the financial press.

While these repayments are usually made on an interest payment date, the interest and Redemption amounts are paid separately.

Partial Redemption with a Pool Factor

In the case of a partial Redemption with a Pool Factor, an equal part of all notes of a security is redeemed but the denominations are not reduced accordingly. A ratio (the "Pool Factor") is assigned to the security and reflects the face value of principal having still to be redeemed. For each interest payment, the amount of interest payable is then calculated on the basis of the outstanding amount of principal and not on the basis of the denomination of the security.

Amounts to redeem are notified to the clients as soon as the information is received from the agent or published in the financial press.

While these repayments are usually made on an interest payment date, the interest and Redemption amounts are paid separately. The principal, together with details of the Pool Factor and interest, are reported separately by IPAR.

Note: The Pool Factor method is sometimes also used for securities that are capitalising interest. In this case, the ratio is increased by the amount of interest that is capitalised.

Income key dates

Figure 8.1 shows the timeline of the key dates for an income payment.

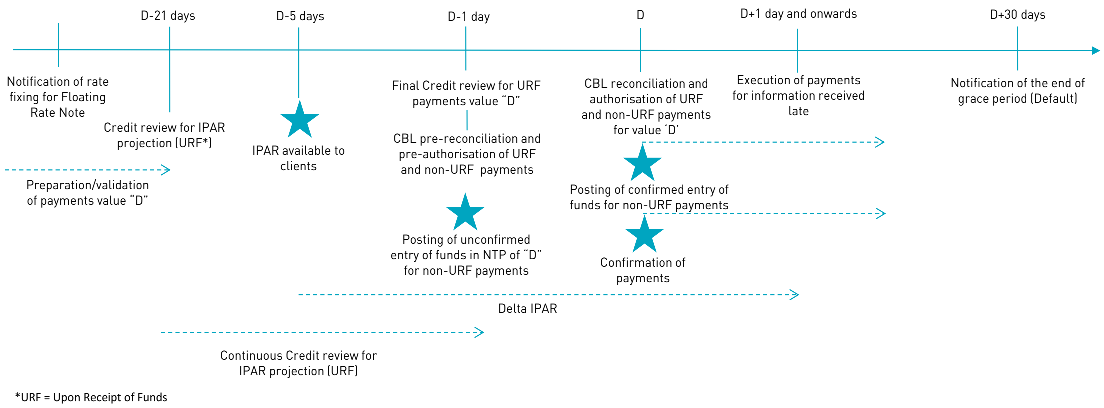


Figure 8.2 Typical timeline of event set-up and processing

Record date

Record Date is the date on which CBL establishes which holders are recorded in the system as eligible to receive the Coupon, or other entitlement, on a security.

For Euro-instruments, the Record Date is usually the close of business, one Business Day before the payment date of the Coupon (or other entitlement). For domestic Securities, the Record Date varies for different security types according to domestic market practice, as detailed in the Market Guide. After the Record Date, securities movements are processed ex-Coupon.

For technical or administrative reasons, and in order to ensure best possible value to the income payment, CBL's designated depositories may be required to detach Coupons earlier than the official

Record Date, especially in the case of physical detachments. Physical deliveries requested close to Coupon Record Date may therefore be effected ex-Coupon.

As a general rule, entitlement to income distribution is calculated on the Record Date of the relevant payment. For account holdings that qualify for income distribution, this is determined after the End of day processing. However, clients should note that information may be received from depositories after the deadline for inclusion in the End of day processing, resulting in later adjustment to entitlement positions.

Application of adjustment on Record Date is processed in the same way for both domestic and international markets to facilitate the compensation process.

8.3 Corporate action services

A corporate action is any event that impacts the rights of a company's shareholders or bondholders, excluding income events like interest or Dividend payments.

It may be initiated by the Issuer, a third party or an action of holders. For some corporate action events, holders must respond by selecting from a list of possible actions.

CBL informs clients about all upcoming corporate actions applying to securities, including Crypto Assets, held on their account, where information about the event has been provided by an authorised and authenticated party and where the initiator of the event is recognised as authorised to do so. This excludes non official offers and/or offers handled outside the clearing system.

Corporate actions events with a "First come, first served" (FCFS) feature announced on domestic markets only, will be notified and processed on a best effort basis.

The announcement of such events may be delayed, particularly where incomplete or inaccurate information is provided by the market, requiring additional verification or investigation to ensure that reliable information is made available to clients.

Crypto Assets have certain rights and claims attached as detailed in the respective Market Link Guide - Crypto Assets. If these are exercised, the treatment follows procedures of corporate action services.

CBL sends individual notifications, via the connectivity channels, for each holding in the security.

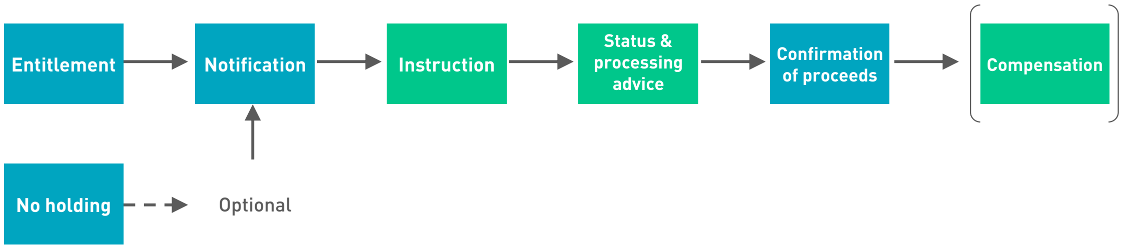


Figure 8.3 Corporate action event life cycle

Clients are requested to verify in advance their account setup eligibility to receive underlying proceeds for a corporate action event. Their account profile and the actual beneficial owner need to comply with restrictions applying to these proceeds. If account setup restrictions do not permit the crediting of underlying proceeds (for example, due to tax or market restrictions), delivery details outside CBL must systematically be included on the respective instruction.

Corporate action events

Corporate actions can be divided into two broad categories of events:

- **Predictable events:**

  Events foreseen in the security's documentation (for example, the terms and conditions), including wording around the event timing and deadlines. Security documentation collected by CBL is made available to clients through Xact Web Portal.

  Examples of predictable events are: conversion option, put option, Warrant exercise.

- **Unpredictable events:**

  Events not foreseen in the security's documentation (for example, terms and conditions). They are announced and described in additional documents by the issuing company's management.

  Examples of unpredictable events: purchase offer, stock split.

Both predictable and unpredictable events can be subdivided into three main categories based on whether the holder of the securities has to take action on the event or not:

- **Mandatory events:**

  Participation and consequences are compulsory and apply to the whole outstanding amount held within CBL. No instruction from the security holder is required.

  Examples of mandatory events: stock split, rights distribution, merger.

- **Mandatory events with choice:**

  Participation and consequences are compulsory and apply to the whole outstanding amount held within CBL; however a choice or option is available to the security holder. An instruction is only required if the security holder does not want the Default Option to be applied.

  Example of a mandatory event with choice: merger with choice, bonus non-automatic.

- **Voluntary events:**

  Participation and consequences are at the holder's discretion. An instruction is required if the security holder wishes to participate. The Issuer will usually inform all holders of the event that is about to take place; sometimes this notice is provided in the original offering documentation for the security. If no action is taken by the holder then the default action as stated in the notification will be applied.

  Examples of voluntary events: purchase offer, conversion option, subscription offer.

  Some complex corporate actions may involve mandatory events with subsequent voluntary events (two leg events), for example, mandatory rights distribution followed by a subsequent voluntary subscription offer.

CBL supports all types of corporate actions events defined by the CASG standards:

- **Cash distributions:**

  Cash distribution is a distribution where the proceeds consist of cash only (for example, cash dividend, interest payment)

  Three key dates are used for mandatory cash distributions:

  - the Ex-Date;
  - the Record Date;
  - the payment date.

- **Securities distributions:**

  Securities distribution is a distribution where the proceeds consist of securities only (for example stock dividend, bonus issue).

  The key dates and the order of dates used for securities distributions are the same as for cash distributions.

- **Distributions with options:**

  As a general rule, the distribution with options is handled via two events:

  - a distribution of interim securities (refer to securities distribution above) followed by
  - mandatory reorganisation with options (refer to mandatory reorganisations below) (for example optional dividend).

  The key dates and the order of dates are the same as for cash distributions for the first event and the same as mandatory reoganisation with options for the second event.

- **Mandatory reorganisations**

  Mandatory reorganisation is a reorganisation that mandatorily affects the underlying security (for example stock split, redemption).

  Three dates are used for mandatory reorganisation:

  - the last trading date;
  - the Record Date;
  - the payment date.

- **Mandatory reorganisations with options**

  Mandatory reorganisation with options is a mandatory reorganisation with a choice of proceeds (for example, merger with election).

  The following dates are used for reorganisations with options:

  - start of election period;
  - end of election period;
  - guaranteed participation date;
  - buyer protection deadline;
  - response deadline;
  - market deadline;
  - payment date.

- **Voluntary reorganisations**

  Voluntary reorganisation is a reorganisation in which participation is optional for the holder of the underlying security (for example, tender offer).

  The key dates and the order of dates used for voluntary reorganisations are the same as for mandatory reorganisation with options.

Corporate action events on existing securities that involve the creation of a new security (new ISIN) cannot be processed without a valid LEI. For further information about creation of new securities, please refer to Chapter 7. Custody business operations - New Issues.

Corporate action instructions

Clients may instruct on voluntary and mandatory with choice events using the following media:

- Via Xact Web Portal;
- Xact File Transfer[1];
- Via Swift by using the BIC address: CEDELULL
- Via standing instruction as per client subscription;
- Via standing instruction as per client subscription.

Instructions received from clients are validated by CBL and forwarded to the depository or agent either one by one or bulked on deadline date. If a corporate action instruction does not include an execution date, the instruction will be considered as if received for processing on the next possible execution date.

The service will differentiate between following instruction statuses:

- Correctly formatted instructions will benefit from a more competitive CBL deadline.
- Free format messages and unsolicited instructions will have a standard deadline and will be subject to an additional fee.
- Incorrectly formatted instructions will have a standard deadline.

Note: Incorrectly formatted instructions increase the risk of rejection.

In order to encourage the correct formatting of Corporate Action instructions the pricing model will apply an additional fee to free format messages, unsolicited instructions and manual repairs.

- Unsolicited instructions (Swift, Xact Web Portal or Xact File Transfer[1]) where the corporate action reference ID is missing and for which the client has received this corporate action reference ID previously in the related Corporate Action Notification before sending the instruction.
- Any client instruction received via Swift , Xact Web Portal or Xact File Transfer[1] where the required information has been incorrectly populated through dedicated structured fields.
    - instructions where the Beneficiary details are required and are not included in the dedicated structured fields from BENODET sequence will be manually repaired and subject to an additional fee.
    - instructions for Dutch Auction events, where the Bid Price for the competitive option is provided, will be manually repaired on a best effort basis and subject to an additional fee in the following instances: the bid price is not included in the structured field 90a::OFFR// or is not correctly formatted.

Incorrectly formatted instructions provided via Swift or Xact Web Portal that are automatically rejected will immediately trigger a Swift Corporate Action Status Advice and Processing Advice indicating the reason for rejection.

In order to further improve STP processing and to provide CBL deadlines closer to market deadlines, CBL will:

- Ignore certain narrative types in the Formatted Corporate Action Instruction, as indicated:
    - When present in the Instruction block (CAINST):
        - COMP: Information to be complied with;
        - FXIN: Forex Instructions Narrative;
    - When present in the Additional Information block (ADDINFO):
        - PACO: Party narrative.
- Ignore any narrative type for specific corporate events unless the event specifically requires the use of a narrative. Clients will be informed that the rule is applicable for a given event through

1. Only via ISO 15022.

the relevant Corporate Action Notification. A fixed standard text will be added in the notification (Additional Text (ADTX) in the Corporate Action Options block (CAOPTN)). This text will specify that any narrative received in the client instruction on the related option will be disregarded.

For all events (if applicable) the standard deadline for free format messages, unsolicited instructions and incorrectly formatted instructions will be provided in the Corporate Action Notification.

If there is no deadline in the Corporate Action Notification, for example as in Equity Linked Notes, the fixing date is considered as the relevant CBL deadline.

Note: CBL will not be held liable for not taking any action on any instruction that is not sent via the proper channels (Swift, Xact Web Portal or Xact File Transfer[1] via CSV file upload) unless unavailable.

Instruction format

To ensure fast processing and to benefit from the full life cycle of information, clients should send corporate action instructions using an available connectivity method:

- Standard rules for the completion of the Swift formatted Corporate Action Instruction or Xact Web Portal instruction, as described in the Xact via Swift User Guide or Xact Web Portal User Manual, must be followed.
- Any additional information required as described in the corporate action notification must be included.

Note: For corporate action instructions for French registered securities, clients are requested to instruct CBL using one Corporate Action Instruction ISO 15022 or Swift standards for each beneficial owner, mentioning the beneficial owner details . For further details, please refer to the Link Guide - France.

For instructions sent as free-format messages, automatic validation and processing is not applicable. Free-format instructions can be accepted, respecting the following data as mandatory to ensure validity:

- Exact event type;
- Corporate action reference ID and/or event name;
- Official Corporate Action Event reference (if available);
- Client account number;
- Nominal quantity;
- The financial instrument identification number (ISIN or Common Code);
- The selected option (note that “No Action - NOAC” instructions are considered as an option);
- Any additional information required as described in the corporate action notification.

For risk management reasons, corporate action instructions by fax or email are not accepted. Clients operating in contingency mode may be allowed to instruct via fax or email provided they duly execute a letter of indemnity in favour of CBL.

Clients must only include one instruction per message. One instruction consists of: one financial instrument identification number (ISIN or Common Code), one account number, one nominal, one option (No Action - NOAC instructions being considered as an option). If a client includes more than one instruction per message, or if the additional text field on formatted messages includes an instruction or contradicts with the instruction given in the structured fields, CBL cannot be held responsible for any loss or damage caused. CBL reserves the right to reject instructions not formatted as per recommendations.

1. Only via ISO 15022.

CSV file upload

Clients can upload a CSV file with up to 100 instructions via Xact Web Portal.

To cater for higher volumes, clients can upload a CSV file with up to 10,000 instructions via Xact File Transfer[1]

For risk management reasons, to upload a CSV file with more than 100 instructions, clients must communicate to Client Services their intention to use this functionality at least 24 hours before the relevant CBL deadline (this is the earliest deadline if there are events with multiple deadlines), providing following data:

- Corporate action reference ID;
- Number of instructions to be uploaded.

Upload via Xact File Transfer[1] with more than 100 instructions must be completed at least three hours before the relevant CBL deadline (this is the earliest deadline if there are events with multiple deadlines).

Failure to comply with above requirements will result in CBL handling the instructions on a "best efforts" basis and execution cannot be guaranteed.

Standing instruction

Clients can request a Standing Instruction service for DVOP CHOS (Dividend Option with Choice) and DRIP CHOS (Dividend Reinvestment with Choice Events).

The subscription to the service is done via Swift free-format message or Xact Web Portal Message Exchange.

Instruction collection

Solicited events fall under a predefined exercise period punctuated by a deadline, as reported on the corporate action notification. Clients should always send instructions before the CBL deadline. Instructions are processed according to deadline priorities.

Unsolicited events fall under an open exercise period, and can be instructed anytime. As a standard rule, valid client instructions are processed on a continuous basis throughout the day.

Corporate actions events with a "First come, first served" (FCFS) feature announced on domestic markets may result in the participation window closing at any time prior to the official deadline and/or accept only a portion of the submitted instructions, depending on the order in which they are received by the relevant agent.

The acceptance of a client instruction will depend on the timing of its receipt as confirmed by the relevant agent and it may be accepted or rejected accordingly.

There may be a delay between the time the instruction is submitted to Clearstream and the time it is received by the relevant agent. Such delays may arise due to various factors, including the complexity of handling such events and third-party processing times.

Clearstream acts solely as an intermediary and owes no duty to monitor or expedite client instructions beyond its standard procedures, nor to ensure their timely receipt by the relevant agent.

Note: Unformatted instructions (free format messages such as MT599 or MT568) may further delay processing.

By instructing under this event, clients acknowledge and accept that Clearstream provides services in connection with this event on a best-effort basis only and shall not be held liable for any delay in transmitting event information or related client instructions.

Holdings will be blocked, unblocked or debited for delivery, if appropriate, based on the instruction and the corporate action type and terms when a valid instruction is received from the client. For a corporate

1. Only via ISO 15022.

action instruction received before an exercise period, CBL will not perform any preliminary blocking of securities.

Important Note: CBL will only be responsible for processing a corporate actions instruction received via the usual channels and in relation to a position in its books. CBL cannot be held liable for any damage incurred in relation to a corporate actions instruction that would be directly sent by a client to the agent in relation to a position held with CBL. This practice is not supported by CBL.

Late instructions

Instructions received after the CBL deadline are handled on a best efforts basis and are transmitted to the depositories/agents, however, execution cannot be guaranteed. If the instruction received after the CBL deadline cannot be executed, CBL will apply the default action stated in the notification (default indicator).

When an instruction comes in after the deadline, clients receive an acknowledgement , advising the client that the instruction is after deadline and will be processed on a best efforts basis. After feedback from the depositories/agents a revised processing advice is sent to clients.

Formatted client instructions received during suspension periods or before exercise periods will be automatically rejected. However, if the suspension period end date or the exercise period start date is within five Business Days of receipt of the instruction, the instruction will be held in suspense until such dates are reached.

CBL cannot be held liable for the non-execution of late, incorrect or incomplete instructions.

No action instruction

“No action” instructions are considered and recorded by CBL with the same priority equal to all other instructions. As a result, positions instructed for 'no action' will not be eligible to participate in the respective event unless the instruction is cancelled and replaced.

Cancellation of previous instructions by clients

If instructions have already been processed and forwarded to the local market, the agent or the depository, CBL will forward the cancellation request accordingly, but cannot guarantee execution of the cancellation request.

To replace an instruction already sent, clients must send a cancellation message before the new instruction.

Clients are requested to cancel formatted instructions with a formatted cancellation only (Swift and Xact Web Portal).

CBL cannot be held responsible for any loss or damage caused by a client's failure to comply with the cancellation and replacement procedure.

If clients send an instruction for an option that differs from the Standing Instruction prior to the event deadline, such instruction will be considered and processed.

No cancellation instructions on Standing Instructions will be accepted after the Clearstream Banking deadline.

Cancellation of previous instructions by CBL

Exchange offer - Restricted to Unrestricted on the U.S. domestic market

If an exchange offer has an extended offer period after the original deadline, CBL will cancel all the NOAC instructions received on or up to the first CBL deadline date, as a consequence clients must re-instruct up to the extended CBL deadline date indicated on the Corporate Action Notification if they want to retain their restricted line. The default option will apply if no new instruction is received by the extended CBL deadline and the client will be credited with the new unrestricted securities.

As soon as CBL receives the relevant information that an extended deadline applies, CBL will clearly indicate the extension period to clients and the cancellation of the NOAC instructions via a Corporate Action Notification update (REPL).

CBL cannot be held responsible for any loss or damage caused by a delay in the execution of an instruction or cancellation of an instruction that did not fulfil this condition.

Missing instructions

The Urgent Uninstructed Balances report, available through Xact File Transfer[1], gives an overview of uninstructed Balances for corporate actions and assists clients in monitoring risk relating to voluntary corporate actions. If no instruction is sent, CBL will apply the default action stated in the notification (default indicator).

Completion of paper forms on behalf of clients

CBL includes, as part of its standard custody service, the completion of paper forms to participate in a corporate action provided this is permitted under the terms and conditions of the issue and/or by the Issuer or its Issuing Agent. There are however events where it is a requirement that the form be completed and signed by the actual legal or beneficial holder, or where the Issuer and/or his agent explicitly state that the Clearing systems cannot complete the form on behalf of the participating holder, in which case we provide our clients with the necessary forms or information on how to obtain the forms in order to participate in the event.

Status and processing advice

Clients instructing via Swift and Xact Web Portal will receive a status and processing advice message for each corporate action instruction sent to CBL and, upon subscription only, can also receive a specific Corporate Action Instruction status advice when Default Option is applied by CBL.

Clients using Xact Web Portal can check the status of their corporate action instructions directly in Xact Web Portal and schedule the receipt of a Corporate Action Instruction status advice via Swift.

In order to receive acknowledgements via Swift, a valid Swift address is required and "Include all media channels" must be checked in the Scheduled Reports details.

If the corporate action instruction was sent using a free-format message, clients will not receive a status and processing advice and are responsible for monitoring the instruction execution.

Rejection of instructions

If the securities provision is not sufficient, instructions will not be executed, but held in suspense either for a period of five consecutive Business Days starting on the date of receipt of the instruction or until the relevant CBL deadline, whichever occurs first.

CBL will inform the Account Holder of the non-execution and rejection of corporate action instructions in the following cases:

1. The instruction is incomplete or invalid (as per, without limitation, instruction format definition).
2. Cash provision is insufficient for the execution of the instruction.
3. The required certification or document is not provided together with the related instruction.
4. The specified place of safekeeping in the related instruction does not correspond to the depository defined in the event referred by the Corporate Action Reference ID (received in the related Corporate Action Notification).
5. The corporate action reference ID and Official Corporate Action Event reference are missing and the CAEV, ISIN (or common code) and place of safekeeping provided in the related instruction do not match with an event.

1. Only via ISO 15022.

6. Any additional requirements are not satisfied (e.g. if the proceeds security is not CBL eligible; if the appropriate delivery instruction outside of the CBL system is not provided with the instruction).

CBL cannot be held responsible for any loss or damage caused by a delay in the execution of an instruction or cancellation of an instruction that did not fulfil one or more of the above conditions.

Handling of corporate actions requiring payment of exercise price

For corporate action events requiring payment of exercise price (for example priority issues, exercise of rights), clients who have given their instruction to exercise should ensure their account is sufficiently provisioned (available cash or credit line in the relevant currency, where applicable) as per terms of the corporate action event.

If there is insufficient cash provisioning of the account on the payment date, clients will receive a Corporate Action Instruction Status Advice with a pending status. The unsuccessful cash provisioning of the account on the payment date will lead to a retention of securities proceeds by CBL until the end of the grace period. The grace period will be activated on the payment date and will end either on the payment date plus two business days or on the securities proceeds distribution date, whichever occurs later. If during the grace period, the client account is duly funded, the client will receive the securities proceeds against debit of its cash account. Upon successful settlement, clients will receive a Corporate Action Instruction Status Advice, followed by Corporate Action Confirmation.

If at the end of the grace period the client account is still not duly funded, starting from the next business day following the end of the grace period, CBL will reject the corporate action instruction of the client and send aCorporate Action Instruction Status Advice with an appropriate reason code. The client's pending cash debit instruction will be cancelled.

As the securities still belong to CBL, those will be sold on the market on a best effort basis and the client agrees and undertakes to indemnify CBL for the cash difference resulting from the sale. Such cash difference, if any, will be booked to the client's account through CBL via cash instruction. No credit of securities proceeds will follow.

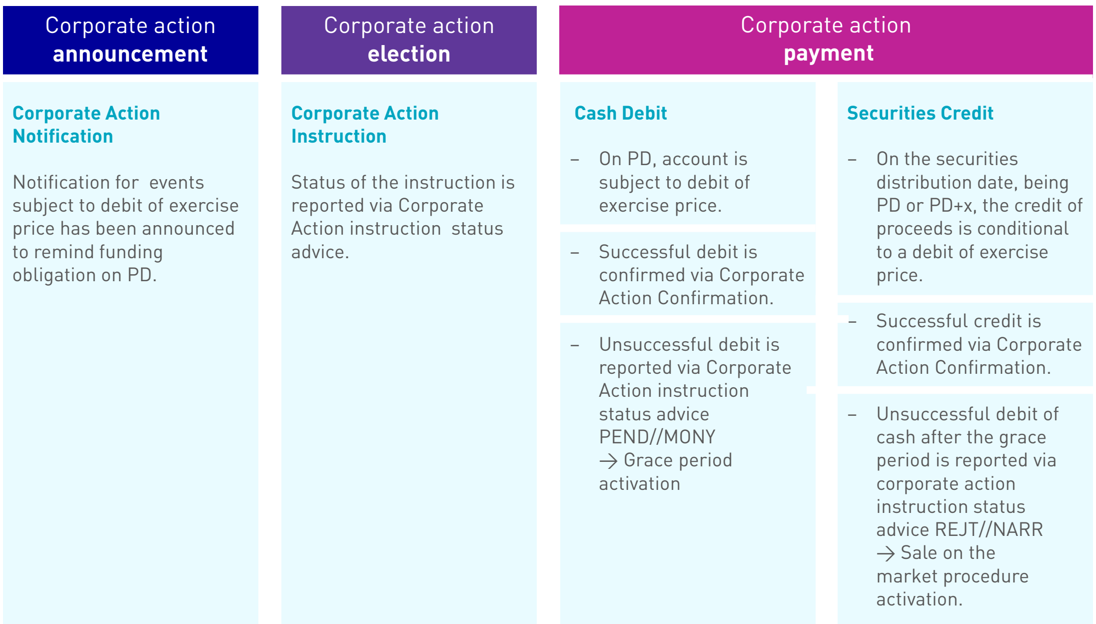


Figure 8.4 Corporate action event with exercise price – main processing flows

Sale and purchase of rights

The service for the sale and purchase of rights enables clients to trade rights issued on domestic shares according to the local market rules and the respective trading period. Clients may send multiple trade instructions within the trading period of the related corporate action, subject to the available rights held prior to the trading deadline.

Instructions to sell or purchase rights are executed in relation to the securities held in Custody with CBL, in its capacity as securities settlement system, in accordance with the rules applicable in the domestic market covering a given event.

Sale and purchase orders are executed on a "good-till-cancelled" basis without price limits.

- Single (bulk) orders are processed on a same-day basis for all markets. Clearstream Banking collects all sale and purchase orders on a daily basis and forwards one combined sale order and one combined purchase order to the depository.
- Trade orders may be executed on a single order basis as described above, where the facility is available in the particular country. Trade orders also allow the rounding up/down of entitlements.

Orders must be sent to Clearstream Banking via Swift or Xact Web Portal, including the following information:

- Event Type: Purchase or sale of rights;
- Identifier: ISIN or Event Code Identifier;
- Account Number: Client Account with Clearstream;
- Clients Instructions: Precise details of customer requirements (quantity of rights to be sold or purchased);
- Contact Details: Name and telephone number of the contact person.

Clearstream Banking cannot be held responsible for:

- Delays in executing incomplete or unclear instructions. Client instructions to sell or purchase rights, if tradable, are accepted on a "reasonable efforts" basis;
- Any inability to execute the instruction;
- Any terms on which such rights are sold or purchased.

An order is executed based on the actual settled position on the client's account. Instructions for amounts exceeding the settled position are rejected.

Instruction deadline is usually set at 10:00 Central European Time for same-day processing, unless specific deadline is applied which would be specified in the Market Link Guide.

Note: In the absence of any instruction from a client holding a rights position at the end of the subscription period, the default action stated in the event notification is applied. Clients who do not want their rights sold by default must send an instruction to Clearstream Banking stating "Please take no action". Should clients wish to cancel, amend or replace previous instructions submitted, they must first send an instruction cancellation message by the same media as previously used, followed by the replacement instruction.

Clients receive a trade execution advice which is compliant on value date via Corporate Action Confirmation message. The message shows the following details:

- ISIN and name of the securities;
- Trade and settlement date;
- Trade place and price;
- Total amount.

Availability of the service in a given market and details of market specific requirements, where applicable, are specified in the relevant Market Link Guide.

Fractions handling

CBL will credit whole shares resulting from corporate actions to client accounts. Any remaining fractional units will be rounded down to the next whole number of shares and the cash equivalent will be credited to the client's account in the underlying currency. The cash equivalent will be either the market value as determined by CBL's depository or the up-to-date market value at which the securities are traded on the domestic exchange. This rule only applies if there is any market for fractions and may be affected by market trend and/or trading value, which can lead to the cancellation of fractions. Clients are informed of the relevant details on the booking advice.

Fractions Handling for DE-securities is done by creating a separate interim line, a temporary ISIN, credited to entitled clients.

When a Corporate Action event (for example, a SPLIT EVENT) where a securities ratio results in fractions, the event is processed in two steps:

Step 1: A mandatory event to credit an interim ISIN with fractions;

Step 2: A mandatory event with choice to credit the new ISIN, with the following options:

Option a: Securities where the interim ISIN is converted into the final ISIN with a one-to-one ratio.

Note: This can only be done using the Multiple Settlement Amount of the new ISIN, without any remaining fractions.

Option b: Cash where fractional positions can be fully converted.

The default option is Option a (securities proceeds).

For Investment Funds, CBL will apply the agent's default action, which can be either a credit of the fractional units or the cash equivalent.

8.4 Event notifications and entitlement forecast

Event information

CBL receives and compares corporate action information from different sources such as the terms and conditions of the issue, CBL's depositories in the domestic markets, Issuing Agents for international instruments (Eurobonds), financial publications as well as independent information vendors. Corporate action[1] notifications are prepared based on this information and transmitted to clients as soon as possible, generally within 24 hours after market announcement date.

CBL's depositories are the prime source of confirmed information for domestic corporate actions. CBL releases notifications when confirmed information is available. The information received from information vendors is considered as "unconfirmed" and may be used for domestic corporate action event set up and pre-notifications to clients. CBL will, at its own discretion, decide whether and when unconfirmed information is to be forwarded to clients and CBL flags such information as "unconfirmed" if provided.

Terms and conditions

CBL summarises details of events via corporate action notifications. This summary will not constitute a legally binding description of the choices offered to clients and cannot be relied upon as such. Clients are considered to fully understand the terms of the corporate action and to instruct CBL accordingly. Clients may wish to seek independent legal and tax advice on the terms of the corporate action and its impact on their specific situation before instructing CBL.

CBL provides clients with relevant publications by offering material or restrictions via the Corporate Action database, if and when they are available. Availability is advised through the corporate action event notification. Clients can place an email request to receive terms and conditions related to the event to CAdatabase.CS@clearstream.com (as per the terms of the related notification).

No part of the requested documents neither the information contained therein can be reproduced or transmitted in any form or by any means, electronic or mechanical, if neither the client nor the addressee is entitled to participate in the relevant corporate action. Clients are aware that they shall bear sole responsibility for any and all harmful consequences, losses or damages, which may be suffered for any reason whatsoever by clients, the addressee, third parties or CBL by reproducing or transmitting the requested documents or the information contained therein.

Disclosure

In accordance with domestic market laws, investors may be required to disclose their relevant interest in securities. CBL may be requested to comply with certain disclosure requirements, some of which are published, per market link on the Clearstream website. Clients are informed of these disclosure requests by a specific notification. The notification will also advise clients whether they are required to send an instruction or not.

Clients are advised to seek legal guidance on the existence and scope of any potential disclosure requirements applicable to such clients and relating to their holdings. CBL is not responsible for advising clients on the validity and extent of disclosure requests.

Choice dividend on the German market

A choice dividend event on German domestic securities gives shareholders the possibility to choose between three options:

1. Receive full cash from the tax free dividend (default option):

   If there is a taxable dividend payment based on the parent line, it will be paid via cash dividend event;

1. In this section corporate action refers to both income and corporate action events.

2. Receive a tax free dividend in form of additional shares:

   A Rights distribution event will be used to credit the CASH interim line. A choice dividend event will be triggered from the CASH interim line and will offer the possibility to opt for the SECU option for a SECU interim line. A mandatory exchange offer event will be triggered from the SECU interim line to receive the final security;

3. Receive a tax free dividend as a combination of cash and additional shares.

Shareholder identification under the Shareholder Rights Directive II (SRD II)

The Shareholder Rights Directive provides the right to issuers for identification of their shareholders. Issuers (or their nominated third-party provider) can request intermediaries at each level of the custody chain to provide relevant information to facilitate such identification.

In line with Market Standards for Shareholder Identification and the SRD II requirements, CBL will, upon receipt of the shareholder identification request, validate (when acting as first intermediary) and transmit this request without delay to the next intermediaries in the custody chain. A response to the shareholder identification request shall be sent by every intermediary in the custody chain without delay directly to the response recipient's address defined in the request. CBL, in its role as intermediary, will also generate a response to the recipient with information regarding the shareholder's identity, limited to CBL books only.

For markets subject to SRD II, please refer to the Disclosure Requirements for the relevant market on the Clearstream website. Clients are strongly recommended to seek legal guidance on the existence and scope of SRD II requirements (for example, threshold, eligible assets) applicable to these clients and related to their holdings.

Dissenter's rights

In accordance with domestic laws, investors may be allowed the right to receive a cash payment for the fair value of their securities, in the event of a corporate action to which the investors do not consent.

Clients are informed of this right by a specific indicator in the notification (DISS - Dissenter's rights).

For risk management reasons, clients must communicate to Client Services their intention to make use of the dissenter's right feature immediately upon receipt of the relevant event notification and will be given all the pertinent information to perform their request to the company.

CBL cannot be held responsible for any legal cost and fees incurred by dissenter investors pursuing this action.

Fees

In accordance with domestic laws, investors may be required to pay certain fees, if appropriate, based on the corporate action type and terms.

Clients are informed of these fees, if applicable, in the relevant notification.

Event reporting

The below mentioned reports will be sent to clients to provide the account owner with the details of an event along with the possible elections or choices available:

Report purpose	Message Type		Description
	ISO 15022	ISO 20022	
New Message Notification	MT564 NEWM	seev.031 (CANO)	New notification.
Replacement Notification	MT564 REPL	seev.031 (CANO	Supplementary information is provided.
Reminder Notification	MT564 RMDR	seev.031 (CANO)	Reminder to client that CBL has not received their instruction.
Income Pre-Advice Report	MT564 REPE (IPAR)	seev.035 (CAFE)	Eligible balance notification, reporting an eligible balance that may or may not include an entitlement calculation or a revised entitlement calculation.
Claim and Reversal Advice	MT564 ADDB (CRA)	seev.035 (CAFE)	Notification of a market claim or reverse market claim subject to compensation by CBL that has been detected.
Claim and Reversal Cancellation	MT564 CANC (CRA)	seev.044 (CAPC)	Notification of a cancellation of a reported market claim or reverse market claim.
Claim and Reversal Advice	MT564 ADDB REVR (CRA)	seev.035 (CAFE)	Reversal advice of an income or non-income event. Reversal advice of a compensated market claim or reverse market claim.
Cancellation Notification	MT564 CANC	seev.039 (CANC)	Cancellation advice of an event previously announced by CBL.
Withdrawal Notification	MT564 WITH	seev.039 (CANC)	Withdrawal of the event or offer by the issuer (all previously sent event information is void).
Formatted Corporate Action Instruction	MT565	seev.033 (CAIN)	Provision of instruction by the client to CBL, describing how they wish to proceed with a corporate action event.
Corporate Action Instruction Cancellation Request	MT565 CANC	seev.040 (CAIC)	Message sent by clients to CBL to request cancellation of a previously sent formatted corporate action instruction.
Corporate Action Confirmation	MT566	seev.036 (CACO)	Confirmation of posting of securities or cash as a result of a corporate action event, sent by CBL to the client.
Corporate Action Movement Reversal Advice	MT566 REVR	seev.037 (CARE)	CBL sends this message to the client to reverse a previously confirmed cash entry.
Corporate Action Event Processing Status Advice	N/A	seev.032 (CAPS)	Reporting of the processing status of a corporate action event by CBL to the client. Used to inform clients that a corporate action event will not be paid within the recommended timing.

Report purpose	Message Type		Description
	ISO 15022	ISO 20022	
Corporate Action Instruction Status Advice	MT567 INST	seev.034 (CAIS)	Reporting by CBL of the status of a received formatted corporate action instruction. Used to advise clients of the status of a corporate action-related transaction.
Corporate Action Instruction Cancellation Request Status Advice	MT567 CAST	seev.041 (CACS)	CBL sends this message to clients to report the status of a previously received corporate action instruction cancellation request message.

An official corporate action reference (COAF) will be shown if allocated and reported by the Issuer CSDs.

CBL endeavours to check the information with multiple sources with the objective to send notifications in a timely manner with status “confirmed” and “complete”. In some cases, the terms of a corporate action or processing details may not be available until late in the life cycle.

“Incomplete” notifications may be sent in order to provide clients with the available information.

In Xact Web Portal, a specific flag facilitates the identification of events where instructions are requested: “For Your Information” (FYI) notification will be sent for the mandatory events where no action from the client is necessary. Voluntary events will be created as “Your Instruction Requested” (YIR). The events concerned are those requiring a decision or action from the holder of the securities.

CBL informs clients about upcoming mandatory and voluntary corporate actions applying to securities held on their account as soon as possible and only after being notified of an event. The entitled holding is fixed on Record Date or on actual date, according to the terms and conditions of the relevant corporate action.

Notifications for the relevant securities holdings are released on a continuous basis during the day.

Reminder notifications will be sent to clients automatically for any uninstructed position.

CBL sends the Reminder Notification messages where the eligible position is either not instructed at all or partially not instructed. This message includes two additional balances, which are:

- INBA: Instructed Balance;
- UNBA: Uninstructed Balance.

Whenever applicable to the corporate action, the fraction handling details will be reported in standard fields.

Clients without a holding in a particular security can access the corporate action information, either using a query in Xact Web Portal or by subscribing to the dedicated “Corporate Actions Notifications without Holdings Report” in Xact File Transfer[1] or Xact Web Portal.

The Claim and Reversal Advice notifies clients of an upcoming reversal on one of the following paid income and non-income events:

Equities

- ACCU: Accumulation
- BONU: Bonus Automatic
- CAPD: Capital Distribution
- CAPG: Capital Gain Distribution

1. Via ISO 15022.

- DECR: Decrease in Value (share)
- DRCA: Cash Distribution from Non-Eligible Securities
- DVCA: Dividend (including with a currency option)
- DVSE: Stock Dividend
- LIQU: Partial Liquidation (without debit of basis security)
- RHDI: Rights Distribution
- SHPR: Shares Premium Dividend
- SOFF: Demerger/Spin Off
- SPLF: Stock Split
- SPLR: Reverse Stock Split

Debt

- DRAW: Drawing
- EXOF: Mandatory Exchange Offer
- INTR: Floating Coupon
- LIQU: Partial Liquidation (without debit of basis security)
- INTR: Fixed Coupon
- MCAL: Early Redemption
- MRGR: Merger
- PARI: Pari-Passu
- PCAL: Partial Redemption (only applicable to drawings on Danish debt instruments)
- PINK: Payment in kind
- PRED: Partial Redemption without Reduction of Nominal Value
- REDM: Final Redemption
- REDM: Redemption in Shares at the Issuer's Option
- TEND: Mandatory Tender Offer/Purchase offer

Entitlement forecast

The Income Pre-Advice Report (IPAR)

The Income Pre-Advice Report (IPAR) enables clients to retrieve available information on future proceeds (cash and securities) and capital repayments for all securities held in their accounts, for each place of safekeeping. The report covers the Dividend payments, interest payments, corporate action event payments and Redemptions, both partial and final, that are expected in the five Business Days following the report on a rolling basis. Proceeds which have not been executed on the scheduled payment date will be reported on IPAR for the next 30 calendar days after the scheduled payment date. After this period clients will be notified of any event of non-payment or default and further follow-up processing will be performed by the corporate actions team.

Reports can be retrieved selectively by currency, date, event type or Security Code.

The IPAR is accessible through:

- Swift (Corporate Action Notification), the standard use of which can be replaced by, MT568 (Corporate Action Narrative) in exceptional cases,
- Xact File Transfer (in XML, XLS and PDF format)[1],
- Xact Web Portal.

1. Via ISO 15022.

In the IPAR, securities Balances are updated at 03:00, 08:00, 21:30 and 22:30. Entitled Balances (on Record Date) are fixed after the End of day processing that reflects the End of day Balances.

In addition to settled and eligible balances, IPAR shows a more complete set of balances, such as:

- AFFB: Affected Balance;
- UNAF: Unaffected Balance;
- PEND/ELIG: Pending Delivery Eligible Balance;
- PEND/NELG: Pending Delivery Not Eligible Balance;
- PEND: Pending Delivery Balance;
- PENR/ELIG: Pending Receipt Eligible Balance;
- PENR/NELG: Pending Receipt Not Eligible Balance;
- PENR: Pending Receipt Balance;
- COLI: Collateral In Balance;
- COLO: Collateral Out Balance;
- INBA: Instructed Balance (applicable only for events requiring instruction);
- UNBA: Uninstructed Balance (applicable only for events requiring instruction).

The IPAR (with ADDB//CAPA) gives the following details:

- Breakdown of the cash and/or securities payment that will be done for the account.
- Tax related information, including net calculated entitlement
- Any debit movement of security
- Settlement position and eligible quantity
- Pending receivable cash amount/securities based on entitlement

In addition, intraday IPARs will be generated if important details about a payment (such as the rate of interest or the Record Date) have been updated for the related value date. These additional intraday IPARs will only include the updates to existing proceeds and new proceeds created on Value date -1. They will not be created for updates to Balances arising from any intraday Settlement activities.

IPAR is available in two forms:

- The complete report, which covers all cash and securities proceeds that are expected to be payable to the account for each place of safekeeping during the succeeding five Business Days. In addition, upon subscription only, a complete report is available at the end of the record date; and
- The delta report, which covers only those proceeds that are new and/or changed since the last report that was retrieved, thereby allowing easier identification of new items and reducing reporting costs.

For both types of IPAR, clients have the choice of whether or not to include Pending Transactions. This feature is not available to income on Equities although the total quantities of Pending receivables or deliverables are shown on the report.

The IPAR is not a confirmation of receipt of proceeds, but rather a projection of cash and securities to be expected which is subject to CBL's conditions for income and Redemption payments. Therefore, CBL provides the IPAR for information purposes only. CBL does not warrant the accuracy and completeness of the IPAR. CBL shall not be liable for any action taken based on this report.

Should CBL's Credit Department determine an Issuer to be below investment grade, that is with a credit rating of BBB- or lower, the payments expected may be flagged as payable "Upon Receipt of Funds" (URF). In order to address the issue of timely payment to our clients, the Credit Department undertakes continuous reviews until payment date -1 Business Day.

For payments flagged URF, three categories of URF information based on the payment history will be shown. This provides additional valuable information on the risk that exists for receiving the funds after the expected payment date.

The three categories of URF values will be shown as follows in the narrative section of Pre-advices:

PAYMENT UPON RECEIPT OF FUNDS - TIMELY PAYMENT EXPECTED	The last three payments or, in the case of less than three past events, all payments have been paid on time.
PAYMENT UPON RECEIPT OF FUNDS	One of the last three payments has not been paid on time.
PAYMENT UPON RECEIPT OF FUNDS - REVERSAL RISK	History of Pre-advice inaccuracy or reversals, flag applied at CBL's own discretion

List of events

The following figure is a non-exhaustive list of the corporate action events that are currently handled.

Each description is a brief definition used internally, and as such may not reflect all characteristics of the event as it may be defined by the securities industry.

CAEV	Event	Description
ACCU	Accumulation	Funds related event in which the income (for example accumulation units) that accrues during an accounting period is retained within the fund instead of being paid away to investors. The retained income is nonetheless deemed to have been distributed to investors for tax purposes.
ACTV	Trading Status: Active	Trading in the security has commenced or security has been re-activated after a suspension in trading.
ATTI	Attachment	Combination of different security types to create a unit. Units are usually comprised of warrants and bonds or warrants and equities. Securities may be combined at the request of the security holder or based on market convention.
BIDS	Repurchase Offer/Issuer Bid/Reverse Rights	Offer to existing holders by the issuing company to repurchase its own securities. The objective of the offer is to reduce the number of outstanding securities.
BONU	Bonus Issue/Capitalisation Issue	Bonus, scrip or capitalisation issue. Security holders receive additional assets free of payment from the issuer, in proportion to their holding.
BPUT	Put Redemption	Early redemption of a security at the election of the holder subject to the terms and condition of the issue with no reduction in nominal value.
BRUP	Bankruptcy	Legal status of a company unable to pay creditors. Bankruptcy usually involves a formal court ruling. Securities may become valueless.
CAPD	Capital Distribution	The Corporate event pays shareholders an amount in cash issued from the Capital account. There is no reduction to the face value of a single share (or the share has no par value). The number of circulating shares remains unchanged.
CAPG	Capital Gains Distribution	Distribution of profits resulting from the sale of company assets, for example, Shareholders of Mutual Funds, Unit Trusts, or Sicavs are recipients of capital gains distributions which are often reinvested in additional shares of the fund.
CAPI	Capitalisation	Increase of the current principal of a debt instrument without increasing the nominal value. It normally arises from the incorporation of due but unpaid interest into the principal. This is commonly done by increasing the pool factor value, for example, capitalisation, and negative amortisation.
CERT	Non-US TEFRA D Certification	Non-US beneficial owner certification requirement for exchange of temporary to permanent notes.
CHAN	Change	Information regarding a change further described in the corporate action details.

CAEV	Event	Description
CONS	Consent	Procedure that aims to obtain consent of holder to a proposal by the issuer or a third party without convening a meeting. For example, consent to change the terms of a bond.
CONV	Conversion	Conversion of securities (generally convertible bonds or preferred shares) into another form of securities (usually common shares) at a pre-stated price/ratio.
CREV	Credit Event	An occurrence of credit derivative for which the issuer of one or several underlying securities is unable to fulfil his financial obligations (as defined in terms and conditions).
DECR	Decrease in Value	Reduction of face value of a single share or the value of fund assets. The number of circulating shares/units remains unchanged. This event may include a cash payout to holders.
DETI	Detachment	Separation of components that comprise a security, for example, usually units comprised of warrants and bond or warrants and equity. Units may be broken up at the request of the security holder or based on market convention.
DFLT	Bond Default	Failure by the company to perform obligations defined as default events under the bond agreement and that have not been remedied.
DLST	Trading Status: Delisted	Security is no longer able to comply with the listing requirements of a stock exchange and is removed from official board quotation.
DRAW	Drawing	Redemption in part before the scheduled final maturity date of a security. Drawing is distinct from partial call since drawn bonds are chosen by lottery and with no reduction in nominal value.
DRCA	Cash Distribution From Non-Eligible Securities Sales	Distribution to shareholders of cash resulting from the selling of non-eligible securities, for example, in the frame of a depositary receipt program.
DRIP	Dividend Reinvestment	Dividend payment where holders can keep cash or have the cash reinvested in the market by the issuer into additional shares in the issuing company. To be distinguished from DVOP as the company invests the dividend in the market rather than creating new share capital in exchange for the dividend.
DSCL	Disclosure	Requirement for holders or beneficial owners to disclose their name, location and holdings of any issue to the issuer.
DTCH	Dutch Auction	An action by a party wishing to acquire a security. Holders of the security are invited to make an offer to sell, within a specific price range. The acquiring party will buy from the holder with lowest offer.
DVCA	Cash Dividend	Distribution of cash to shareholders, in proportion to their equity holding. Ordinary dividends are recurring and regular. Shareholder must take cash and may be offered a choice of currency.

CAEV	Event	Description
DVOP	Dividend Option	Distribution of a dividend to shareholders with a choice of benefit to receive. Shareholders may choose to receive shares or cash. To be distinguished from DRIP as the company creates new share capital in exchange for the dividend rather than investing the dividend in the market.
DVSC	Scrip Dividend/Payment	Dividend or interest paid in the form of scrip.
DVSE	Stock Dividend	Dividend paid to shareholders in the form of equities of the issuing corporation.
EXOF	Exchange	Exchange of holdings for other securities and/or cash. The exchange can be either mandatory or voluntary involving the exchange of outstanding securities for different securities and/or cash. For example "exchange offer", "capital reorganisation" or "funds separation".
EXRI	Call on Intermediate Securities	Call or exercise on nil paid securities or intermediate securities resulting from an intermediate securities distribution (RHDI). This code is used for the second event, when an intermediate securities' issue (rights/coupons) is composed of two events, the first event being the distribution of intermediate securities.
EXTM	Maturity Extension	As stipulated in a bond's Terms and Conditions, the issuer or the bondholder may prolong the maturity date of a bond. After extension, the security may differ from original issue (new rate or maturity date). May be subject to bondholder's approval.
EXWA	Warrant Exercise	Option offered to holders to buy (call warrant) or to sell (put warrant) a specific amount of stock, cash, or commodity, at a predetermined price, during a predetermined period of time (which usually corresponds to the life of the issue).
INCR	Increase in Value	Increase in the face value of a single security. The number of circulating securities remains unchanged.
INFO	Information	Information provided by the issuer having no accounting/financial impact on the holder.
INTR	Interest Payment	Interest payment distributed to holders of an interest bearing asset.
LIQU	Liquidation Dividend/Liquidation Payment	A distribution of cash, assets or both. Debt may be paid in order of priority based on preferred claims to assets specified by the security.
MCAL	Full Call/Early Redemption	The redemption of an entire issue outstanding of securities, for example, bonds, preferred equity, funds, by the issuer or its agent, for example, asset manager, before final maturity.
MRGR	Merger	Exchange of outstanding securities, initiated by the issuer which may include options, as the result of two or more companies combining assets, that is, an external, third party company. Cash payments may accompany share exchange.
ODLT	Odd Lot Sale/Purchase	Sale or purchase of odd-lots to/from the issuing company, initiated either by the holder of the security or through an offer made by the issuer.

CAEV	Event	Description
OTHR	Other Event	Other event, use only when no other event type applies, for example, a new event type.
PARI	Pari-Passu	Occurs when securities with different characteristics, for example, shares with different entitlements to dividend or voting rights, become identical in all respects, for example, pari-passu or assimilation. May be scheduled in advance, for example, shares resulting from a bonus may become fungible after a pre-set period of time, or may result from outside events, for example, merger, reorganisation, issue of supplementary tranches, etc.
PCAL	Partial Redemption With Reduction of Nominal Value	Securities are redeemed in part before their scheduled final maturity date with reduction of the nominal value of the securities. The outstanding amount of securities will be reduced proportionally.
PINK	Payment In Kind	Interest payment, in any kind except cash, distributed to holders of an interest bearing asset.
PLAC	Place of Incorporation	Changes in the state of incorporation for US companies and changes in the place of incorporation for foreign companies. Where shares need to be registered following the incorporation change, the holder(s) may have to elect the registrar.
PPMT	Instalment Call	An instalment towards the purchase of equity capital, subject to an agreement between an issuer and a purchaser.
PRED	Partial Redemption Without Reduction of Nominal Value	Securities are redeemed in part before their scheduled final maturity date without reduction of the nominal value of the securities. This is commonly done by pool factor reduction.
PRIO	Priority Issue	Form of open or public offer where, due to a limited amount of securities available, priority is given to existing shareholders.
REDM	Final Maturity	The redemption of an entire issue outstanding of securities, for example, bonds, preferred equity, funds, by the issuer or its agent, for example, asset manager, at final maturity.
REDO	Redenomination	Event by which the unit (currency and/or nominal) of a security is restated, for example, nominal/par value of security in a national currency is restated in another currency.
REMK	Remarketing Agreement	Purchase and sale of remarketed preferred equities/bonds through the negotiation of interest rate between the issuers and the holders.
RHDI	Intermediate Securities Distribution	The distribution of intermediate securities that gives the holder the right to take part in a future event.
SHPR	Shares Premium Dividend	This corporate event pays shareholders an amount in cash issued from the shares premium reserve. It is similar to a dividend but with different tax implications.
SMAL	Smallest Negotiable Unit	Modification of the smallest negotiable unit of shares in order to obtain a new negotiable unit.

CAEV	Event	Description
SOFF	Spin-Off	A distribution of subsidiary stock to the shareholders of the parent company without a surrender of shares. Spin-off represents a form of divestiture usually resulting in an independent company or in an existing company. For example, demerger, distribution, unbundling.
SPLF	Stock Split/Change in Nominal Value/Subdivision	Increase in a corporation's number of outstanding equities without any change in the shareholder's equity or the aggregate market value at the time of the split. Equity price and nominal value are reduced accordingly.
SPLR	Reverse Stock Split/Change in Nominal Value	Decrease in a company's number of outstanding equities without any change in the shareholder's equity or the aggregate market value at the time of the split. Equity price and nominal value are increased accordingly.
SUSP	Trading Status: Suspended	Trading in the security has been suspended.
TEND	Tender/Acquisition/Takeover/ Purchase Offer	An offer made to holders by a third party, requesting them to sell (tender) or exchange their securities.
TREC	Tax Reclaim	Tax reclaim.
WRTH	Worthless	Booking out of valueless securities.
WTRC	Withholding Tax Relief Certification	Certification process for withholding tax reduction or exemption based on the tax status of the holder.

8.5 Payment management of asset servicing proceeds

The asset servicing proceeds (cash or securities) are paid to clients on their CBL accounts.

Note: This is also applicable to the redemption in kind of the Fund Linked Notes.

If the proceeds are not CBL eligible at all or if the proceeds cannot be paid to the client account due to specific account restrictions, clients will be asked to provide the delivery details to CBL to execute the payment accordingly.

Payments related to investment funds - including proceeds from Redemptions - are always made upon receipt of funds unless otherwise specifically confirmed.

All proceeds are paid in the original payment currency as determined by the Issuer, on condition that the currency is recognised as eligible. The automatic foreign exchange service enables clients to have all income and Redemption payments credited in the currency of their choice (see Chapter 5.5 Foreign Exchange services).

Clients may apply for a deduction of holding from the entitled position for certain events on CEU-issued securities (German market) to exclude such positions from the payment process by sending a formatted Swift Corporate Action Instruction or Xact Web Portal instruction with dedicated wording in the narrative field "NEW DEDUCTION INSTRUCTION".

In respect of ESMA regulation (EU) 2017/392 Article 86.3, where a corporate action will reduce the balance of a securities account, the securities and cash Settlement instructions for the relevant securities issue will not be processed until the corporate action has been fully processed by the (technical) issuer CSD (that is, other CSD), and the confirmations have been received. This may lead to a desynchronisation of the cash and securities bookings.

Income and Redemption payment

Coupons and redeemable securities are automatically presented for payment and the proceeds credited to client accounts on payment date, after deduction of applicable withholding taxes, and under reserve of receipt of funds by CBL's Cash Correspondent.

The designated depositories or Common Service Providers (CSPs), as appropriate, assist CBL in collecting Coupons and deducting applicable withholding taxes in conformance with local law.

Income and Redemption proceeds provide important funds provision for Settlement. Payments are released on the relevant payment date, once confirmed by our depository/agent and once reconciled. Funds under the Available for Cash Loan (ACL) concept are credited with good value, URF payments will be paid with the value date with which CBL will be credited. Payments can be booked to a client's account at multiple times during each Business Day. This allows immediate release of payments when funds are received.

The credit to the client's account may be delayed if the payment has not been received, reconciled or validated on time (for example, late information on the market, discrepancy).

Where market restrictions apply, CBL will flag all related payments as URF.

Confirmation of income and Redemption payments is available via:

- Swift (Corporate Action Confirmation), the standard usage of which may be replaced in exceptional cases by MT568 (Corporate Action Narrative), or,
- Confirmation of Income and Redemption Proceeds Report in Xact Web Portal, or,
- Xact File Transfer[1] and in XML, XLS and PDF format.

CBL continues to work with key information suppliers, calculation agents and the International Capital Markets Services Association (ICMSA) to overcome issues faced with calculation errors and provision of

1. Via ISO 15022.

timely information to the Clearing Systems to ensure that correct data is received enabling payment release without undue delay.

Redemption reversals

For full redemption reversals older than 30 days after the value date, if the reversed amount is greater than any repayment amount (where repayment is applicable) and is related to International Securities (XS- ISIN codes) deposited with Common Depositories or Common Safekeepers, a consent solicitation is required.

Corporate action payments

CBL credits all cash and security proceeds, if CBL eligible, resulting from a corporate action on an upon receipt basis only.

Settlement and value dates mentioned in the notifications are those officially announced in the event's terms and conditions. Actual credit may, however, take place later due to practical reasons, for instance different time zones and reconciliation purposes. Actual credit may be delayed or take a different form for instance if any insufficiency and/or ineligibility of underlying fund proceeds at redemption date of the Fund Linked Note. CBL will not be responsible for any damage incurred due to a delayed credit of proceeds if such a delay is beyond its responsibilities.

Proceeds booking on events may happen on a unique or on an ongoing (rolling) basis depending on whether the proceeds (cash or securities) will be released by the agent only once after the corporate action's deadline, or at multiple points in time during the corporate action. The latter usually applies to events with long life cycles such as conversion options or Warrant exercises.

Proceeds credited are confirmed to clients via Xact Web Portal, Swift messages and Xact File Transfer[1].

Clients receiving securities from a corporate action event will be deemed to indemnify CBL for any taxes, penalties, interest thereon and other costs that CBL may incur as a result.

New payments following a reversal of an income payment

Whenever a new payment is applicable following a reversal execution of income events, the details are announced via a Corporate Action Notification and via a Pre-Advice Report (IPAR). Clients that were previously entitled but are no longer entitled due to the record date or ex-date change will not be notified of the new payment.

The new payment execution is confirmed via a Corporate Action Confirmation. It will be linked to the IPAR of the new payment.

1. Via ISO 15022.

8.6 Transaction management

Transaction management refers to corporate actions[1] on flows (pending instructions). It includes market claims (reverse market claims), transformations and buyer protection.

The rules described in this section are standard procedures which may vary in some instances. Specific rules are detailed in the Link Guides.

Market claims and reverse market claims

Market claims and reverse market claims refer to the process of the reallocation of the proceeds of a distribution to the contractually entitled party. The market claim and reverse market claim life cycle includes detection and compensation of market claims or reverse market claims.

Detection rules

CBL automatically processes detection of market claims and reverse market claims for internal, Bridge, external and cross-border trades. No detection occurs on external instructions in markets where no market claim or reverse market claim process is in place.

All settlement instruction types, whether free of or against payment, are subject to market claims and reverse market claims detection.

Only matched instructions[2] (including CCP transactions for CEU-issued securities) are detected to be eligible for market claims.

For transactions cleared by Eurex Clearing AG in instruments belonging to markets Germany, U.S. and Canada, the compensation instruction is created upon matching of the underlying transaction while for other markets, the compensation instruction is created upon settlement of the underlying transaction.

For non CCP transactions on CEU-issued securities, the detection of market claims is on settled trades.

Market claims are detected from the end of the Record Date (or once the instruction settles in the case of a reverse market claim) and subsequently in real time during a detection period of 20 business days after the Record Date.

The market claim or reverse market claim applies to all distribution events:

- ACCU MAND: Accumulation
- BONU MAND: Bonus Automatic
- CAPD MAND: Capital Distribution
- CAPG MAND: Capital Gains Distribution
- DECR MAND: Decrease in value (Share)
- DRCA MAND: Cash Distribution from Non-Eligible Securities
- DRIP CHOS: Dividend Reinvestment (without debit of basis security)
- DVCA MAND: Cash Dividend
- DVCA CHOS: Currency Option on Dividend
- DVOP CHOS: Dividend Option (without debit of basis security)
- DVSE MAND: Stock Dividend
- INTR MAND/CHOS: Interest Payment
- LIQU MAND: Partial Liquidation (without debit of basis security)
- PINK MAND: Payment in Kind

1. In this section corporate action refers to both income and corporate action events.
2. Including transactions cleared by Eurex Clearing AG, regardless of the security domicile.

- PRED MAND: Partial Redemption Without Reduction of Nominal Value
- RHDI MAND: Rights Distribution
- SHPR MAND: Shares Premium Dividend
- SOFF MAND/CHOS: Demerger/Spin-off (without debit of basis security)
- SPLF MAND: Stock Split (without debit of basis security)

Note: PRED events are eligible for detection in the International market, but they are not eligible for compensation, except for in Securities Lending.

Key dates

The use of the Settlement Date rule or the Trade Date rule is aligned with the T2S accounting model and is based on the quantity type of the financial instrument.

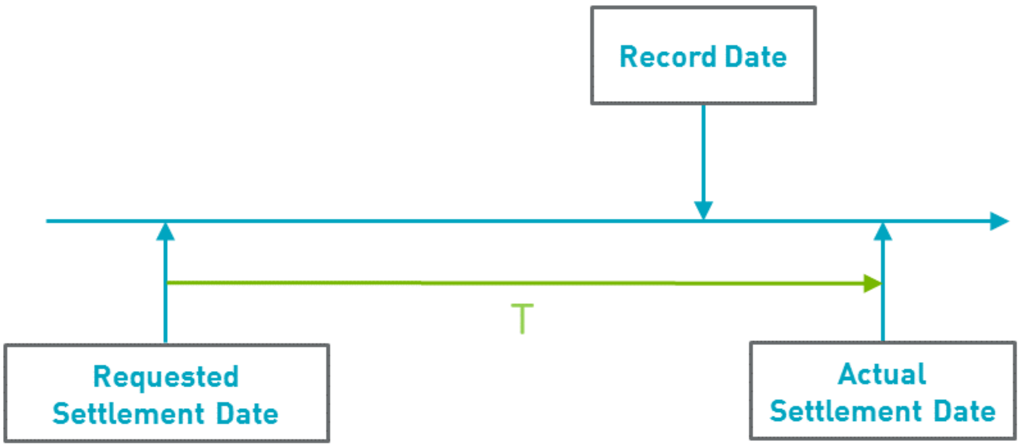
The Settlement Date accounting rule applies for securities in nominal.

The Trade Date accounting rule applies for securities in units (this can apply to bonds). No compensation will be paid if the Settlement instruction of one of the parties does not include the Trade Date.

Note: German flat bonds for SE and OTC trades follow the Trade Date accounting rule.

Settlement date accounting rule

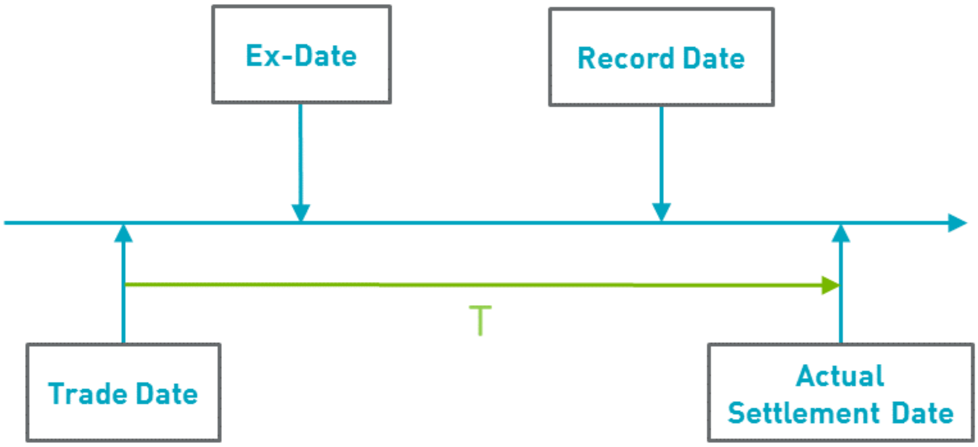
A market claim is generated if a transaction in nominal shows a requested Settlement Date prior or equal to Record Date but is only settled after Record Date.



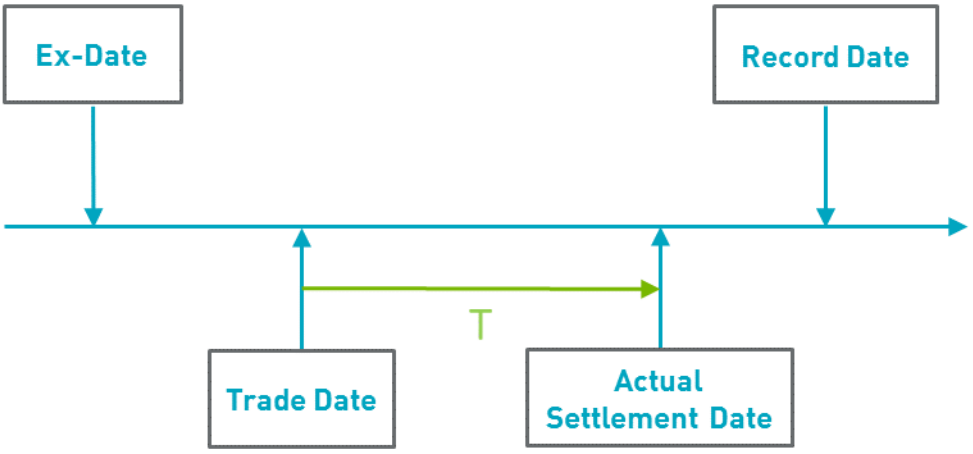
No reverse market claims can be generated for Settlement Date accounting rule as there is no Ex-Date.

Trade date accounting rule

A market claim is generated if a transaction in units shows a Trade Date prior to Ex-Date (cum coupon) but is only settled after Record Date. The direction of market claim is from the seller to the buyer.



A reverse market claim is generated if a Trade Date is on or after Ex-Date (ex coupon) but is already settled prior to or on Record Date. The direction of reverse market claim is from the buyer to the seller.



Opt-out, ex and cum indicators

Clients can specify in their Settlement instructions if they want their trades to be excluded from the generic market claims or reverse market claims detection of CBL. This can be done via the opt-out indicator.

Clients can specify in their Settlement instructions if they want their trades to be treated as ex or cum irrespective of the Trade Date. This can be done via the ex or cum indicators.

Indicator	Description
Opt-out	No automatic market claims detection
Ex	Ex Coupon
Cum	Cum Coupon

Note: Clients can use the above mentioned flags in Internal trades. If one of the counterparties includes one of these indicators in the instruction, and the market in which the traded security is deposited, supports its usage, this flag will prevent automatic processing of market claim compensation (opt-out) or change the way in which the trade is considered (Ex or cum).

These indicators are considered for instructions processed by T2S where the matching of these indicators is mandatory if included in one of the instructions.

For Bridge and External instructions CBL performs detection on the basis of STCO and TTCO values mentioned in the client instruction.

Compensation processing

Compensations are generated for markets where a market claim and reverse market claim process is in place.

- For non-T2S markets, compensations are generated based on settlement of the underlying transaction and execution of the corporate action event.
- For T2S markets (excluding Austria, Germany and Slovak Republic), compensations are generated on record date end of day when the underlying instruction is at least matched (settled in case of reverse market claims), regardless of the payment status of the related corporate action event.
- For Austria and Germany, in order to comply with local market practice, compensations are generated based on matched instructions but only upon execution of the corporate action event.
- For the Slovak Republic, according to local market practice, compensations are only generated based on settlement of the underlying transaction, regardless of the payment status of the related corporate action event.
- For transactions cleared by Eurex Clearing AG in markets Germany, U.S. and Canada, compensations are generated on record date end of day, regardless of the payment status of the related corporate action event.

Market claims in T2S markets, with multiple proceeds where one proceed is non-T2S eligible, for a transaction with a counterparty outside of CBL, CEU or LuxCSD, only the T2S eligible proceed will be compensated and accordingly reported with status “compensated”.

Bridge instructions, no matter on which market, will be subject to detection only. No compensation will be processed by CBL.

For internal and cross-border trades, if market claims are applied on the market, and for transactions cleared by Eurex Clearing AG, CBL automatically generates the market claim or reverse market claim compensation on behalf of clients. These claims are generated via matching Settlement instructions on client accounts. For cash compensations, this corresponds to an against payment instruction with zero quantity of securities.

German market

For against payment instructions with zero quantity of securities (PFoD) generated as part of market claims, instead of one "net" against payment instruction with zero quantity of securities, there are two against payment instructions with zero quantity of securities:

- a "gross" transaction not considering the tax deduction;
- an overnight bulk tax adjustment to get to the same "net" result as before.

The Tax Credit Report available in Xact Web Portal explains the different daily market claim tax adjustment instructions.

The market claims or reverse market claims instructions have:

- the same Trade Date as the one of the underlying Settlement instruction;
- the intended Settlement Date, that is the payment date of the event; and
- the same status (that is, "On Hold" status) as the one of the underlying instruction at the time the compensation instruction is created. The client can release this "On Hold" instruction by sending a MT530 or using the "Hold/Release" functionality in the Xact Web Portal.

For external transactions payments are compensated by means of separate cash bookings upon receipt of confirmation from local agents. The securities proceeds are credited on client account via a settlement instruction upon receipt of confirmation from local agents.

For more information about local market rules, please refer to the Entitlement Compensation Rules information presented for each market link on the Clearstream website.

Blocking option service for compensation instructions

Clients have the possibility to control the release of the settlement compensation instruction by subscribing to the blocking option service.

This service is only available for corporate action events and Free of Payment market claim instructions, where the client is the seller.

The Blocking Option service is available for reverse market claims.

CBL creates a compensation instruction with the "On Hold" status on behalf of subscribed clients. Clients will be able to release this instruction for settlement via the Xact Web Portal with the "Hold/Release" functionality or via MT530.

For non-subscribed clients, the compensation instruction will be processed as a normal settlement instruction.

Tax rate on the compensation and tax adjustment

For Internal trades, the tax rate of the compensation follows the market rule (gross or net of the maximum withholding tax rate).

Whenever a tax adjustment is needed, a separate settlement instruction will be generated. This corresponds to an Against Payment instruction with zero quantity of securities, that is visible via the Xact Web Portal.

The tax adjustment is reported in the Corporate Action Confirmation.

Market claims and reverse market claims reporting

The Claim and Reversal advice contains:

- Any market claim or reverse market claim subject to compensation by CBL.
- Tax adjustment amounts linked to a market claim or a reverse market claim as an additional cash movement.
- Any cancellation of a reported market claim or reverse market claim.

The Claim and Reversal Advice is not a confirmation of receipt of proceeds, but rather a projection of compensations to be expected. Therefore, CBL provides this report for information purposes only. CBL does not warrant the accuracy and completeness of the Claim and Reversal Advice. CBL shall not be liable for any action taken based on this report.

The reversal of market claims and reverse market claims is notified via the Claim and Reversal Advice (see Clearing and Settlement reports on page 11-4).

Note: PRED events are eligible for detection in the International market, but they are not eligible for compensation, except for in Securities Lending.

An account by account overview of all potential market claims related to a client's trades in securities is provided by the Custody Market Claims Report (see Clearing and Settlement reports on page 11-4).

Market claims and reverse market claims in securities are included in the MT53x reporting and can also be included in the settlement reporting (MT54x). Clients currently have the option to include or exclude the reporting of compensation instructions in securities by selecting or deselecting "Custody Proceeds" from their MT54x reporting subscription. “Custody proceeds” also include securities proceeds resulting from corporate action events.

Market claims and reverse market claims in cash are included in the cash reporting (MT9xx).

Market claims and reverse market claims are also visible in Xact Web Portal.

Transformations

Transformation is a process by which pending transactions, on or after entitlement date, are cancelled and replaced by the new transactions in accordance with the terms of the reorganisation.

The transformation life cycle includes detection of transformation, cancellation of underlying instruction and re-instruction, whenever applicable.

Detection rules

For mandatory reorganisation events, CBL detects all pending matched trades (including CCP transactions for CEU-issued securities). The detection of transformations is based on::

- Record Date or effective date where applicable, for transformations related to mandatory reorganisations;
- Market deadline for transformations related to mandatory reorganisations with options (**Note:** If the Trade Date is greater than the Market deadline, the trades will neither be cancelled nor transformed).

Transformations are detected as of end of day on Record Date/Market deadline if the settlement instruction has been identified as eligible.

The internal settlement instructions with an ISIN maturing due to a reorganisation corporate action and meeting the below conditions will be accepted over 20 business days after the maturity date:

- The trade date is before the maturity date; and
- The Intended Settlement Date (ISD) is before the maturity date + 20 business days.

For non CCP transactions on CEU-issued securities, the detection of transformations is on settled trades.

Those instructions will be attempted for matching and, once matched, will be eligible for transformation by Clearstream.

The events eligible for the CBL transformation detection process on trades are listed below:

BONU CHOS[c]	Bonus Issue/Capitalisation Issue (with interim line)
CHAN MAND[a,b]	Change/Reclassification (German market)
CONV MAND[a,b]	Conversion of securities

DRIP CHOS[c]	(with interim line)
DVOP CHOS[c]	Dividend Option with Rights (with interim line)
DVOP MAND	German dividend option event on Cash Line
EXOF MAND/CHOS[a,b,c]	Exchange Offer
EXRI CHOS[a,c]	Bonus Rights/Subscription Offer (with interim line)
EXTM CHOS[a,c]	Extension Option
EXWA MAND/CHOS[c]	Warrant Exercise
LIQU MAND[a,b]	Liquidation
MCAL MAND	Early Redemption
MRGR MAND[b]/CHOS[c]	Merger
PARI MAND[b]	Pari-Passu
PCAL MAND[a]	Partial Redemption by Face Value Reduction
REDM CHOS[c]	Mandatory with Choice Redemption in Cash or Shares at the holder's Option
REDM MAND[b]	Redemption in Shares at the Issuer's Option/Final Redemption
SOFF MAND/CHOS[a]	Demerger/Spin-off
SPLF MAND[a,b]	Stock Split
SPLR MAND[b]	Reverse Stock Split
TEND MAND[b]	Tender Offer / Purchase Offer/ Squeeze Out (German market)
WRTH MAND[a,b]	Worthless

a. Only events with a debit of basis securities.
b. Reorganisation events with settlement instructions that have a trade date after the event record date will not be transformed: Clients are requested to contact their counterparty to align on a bilateral basis for their entered, not transformed trades.
c. For the German market, these events have temporarily been excluded from Standard 10.

Cancellation of underlying instruction and re-instruction

CBL cancels all pending matched trades whether or not the basis security code changes and whether or not transformations are applicable on the market.

For markets where transformation is applicable, CBL re-instructs transformations for any pending matched internal, external or cross-border trade.

CBL does not re-instruct transformations for:

- Bridge instructions;
- delivery free of payment without matching;
- cross-border trades on all T2S markets, when the event's cash or security proceed is non T2S-eligible.

Specific rules per market, if any, are outlined in the Market Guides on the Clearstream website.

When CBL does not re-instruct the transformation, clients must inject new instructions using the correct ratio.

For internal and cross-border trades, if transformations are applied on the market,and for transactions cleared by Eurex Clearing AG, CBL automatically generates re-instructions via matching settlement instructions on client accounts. For a cash re-instruction this corresponds to an against payment instruction with zero quantity of securities.

The securities quantity and cash amount in the re-instruction is calculated as in the terms of the reorganisation event.

Depending on market practice, and provided the initial instruction has been successfully cancelled, the re-instruction will be generated either:

- on Record Date/Market deadline at the end of day, regardless the status of the related corporate action event or;
- when the corporate action event has been executed.

Re-instructions are generated with the same status as the underlying instruction. MT54x Settlement instructions in securities with :22F::STCO//TRAN can be cancelled or modified by CBL clients by sending an MT530 or via the Xact Web Portal.

In case of multiple outturns, the re-instructions will settle independently (no link to each another).

The re-instructions are generated with:

- the same trade date as in the underlying instruction;
- the requested Settlement Date being the latest date between the payment date of the entitlement and the requested Settlement Date of the underlying transaction.

For external trades, CBL will handle the transformation based upon the receipt of Settlement confirmation from the agents.

Opt-out indicator

Clients can specify in their settlement instructions if they want their trades to be excluded from the generic transformation detection of CBL. This can be done via the opt-out indicator.

Indicator	Description
Opt-out	No automatic transformation

Note: Clients can use the flag in Internal trades. If one of the counterparties includes one of these indicators in the instruction, and the market in which the traded security is deposited, supports its usage, this flag will prevent automatic processing of transformation compensation (opt-out).

These indicators are considered for instructions processed by T2S where the matching of these indicators is mandatory if included in one of the instructions.

For Bridge and External instructions, CBL performs detection on the basis of STCO value mentioned in the client instruction.

Transformation reporting

As per the Corporate Actions Joint Working Group (CAJWG) standards, transformations are not subject to Corporate Action reporting.

Instructions that are cancelled as a result of transformations are reported in the MT548 Settlement Status and Processing Advice (See Clearing and Settlement reports on page 11-4).

Re-instructions are included in Settlement reporting (MT54x) and Statements of Transactions (MT53x).

Clients receive cash reporting (MT9xx) whenever the re-instruction is cash related.

The reporting includes a narrative with additional information relevant to transformations to ease the reconciliation.

The reports are also visible in Xact Web Portal.

Buyer protection

Buyer protection is a process where a buyer who has yet to receive the underlying securities of an elective corporate action instructs the seller in order to receive the chosen proceeds. The objective of buyer protection is to ensure that the buyer in a pending transaction, who has acquired the right to elect in an (elective) reorganisation, will be able to express the preferred option, and receive the proceeds of their choice.

CBL applies a manual buyer protection mechanism in line with corporate action standards. When buyer protection is supported in a market, the reporting of buyer protection key dates are described in the relevant Market Link Guide. To facilitate the buyer protection process, CBL provides the following to clients:

- Corporate Action notification on the basis of client pending positions including the buyer protection key dates. The buyer protection key dates, Election to counterparty, Market deadline and Guaranteed Participation Date are reported in ISO structured fields, which are also visible in the Xact Web Portal.
- The CASG compliant template for the buyer protection invocation.

8.7 Tax services

CBL provides clients with a number of tax services in various markets:

- Tax documentation service;
- Relief at source and quick refund;
- Standard refunds;
- Proactive tax reclaim;
- Tax certificate queries, tax attestation request uploads and queries via Xact Web Portal;
- Client information form.

Tax documentation service

The tax documentation service covers the supply of information relating to:

- Certificates received from clients in order to obtain exemption from, or a reduction of, withholding tax at source on taxable events (referred to hereafter as **certificates**); and
- Tax refund claim forms (referred to hereafter as **refund forms**) to reclaim all or part of the withholding tax initially paid on taxable events.

The main features of the tax documentation service are:

- The issuance of **Acknowledgements** of receipt for each certificate/refund form submitted and the respective confirmation of validity;
- The issuance of an "Expiry Report" in respect of certificates due to expire in one month's time.

Every client that sends a certificate/refund form will receive, as appropriate, the documents described in the following sections.

Any certificate addressed to CBL must be accompanied by a cover letter containing the account number and purpose of the certificate duly mentioned. Any refund form addressed to CBL must be accompanied by a Letter of Request to CBL. If the client does not provide the Letter of Request, CBL reserves the right to reject such refund forms.

To ensure efficient processing, clients can only send certificates for accounts already open within CBL. If a client sends a certificate with multiple accounts, where some of them are not open in CBL yet, CBL reserves the right to reject such certificates.

Depending on the investment market requirements and on the specificity of documentation for tax relief, clients may request the duplication of the certificates already submitted and validated by CBL from one account to another.

Consequently, CBL offers its clients the possibility to duplicate (where applicable) original and valid tax certification via unsolicited instruction (Swift, Xact Web Portal or Xact File Transfer) per market and having below mandatory text completed accordingly:

The duplication request should refer to the initial received and still valid original tax documentation (duplication of duplicated certificates is not acceptable). The duplication will generate a new tax certification registration with a unique reference, will be charged according to the usual tax certification processing fee and, once registered, will be available via Xact Web Portal.

Important Note: Duplication of tax certificates older than 10 years is not performed by Clearstream. Clearstream reserves the right to refuse any request for duplication of a tax certificate whose original is not retrievable. In such cases, the client shall either provide new tax certificate(s) or a copy of the original tax certificate, along with the Swift instruction to duplicate.

Request for duplication of tax certificates

ATTN: Tax Services
Market:
Source Account:
Destination Account:
Clearstream Banking references of the impacted certificate(s):

We hereby confirm that above-mentioned original tax certificate(s) is/are still valid and should not be revoked.

We irrevocably authorise Clearstream Banking[1] to apply tax relief based on the information contained in the original tax certification duplicated for the destination account.

We hereby appoint Clearstream Banking and Clearstream Banking's depository for the Securities as our attorneys-in-fact with authority to collect and forward the tax certification or a copy of the tax certification, any attachments and any information relating to it to the tax authorities if these prove relevant to any administrative or legal proceedings or official inquiries undertaken or threatened.

We accept full responsibility and indemnify Clearstream Banking in the case of any claims or additional taxes, interest thereon or penalties levied by tax authorities in connection with any payments made in reliance upon this duplication of certification including any additional information provided in connection to it.

We certify, under penalty of perjury, that the information contained in the tax certification is true, correct and complete.

1. Clearstream Banking refers collectively to Clearstream Banking S.A., registered office at 42, avenue John F. Kennedy, L-1855 Luxembourg, and registered with the Luxembourg Trade and Companies Register under number B-9248, and Clearstream Europe AG, registered office at 61, Mergenthalerallee, 65760 Eschborn, Germany and registered in Register B of the Amtsgericht Frankfurt am Main, Germany under number HRB 7500.

Acknowledgements of documentation

Depending on the communication means the client is subscribed to, an acknowledgement is either mailed or communicated via Swift message for each certificate/refund form submitted to CBL. For certificates, per depository/or tax agent, one acknowledgement is issued per account whereas for standard reclaims, one acknowledgement is issued per requested amount.

A unique identification number is assigned to each certificate/refund form submitted to CBL. This number, which is included in the acknowledgment, needs to be referenced in all further submissions and queries related to the certificate/refund form in question.

Acknowledgements issued in respect of certificates/refund forms considered valid (that is, complete as to form and content) by CBL include a Withholding Tax Certification Confirmation, summarising the details of the certificates/refund forms allowing our clients to reconcile. Those acknowledgements are by default sent by Swift or Xact Web Portal message (referred hereafter as digital means of communication) but can be sent via regular mail upon request from our clients. Any certificates/refund forms that are considered invalid are returned to clients by registered mail for amendment, with the reason duly noted on the accompanying acknowledgement.

Subject to the client having established that the documentation has been sent to CBL, as per above, CBL shall not at any time be held liable for any loss or damage caused by the non-processing of the certificates/ refund forms, unless the client has informed CBL in writing of the missing acknowledgement prior to the client instruction deadline, and no later than one month following the date of sending by the client of its documentation, and CBL is not able to demonstrate that such acknowledgement was sent to the client, or in the case of CBL's gross negligence or wilful misconduct in relation thereto.

Expiry Report

About one month before the expiry date of any standing certificate, a reminder (Expiry Report) is sent by post or communicated by digital means of communication to the client with a summary of the details of that certificate.

Tax certificate query

Clients can query inventory information about tax certificates in Xact Web Portal. The tax certificate query provides a comprehensive record of tax certificates received as well as the certificate validity dates. Clients have the possibility to define their queries by account, market, depository, beneficial owner and/or event type.

For further information regarding tax certificate and tax refund queries see Chapter 11. Reports and information services.

Tax attestation query

Clients can use the Tax Attestation Query about German Tax Vouchers in Xact Web Portal (will be extended to further markets in the future).

Tax attestation request upload

Clients can use the Tax Attestation Request Upload functionality to request German Tax Vouchers (will be extended to further markets in the future).

Relief at source and quick refund

CBL offers relief at source and quick refund to clients for a large number of markets, whenever such service is available via its depository/or tax agent, as specified in our Market Taxation Guides, Announcements and Tax Matrix.

Tax notifications

For forthcoming income and corporate action events in the markets concerned for which CBL offers relief at source or quick refund, CBL provides its clients with pre-advices based on their entitled positions on the record date in the form of tax notifications via Swift, with details concerning the relief at source or quick refund process and references to Market Taxation Guide, Announcements and Tax Matrix, if applicable containing market-specific tax criteria. As a result, clients can report their entitled positions in good time and submit the necessary documents to CBL in order to benefit from relief or quick refund.

Tax notifications are only sent for the income and corporate action events for which CBL offers a tax service to its clients. Clients will consequently not receive any tax notifications for taxable income and corporate action events for which no relief at source or quick refund is offered by its depository or the tax agent.

Tax instructions

Any application for relief at source or quick refund on income or corporate action events shall be submitted to CBL by the relevant account holder. The account holder is solely responsible for the content, continuing accuracy and completeness of any application and certification submitted with respect to securities held on its account(s) with CBL (including any certifications from the underlying final beneficial owner).

CBL does not provide any tax advice and by submitting any request the client confirms that (i) it has made all relevant assessments, (ii) it has sought relevant professional advice and (iii) it does not rely on CBL for the purposes of determining the tax rate applicable to the underlying beneficial owner of the taxable event.

Before submitting an instruction, clients must ensure that when applicable, valid documentation and/or certification is in place.

Clients may instruct using the following media:

- Xact Web Portal;
- Xact File Transfer;
- BO Upload[1];
- Formatted Swift Corporate Action Instruction, MT568, MT599 message by using the BIC address: CEDELULL.

Instructions received from clients are validated by CBL and processed accordingly.

An additional fee will be applied to free format messages, unsolicited instructions and manual repairs to the below instruction types:

- Free format messages; and
- Unsolicited instructions (Swift , Xact Web Portal or Xact File Transfer) where the corporate action reference ID and/or Official Corporate Action Reference are missing and for which the client has received this corporate action reference ID or Official Corporate Action Reference previously in the related CorporateAction Notification before sending the instruction. If several events are announced within the same period, unsolicited instruction might be rejected; and
- Any client Formatted Corporate Action Instruction received via Swift , Xact Web Portal or Xact File Transfer where the required information has been incorrectly populated through dedicated structured fields (manual repairs).

Incorrectly formatted instructions provided via Swift or Xact Web Portal that are automatically rejected will immediately trigger a Swift Status and Processing Advice indicating the reason for rejection.

Instruction format

To ensure straight-through processing and to benefit from the full life cycle of information, clients must send tax instructions using an available connectivity method:

- Standard rules for the completion of the Swift formatted instructions , as described in the Xact via Swift User Guide or Swift standards, must be followed. Any additional information required as described in the tax notification must be included.
- For instructions sent as free-format messages, automatic validation and processing is not applicable.

Free-format instructions can be accepted, containing the following mandatory data to ensure validity:

- Exact event type;
- CBL Corporate action reference ID (if any);
- Official Corporate Action Event reference (if any);
- Client account number;
- Unique Sender’s Message reference (SEME);
- Corporate action option number;
- Corporate action option code indicator;
- Quantity instructed (please refer to the eligible balance on the notification);
- The financial instrument identification number (ISIN or Common Code);
- Tax rate applied for;
- Any additional information required as described in the tax notification.

1. Depending on market practice the BO list upload must be complemented by an instruction as indicated in the tax notification.

For BO lists uploaded via Clearstream Banking's Upload Beneficial Owner List facility, clients should submit BO lists in the predefined format. The following data are mandatory to ensure validity of the BO lists:

- Client account number;
- Security code (ISIN or Common Code);
- Security Name;
- CBL Corporate Action Reference ID (if any);
- Record date;
- Payment date (if applicable);
- Holding;
- Any additional information required as specified in predefined format of a BO list.

Clients must only include one instruction per instruction message. One instruction consists of: one event, one account number, one financial instrument identification number (ISIN or Common code), one tax rate (multiple BOs accepted per same tax rate applied).

If a clients includes more than one instruction per message, or if the additional text field on formatted messages includes an instruction or contradicts with the instruction given in the structured fields, CBL cannot be held responsible for any loss or damage caused. CBL reserves the right to reject instructions not formatted as described above.

In the event that clients do not submit any application for exemption or for reduced tax rate on taxable income or corporate action events, the standard tax rate as per the market specifics (default action) will apply.

Late instructions

Instructions received after the CBL deadline are handled on a "best efforts" basis, however, execution cannot be guaranteed. If the instruction received after the CBL deadline cannot be executed, CBL will apply the standard tax rate as per market specifics (default action) and reject the client's late instruction accordingly.

When a correctly formatted Swift instruction comes in after the CBL deadline, clients receive an acknowledgement, advising the client that the instruction is after the CBL deadline and will be processed on a "best efforts" basis. After feedback from the depositories/agents a revised processing advice is sent to clients.

Cancellation and replacement of previous instructions by clients

To replace an instruction already sent, clients must send a cancellation message before the new instruction.

Clients are requested to cancel formatted instructions with a formatted cancellation (CANC) only (Swift and Xact Web Portal).

To cancel and replace free-format instructions, clients are requested to submit a new free-format message with the reference (SEME) of the free-format instruction to be cancelled and with the new instruction in the additional text of the message.

If instructions have already been processed and forwarded to the local market, the agent or the depository, CBL will forward the cancellation request accordingly, but cannot guarantee execution of the cancellation request.

CBL cannot be held responsible for any loss or damage caused by the failure of the local market, the agent or the depository to process the cancellation request, nor by a client's failure to comply with the cancellation and replacement procedure.

Status and processing advice

Clients instructing via Swift or Xact Web Portal will receive a status and processing advice message for each tax instruction sent to CBL.

Clients using Xact Web Portal can check the status of their instructions directly in Xact Web Portal and schedule the receipt of a Status and Processing Advice via Swift.

In order to receive acknowledgements via Swift, a valid Swift address is required and "Include all media channels" must be checked in the Scheduled Reports details.

Incorrectly formatted instructions provided via Swift or Xact Web Portal that are automatically rejected will immediately trigger a Swift Status and Processing Advice indicating the reason for rejection.

If the tax instruction was sent using a free-format message, clients will not receive a status and processing advice and are responsible for monitoring the instruction execution.

Rejection of instructions

CBL will inform the client about rejection of instruction in following cases:

- Instruction is incomplete or invalid (as per instruction format definition);
- The corporate action reference ID is missing, ISIN (or common code) and/or corporate action reference ID provided in the related instruction do not match with an event;
- Any additional requirements (as per tax notification) are not satisfied.

Clients will be notified about a rejection via Status and Processing Advice or via MT568 Swift with a reason of rejection noted.

General disclaimers

In the event that for any reasons, clients do not receive the expected proceeds as per the tax certification and/or instruction provided to CBL, the client shall request CBL, within a period of three (3) working days from the payment date of the respective income or corporate action event, to perform the readjustment towards, if applicable, the relevant local custodian, paying agent or tax authority.

CBL shall not be liable in the case where the client did not request such rectification from CBL within the above timeframe.

Clients acknowledge and agree that, whenever benefiting from such relief at source or quick refund service, they shall provide to CBL or the local tax authorities, promptly and upon request at any time of CBL, such documentation that may be necessary to assist CBL or its depository to prepare and process via standard refund tax reclaims on behalf of the underlying beneficial owners in order to recover the funds. CBL shall not be liable in case the documentation is not provided.

CBL should not, at any time be held liable for any delay, loss or damage caused by any tax documentation being mailed to (and received at) any location other than the one specified in the tax certificate and/or in the Creation Quick Tax Reference Matrix.

Standard reclaims

With its tax services CBL assists clients in obtaining tax refunds from taxation in various markets, whenever such service is available via its depository or the tax agent, as specified in our Market Taxation Guides, Announcements and Tax Matrix.

Clients acknowledge and agree that:

- The tax reclaim service offered by CBL may be subject to changes depending on the requirements of the local Tax Authorities, local depository or local tax agent; and
- CBL is authorised to process the tax reclaim with full reliance on the information provided by the clients, without any requirement for CBL to verify the authenticity, completeness, accuracy or correctness of any such information and documents; and

- CBL does not guarantee the acceptance of the reclaim or its payment by the local Tax Authorities, therefore, in the absence of any negligence of CBL, CBL shall not be held liable, and
- CBL shall not at any time be held liable for any loss or damage caused by the tax reclaim procedure unless there is any negligence or wilful misconduct on the part of CBL, CBL, however, shall not be liable for any indirect or unforeseeable loss, claim, liability, expense or other damage unless such action or omission constitutes gross negligence or wilful misconduct on the part of CBL.

Tax refund queries

Clients can query inventory information about tax refunds in Xact Web Portal. With the tax refund query, clients can retrieve a list of refunds submitted to CBL and track their status.

For further information regarding tax refund queries see Chapter 11. Reports and information services.

Proactive tax reclaim

To further assist client in the reclaim process, CBL offer the ProActTax reclaim service. As part of this service, CBL generates and prepares reclaim forms and certifications for its clients, and it submits the forms and initiates the reclaim process with the relevant Tax Authorities, relevant depository or relevant tax agent on behalf of the beneficial owners upon receipt of the original validated and certified reclaim forms from clients.

Tax services on securities held outside the home market

Tax services offered for remotely deposited securities (not deposited via CBL's local home depository) are only available via CBL, whenever such specific service is specifically announced to clients either in CBL's Market Taxation Guides, Announcements or tax notifications via Swift.

Tax reports

Regular U.S. withholding tax report

The U.S. withholding tax report enables clients to verify and reconcile the applied withholding tax rates on their U.S. source income paid on securities in accounts with CBL. For a full description of the U.S. Withholding tax report, please refer to "Xact File Transfer PDF Report Guide" on the Clearstream website.

Client Information Form

A Client Information Form is available to notify CBL of the name and address of the contact person/department to whom the new reports are to be mailed or communicated. If no such information is received, CBL sends all information relating to withholding tax to existing contact names or for the attention of the Taxation/Securities Department.

Client Information Forms are available from the Tax Help Desk or your Client Services Officer or Client Relationship Manager.

General disclaimer on Tax Services

In case of accounts opened to hold assets on a proprietary basis, CBL will not treat by default any taxable events on assets held on such accounts as beneficially owned by the client for tax purposes. It remains the client's responsibility to ensure that any tax documentation provided to CBL, including certificates, is reflecting the correct beneficial owner information for tax purposes, taking into account any underlying transaction to the extent relevant in any given market to establish beneficial ownership for tax purposes on assets held on the account.

8.8 Services for CFF Qualified Investment Fund Shares

Income and corporate action events on CFF Qualified Investment Fund Shares are calculated on a Trade Date basis as indicated by the Trade Date included in settled and Pending Settlement instructions issued by the CFF Settlement Agent.

Income or corporate action events on CFF Qualified Investment Fund Shares that have been traded between two clients are processed in the same way regardless of whether the Investment Fund Shares are CFF Qualified or not.

Corporate action processing and the distribution of relevant payments to clients is performed by CBL. Distribution of entitlement proceeds from settled positions and Pending Transactions, related to Investment Fund Orders and transfers in or out of the CFF Omnibus Account are executed in a single payment on the date on which CBL receives the entitlement payment.

For Investment Funds that calculate dividends on a daily basis, CBL receives the applicable dividend payments after the completion of each dividend accrual period. Such Investment Funds will regularly have 12 accrual periods per year. Clients will only receive any accrued dividends owed to them pursuant to the execution of a redemption/sell Investment Fund Order after the relevant dividend accrual period has ended. This also applies to Investment Funds that are considered as being the "dividend close-out" type.

Calculation of entitlement and distribution of proceeds for CFF Qualified Investment Fund Shares

For Primary Market trades (subscriptions, redemptions and switches) and for Transfers-In/Out, CBL will consider as part of the entitlement calculation any instructions for CFF Qualified Investment Fund Shares received by CBL from the CFF Settlement Agent before payment date[1], provided that such instructions include a Trade Date[2] up to or including the Record Date.

For trades between two clients in Investment Fund Shares the market claim or reverse market claim is processed in the same way regardless of whether the Investment Fund Shares are CFF Qualified or not.

Upon receipt of the event confirmation and proceeds from the CFF Transfer Agent, CBL will distribute the proceeds to the clients.

1. For CFF Services, payment date is the date, set by an Issuer of a security, on which the payment of proceeds is to occur.
2. For CFF Services, Trade Date is the effective register date on which entitlement is recorded in the relevant Investment Fund Register.

8.9 General Meetings Service

CBL provides an elective general meetings service to clients (or to any third party appointed by the client in accordance with a power of attorney)[1] for Equities, bonds and Investment Fund Shares held in custody with different service levels as follows:

- Clearstream Banking General Meeting Service.

For each meeting event, clients will receive, under either service, the respective meeting notification:

- For domestic equities and debt instruments, the meeting can be either an AGM or an EGM.
- For Eurobonds (international market), almost all meetings are EGMs, although Eurobond AGMs may exceptionally occur. In such instances, meeting notifications will be sent accordingly.

For further details of the market concerned, please refer to the respective market Link information on the Clearstream website (under Resource Library/Releases and Initiatives/ General Meeting Service).

Additionally, CBL informs clients about court meetings if and when information is provided to us.

Clients who do not want to use either service have the option to deselect meeting notifications through their Xact Web Portal.

Clearstream Banking General Meeting Service

Main features

The main features of the Clearstream General Meeting Service are as follows:

- Notification of meeting events via Xact Web Portal, Xact File Transfer, Xact via Swift ISO 20022[2];
- Meeting entitlement notification;
- Provision of meeting agendas (always available in English);
- Split and partial voting;
- Power of attorney for voting;
- Handling of General Meetings instructions in ISO 20022 format or Xact Web Portal;
- Delivery of entry or admission cards for meetings, upon request;
- Blocking of securities, if applicable;
- Reporting of meeting results if received from the agent;
- Vote execution confirmation.

1. In this §8.6, a reference to the client is to be read as a reference to the client or to its attorney, as the case may be.
2. For a transition period, the coexistence of notifications via ISO 15022 via Swift, Xact File Transfer is offered.

Message types

Message purpose	ISO 20022 message type	ISO 15022 equivalent	Description
Meeting Event Notification	seev.001	MT564 NEWM	The Meeting Notification message is sent by Clearstream to clients/account holders or their respective third-party service providers. Clearstream uses multiple sources for the sourcing of information regarding general meetings, including service providers, depositories and issuer agents. Based on the information received from these sources, the Meeting Notification message is created and provided to clients.
Meeting Event Cancellation	seev.002	MT564 CANC	The Meeting Event Cancellation message is sent by Clearstream to clients/account holders or their respective third-party service providers to inform about a cancellation.
Meeting Entitlement Notification	seev.003	n/a	The seev.003 message performs the function of a certificate of holding by proving custody positions on a specific date during general meeting registration. Clearstream Banking generally issues this message automatically for clients with an active subscription after the entitlement fixing date.
Meeting Instruction	seev.004	n/a (formerly MT565, but nolonger supported by Clearstream)	The Meeting Instruction message is sent to Clearstream by a client/account holder of Clearstream holding the right to vote, requesting Clearstream to act upon one or several instructions.
Meeting Instruction Cancellation	seev.005	n/a (formerly MT565, but no longer supported by Clearstream)	The Meeting Instruction Cancellation message is sent to Clearstream by a client/account holder of Clearstream holding the right to vote, requesting Clearstream to cancel a previously submitted instruction.

Meeting Instruction Status	seev.006	n/a (formerly MT567, but no longer supported by Clearstream)	The Meeting Instruction Status message is sent by Clearstream to clients/account holders or their respective third-party service providers in response to an instruction to inform about the processing status. For each received Meeting Instruction - Meeting Instruction Cancellation will trigger a Meeting Instruction Status message to the instructing party, indicating whether the instruction has been accepted or rejected. Additional status messages will be sent after the instruction is forwarded to the depository, selected provider, or issuer agent.
Meeting Vote Execution Confirmation	seev.007	n/a	The Meeting Vote Execution Confirmation is provided only if explicitly requested by the client in the Meeting Instruction and if Clearstream Banking receives it from its market provider. Clearstream Banking forwards the received confirmation directly to clients without performing any reconciliation or validation.
Meeting Results Dissemination	seev.008	n/a	The Meeting Result Dissemination is provided to clients only if Clearstream Banking receives it from its market provider. Clearstream Banking forwards the results directly to clients without performing any reconciliation or validation.

Content of instructions

Standard rules for the completion of the meeting instructions, as described in MyStandards and the Xact Web Portal User Guide. CBL reserves the right to reject message instructions not formatted as per recommendations.

General meeting instructions

The final instruction deadline for meeting events varies from market to market. Clients can send instructions up to the deadline as communicated within the meeting notification. Instructions received after the deadline will be executed on a "best efforts" basis.

Blocking of positions occurs where it is a market or Issuer requirement. Blocking commences when the instruction is submitted to the local market representative, the agent or the depository and continues until the Securities Blocking Period End Date, has been reached.

CBL performs several validations on a received instruction message. The validations can be dependant on certain qualifiers that were used in the notification message (such as non-votable resolution items), on qualifiers used within the instruction that CBL does not process (such as short positions) or on the specific event and instruction context (such as a registration request without beneficial owner details).

Each received instruction or instruction cancellation will trigger a status message to the instructing party, indicating whether the instruction has been accepted or rejected. Additional status messages will be sent after the instruction is forwarded to the depository, selected provider, or issuer agent. The status message generally requires an active subscription; however, rejections due to the technical message validation failure will be reported to the sender of the instruction even with no subscription in place.

Cancellation and replacement of previous instructions

If instructions have already been processed and forwarded to the local market, the agent or the depository, the cancellation request will be handled on a "best efforts" basis.

Following an instruction cancellation, clients have the possibility to re-instruct. If a valid Meeting Instruction Cancellation Request ID (equal to the Business Message Identifier of the meeting instruction cancellation) is included in the new instruction, this is interpreted as a re-instruction, meaning CBL will pass on the re-instruction only once the cancellation is confirmed by the CBL market provider. If this functionality is not used, CBL will process as an individual meeting instruction.

CBL makes no guarantee as to the execution of such cancellation request and under no circumstances will it be liable for any loss or damage caused by a client's failure to comply with the cancellation and replacement procedure.

The cancellation request has to be submitted via Swift ISO 20022 or Xact Web Portal and will be processed and forwarded to the depository.

Eurobond notification

For Eurobond meeting notifications received through the General Meeting Service, the summary contained in the meeting notification does not constitute a legally binding description of the choices offered to clients and cannot be relied upon as such. Clients are considered to understand the offer and to instruct CBL or the relevant third party service provider accordingly. Clients may, in this respect, want to seek independent legal advice about the interpretation of the offer contained therein.

These notifications cannot be reproduced or transmitted in any form or by any means, if neither the client nor the addressee of such notifications is entitled to participate in the relevant corporate action.

The client or the addressee shall bear the sole responsibility for any and all harmful consequences, losses or damages, that may be suffered for any reason by the client, the addressee, any third parties or CBL by reproducing or transmitting the notification.

The original documentation, event notices and publication materials from the Issuer or Issuing Agent are available from CBL via email request to CADATABASE.CS@clearstream.com quoting precisely the following in the subject line:

OCE<*space*><*corp_id*>

where the corp_id must be taken from the Swift meeting notification.

Handling of linked events

Linked events are events that are related. The notification of a corporate action event that is linked to a meeting shall contain the corporate action reference of the linked meeting event.

Clients must consider them as two separate events and avoid duplicating the exercising of their positions per option. For example, if an instruction is sent for the CTEN or CEXC option for an Exchange Offer, Repurchase Offer or Purchase Offer, the client must not instruct for the same positions within the meeting event.

Positions that are instructed for a linked Corporate Action offer event are immediately blocked and the amount will be ineligible for the related meeting event.

Participation methods (instruction) and market specifics

Clearstream Banking supports specific participation methods during the instruction process:

EVOT for vote instructions, PRXY for proxy instructions and PHYS for attendance requests. Other participation methods are generally not supported.

Each participation method requires dedicated information to be provided:

General Meetings – Swift Reporting

Meeting Instruction (seev.004) – Participation Method

Instruction	Participation Method	Notification - Supported by CB?	Instruction - supported by CB?	Vote Details Section	Meeting Attendee Section	Proxy Section	Securities Registration Indicator	Rights holder section
Vote with/ without Registration	EVOT	✓	✓	**Mandatory**	Rejection	Rejection	Optional	**Mandatory** (if requested in seev.001 via „BO Disclosure“ = true)
Attendance	PHYS	✓	✓	Optional	**Mandatory**	Rejection	Rejection[3]	
Proxy with/ without Registration	PRXY	✓	✓	Optional	Rejection	Optional[4]	Optional	**Mandatory** for registration
Registration	*blank*[2]	n/a	✓[2]	n/a	n/a	n/a	**Mandatory**	Optional otherwise
Not Voting	PHNV	✓	✗					
Correspondence	MAIL	✓[1]	✗					
Virtual	VIRT	✓[1]	✗					
Proprietary codes		✗	✗					

✓[1] : When received from the market/issuer, the notification will be forwarded with the indicator “Supported By Account Servicer” set to FALSE. Any instructions on those events will be rejected.

✓[2] : Please note that Participation Method can only be blank for a Registration-only request. **In all other cases, Participation Method is a mandatory field**

[3] : Entrance card cannot be combined with a registration request. This needs to be instructed with two separate instructions.

[4] : At least one of the Vote Details or Proxy sections should be filled out for the Proxy with / without Registration instruction types.

Figure 8.5 Participation Method

Valid meeting instructions must include key details like ISIN, meeting ID, and account information. For entrance cards without voting rights, participation method PHYS should be used with the PHNV method specified in the meeting attendee section.

Meeting deadlines

If reported by the Clearstream market provider, the Enrolment Market Deadline is forwarded to the Clearstream client as received. It is expected to precede or be equal to the Vote Market Deadline.

The Enrolment Deadline is determined by Clearstream based on the markets' STP capabilities.

The Vote Market Deadline is forwarded by Clearstream Banking as reported by the Clearstream Banking market provider.

The Vote Deadline is determined by Clearstream Banking based on the markets’ STP capabilities.

Clearstream Banking reports the Vote Market Deadlines and Vote Deadlines in UTC time format (YYYY-MM-DDThh:mm:ss.sssZ).

Clearstream Banking will calculate the deadline on the vote deadline from their depository, the market agent provider or based on the issuer vote market deadline.

The vote deadline for events received from issuer agents and where the instructions can be processed STP will be better than the deadlines for events where no instructions in MX format can be sent to the market.

For registered shares, the “Registration Securities Deadline” indicates by when a registration must be instructed.

The Registration Market Deadline is expected to be before or equal to the Vote/Enrolment Market Deadline.

The “Securities Blocking Period End Date” indicates that Clearstream Banking will block the instructed securities from the approval of the instruction to the Securities Blocking End Date.

Please note that date/time fields other than Vote (Market) Deadline may be reported in UTC time format, local time or local time with UTC offset.

Reminders

Following the initial notification and further updates, Clearstream Banking will send reminders to clients for the meeting event according to the following schedule:

- 1st reminder: Seven business days before Early Incentive Deadline;
- 2nd reminder: Seven business days before the Vote Deadline;
- 3rd reminder: Two business days before Early Incentive Deadline;
- 4th Reminder: Two business days before the Vote Deadline.

The reminder service is optional and can be deactivated on subscription level.

Note: A maximum of one reminder is sent per day.

Certificate of holding

In certain markets, issuers require a Certificate of Holding, which Clearstream Banking provides to clients to confirm their holdings, serving as proof of their positions to issuers, primarily for accounts holding beneficial owners' shares, by proving custody positions on a specific date during general meeting registration. Clearstream Banking issues this message automatically for clients with an active subscription, based on specific priority rules. The relevant date for recording holdings is determined through a hierarchical system, and the certificate of holding is sent on the following business day after the relevant date.

Registration

For German registered shares, a registration is mandatory. The meeting notification will include the "Registration Securities Deadline," indicating when clients must submit their registration instructions. Clients must either provide the Shareholder ID if available or request registration by setting the "Securities Registration" indicator to true.

Overall, the clients instructing for the German registered securities via Clearstream Banking may have to consider three deadlines, the Enrolment Deadline, the Securities Registration Deadline and the Vote Deadline as well as the respective market deadline for each.

CBL clients can use the Swift ISO 20022 instruction message or Xact Web Portal for registration requests, which Clearstream Banking will process by forwarding to the Registrar. The Shareholder ID will be communicated back to clients once available. It's important to note that the registration as a beneficial owner is the only option, and Clearstream Banking does not validate BO details during registration.

Security registration by the client is only required for general meeting events on CEU-issued registered shares. In other markets, registration is done by the Clearstream Banking custodian on the basis of the meeting instruction message.

For all share registrations processed out of a meeting instruction, Clearstream Banking will trigger a deregistration on Securities Registration Market Deadline + 1.

Important Note: Clearstream will trigger and process the deregistration for the full registered amount processed out of a meeting instruction. In the event that the client has triggered a full or partial deregistration prior to the Securities Registration Market Deadline + 1, the position will not be sufficient to process the deregistration triggered by Clearstream's general meeting process. In such cases, it will be the Clearstream client's responsibility to deregister the remaining position.

8.10 Markdown service

Clearstream Banking offers the option of removing securities from a client's portfolio upon formal instruction by the client, to permanently (except in relation to "PREM" securities - see below) markdown specific securities. This service is offered only to securities of certain domestic markets and defaulted securities. This option is subject to confirmation by Clearstream Banking's depository or agent appointed for the market of the security to be removed from the client's portfolio.

Important notes:

1. Markdown investigations are the first step of the markdown process, and it will not be provided separately. Clearstream Banking will not accept any investigation requests regarding markdowns received without a markdown instruction. Investigation requests will only start upon the receipt in Clearstream Banking of the formal markdown request sent via Swift message, Xact Web Portal free-format messages, using the below template.
2. The markdown service requires an investigation and manual processing of client instructions and is therefore subject to fees as published in the Clearstream Banking Fee Schedule. The fees are always going to be charged, according to the Clearstream Banking Fee Schedule, disregarding the result of the investigation, either positive or negative. Therefore, even if the investigation concludes that the markdown of the security cannot be processed, the investigation fees still apply. The fees applied differ according to the status of the securities: defaulted or non-defaulted securities.

   Exception: Securities listed as "PREM" securities by DTCC, these markdowns will be always charged as non-defaulted securities, independently of being defaulted or non-defaulted.
3. Once the instruction to request the removal of a security (markdown) is sent to Clearstream Banking, it is irreversible. Therefore, by sending the instruction, clients acknowledge and consent to the permanent loss of all their rights and entitlements on any future changes in the status or pay-outs of the marked down securities.

   Exception: In relation to securities listed as "PREM" securities by DTCC, the instruction received by Clearstream Banking shall not prevent the credit of proceeds associated or not to a late reinstatement of holdings, as the case may arise. The client shall be deemed to have authorised Clearstream Banking to credit such proceeds on its account or, should the client no longer have any active account with Clearstream Banking S.A. at the time of said reinstatement of holdings, Clearstream Banking S.A. shall make reasonable efforts to liaise with the client with the intent to obtain alternative instructions about the aforementioned proceeds, failing which Clearstream Banking S.A. shall implement its internal policies and procedures regarding the handling of unclaimed amounts.
4. This service is not offered to markdown holdings in Alternative Investment Funds (AIF) or Undertakings for Collective Investment in Transferable Securities (UCITS).
5. Client instructions to remove a holding are acceptable to Clearstream Banking only upon receipt of the depository/agent's acceptance and confirmation that the holding is removable from its own books. As the process of obtaining the depository/agent's approval may involve investigations with the Issuer, or other entities, Clearstream Banking cannot commit in advance to a time frame by when the securities will be removed. The securities holdings, for which the markdown request was sent, will be blocked for the period of investigation.
6. If the above-mentioned investigations conclude that the markdown request instruction cannot be processed, Clearstream will inform the client accordingly, via Swift message.

Exceptions:

The markdown service is not available for the following markets: Austria, Finland, Germany, Slovakia, Slovenia, Sweden.

The full details of this service and how to instruct are described in Markdown service, available on the Clearstream website.

8.11 Manual transfer of defaulted securities

Clearstream Banking offers to its clients the possibility to transfer defaulted securities that are subject to certain transfer restrictions.

This service is offered only for bonds declared in default, and on a case-by-case scenario. Specificities exist per market, per issuer and per corporate event which will be communicated either in the respective Corporate Action notification linked to the blocked holdings or in the Default event, subject to available information from that respective market.

More details of this service are described in Manual Transfer of defaulted securities, available on the Clearstream website.

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9. Investment Fund Services

CBL's trade and post-trade Investment Fund Services are described in this chapter. Other sections of this Client Handbook also contain relevant information (for example, 2. Client accounts, 3.1 Settlement procedures, and 8.2 Income services).

9.1 Vestima

Vestima is CBL's automated order routing service for the Investment Funds industry. It provides an entry and reception point for domestic, international and off-shore funds, allowing orders and Order Confirmations to be submitted, validated and routed to the relevant recipient. Orders can be submitted using the following authenticated communication channels:

- Vestima and VestimaPRIME web browser based interfaces;
- Swift ISO 15022 and ISO 20022;
- FIX (Order Issuer only connectivity service).

A choice of settlement methods is available, including integration with CBL's Central Facility for Funds (CFF) service for account holders.

CBL is operating two order routing platforms Vestima and VestimaPRIME. Vestima provides a highly automated service aimed towards mutual funds, whereas VestimaPRIME targets complex and alternative investment funds. CBL selects the most appropriate order routing platform (Vestima or VestimaPRIME) for each fund. This selection depends on several criteria including the fund rules and the operational complexity. Information if a fund is eligible on Vestima or VestimaPRIME can be reviewed in the Fund Processing Group (FPG) section of the Published Fund List report that is accessible on the Clearstream website.

Unless stated otherwise, VestimaPRIME is to be considered an integral part of the Vestima services provided by CBL. Similarly, in this Chapter 9 and unless stated otherwise, the term "account" also refers to VestimaPRIME only accounts.

Vestima provides comprehensive services for routing and management of orders in Investment Fund Shares. Orders are received from an Order Issuer (OI - for example, distributor, custodian, asset manager). Order details are validated based on Standing Instructions and preferences, set by the OI, then routed to the relevant OHA which is an agent acting for the fund (for example, TA, depository bank, centralisation agent). In some circumstances, CBL may forward orders to one of its depositories or appointed third party to be sent on to the relevant agent.

OIs do not need to be concerned with the individual connectivity or order format of any OHA. Order Confirmations and other messages are received from the OHA and the order status can be tracked by the OI through status messages or direct Web Browser Based Interface enquiry. Optionally, Settlement Instructions can be generated, based on Standing Instructions.

The Web Browser Based Interface provides facilities for reporting, contingencies and enquiring on previously submitted orders, together with access to the Published Fund List.

Further details can be found on the Clearstream website (for example, Vestima user guides and Published Fund List). The Published Fund List on the Clearstream website specifies CBL order cut-off times, which are typically zero or fifteen minutes prior to the Investment Fund's official cut-off times.

For orders routed through VestimaPRIME according to the Published Fund List, the applicable CBL order cut-off time is 90 minutes prior to the order cut-off specified in the fund prospectus. If no CBL cut-off time is defined in the fund list, and the cut-off time specified in the fund prospectus is after the close of business on a particular day, orders should be received at least 30 minutes prior to close of business. In the event that a CBL order cut-off time is after the cash deadline to execute a payment, the

Client must respect the relevant cash deadline when placing the order. For this purpose close of business shall be 18:00 CET on any Business Day. CBL guarantees that all orders received before the CBL cut-off time will be made available to the OHA before the fund cut-off time defined in Published Fund List. Valid orders are forwarded promptly to the OHA, independently of the CBL cut-off time.

Prior to placing a subscription order or transfer-in instruction, when there is no current holding on the OI's account of the particular Investment Fund, the OI must contact CBL to ensure the Investment Fund's availability to the OI for order routing and custody through CBL. For orders placed in a particular fund investment in VestimaPRIME, where the account is neither open nor active, the 90 minutes prior to the order cut-off is not applicable.

If an Investment funds position was acquired via internal transfer with another CBL account, OI's must verify that a Trading Chain (TC) is set up before placing any redemption or switch order and ensure that all setups are in place with the OHA for a proper execution of the redemption or switch order. This also applies to reception of funds, received as a result of a Fund Linked Notes redemption.

Prior to the issuance of a new share class (for example, bonus shares, sidepockets) to existing OIs, CBL may have to obtain information from the OI.

In either of these above two cases, if the setup of the Investment Fund's availability requires that the OI shall provide CBL with pertinent documentation (such as private placement memorandum, subscription agreement or completed questionnaire), CBL shall notify the OI who must respond without undue delay and within any applicable deadline. The OI agrees to hold CBL harmless of the OI's failure to respect any such given deadline.

When new relationship references are required by the Transfer Agent/OHA, the OI should give sufficient notice to CBL, and await confirmation that the relevant and requested setup is ready, before placing the initial transaction in a particular Investment Fund. When OI eligibility rules are imposed by the OHA, CBL will request additional information from the OI. Failure by the OI to comply will result in no liability to CBL, should the Investment Fund impose penalties, forced redemption, exchange of the position or other remedy.

CBL may provide a dividend reinvest service for Investment Funds in scope, whenever possible and upon receipt of a specific standing instruction from the OI, to enable OIs to instruct CBL to reinvest any cash dividend proceeds into new Investment Funds Shares. The transactions will be settled at the price applied by the Investment Fund. If the reinvestment cannot be performed at the date specified by the Fund in the Corporate Action Notification (due to a late notification) the reinvestment will be performed as soon as possible on the basis of the next available NAV. A notification must be received at least 90 minutes before the cut-off to be processed. Upon receipt of the new shares from the Investment Fund, CBL will credit the shares to the OI's designated account for dividend reinvestment. If the Investment Fund does not accept reinvestment orders, the cash proceeds remain credited to the OI. OIs can request the addition or amendment of a standing instruction to accounts by sending a dedicated Instruction to CBL via an authenticated message. CBL's provision of the dividend reinvest service is dependent on the service level provided by the Investment Fund and is subject to a feasibility assessment by CBL on a case-by-case basis.

Note: To comply with its obligations to reconcile records, CBL must apply measures to prevent reconciliation breaks from occurring and is required to resolve them in case they happen. In the context of CBL's Investment Funds Services, this entails that:

For transfers-in, the client will be informed about any processed transfer in its account with CBL as a result of the foregoing, and will be required to place a corresponding receipt instruction within 5 business days. Clients hereby acknowledge and authorise that, if there is a failure to send a corresponding receipt instruction within five (5) business days, CBL may place a corrective instruction on behalf of the client, and inform the relevant client about this corrective instruction via email.

For transfers-out, CBL will book the transfer immediately out of the relevant client's account with CBL, to preserve the integrity of the Investment Fund register and to prevent the sale in CBL of shares or units that are no longer reflected in the Investment Fund register held by the

Transfer Agent. Clients hereby acknowledge and authorise that CBL may place an instruction on behalf of the client as foreseen in the previous sentence, and inform the relevant client about this corrective instruction via email.

Order routing and order management service conditions

In providing order routing services, CBL acts in the name and on behalf of the OI in forwarding the order and certifications to the OHA, including any addendum, supplement, restatement and/or applicable replacement, on the OI's behalf, informing the OHA that the OI is the responsible party. Order status reports and Order Confirmations received from an OHA in reply to a forwarded order, are delivered to the OI.

Unless expressly stated otherwise, CBL is only responsible for the order routing services consisting of the transmission details of the Transaction for the account of the client, statement or any other information provided, and CBL does not become party to the buying or selling of the Investment Fund Shares detailed in the Transaction, statement or any other information provided; the OIs and the OHAs are responsible for the content of the information exchanged between them.

Subject to the conditions described in the previous section, Vestima populates data relating to trading parties as may be required by the relevant OHA. The OI is responsible for contacting CBL for all trading parties reference data maintenance requirements.

CBL shall not be liable for the failure of the OI to provide any certification that may need to be sent directly to the OHA, nor for any consequences of the OI's delay or errors in providing any certification. If appointed by the OI to provide certification to an OHA, CBL will promptly transmit the certification but shall not be responsible either for the consequences or for the accuracy of the certification.

Fund Reference Data is provided for information purposes only and does not replace the Investment Fund's governing documentation. CBL does not guarantee the completeness, accuracy or authenticity of Fund Reference Data.

For Primary Market Orders, CBL may decide to use a third-party order routing platform to route orders to OHAs already connected to those platforms.

Order routing services for some markets require specific documentation. For further information, please contact CBL.

Where French market orders are sent manually directly to a French OHA, CBL will follow the "Charte des Bonnes Pratiques Professionnelles de la Centralisation d'OPCVM" of the Association Française des Professionnels des Titres (AFTI), without prejudice to compliance with CBL Governing Documents. For orders that require a telephone call to the OHA, the OI will incur an additional charge in accordance with the existing Clearstream Banking Fee Schedule.

CBL is responsible for the selection of those OHAs that are also CBL's Domestic depositories, and the service levels of such OHAs are reviewed and monitored by CBL. CBL is not responsible for the selection of any other OHA and the service level that CBL can provide is determined by the level of service provided by the OHAs. CBL will select the most appropriate method to send the orders to the OHAs, depending on the operational requirements of each individual OHA. The service that CBL can provide depends on the rules and practices of the relevant market or Investment Fund and on the OHA and, therefore, may vary across all the Investment Fund Shares eligible for CBL order routing and Settlement.

For an increased level of automation, CBL can generate Settlement Instructions on the client's behalf for the Settlement of Transactions in Investment Funds. Transactions that have settled using Settlement Instructions generated by CBL can be reversed or amended by CBL.

CBL reserves the right (but is not obliged) to correct the client's account upon receipt of notification from an OHA of (1) an amendment to a Transaction; or (2) an amendment to a position held or still being held by CBL for the account of the client. The client shall at all times receive a notification of the amended Transaction stating the reason

CBL may operate a Fund Market Account as an intermediary to facilitate the Settlement between the OI and the OHA. The Fund Market Account is only a technical means. For the avoidance of doubt, its use does not imply that CBL is a party to the trade or the transfer of the Investment Fund Shares being settled.

All Investment Fund Orders sent to CBL must be sent via Vestima. Any order received that is not transmitted to CBL via Vestima (for example, via free-format message) is handled at the discretion of the Investment Fund Order Routing Desk and on a "best efforts" basis only. CBL reserves its right to reject any non-Vestima order and may require the OI to transmit the order via Vestima instead.

Electronic certificates are provided by CBL to allow encrypted access to Vestima's Web Browser Based Interface. Participants shall exercise due care in the safeguarding of their electronic certificates and associated authentication credentials. CBL gives no assurance or warranty with regard to the security of any communication performed using electronic certificates.

The investment decision is taken solely by the client and CBL is only in charge of the execution of the client's instructions. Investment risk factors should be evaluated by the Clients, who, in case of doubt, are invited to consult their professional advisers. CBL is under no circumstance taking an investment decision nor acting as an investment advisor and shall therefore not bear any liability with respect to the risks inherent to the investment and/or any other transaction in relation to investment funds.

Order routing specificities for Exchange Traded Funds "ETF"

Vestima offers order routing services for ETF secondary market transactions. Primary market transactions are out of scope for ETFs and currently not supported by Vestima.

In the context of secondary market trade, OHAs are brokers dealers connected to Vestima.

By default, OIs are not authorised to place ETF trade order on Vestima. When an OI wishes to trade ETFs with an OHA, Clearstream puts the OI in contact with the chosen OHA. Terms and conditions including commercials are to be agreed upon between the OIs and the OHA prior to first trade. Clearstream is not involved in any negotiations between OIs and the OHA.

If an existing OI wishes to trade an ETF that is not set up on the Vestima, Clearstream will set up the ISIN code provided by the OI so that it can be dealt with and executed by the chosen OHA.

Vestima transmits ETF secondary market orders on a real-time basis from OIs to the OHA but has no responsibility regarding the prompt and best execution of the trades.

Even though CBL, in providing order routing services only, acts in the name and on behalf on the OI, the OI is and remains the sole responsible party for any order transmitted to the OHA.

For order routing related to ETF trades when OIs select an OHA executing orders OTC, CBL informs its clients that such OHA will be charged by CBL a flat fee per order as per the Clearstream Banking Fee Schedule.

For order routing related to ETF trades when OIs select an OHA executing orders on-exchange, CBL informs its clients that such OI will be charged by CBL a flat fee per order as per the Clearstream Banking Fee Schedule.

Additional service conditions

CBL reserves the right at its own discretion to take one or more of the following actions as needed to forward orders and process subsequent Settlement:

- Debit cash from the CBL account of the OI on the Requested Settlement Date of a subscription/ buy order as determined by the OHA. For a subscription/buy order that the OHA requires to be prepaid, CBL reserves the right to debit cash from the CBL account of the OI when forwarding the order to the OHA.
- CBL does not undertake to check whether sufficient cash or Collateral is available on the CBL account when forwarding a subscription/buy order.
- Check whether sufficient Investment Fund Shares are available on the CBL account of the OI before forwarding a redemption/sell order (provision check). In the event of an insufficiency, CBL can reject the redemption/sell order.

- Block the relevant position of a redemption/sell order by transferring, when the order is processed by CBL, the Investment Fund Shares from the CBL account of the OI to an account of CBL.

In forwarding orders, CBL acts in the name and on behalf of the OI and holds the OI responsible for ensuring timely and correct Settlement, including in particular:

- For subscription/buy orders, ensuring that sufficient cash or prearranged credit facilities are available.
  - Many Investment Funds require value day cash payments of subscriptions, and the deadline for provisioning of the CBL cash account is as per the cash deadline of CBL.
  - Subscriptions in some Investment Funds require intraday cash payments to have reached the collection account of the fund at a specific time of the day. CBL will, in such cases, need to debit the OI's CBL cash account at an earlier time of day. The OI shall ensure sufficient cash is available for such intraday cash subscriptions not later than 08:00 CET.
- For redemption/sell orders, ensuring that Settlement proceeds are in line with the fund prospectus or as determined by the OHA. The redeemed Investment Fund Shares shall be available for delivery to the OHA.
- The OI is solely liable for the payment of any accrued performance or incentive fees due on the redeemed Investment Fund Shares.

If the OI fails to meet its Settlement obligations, CBL:

- May seek redress from the OI for any loss, claim, liability, damages or expenses that arise from the credit or debit to the relevant account in the Investment Fund Register subsequent to an order.
- Is authorised, at any time between confirmation of the order and Settlement, to purchase from the OHA the Investment Fund Shares required to settle a redemption/sell order and to debit accordingly the CBL account of the OI. CBL will advise the OI as soon as practically possible before such debit occurs.

By sending an Investment Fund Order or Instruction, the OI warrants and accepts that:

- It has full legal capacity to issue orders for Investment Fund Shares.
- It complies with applicable laws and regulations, including but not limited to the laws regarding the prevention and prosecution of money laundering and terrorist financing.
- It complies and shall comply with the terms and conditions of the relevant Investment Funds.
- It does not, unless otherwise disclosed by the OI to CBL before sending any order, act as an investor within the meaning of the UCITS Directive[1] and the Commission Regulation 583/2010[2]. If CBL is notified by an OI that it is acting as an investor, CBL will then advise the relevant OHA accordingly.
- CBL shall receive orders from the OI by a means of communication agreed upon with the OI and shall forward them to the OHA on behalf and in the name of the OI.
- It appoints CBL as its attorney ("mandataire") with respect to the OHA for order routing purposes and authorises CBL to disclose its name to the OHA as deemed appropriate by CBL.
- CBL shall check whether the mandatory information on orders is provided and may reject all incomplete or incorrect orders. In doing so, CBL shall check only the format of the orders.
- Likewise, CBL shall check whether the mandatory information on transfer Instructions is provided and may reject all incomplete or incorrect transfer Instructions. In doing so, CBL shall check only the format of the transfer Instructions.

1. Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to Undertakings for Collective Investment in Transferable Securities (UCITS).
2. Commission Regulation (EU) No 583/2010 of 1 July 2010 implementing Directive 2009/65/EC of the European Parliament and of the Council as regards key investor information and conditions to be met when providing key investor information or the prospectus in a durable medium other than paper or by means of a website.

- CBL does not guarantee that orders received after the CBL cut-off time shall meet the Investment Fund's deadline for orders.
- If a prospectus of an investment fund allows multiple NAV currencies for a particular share class and if due to technical or operational reasons the multiple NAV currencies cannot be adequately supported by CBL, CBL may at its discretion only accept the base currency for such class in the order routing process. In this context, should the OI still require a subscription order to be sent in a NAV currency that is not the base currency for that class, the OI needs to send that order directly to the OHA in its own name without any involvement of CBL (that is, such a position will not be reflected on the OI account in CBL). In the event of a redemption or switch to order, only the base currency will be accepted within CBL. For a redemption or switch to order in a NAV currency different than the base currency, the OI needs to contact the OHA to organise first a transfer out to or open an account on their own name in the Register before proceeding with such order.
- As soon as an order is transmitted to the OHA, this is considered as irrevocable. Clearstream accepts cancellation requests and processes them on a "best efforts" basis only, and CBL does not guarantee that OHAs will accept cancellation requests regardless of the time such requests are sent.
- For redemption/sell orders, where applicable, if the OI requests a specific lot be redeemed, the original trade date and trade reference must be included in the OI's order. CBL forwards this information to the OHA, and whether the information is specified or not the OI's shares will be redeemed as per the rules of the OHA.
- For all redemption orders processed by VestimaPRIME, where partial payments are made, CBL will provide a partial redemption advice to the OI indicating the percentage of redemption proceeds paid and the estimated price.
- For all orders processed by VestimaPRIME, Clients who wish to buy or receive Investment Fund Shares that generate U.S. sourced income will be required to identify the relevant U.S. tax treaty pool.

Furthermore, for Instructions in Securities with staggered payment structures:

- In instructing CBL to purchase or hold Investment Fund shares with staggered payment structures, the OI agrees to authorise CBL to debit the OI's account for the amount required to be paid in connection with the purchase and/or for any future amount(s) required to be paid in relation to any capital call/commitments, or any other requirements as required by such shares. The OI shall deposit sufficient funds in its account. If the OI does not have sufficient funds in its account to cover any capital calls or other requirements, CBL shall be under no obligation to fund future capital calls or other requirements for the OI's account.
- The investment is made exclusively for and by the OI and CBL shall not have any obligation or responsibility in connection with the investments that are made, including, without limitation, any responsibility to respond to, or provide capital in connection with any capital calls or other requirements as set out in such Investment Funds offering documents, subscription agreements or limited partnership agreements. CBL will inform the Investment Fund or its agent that the client is the responsible party and that CBL only acts in a nominee or asset processing capacity.
- The client undertakes to indemnify, defend, reimburse, and hold CBL, their affiliates, officers directors and employees (collectively the "Indemnified Parties") harmless for, from and against any loss, liability, cost, damages, expenses (including legal fees taxes and penalties) or other amounts which may result directly or indirectly from or in connection with (i) any misrepresentation or breach of any warranty, condition, covenant or agreement set forth in the relevant subscription agreement (or equivalent document(s)), or (ii) any other document delivered by CBL to the Investment Fund issuer or its agent in connection with the client's instruction.

Conditions of the account operator service

With the account operator service the respective positions in the Investment Fund Register will be held in the name of the client or its nominee.

The positions of securities reported as held under the account operator service reflect only a position maintenance service and mirror the positions in the relative Investment Fund Register. The client specifically agrees that CBL is acting as account operator only, and does not have any custodial role, in this context. For the avoidance of doubt, the positions reported by CBL as account operator are flagged as SNC (Shares not under custody) at security name or account name level in CBL's settlement system, and further do not qualify as securities and are not eligible for settlement and custody in CBL's settlement system. Such positions cannot be transferred to another account and can only be updated when confirmed as updated in the Investment Fund Register.

The client shall grant CBL exclusive access to the relevant Investment Fund Register account. Should the client or its nominee act directly on a relevant Investment Fund Register account, the client expressly agrees that (i) CBL shall be indemnified and held harmless by the client from any loss, claim, liability or expense asserted against or imposed upon CBL as a result of such action and (ii) CBL shall be entitled to terminate the provision of the account operator service with immediate effect and without prior notice.

The client thus further agrees and acknowledges that CBL shall be appointed as attorney of the client or the Registered Nominee(s) for the performance of certain Vestima services as set out in the relevant power of attorney as applicable.

Vestima Digital

An allocation support service that enables the internal structuring and reporting of securities positions using unique Investor IDs within a single custody account. These Investor IDs serve as identifiers that support the simulation and reporting of securities positions at a granular level. The Investor ID is not a securities account and is not used for the deposit, circulation or payment of securities. It is a reporting construct that enables clients to view and manage positions at a more granular level than the custody account. As such, Investor IDs do not meet the definition of securities accounts under the Law of 1 August 2001 on the circulation of securities.

This feature allows clients to simulate the allocation of holdings across multiple Investor IDs for operational transparency, reconciliation and reporting purposes. All allocation logic and instructions are initiated and maintained solely by the client. Clearstream acts exclusively on client-provided instructions and does not influence or execute investment decisions on behalf of clients.

The service operates at a segregated Investor ID level, allowing clients to manage multiple Investor IDs under a single CBL securities account. Clients are responsible for the creation and maintenance of these Investor IDs, which serve as internal allocation views for reporting and operational purposes.

The service facilitates digital aggregation and disaggregation of orders for routing and reporting. It also supports transparency for lock-up periods and capital call management. Clients must subscribe to the Vestima Digital service by opening a dedicated One Account (defined in Section 2.1 "Types of accounts") and Vestima participant, which are used exclusively for this service and cannot be co-mingled with standard Vestima business. To operate the new securities account, clients must instruct at the Investor ID level. Any instructions to the securities account directly will be rejected. All movements at the securities account level are reported back to the relevant Investor IDs. For transactions initiated by the client at the Investor ID level, CBL's role is limited to the timely aggregation of orders from Investor IDs to the Vestima participant and the subsequent disaggregation back to the Investor IDs. Clients have full control over how transactions are grouped and must carefully consider the implications of their order management configurations. CBL does not assume responsibility for the accuracy of data provided by clients or third parties, nor for decisions made based on aggregated or disaggregated data. Clients are solely responsible for ensuring the accuracy and completeness of the data submitted for processing and for any actions taken based on the reports generated by the service.

For custody events, CBL's role is limited to reporting within the platform. Clients are responsible for ensuring accurate allocation of these events down to the Investor ID level. Vestima Digital provides tools to simulate the calculation and application of unallocated securities across Investor IDs. The global position reported in the securities account will always prevail over the position reported at the Investor ID level. CBL will reconcile the global position in Vestima Digital with the position held in the CBL custody system. Clients are responsible for ensuring that their internal Investor ID allocations are accurate and consistent with the data provided to CFCL. Any discrepancies must be promptly addressed by the client.

Vestima Digital includes a feature to manage fractional differences that may arise from order grouping and aggregation/disaggregation processes. A dedicated Fractional Investor ID is used to handle these differences. Clients have full discretion to allocate to and from this Investor ID and are responsible for managing its accuracy. Clearstream reserves the right to allocate differences to this Investor ID to maintain reporting integrity.

To support transparency for asset managers, clients must consent-via the Vestima Digital Service Application Form to the reporting of transactions and positions down to the Investor ID level. Without this consent, the Vestima Digital service will not be made available.

9.2 CFF Settlement and custody services

The Central Facility for Funds (CFF) is CBL's post-trade infrastructure for Investment Funds. CBL client holdings of CFF Qualified Investment Fund Shares are maintained in one account per relevant register of shareholders in the name of CBL, acting as nominee, that reflects the omnibus record (CFF Omnibus Account).

CFF provides standard Settlement services (CFF Services) based on the synchronous exchange of cash and CFF Qualified Investment Fund Shares between clients and CFF Settlement Agents within CBL. CFF Services are fully integrated with the existing ICSD custody and Settlement services on the Creation Platform, including Settlement over the Bridge with Euroclear Bank.

Settlement of selected CFF Qualified Investment Fund Shares with external second level Counterparties in CEU is possible with the integration and link of LuxCSD to the Creation Platform. For further details, please refer to the Market Guide.

The use of a Fund Issuance Account (FIA) by a CFF Settlement Agent, together with optimised reconciliation processes with CFF Transfer Agents, contributes to the Settlement of orders in alignment with the relevant Investment Fund Register. When instructing for Settlement against a CFF Settlement Agent, clients can use either the relevant FIA or the Fund Market Account of CFF ("FMA01") as Counterparty account.

Clients can use an existing CBL account to hold CFF Qualified Investment Fund Shares along with other securities. CFF Services apply to all CFF Qualified Investment Fund Shares and, from the date of their CFF eligibility, the earlier CBL service is no longer available for such Investment Fund Shares.

The list of CFF Qualified Investment Fund Shares is available on the Clearstream website.

Further information can be found in the other relevant chapters of this Client Handbook, for example, clients' accounts Chapter 2 and Settlement procedures Chapter 3.1.

Overview for clients

Transfers of CFF Qualified Investment Fund Shares

In addition to the Settlement of Primary Market Orders with the CFF Settlement Agent, CFF enables CBL clients to receive and deliver CFF Qualified Investment Fund Shares from/to other Counterparties. Transfers are considered as either CFF external or CFF internal. In exceptional cases, CFF internal transfers are subject to Settlement restrictions.

CFF external transfers

Clients can receive and deliver CFF Qualified Investment Fund Shares from/to Counterparties outside CBL ("CFF external transfers") through the CFF Settlement Agent.

The parties use Settlement Instructions that have the standard CBL format and content; CBL requires that information about the underlying Counterparty (deliverer or receiver) is given in the Settlement Instructions for all CFF external transfers. No acknowledgement will be sent to confirm that the formatting or content are correct.

The standard place of Settlement is used and the CFF Settlement Agent will settle all CFF external transfers through the FIA on the Creation Platform.

Settlement of CFF external transfers is based solely on Matching Instructions from both the client and the CFF Settlement Agent, and becomes effective only when the Instructions settle successfully. A CFF external transfer is executed as follows:

1. The client sends a "Receive Free on the register" Instruction for a transfer-in or a "Delivery Free on the register" Instruction for a transfer-out as per the specifications provided in the Link Guide - International (Instruction specifications - Investment funds held directly on the register (CFF)).

2. Based on the Instruction received from the client, CBL forwards a transfer-in or transfer-out request to the relevant Transfer Agent.
3. The Transfer Agent processes the transfer on the Investment Fund Register and provides the necessary information to the CFF Settlement Agent.
4. The CFF Settlement Agent sends to CBL either a “Delivery Free of Payment” Instruction or a “Receive Free of Payment” Instruction on the FIA with the client account as Counterparty account.
5. If the CFF Settlement Agent’s instructed Trade Date or Requested Settlement Date does not match the client’s Instruction, CBL may adjust the client’s instructed Trade Date or Requested Settlement Date accordingly.
6. Upon successful Matching and once the Requested Settlement Date is reached, CBL executes the Transaction and either credits or debits the CFF Qualified Investment Fund Shares to the client account.

Cancellation of CFF external transfers

Clients may cancel their transfer request by cancelling the Settlement Instruction that was used to initiate the transfer. When CBL receives the cancellation, a cancellation request is sent to the Transfer Agent.

In general, once a transfer is processed in the relevant Investment Fund Register, it is deemed to be irrevocable. In the event of a cancellation request of a transfer being rejected by the Transfer Agent, CBL will generate a new Settlement Instruction on behalf of the client to replace the one cancelled.

Conditions of validity of CFF external transfers

Any Instruction sent to CBL has to contain all the necessary information to allow the Transfer Agent to identify the Counterparty of the transfer; that is, the deliverer (SELL) or the receiver (BUYR) of the CFF Qualified Investment Fund Shares. CBL will only validate the format of the transfer Instructions, and not the content, for example identities of Counterparties.

Clients have to ensure that their Counterparties and xxx of the transfer perform all actions as required by the Transfer Agent to initiate the transfer from their side. Usually a transfer request has to be placed by the Counterparty of the transfer for the Transfer Agent to match it with the transfer request that CBL has sent on behalf of the client.

Exceptionally, an Investment Fund Order or external transfer-out Instruction may be rejected by the Transfer Agent because the Balance held at the Investment Fund Register is insufficient. This can occur because the Realignment of the position at the Investment Fund Register is outstanding and the client is advised to either re-instruct the transaction the following day or contact CBL.

Specific authorisation

CBL will complete and sign any documentation that is required by the Transfer Agent, and send it to the relevant agent. If a client requests the transfer of Investment Fund Shares for which CBL does not yet have a relationship with the relevant Transfer Agent, CBL will on a "best efforts" basis open such a relationship.

CBL is expressly and specifically authorised by the client to cancel, update or replace any "Free of Payment" Settlement Instruction entered by the client for a transfer if the initial Instruction from the client fails provisioning or fails to Match the related Instruction from the CFF Settlement Agent on Trade Date, Requested Settlement Date, and/or the Filter Code.

CBL will have no right to send a transfer request to a Transfer Agent on its own initiative, and will only act as per the above based on the initial Instruction entered by the client. The client shall be fully liable to CBL for any and all obligations created on its behalf pursuant to this specific authorisation and undertakes to ratify whatever CBL causes to be done under this specific authorisation. For an increased level of automation, CBL can generate Settlement Instructions on the client's behalf for the Settlement of confirmed transfers. For the avoidance of doubt, CBL shall not be held liable for any action or omission whatsoever, whether taken or omitted to be taken, erroneously or not, by the client, the Counterparties and/or the Transfer Agent within the scope of this authorisation.

CBL shall not be liable, and the client agrees to hold CBL harmless, for any damage or financial loss encountered if the client or its xxx decides to cancel the initial Instruction after execution by the Transfer Agent in the Investment Fund Register, or if the client or its xxx decides to request a CFF external transfer directly to the Transfer Agent. In the cases foreseen in the preceding sentence, CBL is authorised, at any time between confirmation of the transfer and its Settlement, to purchase from the Transfer Agent, the Investment Fund Shares required to settle a transfer-out Instruction and to debit accordingly the CBL account of the client. CBL will advise the client as soon as practically possible before such debit occurs.

CFF Internal transfers

Clients can transfer holdings of CFF Qualified Investment Fund Shares between two accounts in CBL ("CFF Internal transfer"). CFF Internal transfers can be settled FOP, which requires Matching Instructions between the relevant Counterparties.

These types of Transaction are described in 3. Settlement services and 4. Securities instructions.

CBL rejects unilateral "without Matching" deliveries of CFF Qualified Investment Fund Shares.

CFF transfer restrictions

CBL may prohibit CFF Internal and Bridge transfers of CFF Qualified Investment Fund Shares within CBL. Individual accounts and/or Transactions cannot be exempted from this CFF transfer restriction and CBL may decide not to accept Investment Fund Shares whose prospectus requires such restriction.

It is up to the CFF Transfer Agent, the CFF Settlement Agent and the fund Promoter of the Investment Fund Shares to implement controlled execution of CFF internal transfers.

A CFF internal transfer under a CFF transfer restriction is processed as follows:

1. A client ("the transferor") sends a "Delivery Free of Payment" (MT542) Instruction for its CBL account with the FIA as Counterparty account (REAG) and the transferee account as buyer (BUYR).
2. Another client ("the transferee") sends a "Receive Free of Payment" (MT540) Instruction on its account with the FIA as Counterparty account (DEAG) and the transferor account as seller (SELL).
3. The CFF Settlement Agent is informed through CBL about an intended CFF internal transfer.
4. Upon successful confirmation by the CFF Transfer Agent that the transfer can be processed, the CFF Settlement Agent will send:
   - A "Receive Free of Payment" (MT540) Instruction on its FIA with the transferor's account as Counterparty (DEAG); and
   - A "Delivery Free of Payment" (MT542) Instruction on its FIA with the transferee's account as Counterparty (REAG).
5. The Matching of Instructions implies that the TA, the CFF Settlement Agent and the fund Promoter consent to the CFF internal transfer and they authorise CBL to carry out the Settlement accordingly.

CBL will request its clients to provide the details of their Counterparties in their Settlement Instructions against the FIA. CBL cannot guarantee to the CFF Transfer Agent that this information is always provided. CBL shall not check the Settlement Instruction and shall not be liable for any incomplete, inaccurate or late Instruction. The CFF Settlement Agent shall send its Settlement Transactions linked to restricted CFF internal transfers to CBL without any undue delay.

If a CFF Settlement Agent refuses to perform the above Matching and Settlement role, any Investment Fund Shares with transfer restriction for which it acts as CFF Settlement Agent will be non-CBL-eligible for clearing, Settlement and order routing. CBL will not take any responsibility for any damage suffered by the Counterparties as a result of the CFF Settlement Agent not performing the above role.

Overview for CFF Transfer Agents and CFF Settlement Agents

Note: Please contact your Relationship Manager to receive the Annexes mentioned in the sections below.

The CFF Transfer Agent is an institution duly appointed by the Investment Fund or one of its agents to keep the register of shareholders of the Investment Fund. The CFF Settlement Agent (FSA) is appointed by the Investment Fund or one of its agents to facilitate Settlement using CFF through a Fund Issuance Account (FIA) by managing the Subscription, Redemption, switch and transfer Settlement processes in the CBL's securities Settlement system.

The CFF Settlement Agent and/or the CFF Transfer Agent may appoint a third party Processing Agent to process the respective activities towards CBL. The CFF Settlement Agent and/or the CFF Transfer Agent remain fully responsible for the actions and any omissions of the appointed Processing Agent and to ensure that the Processing Agent is duly informed of these operating procedures. The appointment of a Processing Agent has no expiry and can be revoked at any time. If a Processing Agent is appointed, a separate Power of Attorney (Annex 8 Appointment of Processing Agent) would need to be completed.

The CFF Settlement Agent and the CFF Transfer Agent shall provide each other with detailed lists of operational and management contacts for all processes and services defined herein. Each party undertakes to provide the other party with its updated list of contacts as and when needed. A review to ensure the continued validity shall be performed by each party at least once per year.

The following sections describe the operational procedures between the CFF Transfer Agent and CFF Settlement Agent that shall apply to their respective services with regards to the Central Facility for Funds (CFF).

CBL undertakings when acting as a nominee

When CBL, acting as a nominee, holds CFF Qualified Investment Fund Shares in the relevant fund register, it undertakes:

1. To obtain the relevant regulatory status in the fund jurisdiction, as well as the jurisdiction where it operates, allowing it to act as a nominee for its clients in such jurisdictions.
2. To comply with (i) any and all applicable laws, rules and regulations, including handling of KYC documentation and identification of clients in line with applicable money laundering legislation, and (ii) the requirements attached to its nominee status in the relevant fund jurisdiction, including investors restrictions and regulatory reporting requirements.
3. To cooperate with the relevant supervisory authorities in the fund jurisdiction and to ensure that the relevant fund, its auditors and relevant supervisory authorities, have reasonable access to information regarding the holding of fund shares. Upon request of the relevant supervisory authorities, CBL shall provide to the fund and/or its agent(s) such information, to the extent it is necessary for the monitoring and supervision of the holding of fund shares by CBL.
4. To inform the fund and/or its agent(s) of any event or development which affects the capacity of CBL to act as a nominee on behalf of its clients.
5. To provide reporting to its clients on the fund shares in accordance with its terms of service and the rules of the relevant fund.
6. To ensure that distributors of fund shares comply with the fund rules and unit price in accordance with information provided to CBL by the fund and/or its agent(s).

Additional operational provisions for the CFF Transfer Agent

Representations and warranties

The CFF Transfer Agent warrants that it has been duly appointed as CFF Transfer Agent of the CFF Qualified Fund Shares. The CFF Transfer Agent shall notify CBL in writing and without undue delay upon being notified by the Investment Fund or one of its official agents of any change to the CFF Transfer Agent's appointment.

The CFF Omnibus Account

Holdings in CFF Qualified Fund Shares of the clients are maintained by the CFF Transfer Agent in the Investment Fund Register of shareholders in an account in the name of CBL, acting as nominee, with the omnibus records of the CFF Qualified Fund Shares ("the CFF Omnibus Account").

The CFF Transfer Agent may use a sub-structure of the CFF Omnibus Account that further details the omnibus position by identifying underlying positions of the client. CBL and the CFF Transfer Agent shall agree on such a sub-structure prior to its set-up. The CFF Transfer Agent warrants that separating holdings in any sub structure shall never compromise CBL's rights as the registered owner for the positions held in the CFF Omnibus Account. See Accounts related to CFF on page 2-7.

Record keeping and reconciliation

The records maintained by the CFF Transfer Agent shall include information of the origin or cause of any changes in the CFF Omnibus Account position. For each and every update that the CFF Transfer Agent makes on the CFF Omnibus Account, the CFF Transfer Agent shall provide all necessary information to the CFF Settlement Agent without undue delay (allowing the CFF Settlement Agent to meet its obligations of the timely transmission of all relevant Settlement Instruction(s) to CBL).

- Statement of holdings on the CFF Omnibus Account

  The CFF Transfer Agent shall provide CBL with a statement of all holdings on the CFF Omnibus Account as at the close of business day of the Investment Fund.

- Statement of transactions on the CFF Omnibus Account

  The CFF Transfer Agent shall provide CBL with a statement of all new transactions that have affected the omnibus positions on the CFF Omnibus Account since the previous statement of transactions (if any), and as at the close of each valuation period of the Investment Fund.

The statements shall be sent by the CFF Transfer Agent before the end of the Business Day immediately following each statement date. The CFF Transfer Agent shall prepare the relevant statements for every date that is a dealing date, also known as Trade Date, for one or more of the CFF Qualified Fund Shares. When there are no new Transactions to report, a statement of holdings shall anyway be sent by the CFF Transfer Agent to CBL. The CFF Transfer Agent is recommended to provide comprehensive statements for all CFF Qualified Fund Shares with a daily frequency.

If the CFF Settlement Agent is operating multiple FIAs, the CFF Transfer Agent shall provide CBL with one set of statements with the CFF Qualified Fund Shares pertaining to each FIA. The CFF Transfer Agent may in this case open multiple CFF Omnibus Accounts in its books; one for each FIA in the books of CBL.

The statements shall be in the format detailed in annex 4 or 5 as applicable . Upon exceptional request by CBL, the CFF Transfer Agent shall provide copies of statements in paper form within five Business Days of the receipt of such a request.

CBL shall use the daily statements to reconcile holdings and transactions of CFF Qualified Fund Shares with the records in its own books. CBL shall inform the CFF Transfer Agent of any discrepancy it discovers without undue delay. The CFF Transfer Agent shall react promptly to this information and aid CBL in resolving any such discrepancy.

CFF position information

If the CFF Transfer Agent requires a breakdown of the holdings at the CFF Omnibus Account to fulfil its obligations towards the Fund, CBL will provide the CFF Transfer Agent with basic reporting for this purpose. CBL will may also provide dedicated CFF Transfer Agent reporting, including reports that provide further breakdown of positions held by xxx of the client. The CFF Transfer Agent shall discuss their specific needs and review the options with their relationship manager at CBL.

The CFF Transfer Agent warrants that it shall use the information it receives in CBL's reporting only for its statutory obligations. Any redistribution of such information to third parties is not permitted.

CFF Qualified Fund Shares

The CFF Transfer Agent shall request CBL's acceptance into CFF of Investment Fund Shares, that is, to turn them into CFF Qualified Fund Shares. The CFF Transfer Agent's request shall include the final prospectus and any other documentation that is deemed necessary information. CBL shall respond with its decisions of acceptance or rejection of the CFF Transfer Agent's request within fifteen Business Days. Open ended CFF Qualified Fund Shares shall become available in Vestima for order routing in the Business Day following CBL's acceptance of the CFF Transfer Agent's request.

The CFF Transfer Agent shall provide CBL with the assignment of each CFF Qualified Fund Share, that is an individual ISIN, to one and only one FIA. ISINs that represent different share classes of the same Investment Fund must be assigned to the same FIA. Investment Fund Shares that belong to the same umbrella/fund family must be assigned to the same FIA.

CBL shall accept or refuse at its own discretion the Investment Fund Shares requested by the CFF Transfer Agent. Guidelines for acceptance of Investment Funds into CFF is as indicated in Annex 6 Guidelines for CFF acceptance of fund shares.

CBL may accept an Investment Fund Share pursuant to special warranties and/or waivers provided by the CFF Transfer Agent. CBL reserves its right to reject any Investment Fund Share if the terms and conditions of the Investment Fund contain elements that would prevent CBL from correctly and efficiently provide its services to the OI.

For new share classes of existing Investment Fund and for new funds of an existing umbrella ("supplemental fund shares"), a simplified process is applied if the ISIN is assigned by CBL (LU and XS ISINs). When the CFF Transfer Agent requests a new ISIN for a supplemental Investment Fund Share at CBL, this implicitly includes the request for CBL to include this supplemental Investment Fund Share in CFF. Should this not be appropriate, the CFF Transfer Agent shall explicitly exclude CFF acceptance when requesting the new ISIN. If the supplemental Investment Fund Share is not accepted in the simplified process, CBL shall inform the CFF Transfer Agent without undue delay.

The CFF Transfer Agent undertakes to inform CBL of any changes to the information it has supplied pertaining to the CFF Qualified Fund Shares as soon as the changed information is made publicly available.

The CFF Transfer Agent may request the withdrawal of an Investment Fund Share from CFF. CBL shall decide on the effective date of any such withdrawal, taking into account the operational needs of CBL and the client to effect any required action on existing holdings in the books of CBL.

Handling of orders

Orders are issued by participants of Vestima for order routing. The CFF Transfer Agent shall only accept orders affecting the CFF Omnibus Account that the CFF Transfer Agent has received from CBL. Any order to affect the CFF Omnibus Account that the CFF Transfer Agent has received from a third party, such as an OI, shall be rejected unless prior rules for exemption have been agreed between the CFF Transfer Agent and CBL and expressly authorised between CBL and the client. CBL will accept no liability for any loss or claim resulting from settlement failures related to transaction orders not issued by CBL. The CFF Transfer Agent will also be liable if a valid redemption instruction from CBL is rejected because of a provision default resulting from a direct instruction.

The parties may agree on a fixed period of time (of 0 or more minutes, defined by Investment Fund or Qualified Fund Share) by which CBL's cut-off for orders shall precede the cut-off as per the Investment

Fund's prospectus. CBL may be considered as a "trusted source" by the CFF Transfer Agent allowing the CBL order cut off to match the Investment Fund's cut off. The CFF Transfer Agent shall identify any order received after the cut-off as stated in the Investment Fund's prospectus and take one of the following actions:

- Reject the order without undue delay;
- Keep the order and process it for the next available valuation process; or
- Accept the order for the current valuation process, and assume the sole responsibility for any missed deadlines in Settlement and cash management.

CBL shall monitor that its clients have the necessary provisions for the orders that CBL has transmitted to the CFF Transfer Agent. If CBL detects a provision failure that it cannot resolve with the client, CBL may contact the CFF Transfer Agent for assistance. The CFF Transfer Agent shall then respond promptly and provide CBL with the necessary support, for example in a combined effort convincing the client that it shall place a new order to provide the necessary provision.

If the CFF Transfer Agent does not accept an order from CBL, the CFF Transfer Agent shall inform CBL about the rejection without undue delay and prior to the CFF Qualified Fund Share's cut-off for orders. Such rejections shall be provided by Swift messages or telephone calls to CBL, and the CFF Transfer Agent shall endeavour to provide CBL with a reasonable opportunity to replace any faulty order.

When a subscription order requires a prepayment to be made, the CFF Transfer Agent shall contact CBL by telephone and without undue delay if any such prepayment is overdue.

An OI may request a cancellation of an order that was previously forwarded to the CFF Transfer Agent. CBL shall forward any such cancellation request to the CFF Transfer Agent, and the CFF Transfer Agent shall respond with its acceptance or rejection to CBL without undue delay.

Orders for same-day Settlement

Orders in Investment Fund Shares with same-day Settlement will have their respective contractual Settlement Date on the same Business Day as the Trade Date, that is, the effective date of the update of the Investment Fund Register of shareholders. CBL may accept Investment Fund Shares with same-day Settlement as Qualified Fund Shares provided certain conditions and service levels are met.

For Orders with same-day Settlement that the CFF Transfer Agent has received, the CFF Transfer Agent assumes full responsibility to provide CBL with timely status updates and confirmations. CBL will not be responsible for any Settlement failure, including but not limited to cash management on behalf of the Investment Fund, if it is due to the CFF Transfer Agent's negligence in meeting deadlines.

Subject to agreement of one of the options below, the CFF Transfer Agent can transmit confirmations of Orders to CBL in advance of the official valuation process. A prerequisite for this arrangement is a price per share (NAV) of CFF Qualified Fund Shares that is fixed. If it exceptionally becomes necessary for the CFF Transfer Agent to subsequently amend such a confirmation with an update to the CFF Omnibus Account, then the CFF Transfer Agent shall provide all necessary information to CBL and the CFF Fund Settlement Agent without undue delay.

CBL shall provide three mutually exclusive options for processing same-day Settlement, each with different implications to the operating procedures:

i. If the same-day Settlement is defined as delivery versus payment (DVP), the CFF Transfer Agent assumes sole responsibility for transmitting confirmations of all valid Orders to CBL in time for same-day Settlement in the CBL's systems.

ii. If the same-day Settlement of subscriptions involves cash being prepaid upon forwarding of an Order, the CFF Transfer Agent assumes sole responsibility for informing the CFF Settlement Agent and CBL whenever an Order is rejected by the CFF Transfer Agent.

iii. If the same-day Settlement of subscriptions involves cash being prepaid upon CBL's receipt of the CFF Transfer Agent's acknowledgement of an Order, the CFF Transfer Agent assumes sole responsibility for transmitting such acknowledgements of all valid Orders to CBL in time for same-day Settlement in CBL's systems. Furthermore, the CFF Transfer Agent assumes sole responsibility for informing the CFF Settlement Agent and CBL whenever an acknowledged Order is subsequently rejected or cancelled by the CFF Transfer Agent.

Prior to accepting and processing Orders, the chosen same-day Settlement option for CFF Qualified Investment Fund Shares at the level of ISIN, umbrella or Investment Fund, may be defined and agreed upon. The chosen option may be reviewed from time to time. It is understood that the same-day Settlement option cannot be modified for an existing Order.

The CFF Settlement Agent may have instructed CBL to transfer cash from the FIA for any prepaid Orders as described below, in which case the CFF Transfer Agent shall inform the CFF Settlement Agent of any such Order being subsequently rejected or cancelled without undue delay.

If the CFF Transfer Agent uses a sub-structure of the CFF Omnibus Account, the representation of the position of the relevant client shall not be used by the CFF Transfer Agent for the provisioning of a redemption Order for same-day Settlement. The CFF Transfer Agent may only make such provisioning against the CFF Omnibus Account.

CFF external transfers

The CFF Transfer Agent shall receive information from the CFF Settlement Agent about any such intended external transfer, and:

- For a transfer-in, the CFF Transfer Agent shall verify the existence of a corresponding delivery Instruction from the deliverer of the transfer;
- For a transfer-out, the CFF Transfer Agent shall verify the existence of a corresponding receipt Instruction from the recipient of the transfer.

The CFF Transfer Agent may receive additional documentation from CBL on behalf of a client. The CFF Transfer Agent shall execute the external transfer and confirm the update of the CFF Omnibus Account to the CFF Settlement Agent without undue delay.

The CFF Transfer Agent shall receive information from the CFF Settlement Agent if the CFF Settlement Agent's Settlement Instruction for an external transfer remains unmatched for a period of ten Business Days past the contractual Settlement Date. The CFF Transfer Agent shall verify the details of the transfer and contact CBL if required to resolve the matter. If the matter is not resolved within ten Business Days following the notification by the CFF Settlement Agent to the CFF Transfer Agent, the CFF Transfer Agent shall reverse the External Transfer on the CFF Omnibus Account and command the CFF Settlement Agent to cancel the Settlement Instruction at CBL.

CFF Internal transfer restrictions

CFF Qualified Fund Shares are freely transferable between clients. In the exceptional case that Internal Transfers are restricted in CBL's systems, the CFF Transfer Agent, the CFF Settlement Agent and the Fund may at their discretion implement a procedure for transfers between clients. The procedure shall adhere to the relevant description of CFF transfer restriction in this Client Handbook

CFF internal transfers do not affect the position in the CFF Omnibus Account in the Investment Fund Register as these are executed by CBL (and Euroclear Bank, when applicable) without the involvement of either the CFF Settlement Agent or the CFF Transfer Agent.

CFF corporate actions

CBL is the exclusive party acting with regards to corporate actions towards the CFF Transfer Agent on the positions in the CFF Omnibus Account. This includes, but is not limited to, receipt of information, receiving proceeds in cash and securities, instructing on elective actions, execution or assignment of voting rights and reporting.

All corporate actions are executed based on the position in the CFF Omnibus Account at the time relevant for the specific corporate action, independently of the status of any Settlement Instructions that have been sent by the CFF Settlement Agent to CBL.

Exchange of information for each corporate action shall be handled between the CFF Transfer Agent and CBL. Swift messages provide the highest quality in terms of timeliness and accuracy and CBL shall provide its Swift specifications and guidance to the CFF Transfer Agent upon request. In the absence of

Swift capability for corporate actions on the CFF Transfer Agent's part, the parties information shall be exchanged via fax and email.

Notification and provision of information

The CFF Transfer Agent shall notify CBL of any Investment Fund-related market announcement no later than on the market announcement day. Any preliminary information that the CFF Transfer Agent may have provided to CBL shall be followed by the Investment Fund's official notification. The CFF Transfer Agent shall furthermore provide CBL with the Investment Fund's prospectus whenever this has been modified or in preparation of the launch of a new Investment Fund.

The notifications that the CFF Transfer Agent transmits to CBL shall contain all of the necessary information, including but not limited to:

- The name and the ISIN of the Qualified Fund Share;
- The eligible position in the CFF Omnibus Account;
- Type of corporate action;
- All of the relevant dates, for example:
  - Announcement date;
  - Ex-date;
  - Record date;
  - Payment date;
  - Effective date;
  - Market and CFF Transfer Agent deadlines;
  - Expected receivable date;
  - Expiration date;
  - Last subscription and redemption dealing day for a Qualified Fund Share that is reaching maturity.
- Any applicable commissions and tax details;
- Default action.

The CFF Transfer Agent shall use “unknown” to explicitly indicate any reasonably expected information that is not available at the time of transmitting the notification to CBL.

The CFF Transfer Agent shall transmit any additional or amended information immediately upon receipt of any such information, with clear indication of the additional or amended information.

Instructions and reminders of Instructions for elective corporate actions

The CFF Transfer Agent shall receive from CBL Instructions for elective corporate actions up to and including the CFF Transfer Agent deadline, and shall ensure that all Instructions relevant to the CFF Omnibus Account have been received before initiating processing of such corporate actions.

If a late Instruction is received from a client, CBL shall contact the CFF Transfer Agent and verify that the Instruction may still be accepted. Late Instructions shall be processed on a "best efforts" basis.

The CFF Transfer Agent shall advise CBL of any missing Instructions two Business Days before the CFF Transfer Agent deadline, and again one business day before the CFF Transfer Agent deadline as well as at the deadline.

Entitled position

The CFF Transfer Agent shall use the traded position of the CFF Omnibus Account for corporate action processing on the Record Date, and shall report this as the entitled position. CBL shall reconcile this position against its records of the clients settled positions and modified (plus or minus) by any relevant and pending Settlement Instruction that CBL has received from the CFF Settlement Agent. CBL shall consider as part of its entitlement calculations any Settlement Instructions received from the CFF

Settlement Agent before the payment date, provided that such Instructions specify a Trade Date that is before or equal to the Record Date.

If a discrepancy is identified, CBL and the CFF Transfer Agent shall identify the reason for the discrepancy and take the necessary actions to remedy the situation.

Dividend notifications

As soon as available, and no later than on the Record date, the CFF Transfer Agent shall transmit notification of any Dividend to CBL. The Dividend notification shall contain the following information:

- The name and the ISIN of the CFF Qualified Fund Share;
- The relevant dates, for example Record Date, Ex-Date and payment date;
- The gross Dividend rate, any applicable tax rate and the net rate;
- The entitled position.

If applicable and available, the CFF Transfer Agent shall transmit a tax voucher to CBL in due time.

If the CFF Transfer Agent receives notification from the Investment Fund or its official agent, or if the CFF Transfer Agent has any reasonable doubt, about a lack of cash for a Dividend payment, the CFF Transfer Agent shall immediately notify CBL.

For CFF Qualified Fund Shares subject to daily dividend distribution, the CFF Transfer Agent shall provide CBL with the daily dividend report as per Annex 7 Specifications for the daily dividend report. The daily dividend report shall be transmitted by the CFF Transfer Agent to CBL no later than at 12:00 CET on the payment date. The report is issued monthly with a daily granularity of the position(s) on the CFF Omnibus Account with the daily dividend rates per ISIN.

CBL shall receive all applicable dividend statements and payments at the end of each whole dividend accrual period. For the avoidance of doubt, the CFF Transfer Agent shall not include any accrued dividend payment with the execution of a redemption order that falls within a dividend accrual period, even for CFF Qualified Fund Shares that are otherwise considered as being of the “dividend close-out” type.

Distribution of proceeds, related postings and reporting

The CFF Transfer Agent shall provide CBL with all proceeds at good value on the payment date. Specific handling of proceeds in CFF Qualified Fund Shares may be agreed from time to time.

Proceeds in CFF Qualified Fund Shares

The CFF Transfer Agent shall credit the CFF Omnibus Account with any relevant proceeds in CFF Qualified Fund Shares on the payment date, and transmit a confirmation of the posting to CBL.

The CFF Transfer Agent shall without undue delay instruct the CFF Settlement Agent about such proceeds, in order for the CFF Settlement Agent to transmit a Settlement Instruction to CBL to deliver the shares to the Entitlement Distribution Account (the EDA, account number 10999). CBL shall process the distribution to the relevant clients.

Cash proceeds

The CFF Transfer Agent shall credit CBL's cash correspondent bank account with any relevant cash proceeds relating to Dividend and Corporate Action Events. For each CFF Qualified Fund Share, any such cash proceeds shall be made in a single payment in one currency (the base currency) on the payment date. The CFF Transfer Agent shall instruct the Investment Fund's Paying Agent to make the payments to CBL's cash correspondent bank account as applicable per payment currency. The list of CBL's cash correspondent bank accounts for cash proceeds is detailed in Annex 3 Cash correspondents for corporate actions proceeds which is subject to amendments from time to time.

Each payment shall have a narrative with the abbreviation “DIV” for Dividend Payments and “CorpAct” for Corporate Action Payments along with the ISIN of the relevant CFF Qualified Fund Share, and must not make any reference to a client. On the payment date, the CFF Transfer Agent shall transmit a confirmation to CBL that the relevant payment is being credited to CBL's cash correspondent bank for value on the same day.

The CFF Transfer Agent recognises in particular that CBL uses a number of world-wide cash correspondents to receive money. The CFF Transfer Agent undertakes to respect the operational requirements, including but not limited to processing and market deadlines for the timely provisioning of sufficient cash.

Late value receipts of cash proceeds may result in claims being made against the CFF Transfer Agent or the Fund's paying agent, as applicable, for the loss of opportunity or the use of cash.

Entitlement reversals

In the event of an error by the CFF Transfer Agent or a Fund's paying agent, the CFF Transfer Agent shall immediately advise CBL. All relevant information about the error shall be shared without undue delay agree on a procedure for executing any reversal or amendment.

General Meetings services

CBL may, at its own discretion, use the Institutional Shareholder Services (ISS) or any third-party supplier to provide meeting services to clients. CBL shall advise the CFF Transfer Agent in the event that a third-party supplier is appointed.

Meeting notification

The CFF Transfer Agent shall notify CBL of any forthcoming meeting relevant to the CFF Qualified Fund Shares. No later than on the Business Day following receipt of the Fund's notice, the CFF Transfer Agent shall transmit the following information and documents to CBL:

- Date, time, place, type (ordinary or extraordinary general meetings) of the meeting;
- Agenda and proxy form, if applicable and in the English language, or a summary of the meeting items. The CFF Transfer Agent shall also notify CBL of any updates that are made to the agenda after the official publication;
- Notification of the official representatives of the issuer or the relevant agent acting as (i) proxy representatives (for example chairman of the board), and (ii) substitute proxy representatives;
- Notification of the CFF Transfer Agent deadlines for receipt of CBL's voting Instructions
- Notification of any adjourned meeting and the next meeting date;
- Any relevant legal or corporate voting restrictions as included in the issue documentation or as advised by an official agent of the Investment Fund.

CBL shall transmit to CFF Transfer Agent by fax or email the copies of the passports of any investors that have requested admission tickets. CBL shall instruct the CFF Transfer Agent that admission tickets shall be made available for the relevant person(s) at the entrance of the meeting. The CFF Transfer Agent shall proceed as instructed, or notify CBL if admission tickets can only be delivered to a given address prior to the meeting.

The CFF Transfer Agent shall transmit the following documents to CBL upon request:

- Meeting agenda in its original language, when only the English version was provided to CBL;
- Supporting meeting documents (for example a draft of the Investment Fund's revised prospectus) in original language and in English, if available.

Processing of voting Instructions

CBL shall instruct the CFF Transfer Agent before the market deadline. CBL shall complete the proxy voting form and transmit this by Swift message or fax, with the original to follow if explicitly requested.

If a late voting Instruction is received from a client, CBL shall contact the CFF Transfer Agent and verify that the voting Instruction may still be accepted. Any such late Instructions shall be processed on a "best efforts" basis.

Position blocking

When required (for example if a Record Date has not been set) and upon receipt of voting Instructions and/or admission ticket requests from CBL, the CFF Transfer Agent shall block the relevant position of CFF Qualified Fund Shares in the CFF Omnibus Account until the meeting date. The CFF Transfer Agent shall unblock the relevant position of CFF Qualified Fund Shares prior to the meeting date, if so instructed by CBL, in which case the related voting rights and/or admission tickets shall be forfeited upon unblocking.

Adjourned meeting

The CFF Transfer Agent shall inform CBL of any postponement of a meeting at the latest on the Business Day immediately following receipt of a postponement notice by the CFF Transfer Agent. The CFF Transfer Agent shall follow CBL's original Instructions, unless CBL instructs otherwise. The CFF Transfer Agent shall inform CBL of any modified voting Instruction requirement for the adjourned meeting, if specified by the Investment Fund or its official agent, at the latest on the Business Day immediately following receipt by the CFF Transfer Agent of the notice of the postponement.

Meeting results notification

The CFF Transfer Agent shall notify CBL of the results of all meetings at the latest on the Business Day immediately following receipt by the CFF Transfer Agent of the official results.

Additional operational provisions for the CFF Settlement Agent

Representation and warranties

The CFF Settlement Agent warrants that it has been duly appointed as CFF Settlement Agent of the CFF Qualified Fund Shares. The CFF Settlement Agent shall notify CBL in writing and without undue delay upon being notified by the Investment Fund or one of its official agents of any change to the CFF Settlement Agent's appointment.

FIA

CBL shall provide the CFF Settlement Agent with one or several FIAs in accordance with the Governing Documents. CBL shall assign one or more account numbers and inform the CFF Settlement Agent of the assigned account number(s). See Accounts related to CFF on page 2-7.

Settlement instructions

The CFF Settlement Agent shall obtain from the CFF Transfer Agent all relevant information whenever the CFF Transfer Agent has updated a position on the CFF Omnibus Account. The CFF Settlement Agent is required to transmit a Settlement Instruction to CBL for all such position updates made by the CFF Transfer Agent without undue delay. The CFF Transfer Agent's processing of orders, transfers, corporate actions and other Transactions may result in updated positions on the CFF Omnibus Account.

The CFF Settlement Agent provides each Settlement Instruction to CBL indicating all necessary Settlement information as per information given by the CFF Transfer Agent and standing data, including the Trade Date, the effective date of the update on the CFF Omnibus Account that is consistent with the CFF Transfer Agent's statements for reconciliation and entitlements for corporate actions.

Settlement of Orders

The Settlement of subscription and redemption orders is carried out in Delivery versus Payment (DVP) mode. The Settlement of switch Orders is carried out in Free of Payment (FOP) mode, with one Settlement Transaction for each "leg" of a switch.

In all of these cases, the Settlement of CFF Qualified Fund Shares in relation to orders requires Matching Settlement Instructions to be transmitted from the two Settlement counterparties: the FIA and the client. The CFF Settlement Agent may not use a unilateral (without Matching), securities Instruction for the Settlement of an Order.

The CFF Settlement Agent shall transmit its Settlement Instructions to CBL under the following conditions:

- Without undue delay upon receiving an Instruction from the CFF Transfer Agent that the CFF Omnibus Account is updated;
- Exclusively as instructed by the CFF Transfer Agent;
- Prior to CBL's start of the Settlement processing of the requested Settlement Date.

The CFF Settlement Agent shall at all times maintain an appropriate procedure with the CFF Transfer Agent, to ensure the timely and accurate exchange of instructions and information.

The CFF Settlement Agent warrants that each Settlement Instruction it transmits to CBL reflects an update of the CFF Omnibus Account made by the CFF Transfer Agent. Pending Settlement Instructions can be requested to be cancelled only if the CFF Settlement Agent has sent a Settlement Instruction that did not correspond with the CFF Omnibus Account update made by the CFF Transfer Agent, or if the CFF Settlement Agent is obliged to correct an erroneous instruction given by the CFF Transfer Agent.

CBL shall validate, match and settle the instructions it receives from the CFF Settlement Agent and its other participants. When a Settlement transaction involves an FIA, CBL shall generate additional movements as defined below. The group of movements shall be settled as all or none; the Settlement shall never fail for lack of securities on the FIA, and it shall never leave a securities position on the FIA.

Subscriptions

The CFF Settlement Agent shall transmit one deliver against payment Instruction, for example using the MT543 template, to CBL for the Settlement of a subscription order. In the successful execution of the Settlement, CBL shall create the following movements:

- Credit the FIA of the instructed quantity of the CFF Qualified Fund Shares, representing the creation of the shares in the CFF system;
- Debit the FIA of the instructed quantity of the CFF Qualified Fund Shares, representing the delivery of the shares to the counterparty;
- Credit the FIA of the cash counter value, representing the receipt of the payment for the shares.

Prepaid subscriptions

The CFF Settlement Agent may instruct CBL to transfer cash from the FIA for prepaid subscription orders, which CBL shall do without undue delay upon cash being prepaid by the OI. When this is the case, and the CFF Transfer Agent subsequently rejects or cancels such an order, the CFF Settlement Agent shall ensure that the OI receives full refund of their payment, including any interest due, without undue delay.

The CFF Settlement Agent shall transmit one deliver free instruction, for example using the MT542 template, to CBL for the Settlement of a subscription order. In the successful execution of the Settlement, CBL shall create the following movements:

- Credit the FIA of the instructed quantity of the CFF Qualified Fund Shares, representing the creation of the shares in the CFF system;
- Debit the FIA of the instructed quantity of the CFF Qualified Fund Shares, representing the delivery of the shares to the counterparty.

Cash sweep subscription

The CFF Settlement Agent can optionally subscribe to the cash sweep service. Once subscribed, withdrawal of Funds shall trigger an automatic debit on the FIA. CBL shall create the following movements:

- Debit the FIA of the instructed cash quantity, corresponding to the subscription amount;
- Credit the external cash account provided by the CFF Settlement Agent (upon subscription to the service).

The CFF Settlement Agent is solely responsible to monitor the Fund Issuance Account and ensure sufficient cash provisioning."

Redemptions

The CFF Settlement Agent shall transmit one receive against payment instruction, for example using the MT541 template, to CBL for the Settlement of a redemption order. In the successful execution of the Settlement, CBL shall create the following movements:

- Debit the FIA of the cash counter value, representing the payment for the shares;
- Credit the FIA of the instructed quantity of the CFF Qualified Fund Shares, representing the receipt of the shares from the counterparty;
- Debit the FIA of the instructed quantity of the CFF Qualified Fund Shares, representing the withdrawal of the shares from the CFF system.

Switches

Vestima's order routing system supports switch Orders that consist of a single "switch-from leg" and one or more "switch-to legs". The CFF Settlement Agent shall transmit one receive free instruction, for example using the MT540 template, to CBL for the Settlement of a "switch-from leg". In the successful execution of the Settlement, CBL shall create the following movements:

- Credit the FIA of the instructed quantity of the CFF Qualified Fund Shares, representing the receipt of the shares from the counterparty;
- Debit the FIA of the instructed quantity of the CFF Qualified Fund Shares, representing the withdrawal of the shares from the CFF system.

The CFF Settlement Agent shall transmit one deliver free instruction, for example using the MT542 template, to CBL for the Settlement of a "switch-to leg". In the successful execution of the Settlement, CBL shall create the following movements:

- Credit the FIA of the instructed quantity of the CFF Qualified Fund Shares, representing the creation of the shares in the CFF system;
- Debit the FIA of the instructed quantity of the CFF Qualified Fund Shares, representing the delivery of the shares to the counterparty.

External transfers

The CFF Settlement Agent shall transmit free of payment matching Instructions for the Settlement of external transfers in CBL's systems. The CFF Settlement Agent shall transmit a Delivery Free of Payment Instruction for a transfer-in, and a Receive Free of Payment Instruction for a transfer-out. The CFF Settlement Agent may not use a unilateral (without Matching) securities Instruction for the Settlement of a transfer-in.

The CFF Settlement Agent shall be informed about intended external transfers by Settlement allegements (for example, lines in the MT578 - Settlement Allegement report and the MT586 Statement of Settlement Allegements report) provided by CBL. If a client has sent a Settlement Instruction with the FIA as counterparty, and the Instruction is not matched by an Instruction sent by the CFF Settlement Agent, CBL's systems create a Settlement allegement for the CFF Settlement Agent.

Clients shall provide the details of the deliverer or receiver of the CFF Qualified Fund Shares in their Settlement Instruction for a transfer-in respectively transfer-out. However, it is the client's responsibility to ensure that such information is provided. CBL will not validate the presence of any such deliverer or receiver identification, and shall not be held liable for any incomplete or inaccurate Settlement Instruction.

When the CFF Settlement Agent has received a Settlement allegement, the CFF Settlement Agent shall inform the CFF Transfer Agent without undue delay about the intended external transfer, and:

- For a transfer-in, the CFF Settlement Agent shall verify with the CFF Transfer Agent the existence of a corresponding delivery Instruction from the deliverer of the transfer. The CFF Settlement Agent shall transmit a deliver free Instruction to CBL when the CFF Transfer Agent has confirmed the update of the CFF Omnibus Account;
- For a transfer-out, the CFF Settlement Agent shall verify with the CFF Transfer Agent the existence of a corresponding receipt Instruction from the recipient of the transfer. The CFF Settlement Agent shall transmit a receive free Instruction to CBL when the CFF Transfer Agent has confirmed the update of the CFF Omnibus Account.

In each Settlement Instruction, the CFF Settlement Agent shall provide all necessary Settlement information as per information given by the CFF Transfer Agent and standing data.

The CFF Settlement Agent may exceptionally be informed about a transfer from the CFF Transfer Agent, without having received any preceding Settlement allegement from CBL. The CFF Settlement Agent shall then transmit the relevant free of payment Instruction to CBL according to the CFF Transfer Agent's confirmed update of the CFF Omnibus Account.

The CFF Settlement Agent shall transmit its Settlement Instructions for transfers to CBL without any undue delay. The Settlement Instructions shall contain the information as confirmed by the CFF Transfer Agent, regardless of the Trade Date and contractual Settlement Date of any preceding Settlement allegement. CBL and the client shall repair any mismatch to ensure an efficient Settlement of transfers.

If the CFF Settlement Agent 's Settlement Instruction for an external transfer remains unmatched for a period of ten Business Days past the contractual Settlement Date, the CFF Settlement Agent shall notify the CFF Transfer Agent for investigation and potential escalation to CBL. If the matter is not resolved within ten Business Days following the notification by the CFF Settlement Agent to the CFF Transfer Agent, the CFF Settlement Agent shall receive a command from the CFF Transfer Agent for the CFF Settlement Agent to transmit a cancellation of its Settlement Instruction to CBL, which the CFF Settlement Agent shall execute without undue delay.

Internal transfer restrictions

CFF Qualified Fund Shares are freely transferable between clients. In the exceptional case that Internal transfers are restricted in CBL's systems, the CFF Transfer Agent, the CFF Settlement Agent and the Investment Fund may at their discretion implement a procedure for transfers between the clients. The procedure shall adhere to the relevant description of the "CFF transfer restriction" in this Client Handbook, and the CFF Settlement Agent shall receive Settlement allegements from CBL as described for the External Transfers.

Entitlement Distribution Account

When a corporate action results in a distribution of CFF Qualified Fund Shares, there shall be a credit made by the CFF Transfer Agent on the CFF Omnibus Account. The CFF Transfer Agent shall instruct the CFF Settlement Agent accordingly. Without undue delay, the CFF Settlement Agent shall transmit a Settlement Instruction to CBL to deliver the investment fund shares from the FIA to the Entitlement Distribution Account (the "EDA", account number 10999). The CFF Settlement Agent shall use a unilateral (without Matching) securities Instruction for the Settlement of a distribution of shares in favour of the EDA.

CBL shall distribute the investment fund shares from the EDA to the clients without undue delay.

CBL shall accept any new fund shares distributed in a corporate action as CFF Qualified Fund Shares, unless the Investment Fund has modified the conditions of the new shares, in which case CBL may at its discretion refuse to accept the new fund shares. Specific handling of EDA Settlement Instructions may be agreed from time to time.

Monitoring of Settlement Instructions

The CFF Settlement Agent shall monitor the status of the Settlement Instructions it has sent to CBL. The CFF Settlement Agent shall contact CBL promptly in case of a rejected Instruction that the CFF Settlement Agent is unable to repair on its own, in particular if the instructed counterparty fails the validation by CBL's systems (unrecognised or invalid agent, MT548 reason code :24B::REJT//ICAG). When contacting CBL for assistance, the CFF Settlement Agent shall provide all relevant information of the rejection including the underlying Instruction that the CFF Settlement Agent has received from the CFF Transfer Agent.

If CBL detects a Provision failure that cannot be resolved with the client, CBL may contact the CFF Settlement Agent for assistance. The CFF Settlement Agent shall then respond promptly and provide CBL with the necessary support.

Cash services

The CFF Settlement Agent recognises that the management of cash credits and debits resulting from the Settlement on its FIA remains the responsibility of the CFF Settlement Agent. An account in the ledger of CBL may hold cash balances in multiple currencies. CBL offers a foreign exchange service that is defined in Cash Financing services on page 5-1.

The CFF Settlement Agent undertakes to respect the operational requirements detailed in this Client Handbook, including but not limited to processing and market deadlines for the timely provisioning of sufficient cash for the FIA.

The CFF Settlement Agent recognises that CBL uses a number of cash correspondent banks worldwide, to receive money for the benefit of the FIA. Upon the opening of the FIA, the applicable cash management and credit facilities shall be agreed by separate credit line agreements.

Handling of exceptions for CFF Order Handling Agents

The following procedures apply only to CFF Orders Handling Agents. Order Issuers please refer to section 10.6 Communications contingency.

Contingency

In the event of a contingency situation whereby the CFF Order Handling Agent is unable to receive Swift messages, CBL needs to be contacted by telephone. During the contingency period, the CFF Order Handling Agent shall feasible make use of secure and authenticated communication media to replace any of the unavailable media, for example the Internet web services of CBL and retrieve orders using the Vestima web browser. Orders can be accessed either individually (order by order) or in bulk via the download function (CSV file). Any query related to the use of the Vestima browser can be addressed to Vestima Client Services. Once the problem is solved, the OHA will call-off the contingency and the Swift messages will be transmitted to the OHA as normal Clearstream will reconcile with the OHA in order to avoid any possible duplicate orders.

If the contingency situation persists and the CFF Order Handling Agent is unable to send confirmation messages, the CFF Order Handling Agent can input/upload the confirmations via the Vestima browser. If for any reason the OHA is unable to use the browser, Vestima Client Services can be contacted by phone.

9.3 Fund Market Groups (FMG) Definitions

Investment Funds feature complexities depending on the fund structure. In order to account for these distinct complexities, Clearstream Banking classifies funds into Fund Market Groups (FMG):

- FMG A: simple mutual funds
- FMG B: complex mutual funds and
- FMG C: alternative investment instruments.

FMG A

A fund is classified as A when it is deemed to be an asset that is fully fungible and eligible for an omnibus account. These funds typically offer easy settlement of cash and securities within the Clearstream network and the order routing of transactions is completely automated.

FMG B

In its simplest form a fund is deemed to be B when it is neither in the category of A or C. For example, we will classify a fund as B if:

- The fund requires manual intervention after order placement – provision of additional documentation for the initial investment.
- The fund offers a daily dividend option requiring additional focus and monitoring.

FMG C

A fund will fall into the C category when it is clear there are key restrictions within the asset. These restrictions can vary toward type of investor acceptance criteria or where an investor, for example, is restricted in its withdrawal capabilities. Similarly, the investment can be subject to differing types of mandatory fund events such as withdrawal fees or a need for a full documentation submission for every investment.

Disclaimer

Clearstream Banking publishes the FMG for all eligible investment funds ISINs.

The FMG is determined at the discretion of Clearstream Banking based on its assessment of the operational and technical efforts required per investment funds ISIN for Clearstream Banking to provide its services.

When submitting transaction instructions, and/or holding assets, relating to any investment funds ISIN held through Clearstream Banking, the client acknowledges awareness of the FMG allocated and the applicable pricing.

The FMG is based on information obtained from third party sources. Clearstream Banking endeavours to ensure that such information is correct and up to date but cannot be held liable in case of any change of which it would not have been aware and will not be liable for retrospective reimbursement of amounts charged. In the event of corrections to the FMG, the relevant pricing will only apply to future transactions, and/or safekeeping services as from the date of correction.

9.4 Disclosure requirements for Investment Funds

CBL applies certain disclosure requirements for Investment Funds that enables an officially appointed agent of the Investment Fund to satisfy the regulatory/KYC/AML obligations and/or to perform all the normal functions, such as calculating contingent deferred sales charges (CDSCs), trailer fees and early redemption fees, for Investment Fund Shares held in CBL.

Also refer to the Disclosure Requirements published on the Clearstream website.

Highlights of the disclosure requirements

- If required by the applicable legislation, regulations, KYC/AML obligations, and/or for the operation of an Investment Fund (including but not limited to the calculation of fees, tax-related reasons, or providing to the distributor's services for which they have been appointed by the Investment Fund), CBL will communicate with the regulator and/or the agent of the Investment Fund the respective position and movement information (including the name of the position holder whenever required by the agent). The agent includes, but is not limited to, the TA, the fund Promoter, the fund manager, the fund custodian, the fund Paying Agent and the fund processing agent.
- Agents may outsource parts or all of their functions to third-party service providers. CBL is authorised to disclose the information to the service provider acting as an attorney of the agent.
- The disclosure requirements will apply to all Investment Fund Shares held in CBL for which such reporting is required to comply with the applicable legislation, regulations, KYC/AML obligations and/or to ensure the operation of the Investment Fund.
- The disclosure requirements of CBL are designed to ensure compliance with banking secrecy requirements, unless CBL is obligated by applicable law to disclose the required investor information to authorised requesters.
- CBL's Wolfsberg Anti-Money Laundering (AML) Questionnaire located on the Clearstream website provides CBL's responses to the questionnaire, along with a statement on CBL's AML preparation

Background

Applicable laws of different markets may impose an obligation on CBL to disclose details of the client (or as required in some cases the ultimate beneficial owners) to regulators and authorised agents of the Investment Fund. The disclosure obligation may be periodic or only upon request. For more information on Disclosure, please refer to Corporate action services on page 8-10.

For most types of Investment Fund, shares are kept in registered form in the shareholder register of an Investment Fund. Shares are registered in the name of CBL as nominee or of the depository acting as a nominee on behalf of CBL. The attribution of Investment Fund Shares to specific shareholders and the ability to track the position and movement of the Investment Fund Shares are often prerequisites for various aspects and activities of an Investment Fund. The reporting of client name, movement and position information to agents is in fact necessary to enable them to calculate, in accordance with the terms of the Investment Fund Prospectus, components such as the following:

- Contingent deferred sales charge (CDSC) - a "back-end" sales charge paid by the shareholder when selling shares. The rate applied for a CDSC varies with the length of time for which a shareholder holds shares, in accordance with the calculation method indicated in the prospectus.
- Early redemption fee - a redemption charge paid by the shareholder when selling shares. The retention period will determine the rate to apply.
- Trailer fee - sales commission paid to fund distributors according to the number of shares they sell and, in some cases, the length of time for which those shares are held by the individual investors. For fund distributors to be paid trailer fees on the positions that they hold in CBL, the

agent must know exactly what those positions are and for how long the distributor has held them.

These and other attributes of Investment Funds are based on the assumption that the agent can identify the exact position held by a specific distributor or shareholder and the length of time for which the position is held.

Conditions

- CBL will make available position and movement reports to agents and/or their attorneys on a real-time, daily, weekly or monthly basis.
- CBL will only provide position and movement information to the authorised agent (and/or its attorney) as stated in the Investment Fund Prospectus.
- The disclosure requirements are applicable to all CBL clients and to all Investment Fund Shares held in CBL, if such reporting is required for the operation of the Investment Fund.
- The disclosure requirements are applicable for shares held under registered, bearer, Certificated or global form.
- The disclosure requirements will remain in effect between CBL and clients as long as the contractual relationship is valid.

Additional conditions for VestimaTRACK

- By providing additional information to CBL which is relevant for VestimaTRACK, the client explicitly authorises CBL to communicate this to the agent of the Investment Fund and any other agent as may be appointed from time to time by the client, without any obligation on CBL to verify the accuracy or completeness of this information.
- To ensure compliance with any applicable data protection law and/or regulation, no data relating to natural persons may be included in the information provided to CBL for VestimaTRACK and CBL may hold the client liable for any such data included in the information provided to CBL, whether or not subsequently forwarded to the agent of the Investment Fund and/or any other agent as may be appointed from time to time by the client.
- The client undertakes to comply with the applicable laws, regulations and orders when providing additional information that is relevant for VestimaTRACK and remains responsible towards CBL in connection with such information. The client will hold CBL harmless and agrees to indemnify CBL in case of the client’s non-compliance with obligations that it incurs by its subscription and subsequent use of the VestimaTRACK service.

9.5 VestimaPRIME Enhanced Pricing & Reference Data Service (VestimaPRIME Data)

CBL offers enhanced alternative fund pricing and reference data services (VestimaPRIME Data) for Vestima and VestimaPRIME account holders in conjunction with HedgePole AG (HedgePole) who have been appointed as partner to provide this service.

The specific and detailed scope of performance of the VestimaPRIME Data services are defined in separate, written service level agreements (SLA) and subscription terms agreed directly between CBL clients and Hedgepole.

Clients can subscribe to the HedgePole Price Collection and Reference Data Maintenance services for investments in alternative funds such as hedge funds and private equity funds and their respective share classes/series which are either

- Type A: held directly by the CBL client and not serviced by CBL;
- Type B: serviced by CBL.

For type A funds, the client provides correctly, in time and at its own expense the services, deliverables, information, data, materials and rights as explicitly agreed, detailed and designated as such in the HedgePole Subscription Form and respective SLA that are required in order to enable Hedgepole to perform the service (Duties of Co-operation). The client provides the required data in adequate capacity, in pre-agreed format and with adequate performance and security. If the client fails to comply with its Duties of Co-operation in a timely and comprehensive manner, Hedgepole will inform both the client and CBL thereof in writing as soon as practicably possible. Where Hedgepole is not able to provide the Services due to a lack of or inadequate fulfilment of Duties of Co-operation, Hedgepole will call the client's and CBL's attention to the lacking or inadequately rendered Duties of Co-operation and its effects in writing and in timely manner - CBL shall not be responsible for resultant defects in the services. If this prevents Hedgepole from rendering the services within any execution periods, which may have been agreed upon in the SLA, then agreed execution periods shall be extended by a reasonable period of time.

For type B funds, CBL will, for all positions serviced by CBL on the account specified in the Service Subscription Form, provide necessary authorisation to Hedgepole for access to client data to enable provision of the service. By signing the CBL and HedgePole Service Subscription Forms, the client agrees to waive professional secrecy obligations related to the supplied data. The client hereby agrees and authorises CBL to

i) gather and collect any required information; and

ii) confirm and validate all information;

that the client does not provide to Hedgepole directly.

More specifically, in addition to providing the necessary authorisation for access to data to enable provision of the service, CBL will

- provide a report for the initial set up of Securities and Accounts in VestimaPRIME Data to facilitate the onboarding process using Clearstream automated reporting capacities.
- provide Hedgepole with historical Prices and fund documentation reasonably required as part of the onboarding process.
- upon client instruction
  - will seek to resolve any Persistently Non-reporting cases;
  - when executing a new investment, Clearstream will ensure that the relevant administrator is instructed to include Hedgepole as interested party to receive the Prospectus, updated fund documents, pricing updates as well as corporate actions notifications on an ongoing basis;

- for Clearstream serviced funds, once a month (on the first Business Day of the month) Clearstream will provide Hedgepole with the list of the entire active Pricing Universe for reconciliation purposes;
- will assist in review of open issues log and agreed resolution actions.

In particular the client consents to the collection and processing by Hedgepole of the data provided by the client and CBL while using the service in order to benefit the client. The client will actively support CBL to collect and provide any information required and not yet available to CBL. It is the client's responsibility by accessing, using or providing personal information to or through Hedgepole, to comply with all applicable laws and regulations and the client accepts to bear all consequences resulting from non-compliance with these requirements.

For type B funds

CBL (through HedgePole) shall adhere to and agree upon, timelines and deadlines and inform the client immediately of any delays to those timelines or deadlines as soon as they become evident. Moreover, in the respective SLAs the Parties may additionally provide for binding deadlines, which are of decisive importance for the success of the Services.

CBL (through HedgePole) always endeavours to comply with deadlines agreed upon in the respective SLAs. CBL, however, cannot be held responsible for the compliance with deadlines, and the client is not entitled to assert any claims or remedies of whatever kind due to delays for this service. The client is not entitled to cancel or rescind the subscription service due to any delay.

For type A and B funds

In subscribing to the service, the client acknowledges that for the availability, promptness and the correctness of the services, CBL (through Hedgepole) relies on the performance of third party data providers including Hedgepole. Therefore, the promptness and the correctness of the Services provided is to this extent outside the control of CBL. CBL cannot be held liable for any damage caused by late, incomplete or incorrect information provided by such third party data providers, CBL will also not be liable for any damages arising from the unavailability or incorrectness of the services from such third parties for whatever reason.

The client (or any of its affiliates) may not operate, access, or alter the systems operated, and the processes and infrastructure installed by Hedgepole, without approval of Hedgepole. The client shall observe any and all written instructions by Hedgepole on the use of hardware and software.

CBL does not assume any obligation to deliver particular results unless explicitly agreed so in writing in any SLA.

CBL in no case bears any responsibility for the performance by Hedgepole and does neither assume any responsibility nor liability for the compatibility of services performed by Hedgepole. All consequences of the use of services performed by Hedgepole are at the client's sole risk and responsibility.

Notwithstanding the above, CBL shall be liable towards the client under the subscription service for losses or other damages caused by Hedgepole's or CBL's wilful misconduct or gross negligence. Any further liability of CBL towards the client or third parties under any title and of any nature whatsoever, including any liability for indirect and consequential damages, for loss of data, for additional expenses or claims of third parties, and for loss of profit or non-realised savings, is, regardless of the cause of action and to the maximum extent legally possible, excluded. CBL shall not be liable for damage caused by acts beyond CBL's control, including force majeure events.

Any liability of CBL towards the client for damage caused by hardware, systems, installations or software which are not directly or indirectly used or delivered by CBL (through Hedgepole), or which are transferred to or put at Hedgepole's disposal by the client is excluded.

The client is entitled to reflect VestimaPRIME Data data as part of the normal provision of order routing, custody and settlement service to their clients. The client shall be prohibited from

(i) distributing the Services provided by HedgePole to any other third party,

(ii) authorising any other third party to link to, or use, the applications made available or services provided by CBL (through HedgePole) under this section 9.5 of the Client Handbook and

(iii) making any report or data provided by CBL (through HedgePole) available, in any form, to any other third party.

9.6 Distribution Support Services

CBL offers a range of distribution support services to distribution partners through Clearstream Fund Centre (hereafter referring to "CFC"), an automated platform connecting distribution partners and fund providers around the globe.

CBL enables distribution partners to enter into a distribution agreement with CFC acting for the account and on behalf of fund providers and to access the web-based platform interface "Compass". Compass provides fund search and analysis tools as well as static, dynamic and regulatory data and fund documents, all of which support distribution partners in increasing their internal efficiency while meeting regulatory requirements. Additionally, Compass is a modular platform that distribution partners can further customise. The service level applicable to distribution partners depends on their respective service choices as highlighted in the application form separate to the Client Handbook.

This chapter sets out the scope of the distribution support services CFC provides on behalf of CBL to distribution partners.

It covers:

- Distribution agreement maintenance;
- Fund distribution commission collection;
- Compass and reporting;
- Clearstream data services;
- Morningstar services;
- ISS ESG;
- Clearstream Product Expert ;
- Market Insights.

Distribution agreement maintenance

CBL relies on CFC for the contractual relationship with fund providers. CFC manages the relationship with fund providers by maintaining distribution agreements up to date as well as entering into new distribution agreements with new fund providers.

Distribution partners benefit from new investment funds constantly being added to the CFC fund universe available under the distribution agreement as well as from any applicable fund distribution commission.

Fund distribution commission collection

CBL collects fund distribution commissions from fund providers via CFC as well as manages the payment to distribution partners in accordance with the respective terms. Remunerations are granted only on investment funds listed in Compass and held in a custody account at CBL. To receive the fund distribution commissions for a specific quarter distribution partners must register the designated custody account with CBL no later than ten working days before the beginning of the quarter concerned. The fund distribution commissions to be paid to the distribution partners are received from fund providers for payment and proceeds are credited to the distribution partner's designated account on payment date.

Distribution partners who entered into a contractual relationship with CBL will keep on receiving the payment of their fund distribution commissions in accordance with the terms that CFC negotiated with fund providers. CBL, and more specifically CFC, relies on the final calculation provided to it by the fund provider.

Distribution partners are provided with transparent quarterly reporting on remunerations, including details on holdings, currency, fund name and rate.

Compass and reporting

Compass is a web-based application for Distribution Partners and Fund Providers, providing a collaborative fund information platform covering the Funds of Clearstream Fund Services. As a two-sided platform, Compass facilitates communication between the Distribution Partners and Fund Providers.

Compass enables access to the data relevant to the analysis, fund selection and full customisation of the distribution partner's investment funds universe (prices, share classes, performance, ratings, statistical data, fees, remunerations, registrations, and others). Distribution partners benefit from a sophisticated fund search tool with various filters (for example, EFC category, risk, fund domicile) and can further refine their search with more than 50 static and dynamic selection criteria including performance, risk data and portfolio statistics. Compass introduces an innovative ESG Data solution in its search functionality based on sustainability scores. With this service, Clearstream Fund Centre supports distribution partners in their client advisory process. On top of fund data, Compass provides access to a vast range of fund documents, including factsheets, prospectuses, KIIDs, and many others.

Documents, static and dynamic data are constantly being updated and expanded in different languages.

The distribution experience is enhanced via the introduction of communication tools, such as the Blasts. Blasts enable Distribution Partners to directly interact with Fund Providers and ask for additional fund information and up-to-date documentation.

Compass Fund lists allow distribution partners to create tailored lists of investment funds from the fund universe available in Compass. Customised lists allow to cater to every investor profile based on share class, fund currency, domicile and risk.

New investment funds and/or share classes are continuously being added to the universe.

Clearstream Product Expert

Clearstream Product Expert is an add-on service module.

Clearstream Product Expert allows distribution partners to carry out regulatory and product-specific reviews. It enables distribution partners to obtain a list of eligible investment funds for a specifically defined client profile. All the rules and information, which distribution partners need to ensure that an investment fund is eligible for a specific client profile, are systematically integrated into the domestic and cross-border consultation framework on the basis of distribution partners' input (for example, CRM's domicile, client's domicile or client type). The review is done at ISIN level.

The underlying rules of Clearstream Product Expert can be supplied by the distribution partner or obtained from an independent provider via CFC.

A free to use service is available in Compass to support the share class selection for specific client profiles based on the selling restrictions in the fund prospectus.

Clearstream data services

Compass platform provides flexible access to fund data through four key functionalities, tailored to clients' operational needs:

- View only: Direct access to fund static, regulatory, dynamic and sustainability data on the platform.
- Standard download: Download a limited selection of fund data and documents manually from the platform.
- Data feed: Set up customised data feeds and access to a broader scope of fund data.
- Secure FTP: Automate data transfer service directly to your IT infrastructure via Secure File Transfer Protocol. Data feeds are also accessible within the platform.

Data feeds are created overnight (CET time) and are not available immediately. Notifications are sent out once feeds are ready.

Clients can choose from a variety of data packages sourced from various data providers.

Morningstar services

The distribution partner has the permission to use the dynamic data internally. Such data are meant for personal use only. There is no permission to upload and share dynamic information within a team.

The Clearstream Data Feed Morningstar module allows distribution partners to upload the dynamic data and share it within their legal entity. However, the data cannot be used for external communications.

The dynamic data consists of Morningstar data. Distribution partners can choose from the following Morningstar data: Risk & Performance, Portfolio Statistics, Full Data Bundle for either 10,000 or 50,000 share classes. Further customised dynamic data packages are available.

ISS ESG

ISS ESG provides nine sustainability factors regarding the Environmental, Social and Governance (ESG) of investment funds.

By integrating these ESG datapoints, Clearstream aims to ease access to ESG information of investment funds to its fund distributors for fund selection, reporting and regulatory compliance.

Market Insights

Market Insights provides Fund Providers with user-friendly dashboards and detailed reporting, leveraging on Clearstream holdings and transactions. The tool offers:

1. A comprehensive overview of global funds industry trends.
2. Transparency regarding current and historical holdings and transactions within the distribution network.
3. Anonymised peer group data for comparing fund flows and holdings.

9.7 Tax Transparent Funds

Requirements from client and ultimate beneficial owner for Tax Transparent Funds

This service is subject to CBL performing a risk and tax assessment on the client in advance of the service being available to the client. If the client meets the relevant CBL criteria of the risk and tax assessment, the client shall follow the process outlined in this section before placing the subscription order.

In order for a client to purchase shares or units in a fund, which from a tax perspective can be considered as transparent, and which would allow some ultimate beneficial owners to access a reduced withholding tax rate, such ultimate beneficial owners will have to liaise, agree and provide the required tax documentation directly to the relevant transfer agent and/or asset manager, as outlined in the prospectus or marketing materials of the target investment fund.

Once the ultimate beneficial owner and the transfer agent and/or asset manager have determined that the ultimate beneficial owner may benefit from a reduced withholding tax rate, the client will have to provide the relevant tax certificates and instruct the opening of a segregated account, in the name of the client, for each ultimate beneficial owner in CBL's books and records. CBL will also open a segregated account in the relevant fund register dedicated to the holdings of each ultimate beneficial owner.

During the account opening process of such segregated account in the fund register, CBL will provide the transfer agent and/or asset manager with its tax documentation, in order for the transfer agent and/or asset manager to confirm the ultimate beneficial owner's applicable withholding tax rate.

After the relevant transfer agent and/or asset manager has approved and validated the tax documentation from the ultimate beneficial owner and from CBL, the transfer agent and/or asset manager would then have to confirm in writing to CBL that the segregated accounts have been opened and that the tax setup has been completed.

As soon as the transfer agent and/or asset manager confirms to CBL that the segregated account is open and active, CBL will notify the client accordingly. Only after such confirmation has been notified to the client by CBL, the client will be able to invest into the target fund through CBL.

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10. Communications media

Clients can submit instructions to CBL and receive reports using a variety of communications media.

The communications media available within our suite of Connectivity products are:

- ClearstreamXact; with the following choice of channels
  - Xact Web Portal;
  - Xact File Transfer;
  - Xact via Swift.

Exact format specifications and deadlines for instructions are given in the latest versions of the respective market link information, available for each market link on the Clearstream website, under Products & Services / Market Coverage.

Connectivity products for the Vestima order routing services are detailed in Chapter 9. Investment Fund Services.

The reports sent to clients from CBL provide details on the status of instructions, as well as account movements, Balances and other information. For further details of report content and the media through which they can be received, please see Chapter 11. Reports and information services.

Note: Clients are strongly advised to exercise due care in ensuring and maintaining the security of the communications media by which they submit instructions to CBL or receive reports from CBL.

10.1 ClearstreamXact

ClearstreamXact is a suite of connectivity products that gives real-time access to enhanced information provision, instruction input, position and Transaction reporting. ClearstreamXact offers a choice of Web Browser Based Interface, file transfer and the Swift network. It offers secure multichannel connectivity.

The three components of ClearstreamXact are Xact Web Portal, Xact File Transfer and Xact via Swift.

Clients can use ClearstreamXact services after signing the relevant agreements and application forms. Clients shall use these services in compliance with such agreements, forms and any other relevant documentation. For any further information, please contact Clearstream Banking Client Services or your Relationship Officer.

10.2 Xact Web Portal

Xact Web Portal is a web graphical user interface (GUI). The key aspects of Xact Web Portal are:

- New technology enabling clients to use a common graphical user interface (GUI) for more than one service and processing platform. Designed to complement existing ICSD and CSD connectivity channels.
- Consistent look and feel and delivery of services regardless of the legal entity, service or geographical location of Clearstream clients or their business partners.
- Eventual streamlined user access to our full range of services from a single entry point.
- Dynamic, easily configurable dashboard and context sensitive help.

Access and security

- Accessible from anywhere in the world via internet.
- State of the art security, based on internationally recognised standards to ensure the highest security for clients, whether using a secure public internet connection or virtual private network.
- Single sign on and User Management, fully customisable at the client side.

Xact Web Portal Dashboard

- Interactive landing page after login;
- Easy navigation throughout the system;
- Dashboard panels give you an overview of your current Activities, Tasks or Alerts (profile-dependent);
- Number of outstanding Activities broken into comprehensive segments;
- The Dashboard will become fully customisable as Xact Web Portal expands;
- Go to the Main Menu to reach Services, User Management along with Help and Resources;
- Search the Help and Resource centre.

User Guides

The latest versions of the user guides are available on the Clearstream website, under Products & Services / Connectivity / ClearstreamXact.

Queries

The following types of query are available through Xact Web Portal:

- **Settlement**

  Instruction status and life cycle up to thirteen months retrospectively, including the current month;
  Security Instructions;
  Security Positions;
  Daily Penalties;
  Registered Securities: Beneficial Owner Details;
  Monthly Aggregates;
  Appeals;
  Settlement Prediction[1].

- **Collateral Management**

  Contracts data;
  Exposures;
  Collateral allocated pieces;
  Principal securities;
  Collateral Management Instructions;
  Settlement Instructions;
  Allegement Instructions;
  Positions check;
  Collateral Management Reports (Eligibility, MIS, Scheduled, Extended and Realtime simulation reports);
  Reference data.

- **Cash & Liquidity**

  Cash Instruction status and life cycle - up to thirteen months retrospectively, including the current month;
  Cash Balances including intraday and End of day Balances;
  Cash File Upload;
  Credit & Collateral Query;
  Credit Usage & HLC Query.

- **Asset Servicing**

  CA Event;
  CA Confirmation;
  CA Instruction;

1. Clearstream's Settlement Prediction provides clients with a probability prediction that a client instruction will settle by the deadline of the requested settlement date (in the case of pending instructions) or by the deadline of the current business day (for pending failed instructions) (the "Probability Prediction"). The Probability Prediction is calculated by a machine-learned model based on current and historical settlement data. A probability can range from 0.1% to 99.9%. Clearstream's Settlement Prediction also provides clients with an estimate of the cash penalty that a client may need to pay if they are found to be at fault for late settlement (the "Estimated Penalty").The client expressly acknowledges that the Probability Prediction and Estimated Penalty may be inaccurate for any reason, that the Probability Prediction and Estimated Penalty may not realise and that the Probability Prediction is not to be considered as a guarantee of a particular settlement outcome (that is, will settle or will not settle).

   Any decision to take action or not, on the basis of the Probability Prediction and Estimated Penalty, is at the client's sole discretion and risk, and Clearstream Banking S.A. (CBL) shall make no warranty, no representation and no guarantee as to the accuracy and realisation of the Settlement Prediction or Estimated Penalty. CBL excludes any liability for any damage, liability, loss, cost or expense the client may incur as a direct or indirect consequence of the client's action – or failure to take action – on the basis of the Probability Prediction and Estimated Penalty.

   The Probability Prediction and Estimated Penalty are for information purposes only and shall not be construed as any form of advice (legal or otherwise) by CBL.

Forecast Movements;
Disclosure Query.

- **Tax**

  US Tax;
  Tax Refund;
  Tax Certificates;
  FTT query.

- **Reference data maintained and updated by CBL**

  Financial instruments;
  Place of safekeeping;
  Currencies;
  Settlement Parties;
  Cash Correspondents.

- **Help & Resources**

  Message Exchange.

Data Analytics

This module offers advanced analytics and data visualisations through the following products:

- ActivityNext[1];
- SettlementNext;
- LiquidityNext[2];
- CollateralNext[3];
- LendingNext[4].

1. **Disclaimer:** The ActivityNext dashboard seeks to provide clients with a view of historical operational activity and KPI information available within Clearstream systems. The information provided through the dashboard is based on end-of-day data and operational data generated for clients. The dashboard consolidates operational information available through the Xact Web Portal. Clearstream may not have all information available or may inadvertently not take all available information into account. The data on which the dashboard is based may therefore be incomplete for any reason. Accordingly, Clearstream takes no responsibility for, and assumes no liability related to, the accuracy, completeness or availability of the information provided through the dashboard.

   The dashboard is provided for the client's information purposes only and shall not be construed as any form of advice (legal or otherwise). The client shall be solely responsible for any use of the information provided and any decision taken on the basis of it, including for operational, compliance or regulatory reporting purposes. Clearstream shall not take responsibility for any use by the client of the dashboard or the information contained therein. Clearstream shall not be liable for any damage, liability, loss, cost or expense that the client may incur as a direct or indirect consequence of the client's action - or failure to take action - on the basis of the information provided through the dashboard.

2. **Disclaimer:** LiquidityNext seeks to provide the client with a detailed view of their historical credit surges and collateral usage at 10-minute, hourly intervals, and daily. The information provided with the dashboard is based on intraday data generated for clients. The dashboard is a consolidation of reporting information related to collateral value and credit line consumption and collateral pool values that can be found on the Xact Web Portal. CBL may not have all information available or may (inadvertently) not take all available information into account. The data on which the dashboard is based may be incomplete for any reason, hence CBL takes no responsibility for or liability related to the accuracy of the information provided with the dashboard. The dashboard is for the client's information purposes only and shall not be construed as any form of advice (legal or otherwise). The client shall be solely responsible for any use of the information provided and any decision taken on the basis of it. CBL shall not take responsibility for any use by the client, including for regulatory reporting. CBL will not be liable for any damage, liability, loss, cost or expense that the client may incur as a direct or indirect consequence of the client's action - or failure to take action - on the basis of the information provided through the dashboard.

3. **Disclaimer:** CollateralNext Suite, comprising Collateral Mapper, Collateral Insights and Benchmarking, is a suite of integrated data services designed to provide clients with a consolidated view of their collateral activity, including past collateral exposure against each of the client's collateral receivers, assets under management (AUM), and anonymised peer-based comparisons including historical data. The information provided is based on end of day data from CmaX and MT535 messages generated for clients, and can also be found on the Xact Web Portal. CBL may not have all information available or may (inadvertently) not take all available information into account. The data on which CollateralNext Suite is based may be incomplete or inaccurate for any reason. Each authorised user of the dashboard will see information related to every account nested within the client's specific umbrella account.

   CollateralNext Suite is for the client's information purposes only and shall not be construed as any form of advice (legal or otherwise) by Clearstream Banking S.A. (CBL). The client shall be solely responsible for any use of the information provided and any decision taken on the basis of it. The client expressly acknowledges that any decision to take action or not, on the basis of CollateralNext Suite, is at the client's sole discretion and risk. CBL shall not take responsibility for any use by the client, including for regulatory reporting. CBL shall make no warranty, no representation and no guarantee whatsoever in relation to the accuracy of the information provided. CBL will not be liable for any damage, liability, loss, cost or expense that the client may incur as a direct or indirect consequence of the client's action - or failure to take action - on the basis of the information provided through CollateralNext Suite.

4. **Disclaimer:** The LendingNext dashboard seeks to provide the client with a view on their Lending activity with CBL. The information provided with the dashboard is based on end of day data and Swift messages generated for clients. The dashboard is a consolidation of reporting information related to collateral and loan exposures that can be found on the Xact Web Portal. We may not have all information available or may (inadvertently) not take all available information into account. The data on which the dashboard is based may be incomplete for any reason, hence CBL takes no responsibility for or liability related to the accuracy of the information provided with the dashboard. The dashboard is for the client's information purposes only and shall not be construed as any form of advice (legal or otherwise). The client shall be solely responsible for any use of the information provided and any decision taken on the basis of it. CBL shall not take responsibility for any use by the client, including for regulatory reporting. CBL will not be liable for any damage, liability, loss, cost or expense that the client may incur as a direct or indirect consequence of the client's action – or failure to take action – on the basis of the information provided through the dashboard.

Disclaimer:

Clearstream Banking S.A. (CBL) and Clearstream Europe AG (CEU) explicitly state that they make no warranties regarding the accuracy of the data or the realisation of settlement predictions.

Furthermore, both CBL and CEU absolve themselves of any liability for any damages, losses or costs incurred by the client as a direct or indirect consequence of their actions (or inaction) based on the information presented within the dashboard.

10.3 Xact File Transfer

Xact File Transfer is the file transfer solution for bi-directional data transfer. It has been designed for secure straight-through processing that can support high-speed and large instruction volumes. Xact File Transfer can be used for rapid distribution of all reports that are available in Swift ISO 15022 format, extensible mark-up language (XML), MS Excel (XLS) and portable document (PDF) formats.

Xact File Transfer can be linked from any in-house system to CBL via SwiftNet. Xact File Transfer can be fully integrated with in-house systems and various operating platforms. Xact File Transfer can also be accessed via a standard internet browser on client desktops thereby allowing clients to continue working with their current infrastructure. Xact File Transfer can be fully automated, hence requiring no manual intervention, to facilitate straight-through processing.

Xact File Transfer can be used in conjunction with Xact Web Portal for comprehensive instruction input and Transaction life cycle monitoring and reporting.

It may also be used as an upload facility for French Financial Transaction Tax (FTT) declaration files.

Invalid cash instructions will be rejected every thirty minutes, using the MTn95 Query message.

Instructions sent to CBL for same day provisioning are processed immediately upon receipt by the Settlement system. Consequently, clients should send prioritised instructions first, to ensure they are processed before any other instructions.

Where clients include two or more instructions for the same security and for same-day provisioning in a single file, priorities and sequences associated to instructions, cannot be assured. In this case, it is recommended to instruct and release the prioritised instruction in a separate file.

Access and security

Xact File Transfer is available on Clearstream Banking's highly secure IP-based VPN or the public internet. In addition, Xact File Transfer offers a communications option via SwiftNet, based on the SwiftNet FileAct service. Overall, this communication infrastructure includes different contingency scenarios in case of network failure and thus provides continuous business and service availability. This network offers clients a flexible and high performance communication solution for the exchange of instructions and reports.

Xact File Transfer is available 24 hours a day, six days per week (not available from 22:00 (CET) on Saturdays until 22:00 on Sundays).

Flexible security options enable clients to control access to their data, network and resources by individual users or classifications of users. Standardised security policies may be implemented across heterogeneous security systems to ensure data protection. Violations are tracked and sources are identified through audit trails and statistics.

User Guide

Details concerning the usage of Xact File Transfer are published in the Xact File Transfer User Guide.

The latest version of this guide is available on the website, www.clearstream.com under Key Documents / ICSD / Connectivity Manuals.

10.4 Xact via Swift

CBL provides full service support via Swift. It is secure, fully automated and able to provide high-speed, high-volume straight-through system-to-system processing.

Access and security

The Swift Message Types used for sending instructions to CBL are, without exception, authenticated messages. Clients using Swift must, therefore, have exchanged authenticator keys with CBL. Rules governing the exchange of authenticator keys are set out by Swift.

Users can enter instructions for only those accounts that are linked on CBL's files to their Swift address. Users can request CBL to link several of their accounts to one address or, alternatively, they can use multiple addresses to send instructions for the same account. However, CBL must be informed in advance of the exact relationship between accounts and BIC destinations.

Unauthenticated messages cannot be used to send instructions.

Securities Settlement instructions

Swift ISO 15022 Message Type MT54x is used for all securities clearing and Settlement instructions. All normal Swift syntax rules must be applied. CBL provides validation and informs clients in real time of erroneous or badly formatted messages.

The following messages can be sent:

MT530 Transaction Processing Command;

MT540 Receive Free;

MT541 Receive Against Payment;

MT542 Deliver Free;

MT543 Deliver Against Payment;

Securities instructions for custody

Formatted Corporate Action Instruction.

Triparty Collateral instructions

MT527 Triparty Collateral Instructions

User Guide

The Xact via Swift User Guide provides clients with an overview of formats and reports available through the Swift connectivity service.

The latest version of this guide is available on the website, www.clearstream.com under Key Documents / ICSD / Connectivity Manuals.

MyStandards: OneClearstream - ECMS SCoRE (SR2024) - Clients.

Cash instructions

Summary of cash instructions that are used to instruct funds withdrawals (90 Instruction) and transfers (9X Instruction) while camt.057 is used to pre-advise funds (10 Instruction). Figure 10.1 below shows the fully authenticated Message Types that can be used for cash instructions:

Message Type	CBL instruction	
Pacs.009 - Credit transfer	90	Withdrawal of Funds
Pacs.009 - Credit transfer	90	Withdrawal of Funds
	9X	Book-entry Transfer of Funds
MT210/camt.057 - Notice to Receive	10	Pre-advice of Entry of Funds
Pacs.008	90	Withdrawal of Funds
	9X	Book-entry Transfer of Funds
MT192 camt.056/MT292	Cancellation request	

Figure 10.1 Cash instructions

Clients are reminded that CBL will not process payments whose final recipient is a non-financial institution. CBL recommends the use of BIC codes to identify financial institutions in order to achieve straight through processing.

Invalid cash instructions will be rejected using the pacs.002. The reason for the rejection will be contained in the pacs.002 together with a selection of fields of the rejected message. The pacs.002 Query message will be returned by Swift in real time.

Note: pacs.002 (RJCT) will be used for rejections for payment instructions (pacs.008 and pacs.009). For non-payment instruction rejections, Clearstream Banking will continue to respond via the same MT message as being used currently.

Other messages

Message types MT199, MT299 and MT599 can be used for free-format authenticated messages; for example, to instruct foreign exchange Transactions (9E Instruction), to request services or to provide information to CBL.

Reports via Swift

Via Swift, security and cash information are contained in separate reports corresponding to specific Swift message categories. Please refer to Chapter 11. Reports and information services for an overview of these reports.

10.5 Communications contingency

CBL provides a suite of communication channels Xact Web Portal, Xact via Swift and Xact File Transfer).

In case the regular communication channel should become inaccessible or unavailable, clients are recommended to have at least one backup communication channel in place.

In the event that none of the usual available channels of communication can be used, and as a last resort contingency means of communication, instructions can temporarily be accepted or information exchanged via facsimile or email, on condition that a duly signed Letter of Indemnity has been established between the client and CBL for such contingency.

To reduce the risk of failure in processing instructions in the event of such contingency and in order to act with the shortest possible delay, clients are recommended to establish a Letter of Indemnity in advance.

Such Letter of Indemnity, signed by CBL and by the client, shall be valid for all open and new accounts in the name of the client within its country of operation.

For example, a Letter of Indemnity established with a branch of a supranational corporation in one country will not be valid for other branches of the same supranational corporation in other countries.

Clients who want to establish a Letter of Indemnity as described above should contact CBL Client Services or their Relationship Officer (see Client Services on page 1-10).

Procedure for establishing a Letter of Indemnity

For a contingency situation to be accepted by CBL, the client must agree to comply with the requirements of the following procedure:

1. Inform CBL about a presumed contingency situation by contacting CBL Client Services and/or their Relationship Officer via telephone.
2. Agree with CBL that there is a contingency situation.
3. Inform CBL about the contingency communications medium to be used for the duration of the current contingency situation with the client.
4. Inform CBL of the end of the contingency situation as soon as possible via telephone, to confirm that the contingency situation has been resolved.

The above procedure shall be applied by the client every time a contingency situation occurs.

Once the contingency situation is agreed, CBL will verify whether a valid Letter of Indemnity is recorded in its books.

If, on contingency date, no valid Letter of Indemnity is available for the client, CBL will insist that it immediately receives a valid Letter of Indemnity duly signed by authorised persons in the client's institution.

The Letter of Indemnity shall be sent to the client via the appropriate communications medium (facsimile or email) and the client shall return it duly signed to CBL by the same means. The original of the Letter of Indemnity shall also be delivered promptly to CBL via postal mail.

Based on CBL's internal validation of the client signatures, the process of inputting manual instructions on behalf of the client can begin.

On request and depending on the client's needs, CBL Client Services will provide the client with different templates for their cash and/or Settlement instructions.

Only valid and complete instructions containing the necessary level of information detail will be processed.

Note: CBL will always act on a "best efforts" basis and shall not be held responsible for any delay or any loss, damage, expense that might occur with regard to any manually handling instructions, unless such is due to CBL's gross negligence or wilful misconduct.

The manual setup of client contingency instructions is subject to fees as published in the Clearstream Banking Fee Schedule.

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11. Reports and information services

This chapter provides an overview of the reports available via the different communications media currently supported by CBL and it gives an outline of the information available in each type of report. Technical information appropriate to each medium, and fuller descriptions of the reports together with examples, are given in the user manuals for each communications medium.

Unless advised otherwise within 30 days, CBL considers the information indicated in client reports to be accepted and approved by the client.

11.1 Choice of reports

Clients can choose from the range of reports available via the connectivity channels described within this chapter. Reporting profiles can be set up that are tailored to their own business requirements. For these profiles, clients are asked to specify which reports[1] they want to receive/retrieve, and via which communications media. They can do this via the Xact Web Portal Reporting Centre where they specify the delivery channel, format, frequency and time of the reports they want to receive. Alternatively, clients can send a Swift MT599 (see Monthly billing reports on page 11-17) or a subscription form signed by authorised signatories for the attention of the PRGconnect team in Prague.

Tailored reporting profiles can be set up to meet clients business requirements. Clients can also select to receive/retrieve versions of reports according to the frequency with which updated information on Transaction status and positions is needed.

11.2 Reconciliation

CBL maintains the appropriate reconciliation procedures to ensure the integrity of the securities held in CBL's system in order to comply with the obligations set out in Article 37 of the CSDR as well as Articles 59 to 65 and Article 86(1)(a) of Commission Delegated Regulation EU No 2017/392 (ESMA RTS).

Daily Statements and daily reconciliation

Accordingly and in order to enable clients to comply with their obligations to reconcile their records on a daily basis as set out in the Article 50 of the GTCs and Articles 64(3) ESMA RTS, clients are provided with the following necessary information specified for each client account and each securities issue, on a daily basis:

- The aggregate balance of each securities account at the beginning of the respective business day;
- The individual securities transfers in or from a securities account during the respective business day; and
- The aggregate balance of a securities account at the end of the respective business day.

Important Note: Clients shall retrieve the above mentioned information by using existing information channels such as Xact Web Portal, Xact File Transfer, Xact via Swift MT535/MT536

Reconciliation breaks

When a reconciliation inconsistency or mismatch (referred to as a "break") is detected by the client following its daily reconciliation process, it must inform CBL promptly and report it via the Client

1. There is no default reporting for Clearing and Settlement and Cash reports. However, in the absence of, or in cases of incomplete, account opening form, a default subscription for Income and Corporate Action reporting will be created at new account creation.

Service channels. This reporting must be done within the timeframe provided for in Article 50(3) of the GTCs in consideration of the day the client is open for business (due to the different time zone and banking holidays).

The client shall provide CBL with the information that CBL deems necessary to ensure the integrity of the securities issue and to enable it to solve any reconciliation breaks in accordance with Chapter IX of the ESMA RTS. Where needed, the investigation efforts during reconciliation procedures may imply cooperation and information exchange with third parties involved in the reconciliation process with CBL. Clients hereby acknowledge and authorise that, according to Article 64(4) of ESMA RTS, CBL may provide the information referred to above at the request of other holders of accounts with CBL, to the sole extent that information is necessary for the reconciliation of those holders´ records with the records of CBL.

As a reconciliation resolution measure, CBL may reverse any credit or debit of securities made to the client as a result of a break, regardless whether the break is due to CBL, the client, another client or any other person.

Important Note: The client shall not attempt to take any action to adjust the entry on their own without having informed CBL beforehand. CBL shall not be held liable of any losses or damages caused by such direct action of the client (such as, without being limited to, a direct instruction to a register agent, an issuer agent or a transfer agent or broker outside CBL's system). In such a situation, the client shall hold CBL harmless for any damages, losses, costs (including reasonable fees of counsel), expenses or penalties incurred as a result of their action.

To prevent or solve a break detected and to comply with its obligations of reconciliation in accordance with CSDR, CBL may in addition take any other actions that CBL deems necessary to achieve such purpose. CBL informs the client without undue delay of such measures.

As a result of the corrective reversal, the client is solely responsible to cover any shortfall in the relevant account. If they fail to do so, such shortfall will be considered as a securities loss under Article 9 of the GTCs and such loss may be shared with other clients holding the relevant securities with CBL. CBL shall not be liable for the application of such loss sharing provision in accordance with the General Terms and Conditions.

Suspension of Settlement

Where the above mentioned breaks reveal an undue creation or deletion of securities, and the CSD fails to solve such problem by the end of the following business day, CBL is obliged to suspend the securities issue for settlement until the undue creation or deletion of securities has been remedied.

The suspension of settlement of a security can be decided by another CSD in accordance with CSDR. Upon receipt by CBL of the notification of a suspension of settlement of a securities issue by another CSD, CBL shall subsequently suspend, in its capacity as investor CSD directly or indirectly linked to this CSD (including for interoperable links, such as the Bridge), this security issue from settlement.

In such a situation, CSD shall inform clients without undue delay and any other relevant market infrastructure having access to CBL (for example, CCP and the stock exchange) of the suspension of the settlement in the relevant securities issue. The same applies when settlement has been resumed, following the resolution of an undue creation or deletion of securities.

CBL will inform clients through the usual communication channels, via specific publications on its website and banners in the online connectivity channel (Xact Web Portal).

Note: Clients shall ensure that connectivity is set up to receive the operational news alerts without delay.

For suspension of settlement, the process is the following:

- CBL keeps the existing and valid Instructions in the settlement system. The instructions show the last status available prior to the suspension. Settlement resumes once the suspension of settlement has been lifted.

- New instructions are accepted and are eligible for matching but will not be proposed for settlement. Settlement will only take place once the suspension of settlement has been lifted.
- Processing of ongoing corporate action events (referring to both income and corporate action events) where the event basis security is blocked due to an undue creation or deletion of securities will be suspended. CBL informs clients about the suspension of a corporate action event via CorporateAction Notification with a specific narrative. The same applies when the corporate action event is resumed. The status is also visible in Xact Web Portal.

Note: Instructions to participate in voluntary and mandatory with choice events, where the event basis security is blocked due to an unresolved undue creation or deletion of securities, will continue to be accepted by CBL and transmitted to depositories/agents. The processing of the resulting proceeds is however suspended until the undue creation or deletion of securities has been remedied.

The CorporateAction Notification as of payment date + 1 business day shows the earliest payment date as "unknown" if payment is suspended.

Since the payment processing is only resumed once the break is solved, the crediting of proceeds and sending of CorporateAction Confirmation message may be delayed.

11.3 Connectivity Channels

The communications media: Xact File Transfer and Xact via Swift are based on Swift standards and terminology.

Reports and online queries

The information available via the connectivity channels can be broadly grouped into:

- Clearing and Settlement reports;
- Cash and Liquidity reports;
- Asset Servicing reports;
- Tax reports;
- Miscellaneous reports;
- Triparty Collateral reports (some also available via ClearstreamXact);
- Online queries via Xact Web Portal.

Clearing and Settlement reports

Clearing and Settlement reports are shown in the following figure:

Report	Description
Intra-Position Advice (MT508)	The MT508 Intra-Position Advice reports movements between sub-balances linked to lending, Collateral and blocking/unblocking activity.
Statement of Holdings (MT535)	The MT535 Statement of Holdings reports the holdings that CBL services for the client. The Complete report contains all holding information. The Delta report contains only changes since the previously sent statement.
Statement of Transactions (MT536)	The MT536 Statement of Transactions reports settled transactions impacting the client's aggregate and/or sub-balances.
Statement of Pending Transactions (MT537)	The MT537 Statement of Pending Transactions reports transactions that are not yet booked because they have either a forthcoming Requested Settlement Date or have failed to settle. All statuses or the most relevant status can be reported.
Vestima Transfer Service Statement of Pending Transactions (MT537)	The same report as the MT537 Statement of Pending Transactions, with an additional narrative field that is populated with information recorded in the Relocator module of Vestima.
Statement of Intra-Position Advice (MT538)	The MT538 Statement of Intra-Position Advice reports movements between sub-balances linked to lending, Collateral and blocking/unblocking activity.
Settlement Confirmations (MT54x)	The MT544, MT545, MT546 and MT547 Settlement Confirmations report all receive and deliver securities Transactions, free of and against payment, that have settled on the date of the report.

Report	Description
Settlement Status and Processing Advice (MT548)	The MT548 Settlement Status and Processing Advice reports the rejection or Pending status(es) of a previously received instruction or cancellation request.
Vestima Transfer Service Status Advice (MT548)	The same report as the MT548 Statement of Pending Transactions, with an additional narrative field that is populated with information recorded in the Relocator module of Vestima.
Settlement Allegement (MT578)	The MT578 Settlement Allegement reports urgent allegements from Clearstream Banking Luxembourg, Euroclear Bank or Clearstream Europe AG participants, as well as from the following domestic markets: Austria, Czech Republic, Denmark, Estonia, Finland, France, Greece, Hong Kong, Hungary, Indonesia, Italy, Japan, Netherlands, Norway, Poland, Portugal, Singapore, South Africa, Spain, Sweden, United Kingdom and U.S.A.
Statement of Settlement Allegements (MT586)	The MT586 Statement of Settlement Allegements reports allegements from Clearstream Banking Luxembourg, Euroclear Bank or Clearstream Europe AG participants, as well as from the following domestic markets: Austria, Czech Republic, Denmark, Estonia, Finland, France, Greece, Hong Kong, Hungary, Indonesia, Italy, Japan, Netherlands, Norway, Poland, Portugal, Singapore, South Africa, Spain, Sweden, United Kingdom and U.S.A.
Statement of Repaired Transactions	The Statement of Repaired Transactions shows detailed information from CBL's depositories, identifying repaired instructions with the reason for the repair.

Figure 11.1 Clearing and Settlement reports

Availability of Clearing and Settlement reports and online queries

The following figure summarises Clearing and Settlement reports and their availability and shows if the equivalent information can be queried using Xact Web Portal. The report formats available for download via Xact Web Portal or via Xact File Transfer are also shown.

Note: The times indicated for report availability are approximate and may be subject to delays in processing beyond CBL's reasonable control. CBL does not accept any liability for such delays.

Report	Available	Xact via Swift	Xact Web Portal	Xact File Transfer
MT508 Intra-Position Advice	Intraday: 01:00; 02:00; 03:00; 04:00; 05:00; 06:30; 07:30, 08:30; 09:30; 10:30; 11:30; 12:00; 13:00; 13:30, 14:30; 15:30; 16:00; 16:30; 17:00; 18:00; 19:00; 21:15; 23:00; 00:00 Format: this report is only available in ISO format.	ISO	ISO Queries	ISO
MT535 Statement of Holdings	Intraday: 01:00, 02:00; 03:00, 04:00; 05:00; 06:30; 07:30, 08:30; 09:30; 10:30; 11:30; 12:00; 13:00; 13:30, 14:30; 15:30; 16:00; 16:30; 17:00; 18:00; 19:00; 21:15[a]; 23:00; 00:00 Daily: 21:15; Weekly: 21:15 Monthly: 21:15; Quarterly: 21:15; Yearly: 21:15	ISO	HTML ISO PDF XLS XML Queries	ISO PDF XLS XML
MT536 Statement of Transactions	Intraday: 01:00; 02:00; 03:00; 04:00; 05:00, 06:30; 07:30; 08:30; 09:30; 10:30; 11:30; 12:30; 13:00; 13:30, 14:30; 15:30; 16:00; 16:30; 17:00; 18:00; 19:00; 21:15[b]; 23:00; 00:00 Daily: 21:15; Weekly: 21:15; Monthly: 21:15	ISO	HTML ISO PDF XLS XML Queries	ISO PDF XLS XML
MT537 Statement of Pending Transactions	Intraday: 01:00; 02:00; 03:00; 04:00; 05:00, 06:30; 07:30; 08:30; 09:30; 10:30; 11:30; 12:30; 13:00; 13:30, 14:30; 15:30; 16:00; 16:30; 17:00; 18:00; 19:00; 21:15[a]; 21:30; 23:00; 00:00 Daily: 21:15 Weekly: 21:15; Continuous: every 15 minutes	ISO	ISO PDF XLS XML Queries	ISO PDF XLS XML
MT537 Vestima Transfer Service Statement of Pending Transactions	Intraday (complete): 07:30; 00:00	ISO	ISO CSV	ISO CSV
MT538 Statement of Intra-Position Advice	Intraday: 01:00; 02:00; 03:00; 04:00; 05:00, 06:30; 07:30; 08:30; 09:30; 10:30; 11:30; 12:30; 13:00; 13:30, 14:30; 15:30; 16:00; 16:30; 17:00; 18:00; 19:00; 21:15[b]; 21:30; 23:00; 00:00 Daily: 21:15; Weekly: 21:15; Monthly: 21:15	ISO	ISO PDF XLS XML Queries	ISO PDF XLS XML
MT54x Settlement Confirmations	Via Swift:Real-time	ISO	ISO Queries	
	Via Xact File Transfer Intraday: 01:00; 02:00; 03:00; 04:00; 05:00; 06:30; 07:30, 08:30; 09:30; 10:30; 11:30; 12:30; 13:00; 13:30, 14:30; 15:30; 16:00; 16:30; 17:00; 18:00; 19:00; 21:15; 23:00; Continuous: every 15-20 minutes			ISO

Report	Available	Xact via Swift	Xact Web Portal	Xact File Transfer
MT548 Settlement Status and Processing Advice	Via Swift: Real-time Via Xact File Transfer Intraday: 01:00; 02:00; 03:00; 04:00; 05:00, 06:30; 07:30, 08:30; 09:30; 10:30; 11:30; 12:30; 13:00; 13:30, 14:30; 15:30; 16:00; 16:30; 17:00; 18:00; 19:00; 21:15; 21:30; 23:00; 00:00; Continuous: every 15-20 minutes	ISO	ISO Queries	ISO
MT548 Vestima Transfer Service Status and Processing Advice	Via Swift: Real-time Via Xact File Transfer Intraday: 01:00; 02:00; 03:00; 04:00; 05:00, 06:30; 07:30, 08:30; 09:30; 10:30; 11:30; 12:30; 13:00; 13:30, 14:30; 15:30; 16:00; 16:30; 17:00; 18:00; 19:00; 21:15; 21:30; 23:00; 00:00; Continuous: every 15-20 minutes	ISO	ISO Queries	ISO
MT578 Settlement Allegement	Via Swift: Real-time Via Xact File Transfer Intraday: 01:00; 02:00; 03:00; 04:00; 05:00, 06:30; 07:30, 08:30; 09:30; 10:30; 11:30; 12:30; 13:00; 13:30, 14:30; 15:30; 16:00; 16:30; 17:00; 18:00; 19:00; 21:15; 21:30; 23:00; 00:00	ISO	ISO Queries	ISO
MT586 Statement of Settlement Allegements	Intraday: 01:00; 02:00; 03:00; 04:00; 05:00, 06:30; 07:30, 08:30; 09:30; 10:30; 11:30; 12:30; 13:00; 13:30, 14:30; 15:30; 16:00; 16:30; 17:00; 18:00; 19:00; 21:15[a]; 21:30; 23:00; 00:00 Daily: 21:15; Weekly: 21:15; Monthly: 21:15; Continuous: every 15 minutes	ISO	ISO PDF XLS XML Queries	ISO PDF XLS XML
Statement of Repaired Transactions	Weekly: 21:15; Monthly: 21:15		PDF XLS XML	PDF XLS XML

a. The 21:15 report in Complete or Delta form is a mandatory by default report independent of any other report scheduled Intraday.
b. The 21:15 report in Delta only form is a mandatory by default report independent of any other report scheduled Intraday.

Figure 11.2 Clearing and Settlement reports and their availability

Cash and Liquidity reports

Cash and Liquidity reports are shown in the following figure:

Report	Description
Notification of Fees (MT290)	The MT290 Notification of Fees reports the total amount of all charges due for the previous month. The MT290 notifies, with a forward date, an impending debit to the account.
Notification of Interest (MT935)	The MT935 Notification of Interest reports a breakdown of the calculation of interest per currency for the previous month. It is available after DTP on the first Business Day following the ninth calendar day of the month.

Report	Description
Confirmation of Debit/Credit (MT900/910)	The MT900 and MT910 Confirmation of Debit/Credit reports debits and credits for pre-selected type(s) of Transactions for all or specified currencies open for the account.
Money Suspense report (MT940 camt.052/camt.053)	The MT940camt.052/camt.053 Money Suspense reports all Pending cash transactions, as well as all cash countervalues of against payment securities transactions that are reported in the Statement of Pending Transactions report via Swift MT537. It includes the anticipated net balances and forward balances for the next five Business Days. All statuses or the most relevant status can be reported.
T2S Dedicated Cash Account Statement (MT940)	The MT940 T2S Dedicated Cash Account Statement reports all cash movements (settlement and custody) of the T2S Dedicated Cash Account (DCA) including securities movements of the T2S Securities Accounts (SACs) linked to any Central Securities Depositories (CSDs). Please see T2S Dedicated Cash Account Statement (MT940) on page 11-19 for further details.
Interim Money Suspense report (MT942)	The MT942 Interim Money Suspense reports new Transactions and those Transactions that are already in suspense and whose status has changed since the last Money Suspense or Interim Money Suspense report. All statuses or the most relevant status can be reported.
Cash Balances report (MT950 camt.053)	The Cash Balance reports cash Balances for all or specified currencies open for the account.
Money Statement (MT950 camt.053)	The Money Statement report contains for all or specified currencies open for the account all booked cash Transactions, as well as all cash Countervalues of against payment securities Transactions that are reported in the Statement of Transactions report via MT536.
Confirmation of Debit/Credit (MT900/910)	The MT900 and MT910 Confirmation of Debit/Credit reports debits and credits for pre-selected type(s) of Transactions for all or specified currencies open for the account.

Figure 11.3 Cash and Liquidity reports

Availability of Cash and Liquidity reports

The following figure summarises Cash and Liquidity reports and their availability and shows if the equivalent information can be queried using Xact Web Portal. The report formats available for download via Xact Web Portal or via Xact File Transfer are also shown.

Note: The times indicated for report availability are approximate and may be subject to delays in processing beyond CBL's reasonable control. CBL does not accept any liability for such delays.

Report	Available	Xact via Swift	Xact Web Portal	Xact File Transfer
MT290 Advices of Fees and Income	Generated between the second and fifth business days of the month			ISO
MT935 Monthly Interest Scale Report	Generated on the first business day following the ninth calendar day of the month			ISO

Report	Available	Xact via Swift	Xact Web Portal	Xact File Transfer
MT900/910 Confirmation of Debit/Credit	Via Swift:Real-time Intraday: 01:00; 02:00; 03:00; 04:00; 05:00; 06:30; 07:30, 08:30; 09:30; 10:30; 11:30; 12:30; 13:00; 13:30, 14:30; 15:30; 16:00; 16:30; 17:00; 18:00; 19:00; 21:15; 21:30; 23:00; 00:00	ISO	ISO Queries ISO Queries	ISO
MT940 camt.052/camt.053 Money Suspense	Intraday: 01:00; 02:00; 03:00; 04:00; 05:00, 06:30; 07:30, 08:30; 09:30; 10:30; 11:30; 12:30; 13:00; 13:30, 14:30; 15:30; 16:00; 16:30; 17:00; 18:00; 19:00; 21:15[a]; 21:30; 23:00; 00:00 Daily: 21:15; Weekly: 21:15; Monthly: 21:15	ISO	ISO PDF XLS XML Queries	ISO PDF XLS XML
MT940 T2S Dedicated Cash Account Statement	The report can be generated either at fixed time, or upon the occurrence of a T2S event (please refer to the respective subscription form available on the Central website for further details)	ISO		
MT942 camt.052 Interim Money Suspense	Intraday: 01:00; 02:00; 03:00; 04:00; 05:00, 06:30; 07:30, 08:30; 09:30; 10:30; 11:30; 12:30; 13:00; 13:30, 14:30; 15:30; 16:00; 16:30; 17:00; 18:00; 19:00; 21:15; 21:30; 23:00; 00:00 Daily: 21:15; Continuous: every 15 minutes	ISO	ISO PDF XLS XML Queries	ISO PDF XLS XML
MT950 camt.053 Cash Balances	Intraday: 01:00; 02:00; 03:00; 04:00; 05:00, 06:30; 07:30, 08:30; 09:30; 10:30; 11:30; 12:00; 13:00; 13:30, 14:30; 15:30; 16:00; 16:30; 17:00; 18:00; 19:00; 21:15[a]; 23:00; 00:00 Daily: 21:15; Weekly: 21:15; Monthly: 21:15; Quarterly: 21:15; Yearly: 21:15	ISO	HTML ISO PDF XLS XML Queries	ISO PDF XLS XML
MT950 camt.053 Money Statement	Intraday: 01:00; 02:00; 03:00; 04:00; 05:00, 06:30; 07:30, 08:30; 09:30; 10:30; 11:30; 12:00; 13:00; 13:30, 14:30; 15:30; 16:00; 16:30; 17:00; 18:00; 19:00; 21:15[a]; 23:00; 00:00 Daily: 21:15; Continuous: every 15 minutes	ISO	HTML ISO PDF XLS XML Queries	ISO PDF XLS XML

a. The 21:15 report in Complete or Delta form is a mandatory by default report independent of any other report scheduled Intraday.

Figure 11.4 Cash and Liquidity reports and their availability

Asset Servicing reports

Asset Servicing reports are shown in the following figure.

Report	Description
Corporate Action Notification	The Corporate Action Notification reports details of a corporate action event along with the possible elections or choices available to the client. It can be initially sent as a preliminary advice and subsequently replaced by another MT with complete or confirmed information.
Urgent Uninstructed Notifications	The MT564 Urgent Uninstructed Notifications Report provides a regularly updated breakdown of instructed and uninstructed securities Balances related to Corporate Action and Tax breakdowns. Meeting events are not included.
Income Pre-Advice Report - IPAR	The Income Pre-Advice Report provides a forecast on cash and securities proceeds over the five Business Days following the day the report is sent.
Claim and Reversal Advice - CRA	The Claims and Reversal Advice reports detected market claims and reverse market claims subject to compensation by CBL, as well as the reversal of compensated market claims or reverse market claims and of paid income or non-income events.
Corporate Action Confirmation	The Corporate Action Confirmation reports proceeds from income and Redemption events as well as corporate action events which are credited to a clients account.
Corporate Action Status and Processing Advice	The Corporate Action Status and Processing Advice indicates whether a Corporate Action instruction or cancellation is accepted for processing, rejected or denied. It is also sent to clients whose Corporate Action instruction is Pending due to insufficient holding. For voluntary and mandatory with choice events where the default action is different from “No Action”, a Corporate Action Status and Processing Advice will be provided when the default action is executed by Clearstream Banking. Clearstream Banking will send the default action applied for events with the following options, cash, securities or cash and securities in case of subscription by the clients.
Market Claims Report	The Market Claims Report provides a complete overview by account of potential market claims that are created when the actual Settlement of a security trade takes place after the entitlement date of an associated income or non-income distribution. In addition, the report offers information about CBL’s compensation activities for market claims by providing the current processing status of a claim, together with a related reason code, throughout its life cycle.

Report	Description
The Corporate Action Reference Data Report	The Corporate Action Reference Data Report provides detailed information about corporate actions for any security held in Clearstream Banking, even if clients do not hold the underlying securities. Clients must submit a list of financial instruments to Clearstream Banking via Xact File Transfer via Internet and receive a report with all Corporate Actions Notifications associated with the securities. The report will be sent to their Xact File Transfer FileStore or can be downloaded via Xact Web Portal. It does not include meeting events. Additionally, Triparty Collateral Management Services clients can receive Corporate Actions Notifications and Income Pre-advices for securities blocked in Triparty Repo Transactions.
Terms and Conditions	Clients can download Terms and Conditions from Xact Web Portal by querying first on the financial instrument via the Reference Data Module. If the documents are available in the Clearstream database, delivery will be immediately available for download via Xact File Transfer via Internet. When requested to be sent through Xact File Transfer, the documents requested by the clients will be sent to a dedicated folder, named "Terms and Conditions", in the Xact File Transfer FileStore. Published documents are electronic copies of the latest versions of prospectuses, other definitive documents for stand-alone securities, or pricing supplements for program-linked securities. Clients can access the service by querying first on the Financial Instrument via the Reference Data menu item of the navigator in Xact Web Portal.
Shareholder Identification Disclosure Request (seev.045)	The Shareholder Identification Disclosure Request is driven by the respective issuer and asks all intermediaries in the custody chain to disclose (send to the response recipient defined in the request) its holdings for a specific ISIN.
Shareholder Identification Disclosure Request Cancellation Advice (seev.046)	The Shareholder Identification Disclosure Request Cancellation Advice serves to communicate the cancellation of a Shareholder Identification Disclosure Request to the custody chain.

Figure 11.5 Asset Servicing reports

Availability of asset servicing reports and online queries

The following figure summarises Asset Servicing reports and their availability and shows if the equivalent information can be queried using Xact Web Portal. The report formats available for download via Xact Web Portal or Xact File Transfer are also shown.

Note: The times indicated for report availability are approximate and may be subject to delays in processing beyond CBL's reasonable control. CBL does not accept any liability for such delays.

Report	Available	Xact via Swift	Xact Web Portal	Xact File Transfer
Corporate Action Notifications	Via Swift: Real-time (Delta) Continuous (Delta) every 15 minutes via Xact File Transfer	ISO	ISO PDF XLS XML Queries	ISO PDF XLS XML
Urgent Uninstructed Notifications Report	Intraday: 06:00; 10:00; 12:00; 14:00; 16:00; 18:00; 21:30		PDF XML Queries	PDF XML
Income Pre-Advice Report (IPAR)	Via Swift: Real-time (Delta) Intraday (complete): 03:00; 08:00; 21:30; 22:30 Continuous (Delta) when available via Xact File Transfer	ISO	ISO PDF XLS XML Queries	ISO PDF XLS XML
Claim and Reversal Advice	Via Swift: Real-time (Delta) Continuous (Delta) every 15 minutes via Xact File Transfer	ISO	ISO PDF XLS XML Queries	ISO PDF XLS XML
Corporate Action Confirmations	Via Swift: Real-time (Delta) Continuous (Delta) every 15 minutes via Xact File Transfer	ISO	ISO PDF XLS XML Queries	ISO PDF XLS XML
Corporate Action Status and Processing Advice	Via Swift: Real-time (Delta)	ISO	ISO Queries	
Market Claims Report	Daily: 22:30		PDF XLS XML	PDF XLS XML
Corporate Actions Reference Data Report	Intraday: 06:00; 21:30		ISO PDF XLS XML Queries	ISO PDF XLS XML
Shareholder Identification Request	Via Swift: Real-time	ISO	Queries (Only Xact Web Portal)	XML

Figure 11.6 Asset Servicing reports and their availability

Tax reports

Report	Description
US Withholding Tax Report (MT568)	The MT568 US Withholding Tax Report provides a monthly report of U.S. taxable income events including withholding tax rates applied per beneficial owner.
Tax Credit Report	When a bulk tax credit is generated at the end of the day, the system generates a Tax Credit Report that provides a list of market claims considered by the system for the computation of the bulk tax credit.

Figure 11.7 Tax reports

Free-format message reports

Report	Description
MT568 Corporate Action narrative	Manually generated free format messages sent by CBL about any topic.
MT599 Free-format report	Manually generated free format messages sent by CBL about any topic.

Figure 11.8 Free-format message reports

Availability of reports

The following figure summarises the free-format message reports and their availability.

Note: The times that are indicated for report availability are approximate and may be subject to delays in processing that are beyond CBL's reasonable control. CBL does not accept any liability for such delays.

Report	Available at	Xact via Swift	Xact Web Portal	Xact File Transfer
MT568 Corporate Action narrative	Via Swift: Real-time Continuous every 15 minutes via Xact Web Portal and Xact File Transfer	ISO	ISO	ISO
MT599 Free-format report	Via Swift: Real-time Continuous every 15 minutes via Xact Web Portal and Xact File Transfer	ISO	ISO	ISO

Figure 11.9 Free-format message reports and their availability

Triparty Collateral Management reports

Report	Description
Triparty Collateral Management Daily Exposure Report	The report gives details of outstanding exposures and list the allocated collateral. The PDF version shows only one exposure, whereas the text version shows all exposures. The text version is available in both a standard version and a BASEL Regulation version. The report is available to both Collateral Receivers and Collateral Givers
Collateral Shortage Daily Report	The report provides information about all collateral activities that are not fully processed due to a lack of collateral (for example, amount of (replacement) collateral missing for partially opened/covered trade, unsubstituted positions due to custody events or deliveries). The report takes into account settled positions only.
Triparty Collateral Management Summary report	- **The Triparty Collateral Management Collateral Giver Summary report** This report summarises the status of all the Collateral Giver's open Transactions and all notified trades against all counterparties in Clearstream Banking; it also summarises the net exposure against each of the Giver's counterparties by product. - **Triparty Collateral Management Collateral Receiver Summary Report** This report summarises the status of all the Collateral Receiver's open Transactions and all notified trades against all counterparties in Clearstream Banking; it also summarises the net exposure against each of the Receiver's counterparties.
Triparty Collateral Management Securities Forecast report	These reports are: - **Summary Report** This report is intended for Clearstream Banking AutoAssign Collateral Givers. It gives a snapshot of the potential trading capacity for each counterparty. It takes into account the eligibility profiles set by the relevant Collateral Receivers and shows capacity, both including and excluding securities, which are due to return to the Collateral Giver's Clearstream Banking account as a result of Closing triparty Collateral management Transactions. The information is also organised by security rating and type. - **Detailed Report** A detailed report showing eligible securities is also available on an ad-hoc basis, upon request from the Collateral Giver. For an indication of the potential trading capacity with existing counterparties using an alternative portfolio (either within or outside Clearstream Banking), Sellers may request a sample forecast report by providing a list of Security Codes (ISIN or common code) and nominal values.

Report	Description
Extended forecast reports	The report provides a snapshot indication of the potential trading capacity per counterparty for the current and following Business Day. The report takes into account the eligibility and concentration profiles set by the relevant Collateral Receivers and includes pending Triparty Collateral Management and securities instructions. Clients can choose to include or exclude unmatched securities instructions.
Triparty Collateral Status and Processing Advice (MT558)	The MT558 messages provide feedback on instructions sent via MT527 messages. Clients will receive feedback on the validation of their instructions, Matching feedback on their instructions and feedback on the validation of the acceptability of any Collateral provided.
Triparty Collateral and Exposure Statement (MT569)	The MT569 report provides an overall summary of the Triparty Collateral Management activity with a breakdown per service type. For each service type a further breakdown by contract is given. Optionally, all open exposures per contract are provided with the list and valuation of each piece of principal and Collateral.

Figure 11.10 Triparty Collateral Management reports

Availability of reports

The following figure summarises miscellaneous reports and their availability.

Note: The times that are indicated for report availability are approximate and may be subject to delays in processing that are beyond CBL's reasonable control. CBL does not accept any liability for such delays.

Report	Available at	Xact via Swift	Xact File Transfer	Xact Web Portal
Exposure Report	start of day / End of day and upon request	n/a	PDF TXT	PDF TXT
Collateral Shortage Daily Report	01:00, 03:00, 07:30, 12:00, 15:00,16:00,18:30 and 20:00. This report is sent at least once a day, at the default generation time of 07:30, the other generation timings of the report are available as options.	n/a	PDF TXT	PDF TXT
Summary Reports	start of day / End of day and upon request	n/a	PDF TXT	PDF TXT
Forecast Reports	start of day / End of day and upon request	n/a	PDF TXT	n/a
Extended Forecast Report	01:00; 03:00; 05:00; 06:30; 08:30; 10:30; 12:30; 14:30; 16:30; 17:45; 23:00 The 23:00 and 06:30 reports always provide information from T to T+3; the other reports show value for T and T+1 only.	n/a	PDF CSV	n/a
MT558 Triparty Collateral Management services	Real-time	ISO	n/a	n/a
MT569 Triparty Collateral and Exposure Statement	Intraday: 01:00; 02:00; 03:00; 04:00; 05:00, 06:30; 07:30; 08:30; 09:30; 10:30; 11:30; 12:00; 13:00; 13:30; 14:30; 15:30; 16:00; 16:30; 17:00; 18:00; 18:15; 19:00; 21:15 Daily: 21:15	ISO	ISO PDF XLS XML	n/a

Figure 11.11 Triparty Collateral Management reports and their availability

11.4 Monthly billing reports

Fees and charges levied by CBL for its services are given in the Clearstream Banking Fee Schedule on the Clearstream website, under Key Documents / ICSD/ Fee Schedule.

Statement of Fees

The Statement of Fees is a monthly advice providing a breakdown of individual fees, divided into the following categories: safekeeping, Settlement and cash, custody administration, information provision, Global Securities Financing, miscellaneous fees and additional external charges. In addition, a separate summary of out of pocket expenses debited throughout the month is sent, easing the reconciliation of these charges and the related Value Added Tax (VAT), when applicable.

Securities Lending and Borrowing Commissions Report

The Securities Lending and Borrowing Commissions Report is an advice, sent at the beginning of each month to lenders and borrowers of securities, providing details of securities loans closed during the previous month. It also provides the fee on each loan and the total income and/or borrowing fees for book-entry over the account on the 15th of the month or, if that is not a Business Day, on the first Business Day after that.

Billing Portal

The Clearstream Billing Portal provides easy online access to client's invoices, including billing history dating back to October 2003.Once an invoice has been dispatched by mail it can be accessed directly via the Billing Portal, thus enabling clients to review their invoices at an earlier date. In addition, all invoices can be downloaded from the Billing Portal in PDF and XML format, and are continually updated to reflect the payment status. Details on how to register for this service can be found on our website.

11.5 Client documentation

A wide range of technical documentation describing CBL's products and services is published, including Announcements, the Market Guide, Codelist, Securities Timings Matrix, Cash Timings Matrix and Multi-Market Securities List.

New and replacement pages are published for the Market Guide whenever a new link is launched or changes occur in a domestic market, sometimes together with an Announcement summarising the developments.

For further details about client documentation, see Client publications on page 1-14.

To request further copies of any CBL documentation, or to amend your mailing details in any way, please contact Clearstream Banking Client Services or your Relationship Officer.

11.6 Registrar Monitoring Report

Clients can subscribe to CBL's Registrar Monitoring Report. This service reports on due diligence information collected by CBL relating to the agents appointed by Investment Funds available through Vestima. These agents include but are not limited to the TA, registrar and the processing agent registering ownership. For Investment Funds in markets where holdings are registered at a CSD, please refer to section 11.6 Domestic Markets Monitoring Report. The client will receive the due diligence information relevant to the Investment Fund Shares it holds in CBL.

The due diligence information is delivered monthly and refers to:

- General information such as the agent's annual report and number of investment funds serviced;
- Regulatory authorisations;
- Auditor details;
- Internal risk and compliance structure;
- Legal information, such as previous or ongoing legal proceedings and insurance cover;
- Operational information and production environment;
- Record keeping such as audit trails and records longevity;
- Key performance indicators;
- Prospectus cross-check;
- Dedicated financial integrity screening.

CBL collects this due diligence information and applies a systematic scoring methodology, giving a clear structured overview of each agent in the report provided to the client. This due diligence information is prepared for general information purposes only on the basis of information made available to CBL by third parties or publicly available information. The information contained herein cannot be considered as exhaustive and should not be relied upon in that regard. CBL clients shall keep such information strictly confidential at all times and shall not divulge any part of it to any third parties, except as required by law or regulators.

CBL is only responsible for collecting, scoring and transmitting the information and neither makes any guarantees, representations or warranties nor accepts any responsibility or liability as to the accuracy or completeness of the information. The agents remain responsible for the correctness and completeness of the information they provide. This due diligence information is subject to change without notice.

11.7 T2S Dedicated Cash Account Statement (MT940)

When offered by a Central Bank, holders of a T2S Dedicated Cash Account (DCA) can subscribe to the T2S Dedicated Cash Account Statement (MT940). This statement is the conversion of the T2S message "camt.053 – Statement of Account" into ISO 15022 format. The client acknowledges that this service reports all DCA cash movements (settlement and custody) including the cash leg of securities movements in and out of the T2S Securities Accounts (SACs) linked to any of the Central Securities Depositories (CSDs).

The T2S Dedicated Cash Account Statement (MT940) includes:

- The start-of-day balance;
- The end-of-day balance;
- Information on booked entries;
- Underlying details of transactions; and
- Cash available on the T2S DCA.

The MT940 T2S Dedicated Cash Account Statement does not constitute part of CBL's books but represents the official statement from T2S and Central Banks and will be sent to clients from the BIC address CEDELULLXXX.

CBL accepts no responsibility or liability beyond the correct conversion of the report into the ISO 15022 format, provided the statement is received from T2S.

A CBL client holding a T2S DCA at a Central Bank offering the service and that wishes to receive the T2S Dedicated Cash Account Statement (MT940) must subscribe to the "camt.053 – Statement of Account" (Swift ISO 20022 format) through their Central Bank that will then apply for the message on behalf of its client in T2S.

Only then can the CBL client subscribe to the service in CBL by sending a free-format message (Swift MTx99 or Xact Web Portal) to CEDELULLXXX for the attention of "PRGconnect - for the T2S Dedicated Cash Account Statement (MT940)" indicating:

- CBL account for billing purposes;
- BIC address;
- DCA number;
- Start date.

The client can use an existing CBL account or open a new one and is required to provide a payment BIC address.

Through this set-up, CBL automatically receives the "camt.053 – Statement of Account" on behalf of its client. CBL handles the mapping of the camt.053 message into the MT940, the distribution of the statement to the respective clients and the billing of the statement to the CBL account.

Glossary

This Glossary is intended for information purposes only and is designed to help **clients** to understand the terminology used by CBL in this Handbook. In some cases, the way in which the terms are used in CBL may differ from how the terms may be applied in another context. The descriptions given are not to be considered as legally binding definitions of the terminology used.

CBL gratefully acknowledges that some definitions given here are based on those used by the Group of Thirty, the International Society of Securities Administrators (ISSA), and in other market publications.

A

Account Holder
The **client**.

Account Option
The Account Option determines whether internal **transactions**, and Bridge deliveries for **settlement** sequence purposes only, are included automatically in the optional **settlement** processing. Account options consist of the **default option** or a **standing instruction**. They can be overridden on individual **transactions** using an **instruction flag**.

Actual settlement Date
See **Settlement date.**

Allotment List
See **Allottee**.

Allottee
A subscriber to a **New Issue** who receives part of the initial distribution of securities from the **Lead Manager**, against payment of a subscription. Lead managers provide CBL with a list of Allottees on an **Allotment List.**

ANNA
Association of National Numbering Agencies.

Anticipated Net Position
A projection of the posted **Balance**, comprising **Unconfirmed Funds** and **Pending Transactions** for Today's settlement. It can be used as a guide to **Funding** by **value date**.

Appeal
"Appeals" refer to the exceptional correction or update of previously calculated and reported settlement fails penalties upon client request.

ASLplus
A complementary service to ASL, allowing **clients** to further enhance lending revenues by offering access to the wholesale trading market for strategic purposes. Loans typically are larger in size and open for longer compared to ASL.

Authenticated Message
A communication that is sent by mail in writing and signed by an Authorised Person(s), a communication that is as attachment to an email and signed electronically by Authorised Person(s) or that is sent via Swift. It also includes any other secured communication media the use of which is agreed in writing by CBL and the client.

Authorised Person
With respect to the client, any such person duly authorised by such the client to give instructions or notices on the client's behalf, such persons and their specimen signatures to be provided by the client from time to time to CBL.

Automated Securities Lending (ASL)
A programme that facilitates the borrowing of securities to prevent **settlement** failures. Such lending is usually short-term. See also **ASLplus**.

Automatic Borrowers

Clients who allow CBL discretion to accept securities loans on their behalf when required.

Automatic Lenders

Clients who allow CBL discretion to arrange loans as required from their available **Balance** in a security.

B

Back-to-Back Transactions

In the context of CBL, separate sale and purchase **Transactions**, for the same **Requested settlement Date**, in the same **settlement** processing and for **settlement** over a **client**'s account where the securities Provision on the sale is provided by the purchase and the funds for the purchase by the proceeds of the sale. See also **Chaining**.

Backvaluation

The debit or credit of funds with a **value date** that precedes the **settlement Date** of the **settlement** processing in which the **Transaction** is reported as settled or confirmed. Securities cannot be backvalued on a **client**'s account: they can only be settled from the processing in which they are credited.

Balance

The segregated holding, in either securities or cash, within the overall position held in an account resulting from the **settlement** of **Transactions**.

BD

Business Day.

Book-entry

A method whereby transfer of ownership of securities is effected by debits and credits to accounts without the need for the movement of physical **Certificates** or documents.

Bridge counterparty

A **counterparty** settling over the Bridge using an account with **Euroclear Bank**. See also **External counterparty, Internal counterparty**.

Bridge Settlement

Settlement between a CBL and an Euroclear Bank client.

Bridge Transaction

A **Transaction** with a **counterparty** in **Euroclear** via the electronic **link** between CBL and Euroclear that enables book-entry **settlement** to occur between **clients** of either **Clearing** system.

Business Day

Unless otherwise specified, a day on which CBL's Head Office in Luxembourg is open for business.

Buy-In

Action taken by the party failing to receive delivery of securities from a counterparty on **settlement Date** to purchase these securities in the open market. Rules for Buy-In are defined by the **ICMA**.

C

Cash Correspondent

A appointed by CBL, as its agent, to handle external receipt and payment of funds in a specified currency.

Calculating CSD

CSD subject to CSDR where the actual settlement (fail) is taking place.

The Calculating-CSD calculates, reports and collects/distributes penalties to its clients (that may as well be CSDs); also in cross-CSD settlement fails scenarios involving direct links, to avoid duplication of penalties calculation and reconciliation issues between linked CSDs, penalties are exclusively to be calculated by the Calculating-CSD.

CBL

See **Clearstream Banking S.A.**.

CBL "service network"

The **Clearance** and **settlement** system operated by CBL. The CBL "service network" encompasses a network of service providers (**Financing Banks**, **Cash Correspondents** and **Depositories**) to which **clients** have indirect access through their accounts with CBL.

CCP

Central counterparty.

CD

See **Certificate of Deposit**.

Cedel

"Centrale de Livraison de Valeurs Mobilières" founded in September 1970 by 66 of the world's major financial institutions as a **Clearing** organisation whose objective was to minimise risk in the **settlement** of cross-border securities trading, particularly in the growing Eurobond market. See also **Clearstream Banking S.A.**.

Cedel International

Established on 1 January 1995 under a new Cedel corporate structure as a parent company with Cedel as one of its major subsidiaries. See also **Clearstream Banking S.A.**.

Central Facility for Funds (CFF) Services

The CBL post-trade infrastructure for **Investment Funds**.

Certificate

Paper form of the shares or bonds representing ownership of a company, or other **Issuer**, or its debt.

Certificate(s) - internet browser

A Certificate specifies the name of an individual or an entity and certifies that the public key, which is included in the Certificate, belongs to that individual or entity.

Certificate of Deposit (CD)

Negotiable money market instrument issued by a bank, evidencing a deposit for a stated interest rate and period.

Certification Event Date

Dates, notified to **clients** by CBL, by which certificates of beneficial ownership must be submitted to CBL by holders of **Euro-instruments**.

Certification - Investment Funds

Confirmation, from an **Order Issuer (OI)**, sent either directly to the **Order Handling Agent (OHA)** or through Clearstream Banking, that the OI or its **client** complies with the terms and conditions / governing documentation of the **Investment Fund**.

CEU

See **Clearstream Europe AG**.

CFF

See **Central Facility for Funds (CFF) Services**.

CFF Omnibus Account

CBL **client** holdings are maintained in an account in the **Investment Fund Register** of shareholders in the name of CBL acting as nominee, that reflects the omnibus record of **CFF Qualified Investment Fund Shares**.

CFF Qualified Investment Fund Shares

An **Investment Fund Share** that fulfils the CBL eligibility criteria for **CFF Services**. CFF Qualified Investment Fund Shares must, among other things, be fully **Fungible** and, as a general rule, freely transferable.

CFF Services

See **Central Facility for Funds (CFF) Services**.

CFF Settlement Agent

A CBL **client** that:

- Has accepted to participate in **CFF Services**;
- Has been appointed by the **Investment Fund**, or its **Transfer Agent**, to facilitate **settlement** using CFF through a **Fund Issuance Account (FIA)**.

Note: The CFF Settlement Agent and the **CFF Transfer Agent** can be the same entity. Where a CFF Settlement Agent has not been appointed by the **Investment Fund** or its TA, CBL can, at its own discretion, act as a CFF Settlement Agent.

CFF Transfer Agent

A **client** of CBL that has accepted to participate in **CFF Services** as a **Transfer Agent (TA)** for an **Investment Fund** and that holds and manages the **Investment Fund Register**.

CFI

Classification of Financial Instruments Codes (ISO-Norm 10962:2015).

CFI Code

Classification of Financial Instruments. Securities description code promoted by the Association of National Numbering Agencies (ANNA), which describes the characteristics defined when a financial instrument is issued (ISO 10962).

Chaining

An interdependent sequence of **Back-to-Back Transactions** (as identified by CBL during a **settlement** processing) between **counterparties** within CBL. Thus, **Transactions** linked into chains need only be provisioned by the securities Provision of the initial seller and the funds Provision of the ultimate buyer in order to satisfy all Provision, **Collateral** and **Financing** conditions for **settlement** of all **Transactions** in the chain.

Classical Global Note (CGN)

Form of **Global Certificate** which requires annotation on the attached schedule to reflect changes in the Issue Outstanding Amount (IOA).

Clean Payment Order

An **instruction** to withdraw or transfer funds without an associated transfer of securities.

Clearance/Clearing

In the context of CBL, **Clearing** means the entire processing of a **Transaction**, from receipt of the **instruction**, through **Matching** and the various status levels in Suspense, to final **Settlement** and accounting. The final **Clearance** of the **Transaction** is the process of determining accountability for the exchange of cash and securities between the **counterparties** to a trade; Clearance leads to new book-entry **Balances** and positions in securities and/or funds.

Clearstream Banking deadline - Investment Fund

The time defined for each Fund by which orders must be received by CBL to ensure forwarding to the relevant **Order Handling Agent (OHA)** in time for the Fund's next cut-off time.

Clearstream Banking depository or CBL depository

A **depository** appointed by Clearstream Banking - see **Common Depository** and **Specialised Depository**.

Clearstream Banking S.A. (CBL)

Effective 1 January 2000, Cedelmerged with Deutsche Börse Clearing to form the new entity of Clearstream International, jointly owned by Cedel International and Deutsche Börse AG. Clearstream Banking S.A. (CBL) is a subsidiary of Clearstream Holding AG and carries out the traditional business of the former Cedel- **Clearing**, **settlement** and custody. Other subsidiaries include Clearstream Europe AG (CEU) and Clearstream Services.

Clearstream Europe AG (CEU)

Formerly Deutsche Börse Clearing, from 1 January 2000 a subsidiary company of Clearstream Holding AG. Located in Frankfurt, it handles the **settlement** of foreign securities on behalf of its German **clients** and the **settlement** of German securities traded between its German **clients** and **counterparties** with accounts in external **Clearing** systems such as CBL.

Clearstream International

Clearstream International S.A. holds 50% in LuxCSD S.A. and is a subsidiary of Clearstream Holding AG.

Client

A legal person or entity, whether public or private, that has been accepted by CBL as a client.

Closing

The process in which securities are first authenticated and released by the **Issuer**, the legal documentation is finalised and the securities (represented by the **Global Note**) are released for distribution to the **Allottees** upon payment to the **Issuer** of the subscription proceeds due.

Closing Date

The date on which the **Closing** occurs.

Collateral

Property that is **Pledged** as security for the satisfaction of a debt or contingency.

Collateral Provision

See **Provision.**

Commercial Paper

An unsecured general obligation in the form of a bearer note issued on a discount or interest-bearing basis by commercial or industrial organisations with a maturity of up to one year.

Commissionaire account:

Account opened by Clearstream in its name for Lead Manager's own usage for the distribution and settlement of syndicated issuances. Dedicated Terms and Conditions available on the website must prealably be signed by the requestor before being made available.

Common Depository (CDs)

A Common Depository is one jointly appointed by Clearstream Banking and Euroclear to hold and to service securities in either Classical Global Note (CGN) or book-entry form.

Common Safekeeper (CSK)

A Common Safekeeper (CSK) is an institution jointly appointed by Clearstream Banking and Euroclear to hold securities in **New Global Note** form.

Common Service Provider (CSP)

A Common Service Provider (CSP) is an institution jointly appointed by Clearstream Banking and Euroclear to service securities in **New Global Note** form.

Communications User Manuals

Documents that set out the procedures, options and formats to be followed by **clients** according to the method of communication used. Communications user manuals include the Xact via Swift User Manual and such other documents as CBL may from time to time so designate. Communications User Manuals are Governing Documents if designated as such by CBL upon publication.

Confirmed Funds

Funds credited to a **clients** account upon receipt by CBL of confirmation from CBL's **Cash Correspondent** (in the case of **Pre-advices**) or from a clearing system or **Depository** (in the case of external against payment deliveries) of a receipt of funds.

Continuous Linked Settlement (CLS) Bank

An international system providing netting and **settlement** services for **Transactions** in the major currencies in the global foreign exchange markets. The **Transactions** have immediate finality, hence eliminating **settlement** risk. The system is supported by the world's major central banks and banking organisations who place **Collateral** in the CLS Bank. The CLS matches and settles foreign exchange trades within a five-hour time frame each day, is regulated by the US Federal Reserve and headquartered in London.

Convertible Bond

A debt instrument that can be exchanged into another financial instrument, usually an **Equity** but sometimes another type of debt instrument or a commodity, at a specified rate of conversion within a given period.

Counterparty

One party to a trade or **Transaction**. A trade takes place between two **counterparties**. Usually one party to a trade refers to its trading partner as the counterparty.

Countervalue

The cash amount to be received in return for a specified delivery of securities.

Coupon

Detachable **Certificate** attached to a security allowing the holder to collect interest or **Dividends** payable on a specified Coupon payment date upon presentation of the detachable **Certificate** to a **Paying Agent**. In the case of fixed rate instruments, the Coupon shows the amount of interest payable.

Creation Platform

CBL's sophisticated processing platform, which delivers a wide range of **Clearing** and **settlement** services. It provides end-to-end processing by bringing together the three core functions of **Clearing** and **settlement**, custody and reporting and is the processing hub for a high performance **Transaction settlement** engine.

Cross-CSD settlement

Settlement between two clients located in different CSDs.

CSD

Central Securities Depository.

CSDR

Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories.

Full text available here.

Currency Code

The three-letter ISO code used by CBL to identify a specific currency.

D

Deadline

Latest time for submission of **instructions** for inclusion in the processing for the **Requested settlement Date**. All deadlines quoted in hours and minutes (hh:mm) should be understood to include ":00" seconds. For example, 16:00 should be understood to mean 16:00:00.

Debt Securities

Securities created through and evidencing a loan by the **Issuer**, such as, for example, **Commercial Paper**, notes, Certificates of Deposit, **Medium-Term Notes**, and bonds, but excluding **Warrants** and **Equities**.

Default Option

With reference to the optional **settlement** flag, the Default Option is the **Account Option** that applies unless the **client** requests a **Standing instruction**. Internal **Transactions** and Bridge deliveries on accounts using the Default Option are automatically excluded from the optional **settlement** processing, except if the **client** uses an **instruction Flag** on specific **instructions**.

Delivery Against Payment / Delivery Versus Payment

The irrevocable exchange of securities (the delivery) and cash value (the payment) to settle a **Transaction**. True Delivery Against Payment involves the simultaneous exchange of securities and cash, as in the case of internal **Transactions** between CBL **counterparties**.

Delivery Free of Payment

A **Transaction** for the irrevocable delivery of securities from a CBL account without an associated payment of funds to the CBL account.

Dematerialisation

The elimination of physical Certificates or documents of title.

Depository

Clearing system to which CBL entrusts the safekeeping and administration of securities that CBL holds on behalf of its **clients**. Depositories also administer the receipt and/or delivery of securities into/out of the CBL **"service network"**.

Depositary Receipt

Certificate issued, within a domestic market, that represents a holding, usually within another domestic market, in the original securities. Examples:

ADR - American Depositary Receipt
BDR - Bearer Depositary Receipt
CDR - Continental Depositary Receipt
EDR - European Depositary Receipt
IDR - International Depositary Receipt

Direct File Transfer

A system to system communication channel.

Distribution Date

In CBL, Distribution Date corresponds to the **settlement Date** of the processing in CBL into which a **New Issue** is entered for distribution. On a regular **Closing**, the Distribution Date is the **Business Day** after **Closing** date, as this is the **settlement Date** of the real-time processing in which the **New Issue** is distributed.

Dividend

Allocation of a portion of company profit to shareholders. Dividends are paid pro rata to the number of shares held and are normally paid in cash, although they may also be paid in the form of shares (stock Dividend).

Domestic Bond

Security issued by a borrower in its own country's national market, denominated in the national or foreign currency, and distributed or underwritten in the country of the borrower, through a management group of its own country.

Domestic counterparty

A counterparty that has contracted with a CBL **client** to settle outside CBL and Euroclear. See **External instruction**.

Domestic Depository

A or **Clearing** system that functions as CBL's agent for a specific national market, or in some cases for a specific category of instrument or segment within that domestic market.

Domestic Security

A security issued in a national market.

Drawdown

A portion of an issue representing a borrowing under the terms of a **Financing** facility or program agreement such as a **Revolving Underwriting Facility**.

Drawing

The process of allocating specific **Certificate** numbers to be redeemed at a pre-agreed price in a partial **Redemption** of an issue of securities, in accordance with the terms and conditions of an issue.

DTC

The Depository Trust Company, which is located in New York.

DVP

Abbreviation for Delivery Versus Payment. See **Delivery Against Payment**.

E

EFAMA

European Fund and Asset Management Association.

EFC

European Fund Classification.

Effectuation

The act of physically signing the **Certificate** representing the security, executed on the basis of an Effectuation authorisation and Effectuation **instruction** received from the **Issuer** or the **Issuing Agent**.

Entitlement Distribution Account (EDA)

An internal CBL account used within **CFF Services** for processing corporate actions related to **CFF Qualified Investment Fund Shares**. Transfers settle against the EDA so that CBL can distribute to the **client** accounts in CBL.

Equity

A share in the ownership of a company.

ESMA

European Securities and Markets Authority.

Estimated settlement Date

For external **Transactions**, the date on which CBL estimates that **settlement** of a **Transaction** will take place in the domestic market. For each external **Transaction**, there is a fixed period that elapses between the processing from which the **Transaction** is released to the **Domestic Depository** for **settlement** and the Estimated settlement Date. The Estimated settlement Date corresponds to the **Requested settlement Date** if the **instruction** is input by the **client** by the relevant **instruction deadline** and is released by CBL in the corresponding **settlement** processing. For the **Countervalue** on external against payment deliveries, the Estimated settlement Date is the anticipated **value date** of the funds to be received. See also **settlement Date**.

Eurobond

Bond issued by a borrower outside of a domestic market, denominated in a Eurocurrency, underwritten and sold by an international syndicate of financial institutions. The securities are generally listed, but not traded, on either the London or the Luxembourg Stock Exchange. **Private Placements**, which are not offered for public sale outside the initial group of **Allottees**, are not usually listed. Eurobonds are not generally subject to the tax and other registration requirements of any national market, but may be subject to selling restrictions, particularly to US residents, before being **Seasoned**.

Euroclear Bank

Operator of the Euroclear System (commonly known as Euroclear or EOC).

Eurocommercial Paper (ECP)

Commercial Paper issued in the Euromarket.

Euro-instrument

Any instrument issued in the Euromarkets, for example Eurobonds, (Euro)**Warrants**, **Euronotes** and **Eurocommercial Paper**.

Euro-instrument Depository

A **Depository** appointed as CBL's agent to provide, to CBL, custody and administration services in specified Eurobonds and other **Euro-instruments**.

Euronote

A short-term, underwritten, fully negotiable bearer promissory note (which may also be issued in global form), usually issued at a discount with a maturity of less than one year. Euronotes are generally issued or underwritten by Banks and other financial institutions, as opposed to **Commercial Paper,** which is issued by industrial or commercial corporations.

European Pre-Issuance Messaging System (EPIM)

CBL's automated secure system using standard messaging formats and protocol to disseminate issuance information between **Primary Market** participants. It increases the speed and efficiency of ISIN and common code allocation for selected money market instruments.

Ex-Date

The date on which shares or **Investment Funds** are traded without corporate action entitlement; for example, **Dividend**, purchase right etc.

External counterparty

A **counterparty** settling with an account in a domestic market. See also **Bridge counterparty, Internal counterparty.**

External-CSD settlement

Settlement between a CBL client and a client located outside CBL.

External instruction

An **instruction** for receipt or delivery of securities from or to a **domestic counterparty** (or, in the case of physical **Transactions**, any delivery destination outside CBL and Euroclear).

External settlement

Settlement between a CBL client and a client located in domestic CSD.

F

Fail/Failed Transaction

A securities **Transaction** that fails to settle, either at all or on time.

FI

Financial Institution

FIA

See **Fund Issuance Account**.

Filter Code

A code that determines whether an **instruction** is eligible for inclusion in the optional **settlement** processing. The Filter Code is applied by a **Standing instruction** on the account, and/or by an **instruction Flag**. If the **client** does not have a **Standing instruction**, and has not used an **instruction Flag**, the **Default Option** applies, and no Filter Code appears on **client** reports. See also **Account Options.**

Financing

Cash or securities facility administered or provided by CBL.

Financing Bank

The that provides **Funding** and accepts principal risk in respect of the **Financing** of **client Transactions** for **Clearing** and **settlement** in CBL.

FIRDS

Financial Instrument Reference Data System.

Database of instruments reference data collected under MAR Article 4 and MiFIR Article 27.

Fiscal Agent

A financial institution appointed by the **Issuer** as its **Issuing Agent** for the issue when no trustee has been appointed. Its functions include those of the **Principal Paying Agent** as well as some other administrative functions, but none of the fiduciary responsibilities of a trustee.

FISN Code

Financial Instrument Short Name. This code has been developed to provide a consistent and uniform approach to standardise short names and descriptions for financial instruments (ISO 18774).

FITRS

Financial Instruments Transparency System.

Database of equity and non-equity transparency calculation results.

Flexible

The criteria used in the **settlement Sequence Options** chosen by the **client** can be **Strict** or Flexible. If the criteria are Flexible, the first **Transaction** in the **Transaction Queue** is considered first, but, if it does not settle, then **Transactions** in the same security that are further down the queue will be considered for **settlement**.

Floating Rate Note (FRN)

A bond for which the **Coupon** interest rate is not fixed for the life of the issue. The terms and conditions of the issue can take many different forms. Usually, the **Coupon** is payable semi-annually. The **Coupon** rate on FRNs is generally fixed on predetermined dates in advance of the **Coupon** period in line with changes in market interest rates, often as evidenced by reference to indicators such as LIBOR, LIBID, etc. Mismatch FRNs have a **Coupon** that is re-fixed at more frequent intervals than the **Coupon** interest payment. Capped and mini-max FRNs set maximum, or minimum and maximum, **Coupon** interest rates. Drop-lock FRNs become fixed rate if the method of calculation of the floating rate determines that the **Coupon** interest rate falls below a minimum level. Convertible FRNs carry the option of conversion into fixed rate instruments.

FMA

See **Fund Market Account**.

Foreign Bond

Security issued by a borrower in another country's national market, usually denominated in the lending country's currency, and distributed or underwritten in the lending country through a management group of that country. Examples

Yankee, Samurai, Bulldog and Matador bonds.

Foreign Targeted Bond

A security issued in the domestic market of the **Issuer** (primarily the U.S.A.), usually denominated in the currency of the national market but intended for sale and distribution to investors outside the country of issue.

Free of Payment

A transfer of securities without an associated transfer of funds.

FRN

See **Floating Rate Note**.

Fund Issuance Account (FIA)

The account opened in the CBL system in the name of a **CFF Settlement Agent** and used exclusively for **CFF Services** for credits and debits of **CFF Qualified Investment Fund Shares** and related **settlement Transactions**.

Fund Market Account

A technical intermediary account to facilitate the **settlement** between the **Order Issuer** and the **Order Receiver**. For the avoidance of doubt, its use does not imply that CBL is a party to the trade or the transfer of the **Investment Fund Shares** being settled.

Fund Reference Data

A set of data, either static or dynamic, relating to an **Investment Fund**.

Funding

Funds transferred to CBL by a **Financing** in accordance with the terms of a **Financing** agreement, to cover an overdraft on a CBL **client**'s account.

Fungible

In CBL, a Fungible **Balance** represents a **Nominal Amount** of securities from a pool of interchangeable securities of the same **Security Code**. From 28 January 2002 CBL no longer maintains its services for **Non-Fungible** securities and hence **clients** can only hold Fungible accounts.

G

Global Bond

Instrument distributed in the Euromarket and in one or more domestic markets upon issuance. Global Bonds are normally issued in book-entry form.

Global Certificate, Global Note

A **Certificate** representing the entire issued amount of a security. Global Notes are normally issued in temporary form to be exchanged into physical **Certificates** or permanent or semi-permanent Global Notes according to the terms and conditions of the issue. See also **Classical Global Note** and **New Global Note**.

Global Payment

The consolidated payment effected on behalf of CBL and Euroclear by the **Common Depository** or **Common Service Provider**, as appropriate, to the **Issuer**. This payment represents the net subscription proceeds of a **New Issue**.

GNA

Global net amount; refers to the actual monthly debit or credit amount of cash penalties reported by CBL to its clients (per counterparty-CSD and per penalties currency). CBL will collect or distribute each "Global Net Amount" once a month, on the 18th PBD of the following calendar month.

Governing Documents

The **General Terms and Conditions**, **Client Handbook** and **Communications User Manuals**, which may be amended from time to time, and such other documents as CBL may, from time to time, so designate. The Governing Documents describe the overall contractual relations between CBL and its **clients**.

Grey Market (or Pre-Market)

The trading period between the launch and the allotment of an issue, during which trades are arranged on an "if and when issued" basis.

Guaranteed Delivery

In the context of CBL, this refers to the input field called the **Special Instructions Code** on an **instruction**, where the **client** can indicate Guaranteed Delivery by the code "G" as a condition of the trade with a counterparty. ("N" indicates non-guaranteed, that is, normal delivery.) The field is intended to indicate, for trade **Matching** purposes, that the **Transaction** is a special **Transaction** in accordance with **ISMA** rules and so is subject to different procedures in the event of non-**settlement**.

Guarantor

A that, under the terms of CBL's Securities Lending and Borrowing programme, guarantees to reimburse the lender (in either securities or cash) in the case of default by the borrower.

I

ICMA

International Capital Market Association (created in July 2005 by the merger of the International Securities Market Association (ISMA) and the International Primary Market Association (IPMA)) is an organisation with a broad franchise across the primary and secondary international capital market. This association has the mandate and the means to represent the interests of the investment banking industry in maintaining and developing an efficient and cost effective international market for capital.

Immobilisation

The collective storage of securities in a vault in order to eliminate physical movement of **Certificates** or documents of ownership when transfer of ownership occurs.

Instruction

An authenticated message from a client to execute a transaction. See also **Internal instruction**, **Investment Fund Order**, **External instruction**, **Transaction.**

Instruction flag

Instruction flags can be used on specific **instructions** to override the **client**'s **account option**. See also **filter code**.

Intended Settlement Date

Please refer to "Requested Settlement Date"

Internal counterparty

A **counterparty** settling with an account in CBL. See also **Bridge counterparty**, **external counterparty**.

Internal instruction

An **instruction** for a **Transaction** by **book-entry** between **CBL** accounts.

Internal settlement

Settlement between two CBL clients.

International Bond

Bond issued by the borrower and distributed simultaneously through an international management group in one or more domestic or international markets. International Bonds include **Foreign Bonds** and **Eurobonds**.

International Central Securities Depository (ICSD)

A central securities **Depository** that provides **Clearance** and **settlement** of **Transactions** in global and **International Securities** and **domestic Securities** traded across borders.

International Security

A security issued and distributed simultaneously through an international management group in one or more domestic or international markets.

Intra-CSD settlement

Settlement between two T2S participants located in the same T2S CSD (for example, a transaction between two CEU participants).

Investment Fund

An undertaking for collective investments, in whatever legal form, for example, constituted as unit trust/common fund or as an investment company, that are accepted for order routing through Clearstream Banking.

Investment Fund Order

An order of **Investment Fund Shares** (including but not limited to redemption, subscription, switch and cancellation requests) issued by an **Order Issuer (OI)**.

Investment Fund Register

A register held by the **Investment Fund** or by a **Transfer Agent (TA)** on behalf of an Investment Fund, to record and evidence entitlement in the respective **Investment Fund Shares**.

Investment Fund Share

Any security issued by an **Investment Fund**. The smallest unit of an Investment Fund.

IOA

See **Issue Outstanding Amount**.

IPAR

Income Pre-Advice Report. Provides clients with information about future cash and securities proceeds and capital repayments for all the securities that are held in their accounts.

IPMA

International Primary Markets Association. An organisation founded by Euromarket participants to provide a forum for the discussion of standards for **Primary Market** practices.

ISD

Intended Settlement Date.

ISMA

(see ICMA).

ISIN

International Securities Identification Number. A coding system developed by the ISO with the purpose of creating one unique number on a world-wide basis for identifying securities in accordance with ISO standard 6166. The ISIN for each security consists of a 12-digit alphanumeric code. The prefix is a two-letter country code (or XS in the case of **Euro-instruments**, for which CBL and Euroclear act as numbering agents). The basic number is a nine-digit alphanumeric code, which is the common code of CBL and Euroclear in the case of **Euro-instruments**. The final digit is a numeric check digit computed from the preceding digits.

ISO

International Organisation for Standardisation. The international federation of standardisation bodies for various industries that seeks to set common international standards in a variety of fields.

Issue Outstanding Amount (IOA)

For a debt security, the total remaining indebtedness (other than interest) of the **Issuer** as determined from time to time by the records of the ICSDs. Where relevant, the IOA is the result of the product between the **Nominal Amount** and the **Pool Factor** of the security.

Issuer

A company, or government body, that borrows or raises funds through the sale of securities.

Issuer Agent

A generic term describing an entity that acts on behalf, and upon request, of the Issuer. The term “Agent” includes any Principal Paying Agent, Issuing and Paying Agent, Fiscal Agent, Registrar, or any other agent appointed by the Issuer.

Issuer - ICSDs Agreement

Standard form agreement between the **Issuer** and the ICSDs in relation to the acceptance of securities in **New Global Note** form.

Issuing Agent

Under the terms and conditions of an issue or facility, the agent responsible for arranging the issue of notes or **Certificates**.

L

LBS

“Primes de fidélité” (PF) Loyalty Bonus Shares

Lead Manager

The financial institution that is primarily responsible for the overall coordination, distribution and documentation of a **Primary Market** (new) issue. The Lead Manager is primarily responsible to the borrower or **Issuer** for selecting the co-managers, determining the terms of the issue, and selecting underwriters and the members of the selling group.

Letter of Request to Clearstream Banking for Reclaim of Withholding Tax

This authorises CBL to reclaim withholding tax from the local tax authorities on the client's behalf. Market specific versions are available in the relevant Market Taxation Guides.

Link

In the context of CBL, a contractual arrangement between CBL and a **Depository** or clearing agent in a domestic market that enables **clients** of CBL, through their CBL accounts, to execute **Transactions** in **domestic Securities** with **counterparties** in the domestic market.

LMFP

Late Matching Fail Penalty.

One of the two types of cash penalties. LMFP applies due to the matching taking place after the ISD.

Lock-Up Period

See **Restricted Period**.

M

Mark-Down (MD)
A decrease in the **Issue Outstanding Amount (IOA)** of a security.

Mark-Up (MU)
The initial amount and any subsequent increase in the **Issue Outstanding Amount (IOA)** of a security.

Matching, Matching for settlement
The process that compares the mandatory **settlement** and optional trade details given by the two **counterparties** to a trade in their **instructions**. **Presettlement Matching** makes this comparison for information purposes. **Matching for settlement** takes place as part of the **settlement** process on the basis of actual **Transactions** presented for **settlement**.

Medium-Term Note (MTN)
A debt instrument that has a maturity ranging between one and five years, and which is offered under a program agreement through one or more dealers.

Message Type (MT)
Refers to Swift Message Types that can be used by **clients** to send **instructions** and messages, and to receive reports. For example, "MT54x" refers to Message Types 540, 541, 542 and 543.

N

New Global Note (NGN)
Form of **Global Certificate** which refers to the records of the ICSDs to determine the Issue Outstanding Amount (IOA).

New Issue
Security offered for the first time.

Next Day Currency, Next Day Funds
In CBL, a currency in which the latest **instruction deadline** is one **Business Day** before the requested **value date**.

Nominal Amount
Face value.

Non-Fungible
Financial instruments (including securities) that have the same **Security Code**, and which are specifically identified by individual and identifiable **Certificate** numbers, and so are not interchangeable. From 28 January 2002 CBL no longer maintains its services for Non-Fungible securities and hence **clients** can only hold **Fungible** accounts.

O

On-delivery / On-sale
A **Transaction** to deliver/sell securities received through a receipt/purchase **Transaction** that provides the necessary **Provision** for the onward sale.

Order Confirmation
The confirmation sent by an **Order Handling Agent (OHA)** that an **Investment Fund Order** from an **Order Issuer (OI)** has been processed.

Order Handling Agent (OHA)
The legal entity, accepted by CBL as a **Vestima Participant**, that receives **Investment Fund Orders**.

Order Issuer (OI)
The legal entity, accepted by CBL as a **Vestima Participant**, that issues **Investment Fund Orders**.

OTC
Over the counter, that is, (of a **Transaction**) arranged other than in a stock exchange.

P

Paying Agent

The financial institution(s) responsible for the task of making due payments of principal and interest to the holders of an issue of a security against presentation of the security or its **Coupons**. The **Principal Paying Agent** is responsible for collecting the money due from the **Issuer** and for coordinating the distribution of payments, through the sub-Paying Agents, to the holders of the issue, on demand.

PBD

Penalties Business Day. Used for the penalties-specific monthly reporting, appeals, and payment processing. This is any day of the year except for 1 January, 25 December, Saturdays and Sundays.

Pending

In CBL, Pending **Transactions** are those that have reached the **Processing Date** for **settlement** but which are withheld from the **settlement** processing awaiting confirmation of the occurrence of an event. Examples are **Transactions** in **New Issue** securities where confirmation of actual **Closing** is awaited; and **Transactions** released for purchase of securities in a domestic market where confirmation of **settlement** is awaited from the CBL **Depository** or **Clearing** system in the domestic market.

Physical Delivery

Delivery of definitive or material **Certificates** in a security. More commonly, ownership of securities is transferred by means of **Book-entry Transactions**.

Pledge

To give or deposit as security **Collateral** to cover **Financing** or credit facilities provided by or through CBL.

Pool Factor

Factor to be applied to the **Nominal Amount** of a security, reflecting partial **Redemptions**, to obtain the **Issue Outstanding Amount**.

Pre-advice (MT210/camt.057 Instruction)

Instruction from a **client** to inform CBL that funds are to be transferred to a CBL **Cash Correspondent** for a specified **value date**. Clients send pre-advices to ensure that funds are applied with good value.

Presettlement Matching

See **Matching**.

Primary Market

The market in which securities are first issued, subscribed and distributed.

Primary Market Order

A Vestima order routed to an **Order Handling Agent (OHA)** for execution on the **Investment Fund Register**. A Primary Market Order can be either a subscription, a redemption or a switch, and results in **Investment Fund Shares** being issued and/or redeemed.

Principal Paying Agent

See **Paying Agent**.

Priority Code

Transactions that have a Priority Code are given prior consideration in the allocation of available **Provision** for the **settlement** of **Transactions** over an account. The sequence in which **Transactions** over an account are considered for **settlement** is also affected by the **settlement Sequence Option** selected by the **client** for the account. A Priority Code can be input by the **client** when the **instruction** is first submitted to CBL or, subsequently, while the **instruction** is in **Suspense**.

The **client** cannot input a Priority Code on cash **instructions**. Cash available on the account will always be used first to **Provision** securities purchases before a withdrawal, provided that the security **instruction** fulfils the conditions to settle.

Private Placement

Sale of an entire issue of securities, or of a specific tranche of an issue, to a small group of subscribers without a public offering.

Processing Date

The date on which the **Transaction** is taken from the Suspense file to be considered for **settlement** by CBL. In the case of internal **Transactions**, the Processing Date is the same as the actual **settlement Date** of **Transactions** settled in the **settlement** processing. In the case of external **settlement**, the Processing Date of the **Transaction** normally precedes the **Requested settlement Date**, in order to ensure that timely presentation is made for **settlement** in the domestic market according to the conditions that apply in that market.

Professional Securities Intermediary

Regulated financial institutions, whose license covers the intermediation of securities and custody services, and who conduct the intermediation of such services as part of their regular business activities. This definition generally applies to central banks, central counterparties, central securities depositories, depository banks, custodians and transfer agents.

Promoter

The Promoter of an **Investment Fund**.

Provision

The availability of cash or securities on an account to execute a **Transaction**. Cash Provision is resourced by account **Balances** and **Financing** facilities. Securities Provision is resourced by account **Balances** and securities borrowing facilities. **Collateral Provision** refers to all cash and securities accepted by CBL used to secure risks and contingencies on an account.

Published Fund List

CBL's service providing clients with automated daily reporting on Investment Fund Reference data.

R

Realignment

Generally, the process of bringing the position held at CBL's **Depository** into agreement with the total amount of the instrument recorded in book-entry **Balances** of CBL. Realignment refers in particular to the process of agreement on any net securities **Balances** outstanding between CBL's Depository positions and Euroclear each morning, during the real-time processing, and the subsequent movement of securities to bring the physical positions into alignment with the book-entry **Balances** in each system.

Receipt Against Payment / Receipt Versus Payment

The irrevocable payment of cash upon presentation of securities (the receipt side) to settle a **Transaction**. True Receipt Against Payment involves the simultaneous exchange of securities and cash, as in the case of internal **Transactions** settled in CBL by book-entry.

Receipt Free of Payment

A **Transaction** for the irrevocable receipt of securities into a CBL account without an associated payment of funds from the CBL account.

Receiving Bank

The due to receive the transfer of funds (on a withdrawal of funds **instruction**) or securities (on an **Delivery Free of Payment instruction**) out of the CBL **"service network"**.

Recommended deadline

Recommended **deadlines** are given by CBL where operational constraints mean that CBL or CBL's agent cannot guarantee to process **instructions** received after the Recommended deadline but before the final **deadline**. Therefore any **instruction** received after the Recommended deadline is at the **client**'s own risk.

Record Date

The date, established by an **Issuer** of a security, used by CBL to determine, at the end of that day (that is, after End of day processing) the holders that are entitled to a corporate action.

Redemption

In accordance with the terms and conditions of an issue, partial or full return of the debt **Certificates** of an **Issuer**, for cancellation of the **Certificates** against payment to the holder.

Repo (Repurchase Agreement)

A contract to execute two simultaneous **Transactions** for the against payment sale of securities and their repurchase at a future date. Repo agreements are normally executed (by securities dealers) in lieu of borrowing funds against the delivery of the securities (which form part of the dealer's inventory or trading position and which act as **Collateral** to the lender). The terms of the agreement normally allow the seller to retain the rights of the holder of the security for **Coupon** payments etc. The price at which the securities are repurchased and the period between sale and repurchase reflect money market terms and rates of interest on the loan.

Requested settlement Date

The date given by the client for settlement of the Transaction; the term has the same meaning as Intended Settlement Date.

Restricted Period

The Lock-Up Period. This is the time during which sales restrictions apply to **Euro-instruments** (normally the first 40 days of a euro-issue). It corresponds to the period that the issue is in global form only, before exchange into definitive **Certificates**.

Revaluation

Used in the context of **Collateral** management, the process of recalculating the value of **Collateral** held, and the risks against which **Collateral** is held, on the basis of new information on market prices, exchange rates and eligibility of instruments on an account.

Revolving Underwriting Facility (RUF)

A medium- to long-term finance instrument, underwritten by a group of banks, whereby the borrower can issue and redeem **Euronotes** at his discretion and according to need, within the period of the facility, and so benefit from cheaper short-term **Funding**.

RTS 2017/390

Commission Delegated Regulation (EU) 2017/392 of 11 November 2016 supplementing Regulation (EU) No 909/2014 of the European Parliament and of the Council with regard to regulatory technical standards on certain prudential requirements for central securities depositories and designated credit institutions offering banking-type ancillary services.

RTS 2017/392

Commission Delegated Regulation (EU) 2017/390 of 11 November 2016 supplementing Regulation (EU) No 909/2014 of the European Parliament and of the Council with regard to regulatory technical standards on authorisation, supervisory and operational requirements for central securities depositories.

S

Same-Day Currency

A currency in CBL in which funds are available with **value date** the same as the date of the **instruction**.

SDR

Commission Delegated Regulation (EU) 2018/1229 of 25 May 2018 supplementing Regulation (EU) No 909/2014 of the European Parliament and of the Council with regard to regulatory technical standards on settlement discipline.

Full text available here.

Seasoned

In general terms, Seasoned securities are those that are no longer "locked up" (see **Restricted Period**) and that are therefore available for **On-sale** and delivery, including **Physical Delivery**, without restriction.

Secondary Market

The market for tradeable securities that is made by market makers after the completion of **Primary Market** (**New Issue**) distribution by **Lead Managers** to the initial **Allottees** and until final **Redemption**.

Security Code

Code used to identify a specific security. For example: **common code**, **ISIN**.

SEFP

Settlement Fail Penalty.

One of the two types of cash penalty. SEFP applies due to the non-settlement of a matched transaction on or after its ISD.

Settlement

The completion of a **Transaction** or of processing with the aim of discharging participants' obligations through the transfer of funds and/or securities, wherein securities and corresponding funds are delivered and credited to the appropriate accounts.

Settlement Agent

A legal entity whose account is used to settle on behalf of another legal entity.

Settlement Date (Actual)

The date on which ownership of securities traded actually passes from deliverer to receiver. In the case of against payment **Transactions**, this is normally also the **value date** due for payment of the funds **Countervalue**. According to the terms of the trade agreed between the **counterparties**, delivery is to occur at a particular location and over specified accounts. See also **Estimated settlement Date, Requested settlement Date**.

For **internal Transactions**, the date that **Transactions** are processed for **settlement** in the CBL **settlement** processing (in which simultaneous book-entry transfer of securities and cash occurs) is the **settlement Date**, except in the case of primary and **Secondary Market Transactions** in **New Issues**, where **settlement Date** corresponds to the **value date** of the backvalued funds, if any, in the distribution processing.

In the case of **external delivery Transactions**, the date of the debit of securities to the **client**'s account in CBL does not necessarily represent the Actual settlement Date of **settlement** in the external clearing system. The Actual settlement Date is determined by the external clearing system upon receipt of the **Transaction** from CBL, and is normally evidenced in CBL by the **value date** applied to the funds **Countervalue** when credited by CBL. However, if **settlement** occurs before the **Estimated settlement Date**, the **value date** is the **Estimated settlement Date** and not the Actual settlement Date. On external deliveries **Free of Payment**, **settlement Date** for securities, which is not reported in CBL, is independent of the transfer of the funds **Countervalue**.

On **external receipts against payment, settlement Date** in the external clearing system is evidenced by the **value date** of the funds book-entry in CBL (except when **settlement** occurs before the **Estimated settlement Date**, when the same rule applies as for external deliveries, described above). However, availability of securities for **On-sale** in CBL is determined by the CBL processing into which the confirmation of **settlement** of the **Transaction** is entered for book-entry in CBL.

Furthermore, according to market practice in the domestic market, which is reflected in the conditions of the trade, rights of ownership and entitlement may change on **Trade Date** or on **Record Dates** that precede the **settlement Date**.

Settlement Sequence Option

According to their own business needs, **clients** can select one of four **Settlement Sequence Options** on an account. The Settlement Sequence Option chosen determines the criteria by which **Transactions** for **settlement** over the account are sequenced for use of the available **Provision** unless a **Priority Code** is given. Settlement Sequence Options cannot be changed on a day-to-day basis.

Short selling

Short selling is the selling, the transfer or the delivery, whether free or against payment, of an asset that the **client** does not own in its Clearstream account.

Short selling of income or corporate action proceeds

Short selling of income or corporate action proceeds is the selling of securities with entitlement to the income or corporate action proceeds covered by a receipt of the same securities without entitlement to the income or corporate action proceeds. It occurs when a client settles a delivery of securities cum-dividend/coupon from an account with a receipt of securities ex-dividend/coupon into the same account. This scenario arises when the trade date for the delivery is prior to the ex-dividend/coupon date, whereas the trade date for the receipt is after the ex-dividend/coupon date.

Short-Term Instruments

Notes, bills etc. that have maturities of less than one year.

Special instructions Code

The field of an **instruction** in which **clients** can specify a **Guaranteed Delivery**.

Specialised Depository (SD)

A Specialised Depository is appointed by Clearstream Banking and holds **International Securities** in either physical or book-entry form.

SSR

Regulation (EU) No 236/2012 of the European Parliament and of the Council of 14 March 2012 on short selling and certain aspects of credit default swaps.

Full text available here.

The list of exempted shares under SSR is available here.

Standing instruction

A Standing instruction is either:

- An **Account Option** specified by the **client** to ensure that all internal against payment **Transactions**, and Bridge against payment deliveries for **settlement** sequence purposes only, are automatically included in the optional **settlement** processing, unless the Account Option is overridden on specific **instructions** using an **instruction Flag**.

or

- Settlement related data provided by **Order Issuers (OIs)** and **Order Handling Agents (OHAs)** to enable the routing of **Investment Fund Orders** and the optional generation of **settlement instructions**.

Stop Order

A stop-transfer or similar order lodged with the relevant **Issuer**, registrar or **Fiscal Agent** or any court or any governing body.

Strict

The criteria used in the **Settlement Sequence Options** chosen by the **client** can be Strict or **Flexible**. If the criteria in the **settlement** sequence are Strict, the first **Transaction** in the **Transaction Queue** must settle before other **Transactions** in the same security that are further down the queue are considered for **settlement**. Currently, this applies only to **settlement Date**.

Swift

Formal abbreviation of the Society for Worldwide InterFinancial Telecommunications. Also abbreviated as Swift.

Syndication Account

An account opened in the name of a **Lead Manager** for the specific purpose of distributing the initial allotments and collecting the subscription proceeds of **New Issues.**

T

TA

See **Transfer Agent**.

T2 RTGS

T2 RTGS is a real time gross settlement (RTGS) system which is complemented by a central liquidity management (CLM) system that optimises liquidity management across all Target services.

Technical Overdraft Facility (TOF)

The purpose of the Technical Overdraft Facility (TOF) aims to facilitate the settlement of securities Transactions against payment, as well as the settlement of client FX trades and corporate action exercise fees. CBL reserves the right to set individual TOF limit to be used for the settlement of cash withdrawal instructions to the extent such credit usage is in line with the Credit Terms and Conditions (CTCs) and CBL liquidity risk management principles. The terms governing the TOF are described in the Credit Terms and Conditions (CTCs), Client Application Form and Annexes signed by clients.

Trade Date

The date on which a trade is executed or made. For **CFF Services**, this is the effective register date, which records ownership in the relevant **Investment Fund Register**.

Trade Price

The price or rate agreed between **counterparties** to a trade.

Trading Chain (TC)

A Trading Chain is a relationship between an OI (a Portfolio of this OI) and an OHA. The trading chain contains the trading parties information, allowing the OHA to identify the investors.

Transaction

A combination of two instructions that leads to a transfer of ownership from an account to another.

Transaction Queue

Transactions over a **client**'s account are ordered in a **Transaction Queue** according to the **Settlement Sequence Option** on the account.

Transfer Agent (TA)

The agent appointed by the **Investment Fund** to process **Investment Fund Orders** and perform ancillary services.

Triparty Agency Services

A family of products in CBL designed to provide an independent and neutral third-party securities **settlement**, administration and monitoring service for securities **Financing Transactions** - **Repo**, securities lending and other **Transactions** that require a comprehensive **Collateral** administration and custody service.

Triparty Financing Facility

A contractual credit facility that can be used in CBL either for securities **settlement** or for payment of funds.

Triparty Repo Service

A **Repo Transaction** in which all the post-execution events in the life cycle of a **Repo Transaction** are handled by CBL as a third-party agent. CBL provides pre-**settlement** checks for eligibility and sufficiency of the purchased securities, settles the **Transaction** under **Delivery Against Payment** conditions, and both monitors the value of the securities during the term and checks for custody events like **Coupon** payments. At maturity, CBL returns the securities to the cash taker and pays the cash principal plus **Repo** interest to the cash provider.

Triparty Securities Lending Service

A securities lending **Transaction** in which the **Collateral** management functions are handled by CBL as a third-party agent. The lender and borrower agree the terms of the **Transaction** - nominal, term, fee - and CBL provides all the post-trade **settlement** and **Collateral** administration services. These include pre-**settlement** checks for eligibility and sufficiency of the securities **Pledged** as **Collateral** against the borrowed security or securities (a portfolio swap); the generation of the movement **instructions** to as close as possible to delivery-versus-delivery conditions; and monitoring the value of the borrowed securities against the **Pledged Collateral**. Also called (in the U.S.A.) **triparty bonds borrowed** and (internationally) **portfolio swaps**.

U

Umbrella Credit and Collateral Services (UCCS)

Umbrella Credit Facilities permits the sharing of credit limits and **Collateral** across **client** accounts.

Unconfirmed Funds

Funds that are anticipated for credit to a **client**'s account for a current or past **value date** where confirmation of their payment is outstanding. In CBL, **Pre-advices** and **Countervalues** on external sales remain as Unconfirmed Funds until confirmation of their receipt from a CBL **Cash Correspondent**, a third-party clearing system or a **Depository**.

Unconfirmed Funds Facility

The purpose of the Unconfirmed Funds Facility (UCF) aims to facilitate the settlement of securities Transactions against payment, as well as the settlement of client FX trades and corporate action exercise fees. The terms governing the UCF are described in the Credit Terms and Conditions (CTCs), Client Application Form and Annexes signed by clients.

Underlying client

A client of the CBL **client**.

Unpublished Account

A **client** account excluded from any list published by CBL, usually an additional account opened at the request of **clients** to facilitate their own internal account management.

U.S. Withholding Tax Report

Provides a monthly report of U.S. taxable income events, including withholding tax rates applied per beneficial owner, to enable **clients** to verify and reconcile the applied withholding tax rates on their U.S. source income paid on U.S. securities held with CBL.

V

Value date

The date applied by CBL for the purposes of interest calculation to funds debited from or credited to an account.

VEN

"Valeurs Essentiellement Nominatives" Essentially Registered Securities.

Vestima

CBL's automated order-routing service for the **Investment Funds** industry. It provides a point of access to **Investment Fund** market participants (distributors, custodians, asset managers), simplifying and standardising trading in **Investment Fund Shares** and related **settlement** processing. Provision of Vestima services by CBL is subject to the signature of specific Vestima terms and conditions.

Vestima Participant

An organisation or individual that uses Vestima.

VestimaPRIME

CBL's automated order routing service for clients whose primary portfolio contains complex and alternative **Investment Funds**, with bespoke solutions for order entry, monitoring and reporting.

VON

"Valeurs Occasionnellement Nominatives" Occasionally Registered Securities.

W

Warrant

A security giving the holder the right (or option) to buy ("call") or sell ("put") a specific amount of a security or other financial instrument at a specified price within a stated period.

Web Browser Based Interface

An online platform accessible via the CBL extranet or the public internet; for example, Xact Web Portal, Vestima.

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