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## RESOLUTION No. 20

### "Bilateral Stock Lending **and Lending or Borrowing Agreements on the basis of Method 4**"<sup>1</sup>

*(Codified to include the decisions dated 17.4.2015, 06.03.2020 **and 15.04.2024** of the Stock Markets Steering Committee of ATHEX)*

## THE STOCK MARKETS STEERING COMMITTEE OF ATHENS EXCHANGE S.A.

(Meeting of 13.11.2014)

Having regard to the provisions of paragraph 3.3.2.2 of the ATHEX Rulebook (hereinafter the "ATHEX Rulebook") and the provisions of paragraphs 3.2 and 3.3 **of Part 3** of Section I and of **article 4** of Annex I of the Rulebook for Clearing Derivatives Transactions (hereinafter the "Clearing Rulebook")

### HEREBY RESOLVES AS FOLLOWS

For the purposes of this Resolution, the terms used herein shall have the same meaning as those defined in the ATHEX Rulebook and the Clearing Rulebook.

### SCOPE

This Resolution sets out the terms and conditions governing the operation of bilateral stock lending agreements in the Securities Lending Mechanism of ATHEX, and in particular:

- 1) the standard operating characteristics of Bilateral Agreements **or on the basis of Method 4** on stock lending or borrowing;
- 2) the specific terms relating to the application of Methods 8-3-1 and 8-3-2 **and 4**;

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<sup>1</sup> *The title of Decision 20 was replaced as above by virtue of decision 201/15.04.2024 of the Stock Markets Steering Committee with effect as of 28.05.2024.*

3) <sup>2</sup>the procedures for the adjustment of rights and obligations with regard to lending and borrowing positions in cases of corporate actions involving the reference assets of Stock Lending Agreements.<sup>3</sup>

## Article 1. Product Characteristics

<b>Contract type</b>	A bilateral lending or borrowing agreement based on Stock Lending Products in respect of reference assets, which is cleared by ATHEXClear as a central counterparty.
<b>Underlying asset<sup>4</sup></b>	<p>The transferable securities that constitute the reference asset in bilateral lending or borrowing agreements and relate to Shares and Exchange-Traded Fund (ETF) units in accordance with the following terms:</p> <p><b>A. Bilateral Lending or Borrowing Agreements in Shares:</b></p> <ol style="list-style-type: none"> <li>1. The underlying assets are shares that meet the following criteria: (i) they belong to the Main Market segment and (ii) they constitute the underlying asset or participate in an index that constitutes the underlying asset of Derivatives listed on ATHEX or participate in an index tracked by ETFs <b>or participate in the FTSE/ATHEX Large Cap and FTSE/ATHEX Mid Cap indices</b>. In these cases, the following apply: <ol style="list-style-type: none"> <li>1) If a share ceases to be the underlying asset of Derivatives listed on ATHEX and irrespective of whether the share continues to belong to the Main Market segment, trading in Securities Lending Products whose underlying asset is the share shall cease on the day on which the share ceases to be the underlying asset of the respective Derivatives.</li> <li>2) If a share, participating in an index that constitutes the underlying asset of Derivatives listed on ATHEX or participating in an index tracked by ETFs <b>or participate in the FTSE/ATHEX Large Cap and FTSE/ATHEX Mid Cap indices</b>, is deleted from the index in question, and irrespective of whether the share continues to belong to the Main Market segment, trading in Securities Lending Products whose underlying asset is the share shall cease on the day on which the share is deleted from the respective index.</li> <li>3) If a share, which constitutes the underlying asset or participates in an index that constitutes the underlying asset of Derivatives listed on ATHEX or participates in an index tracked by ETFs <b>or participate in the FTSE/ATHEX Large Cap and FTSE/XA Mid Cap indices</b>, is transferred from the Main Market to another segment, trading in the Securities Lending Products whose</li> </ol> </li> </ol>

<sup>2</sup> Item 3) of the Scope of the resolution was repealed and item 4) was renumbered as item 3) as above by virtue of decision 173/06.03.2020 of the Stock Markets Steering Committee of Athens Exchange with effect as of 30.03.2020.

<sup>3</sup> The Scope of Decision 20 was replaced as above by virtue of decision 201/15.04.2024 of the Stock Markets Steering committee with effect as of 28.05.2024.

<sup>4</sup> The first paragraph of the field "Underlying Asset" was amended as above by virtue of decision 201/15.04.2024 of the Stock Markets Steering Committee with effect as of 22.04.2024.

	<p>underlying asset is the share shall cease on the day of such transfer.</p> <p>4) By way of exception, trading in Securities Lending Products does not cease pursuant to the provisions of subparagraphs 1 to 3 above if their underlying asset is a share that is the subject of market making, or a share participating in an index tracked by ETFs, with respect to the units that are the subject of market making, in accordance with the provisions of subparagraph 2.</p> <p>2. For the purposes of covering market-making transactions in securities on ATHEX, the underlying assets of Contracts are shares that are the subject of market making or shares participating in an index tracked by ETFs, with respect to the units that are the subject of market making. In such cases, if the shares in question do not satisfy the criteria of the first sentence of paragraph 1 above, the following shall apply:</p> <p>i. In the case of a share that is the subject of market making:</p> <p>1) The Securities Lending Product whose underlying asset is the share in question is entered in the System at the request of a Market Maker in securities and provided the latter has assumed market-making obligations in respect of the share.</p> <p>2) If the share ceases to be the subject of market making, trading in the Securities Lending Products whose underlying asset is the share shall cease on the day that the market making ceases.</p> <p>ii. In the case of a share participating in an index tracked by ETFs, in respect of the units that are the subject of market making:</p> <p>1) The Securities Lending Product whose underlying asset is that share is entered in the System at the request of an ETF Market Maker and provided the latter has assumed market-making obligations in respect of the ETF units.</p> <p>2) If market making ceases in the ETF units, which track the index in which the share participates, or in the event of deletion of the ETF units, which track the index in which the share participates, the trading of products whose underlying asset is the share shall cease. The day of cessation is deemed to be, in the first case, the day of cessation of market making, and in the second case, the day of deletion of the ETF.</p> <p>3. Lending products, whose trading ceases in accordance with the provisions of par. 1 and 2, expire immediately unless there are open positions in them. In this latter case, they expire within a period of six months that begins on the day preceding the day on which their trading ceased.</p> <p>4. ATHEX may modify the terms on the cessation of trading and/or the expiration of lending or borrowing positions in Securities Lending Products, as these are set out in par. 1 to 3, provided this is deemed necessary in order to safeguard the smooth functioning of the market and protect investor interests.</p>
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	<p>5. ATHEX announces on its website a list of shares in respect of which Securities Lending Products are entered in the Securities Lending Mechanism, and immediately updates the aforesaid list in the event of any changes in accordance with the provisions of par. 1 to 4, each time posting a new and full list.</p> <p><b>B. Bilateral Lending or Borrowing Agreements in ETF units:</b></p> <p>1. The underlying assets are ETF units that belong to the Exchange-Traded Funds segment of ATHEX.</p> <p>2. If ETF units are deleted from ATHEX, trading in the Securities Lending Products shall cease on the day of deletion. Lending or borrowing positions in Securities Lending Products necessarily expire within a time period set by ATHEX and ATHEXClear with exercise of the right to return the underlying transferable securities by the lender or the borrower or ATHEXClear.</p> <p>3. ATHEX may modify the terms on the cessation of trading and/or the expiration of lending or borrowing positions in Securities Lending Products, as these are set out in par. 1 and 2, provided this is deemed necessary in order to safeguard the smooth functioning of the market and protect investor interests.</p> <p>4. ATHEX announces on its website a list of ETF units in respect of which Securities Lending Products are entered in the Securities Lending Mechanism, and immediately updates the aforesaid list in the event of any changes in accordance with the provisions of par. 1 to 3, each time posting a new and full list.</p>
<b>Contract Size</b>	1 unit (share or ETF as the case may be).
<b>Contract Expiration</b>	Securities Lending Products have no expiration.
<b>Trade Price</b>	The trade price for borrowing is in the form of a percentage and expresses the annual interest rate.
<b>Minimum Price Fluctuation Limit</b>	0.0001%
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<b>Trade<sup>6</sup></b>	For the purposes hereof, "Trade" is defined as the conclusion of <b>a) a bilateral lending or borrowing arrangement through the System on the basis of Methods 8-3-1 and 8-3-2 and b) Lending or Borrowing Agreements on the basis of Method 4.</b>
<b>Lender</b>	For the purposes hereof, "Lender" is defined as the party to the Trade which lends the underlying transferable securities to the Borrower.

<sup>5</sup> The seventh field of the table of article 1 was repealed by virtue of decision 173/06.03.2020 of the Stock Markets Steering Committee of Athens Exchange with effect as of 30.03.2020.

<sup>6</sup> The field "Trade" was amended as above by virtue of decision 201/15.04.2024 of the Stock Markets Steering Committee with effect as of 28.05.2024.

<b>Borrower</b>	For the purposes hereof, "Borrower" is defined as the party to the Trade which borrows the underlying transferable securities from the Lender.
<b>Trade Day</b>	Trade Day or TD is defined as the day on which the Trade is concluded and registered in the System.
<b>Trade Settlement Day</b>	The Underlying Asset is delivered by the Lender to the Borrower on trade day (T+0).
<b>Trade Cancellation</b>	The Trade will in all cases be cancelled by the System if the Lender fails to make timely delivery of the Underlying Asset in execution of the Trade. Upon cancellation, the Trade is deemed null and void from the time of its conclusion and is deleted from the System.
<b>Daily Borrowing Interest</b>	<p>The daily borrowing interest per trade is calculated as follows:  <math>S * P * 1/360 * N</math> where:</p> <p>S: the closing price of the underlying asset in the securities market on which it is traded, on the day before the trade day  P: the price of the borrowing trade and  N: the number of transferable securities of the trade</p> <p>The borrowing interest is calculated up to and including the day of return of the transferable securities.</p>
<b>Calculation and payment of Borrowing Interest</b>	<p>The borrowing interest is calculated on a daily basis through ATHEXClear. If the borrowing interest per trade is less than €0.01, it is rounded to €0.01. The borrowing interest is paid on the business day following the day of calculation through ATHEXClear.</p> <p>On every business day the borrowing interest is paid by the Borrower and received by the Lender, by means of the cash settlement procedure, for all the calendar days that have elapsed since the previous trading day. The Lender receives the borrowing interest minus any tax withholdings that are paid by ATHEXCSD on behalf of the Clearing Member (paying agent) in accordance with the specific provisions of Decision 4/223/28.1.2014 of the Board of Directors of ATHEXCSD. The tax amounts are gathered by ATHEXClear through the daily cash settlement process.<sup>7</sup></p>
<b>Settlement Currency</b>	Euro
<b>Exercise of the Right of Return by the Lender</b>	<p>The Lender or ATHEXClear may exercise the right of return on any trading day.</p> <p>The aforesaid right may be exercised and its exercise revoked from the start of the session of the Securities Lending Mechanism and up to thirty (30) minutes after its end.</p> <p>If the Lender or ATHEXClear exercises the right of return, the transferable securities are delivered by the Borrower to the Lender up to and including the third business day after the exercise day (T+3).</p>

<sup>7</sup> This part was amended as above by virtue of decision 53/17.4.2015 of the Stock Markets Steering Committee of ATHEX with effect as of 1.5.2015.

<b>Exercise of the Right of Return by the Borrower</b>	<p>The Borrower may exercise the right of return on any trading day.</p> <p>The aforesaid right may be exercised and its exercise revoked from the start of the session of the Securities Lending Mechanism and up to thirty (30) minutes after its end.</p> <p>If the Borrower exercises the right of return, the transferable securities are delivered by the Borrower to the Lender on the day of the respective exercise.</p>
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## Article 2. Product Nomenclature

1. The names of products in Contracts contain up to fifteen (15) characters.
2. The name of the Contract consists of a maximum of twelve (12) characters of the Latin alphabet which identify the Underlying Asset plus the fixed designation "BOR" in the trading system and "BRA" in the clearing system.
3. Wherever necessary in cases of the creation of subsequent series, or a change to the characteristics of the product, provision is made for the addition of a distinguishing Latin character at the end of the name.

## Article 3. Basic formula for the adjustment of contract rights and obligations in cases of corporate actions

Adjustments to the quantity of transferable securities of a position are made for the purpose of keeping the position value constant in the event of the corporate actions referred to below.

These adjustments have effect as of the day of the corporate action. Without prejudice to the provisions of ATHEX resolutions which regulate matters pertaining to adjustments in Securities Lending Products, the following apply:

Corporate Actions	Basic Adjustment Formula
<b>Position Size Adjustment Ratio in cases of Corporate Actions</b>	$N_{new} = N_{old} \frac{n_{after}}{n_{before}} \quad (1)$ <p>where</p> <p><math>N_{new}</math> : the new number of shares of the position <math>N_{old}</math> : the old number of shares of the position</p> <p><math>n_{after}</math> : the number of shares after the corporate action</p> <p><math>n_{before}</math> : the number of shares before the corporate action</p>

Corporate Actions	Basic Adjustment Formula
<b>Distribution of Bonus Shares (Bonus Issue)</b>	In cases where bonus shares are distributed to shareholders, the new size of the position is adjusted on the basis of the above ratio (1).
<b>Stock Split</b>	In the event of a stock split of underlying shares, the new size of the position is adjusted on the basis of the above ratio (1).
<b>Reverse Split</b>	In the event that the underlying shares are merged, the new size of the position is adjusted on the basis of the above ratio (1).
<b>Share Capital Increase through cash payment</b>	In the event of a share capital increase of the issuer, with a pre-emption right in favour of existing shareholders and payment in cash, the Borrower transfers to ATHEXClear, and the latter in turn to the Lender, the number of pre-emptive rights corresponding to the loaned transferable securities which have not been returned up to the day on which the beneficiaries of the corporate actions are named, so that the Lender is in a position to exercise the rights emanating from the corporate action.
<b>Return of Capital with Cash Payment, Distribution of Dividend or Interim Dividend</b>	<p>In the event of a detachment of rights relating to Return of Capital with Cash Payment, the Distribution of a Dividend or Interim Dividend involving underlying transferable securities, the borrower renders to ATHEXClear, and the latter in turn to the lender, an amount equal to the value of the Return of Capital or of the Dividend or of the Interim Dividend which corresponds to the transferable securities that have not been returned up to the day on which the beneficiaries of the corporate actions are named, minus any tax withholdings which are payable by domestic investors in accordance with applicable provisions.</p> <p>ATHEXClear shall pay the aforesaid amount, interest-free, within ten (10) business days from the day of commencement of the Return of Capital or distribution of the Dividend or Interim Dividend by the issuer.</p>
<b>Voting Rights</b>	<p>The Borrower, as of the day on which the trade was concluded and for as long as it holds the transferable securities, acquires voting rights.</p> <p>Participants in these agreements are obliged to comply with the provisions of applicable legislation on the disclosure of substantial shareholdings.</p>
<b>Conversion</b>	<p>In cases of conversion of underlying shares into new securities, the following ratio is applied:</p> $N_{new} = N_{old}n = N_{old} \frac{n_{new}}{n_{old}} \quad (2)$ <p>where</p> <p><math>N_{new}</math> : the new number of securities per position    <math>N_{old}</math> : the old number of securities per position</p> <p><math>n</math> : the rate of conversion of old to new securities</p>

Corporate Actions	Basic Adjustment Formula
	<p><math>n_{new}</math> : the number of new securities, after the corporate action</p> <p><math>n_{old}</math> : the old number of securities, before the corporate action</p>
<b>Other Corporate Actions</b>	<p>With regard to any corporate actions that are supported by ATHEX and ATHEXClear in connection with Securities Lending Products, which either do not belong to one of the above categories or do not constitute a combination of the above, ATHEX and ATHEXClear shall be entitled to not apply the above-described adjustment methods if they consider that the result of such adjustment, as it arises from these methods, does not reflect the true financial change to the rights and obligations of the counterparties of ATHEXClear.</p> <p>In cases where the provision of technical support for a corporate action is not possible, ATHEXClear shall exercise the rights of return vis-à-vis a Borrower that maintains open positions in contracts, so that lenders are in a position to exercise their rights emanating from the corporate action.</p>
<b>Fractional Balances</b>	<p>Fractional balances from corporate actions are calculated per lender, borrower and are cash settled on the basis of the closing price of the first day of trading of the result of the corporate action.</p>

#### Article 4. Entry into Force

This resolution has effect as of 1 December 2014. As of the entry into force of this resolution, Resolution 20/17.7.2008 is repealed.

This resolution is to be posted on the website of ATHEX ([www.athexgroup.gr](http://www.athexgroup.gr)).