



ATHEXCLEAR
Clearing House

DISCLOSURE OF PROTECTION & SEGREGATION LEVELS
(ART. 39, § 7 of REGULATION (EU) No 648/2012 [EMIR])

I. Preamble

1. In accordance with article 39, par. 7 of Regulation (EU) No 648/2012 and the operating regulations of the Securities System as set out in the "Rulebook for Clearing Transactions in Book-Entry Securities" and of the Derivatives System as set out in the "Rulebook for Clearing Derivatives Transactions" (hereinafter the "Rulebooks"), as adopted by the Board of Directors of ATHEXClear at its meeting of 28.07.2014 and approved by the Hellenic Capital Market Commission by virtue of decision no. 1/704/22-01-2015 of its Board of Directors with regard to the Central Counterparty Systems of ATHEXClear for the clearing of securities and the clearing of derivatives respectively (hereinafter, together, the "Systems"), ATHEXClear herewith publicly discloses the level of protection and the costs associated with the different levels of segregation which it provides for each System in clearing.

2. The terms relating to segregation are those set out below and are applied separately for each System of ATHEXClear in accordance with the provisions of the Rulebooks.

3. The terms referred to in this disclosure shall have the same meaning as the terms defined in the Rulebooks unless otherwise explicitly stated herein.

II. Clearing Accounts

4. Clearing is conducted by ATHEXClear through Clearing Accounts.

5. Clearing Accounts are opened by ATHEXClear at the request of the Clearing Member provided the latter furnishes the necessary details in accordance with the provisions of the Rulebooks.

6. For the purpose of complying with article 39, par. 7 of Regulation (EU) No 648/2012, each Clearing Member holds the following Clearing Accounts as applicable:

6.1 Own Clearing Account:

This is the account kept by a Clearing Member at ATHEXClear in its own name for clearing its own transactions in accordance with the terms of the Rulebooks. The Own Clearing Account is kept pursuant to article 39 of Regulation (EU) No 648/2012 to distinguish the assets and positions held by the Clearing Member in its own name and for its own account.

6.2 Direct Client Clearing Account:

This is the account kept by a Clearing Member at ATHEXClear for its direct clients for the clearing of those clients' transactions in accordance with the terms of the Rulebook. The Direct Client Clearing Account is kept pursuant to paragraph 2, article 39 of Regulation (EU) No

648/2012 to enable the Clearing Member to collectively distinguish its assets and positions from those of its clients (omnibus client segregation).

6.3 Indirect Client Clearing Account:

This is the account kept by a Clearing Member at ATHEXCLEAR for clearing the transactions of the clients of its Clients (indirect clients), where Clients are investment firms or credit institutions, in accordance with Commission Delegated Regulation (EU) 2017/2154.

The Indirect Client Clearing Account is kept pursuant to paragraph 2, article 39 of Regulation (EU) No 648/2012 and the specific provisions of Commission Delegated Regulation (EU) 2017/2154 to enable the Clearing Member to collectively distinguish the assets and positions of the clients of its Clients (omnibus indirect client segregation).

6.4 Individual Client Clearing Account:

This is the account kept by a Clearing Member at ATHEXCLEAR in the name of a Client for the clearing of the Client's transactions in accordance with the terms of the Rulebook. The Individual Client Clearing Account is kept pursuant to paragraph 3, article 39 of Regulation (EU) No 648/2012 to distinguish the assets and positions of a particular client from those of its other clients (individual client segregation).

7. ATHEXCLEAR carries out clearing per Clearing Account.

8. The risk associated with and the obligations relating to the provision of collateral to meet the margin requirements of ATHEXCLEAR, including terms for the allocation of credit limits, are calculated per Clearing Account.

9. All types of collateral provided in connection with a Clearing Account are kept segregated on the basis of the records of ATHEXCLEAR and used exclusively for meeting the requirements relating to the respective Clearing Account. By way of exception, collateral of the Own Clearing Account of a Clearing Member may be used by ATHEXCLEAR, in accordance with the terms of the Rulebooks, to cover a loss arising from a Direct Client Clearing Account, Indirect Client Clearing Account or Individual Client Clearing Account, provided it is in excess with respect to the requirements of ATHEXCLEAR relating to the Own Clearing Account.

10. Without prejudice to the provisions of the preceding paragraph, any loss arising from default in connection with a Clearing Account shall be charged entirely to the respective Clearing Account and the collateral provided to it. Consequently, the other Clearing Accounts of the Clearing Member, including the collateral provided to them, are not affected by the default and relevant loss.

III. Loss coverage rules

11. According to the segregation and protection levels for each Clearing Account pursuant to the provisions set out in Section II, the loss per Clearing Account in the event of a Clearing Member's default is covered by ATHEXCLEAR on the basis of the terms of the Rulebooks as follows:

11.1 The loss arising in connection with the Clearing Account in default is covered by the collateral provided in favour of ATHEXCLEAR for the relevant Clearing Account.

11.2 If the default relates to a Direct Client Clearing Account, Indirect Client Clearing Account or Individual Client Clearing Account and the collateral of the relevant Clearing Account is not sufficient to cover the loss on the basis of the provision of 11.1, ATHEXCLEAR will cover the remaining part of the loss by using any excess collateral of the Own Clearing Account of the Clearing Member, as this results after covering the loss arising from the relevant Own Clearing Account.

11.3 If the collateral referred to under 11.1 and 11.2 does not suffice, ATHEXCLEAR will cover the remaining part of the loss by using the contribution of the defaulting Clearing Member in the Default Fund maintained by ATHEXCLEAR.

11.4 If the aforesaid contribution under 11.3 is not sufficient, ATHEXCLEAR will cover the remaining part of the loss by using its Dedicated Own Resources (skin in the game).

11.5 If even the Dedicated Own Resources are not sufficient, the remaining part of the loss will be covered by the other contributions to the Default Fund on a pro rata basis, according to their percentage participation in the Default Fund prior to its activation for the purpose of covering the specific loss.

11.6 Any part of the loss still remaining will be covered by the other financial resources maintained by ATHEXCLEAR in compliance with the requirements of Regulation (EU) No 648/2012.

IV. Special provisions on segregation levels

12. The Own Clearing Account of the Clearing Member, including the collateral provided in respect thereof, may be affected by default relating to a Client Clearing Account or Individual Client Clearing Account in accordance with the provisions set out above under II and III.

13. The Client Clearing Account, whether a Direct Client Clearing Account or Indirect Client Clearing Account, including the collateral provided in respect thereof, shall under no circumstances be affected by default and exposed to losses arising from another Clearing Account of the Clearing Member. However, in the case of loss due to default of that particular Client Clearing Account, the loss may – in the event of insolvency of the Clearing Member – be charged to all the clients of the respective Client Clearing Account, particularly due to the netting of clients' positions at the level of Client Clearing Account, as well as the Margin requirements and provided collateral which are calculated on the basis of such netting, but also the right of ATHEXCLEAR to totally close out positions and use the collateral to cover the netted loss arising from such close-out.

14. The Individual Client Clearing Account, including the collateral provided in respect thereof, shall under no circumstances be affected by default and exposed to losses arising from another Clearing Account of the Clearing Member.

15. In the framework of the cash settlement performed by ATHEXCLEAR with regard to the transactions that it clears, netting procedures are implemented per Clearing Member in respect of all the cash rights and obligations arising from the Clearing Accounts kept by each Clearing Member. Therefore, monetary claims and liabilities may be netted across the Clearing Accounts of the Clearing Member, irrespective of the type of such accounts.

V. Special provisions on collateral

16. Collateral is provided in the form of cash, including foreign currencies, and transferable securities pursuant to the terms of the Rulebooks.

17. In every case, the collateral provided in favour of ATHEXCLEAR, irrespective of the Clearing Account for which it is provided, has the form of a legal pledge under Greek law (art. 77, Law 3606/2007) and of security financial collateral (Law 3301/2004) which ATHEXCLEAR has the right to use pursuant to Directive 2002/47/EC (Collateral Directive).

18. Specifically in the case of cash and foreign currencies, the collateral is kept in accounts in the name of ATHEXCLEAR as collateral taker at the Bank of Greece and at equivalent credit institutions pursuant to the terms of the Rulebooks. Collateral held in this manner does not constitute financial collateral with title transfer, even though the relevant account(s) is (are) kept in the name of ATHEXCLEAR, given that it is provided exclusively for the purpose of keeping in a commingled manner the assets constituting the collateral provided by Clearing Members and not for the purpose of transferring title to ATHEXCLEAR.

19. To facilitate the purposes of the Client Clearing Accounts, whether Direct Client Clearing Accounts or Indirect Client Clearing Accounts, the following apply with respect to the provision of collateral:

19.1 The provision of collateral in the form of transferable securities in the Dematerialized Securities System (DSS) of the Central Securities Depository pursuant to Greek law (Law 3756/2009, DSS Operating Regulations) in respect of a Client Clearing Account is performed through a client collateral Share Account in the DSS (art. 11a of the DSS Operating Regulations) subject to the following basic conditions:

19.1.1 The collateral relates to transferable securities of the Clients of the Clearing Member or clients of its Clients, which is held by the Clearing Member in its name but on behalf of the respective clients.

19.1.2 The above-mentioned legal pledge in favour of ATHEXCLEAR is constituted by means of the client collateral Share Account and the respective Securities Account.

19.1.3 Greek law (art. 12, par. 10, 11, Law 3606/2007) shall be applicable with respect to transferable securities held as collateral, according to which the seizure or freezing of such securities by the Clearing Member's lenders is prohibited, given that the beneficial owners of the relevant securities are the Clients of the Clearing Member or the clients of its Clients and not the Clearing Member itself. In any case, lenders of the Clients of a Clearing Member or of the clients of its Clients are unable to seize the relevant transferable securities themselves since, because they are kept in a

commingled manner, there is no segregation of the individual securities of each respective client.

19.2 Similar arrangements also apply with respect to collateral in cash and foreign currencies which are kept by ATHEXCLEAR in a commingled manner at the Bank of Greece and at credit institutions, in respect of Client Clearing Accounts, pursuant to the provisions of the above-mentioned Greek law.

20. In the case of collateral of a Client Clearing Account as per instances 18 and 19 above, the collateral provider to ATHEXCLEAR is deemed to be the Clearing Member. In the case, however, of a Direct Client Clearing Account or Indirect Client Clearing Account in the Central Counterparty System of ATHEXCLEAR for the clearing of derivatives, which functions as a Client Clearing Account without netting, collateral is calculated by ATHEXCLEAR on a gross basis, per Position Account, as kept per Client of the Clearing Member or client of its Client in accordance with the provisions of Section VII, and is kept by ATHEXCLEAR in a commingled manner based on the total of the Position Accounts that correspond to the respective Client Clearing Account.

21. In the case of the collateral of a Client which has been provided in respect of an Individual Client Clearing Account, the collateral provider to ATHEXCLEAR is deemed to be the Client.

VI. Position Accounts

22. In addition to Clearing Accounts, specifically and only with regard to the Central Counterparty System for the clearing of derivatives transactions, Position Accounts are also kept.

23. Each Position Account is uniquely linked to a Clearing Account.

24. The Position Accounts of a Client Clearing Account are kept per Client of the Clearing Member or per client of its Client depending on whether it is a Direct Client Clearing Account or Indirect Client Clearing Account respectively in accordance with the specific provisions of the Rulebook for Clearing Derivatives Transactions. Position Accounts facilitate the allocation by Clearing Members of positions per each respective Client Clearing Account, solely on their own responsibility and on the basis of the client relationships they establish, in order to facilitate the monitoring of positions, as well the settlement of rights and obligations relating to the delivery of transferable securities which arise from the aforesaid positions, where applicable.

25. Moreover, in the case of a Direct Client Clearing Account or Indirect Client Clearing Account which functions as a Client Clearing Account without netting, the Position Accounts of such account facilitate the keeping of positions per Client of the Clearing Member or client of its Client as well as the relevant calculation of margin on a gross basis.

26. Each Position Account is opened by ATHEXCLEAR at the request of the Clearing Member that operates the Clearing Account to which the Position Account will be linked, provided the details required pursuant to the Rulebook have been provided.

27. Position Accounts are also kept for allocation purposes at the level of Member, Market Maker or Operator as the case may be and in accordance with the specific distinctions of the relevant Position Accounts as defined in the Rulebook for Clearing Derivatives Transactions.

VII. Position transfer – Position close-out

28. The transfer of positions (portability) which are held in Client Clearing Accounts, whether Direct Client Clearing Accounts or Indirect Client Clearing Accounts, or in Individual Client Clearing Accounts of a Clearing Member, in the event of default by the latter, including also the transfer of collateral provided in connection with such accounts, is conducted in accordance with paragraphs 5 and 6, as applicable, of article 48 of Regulation (EU) No 648/2012 and the specific provisions of the Rulebooks.

29. For the purposes of transfer, the Clearing Member to which the positions are being transferred must have entered into a contractual arrangement as follows:

29.1 In the case of a Direct Client Clearing Account, the relevant agreement is concluded directly with the clients of the defaulting Clearing Member.

29.2 In the case of an Indirect Client Clearing Account for which the party responsible, in accordance with article 4.1.1, par. 4 (b) of the Rulebook for Clearing Derivatives Transactions, is the Clearing Member, the agreement is concluded directly with the Clients of the defaulting Clearing Member.

29.3 In the case of an Indirect Client Clearing Account for which the party responsible, in accordance with article 4.1.1, par. 4 (b) of the Rulebook for Clearing Derivatives Transactions, is the Client of the Clearing Member in the sense of Commission Delegated Regulation (EU) 2017/2154, the agreement is concluded directly with the Client.

29.4 In the case of an Individual Client Clearing Account, the agreement is concluded with the Client.

30. The agreement concluded as above must have been declared to ATHEXClear in accordance with its procedures by no later than the day of default and within the time limit set for this purpose by ATHEXClear. If such declaration is not promptly submitted to ATHEXClear, the transfer will not be conducted and ATHEXClear shall proceed to close out the positions of the defaulting Clearing Member and in general exercise its rights against the latter in order to address the default.

VIII. Close-out netting – Set-Off

31. In the event of a Clearing Member's default in respect of one of its Clearing Accounts and provided the transfer of positions in accordance with the provisions of Section VII is not possible, ATHEXClear shall close out the positions of the relevant Clearing Account but also those of the other Clearing Accounts of the defaulting Clearing Member and take measures to cover the loss on the basis of the provisions set out under Section III.

32. If a positive difference results from the close-out of positions, in respect of the Own Clearing Account of the Clearing Member, ATHEXClear shall set off such difference against any financial penalty

that may be imposed on the Clearing Member in connection with the default pursuant to the terms of the Rulebooks.

33. With regard to the use or realization of the collateral provided to ATHEXCLEAR in the event of default and associated loss, the provisions of Greek law on security financial collateral (Law 3301/2004) and of Directive 2002/47/EC (Collateral Directive) shall be applicable, with ATHEXCLEAR having the rights of collateral taker to use, realize or acquire the collateral by setting off its value accordingly.

IX. Insolvency procedures

34. With regard to the above-mentioned Systems (Central Counterparty) through which it conducts clearing, ATHEXCLEAR is subject to the provisions of the Greek law (Law 2789/2000) which transposes Directive 98/26/EC (Settlement Finality Directive).

35. In the event of insolvency of a Clearing Member in the sense of the aforementioned law, ATHEXCLEAR shall transfer its positions in accordance with Section VII hereof on the basis of the mandatory provisions of articles 5 and 6 of Regulation (EU) No 648/2012 as well as the terms and conditions of the Rulebooks.

36. ATHEXCLEAR and the aforesaid Systems are also subject to the provisions of Greek law (art. 79, par. 3, Law 3606/2007) according to which in the event of a Clearing Member's insolvency (article 1(j) of Law 2789/2000, and Directive 98/26/EC), clearing, settlement, cover and close-out netting operations, including the provision by the Clearing Member of collateral in favour of the Systems, shall be fully valid and binding on any third party, provided that they relate to outstanding obligations of the insolvent Clearing Member in the System arising from transactions carried out before ATHEXCLEAR had become aware of the opening of the relevant insolvency proceedings (articles 3 to 7, Law 2789/2000, and Directive 98/26/EC).

37. Under Greek law (art. 12, par. 10 and 11, Law 3606/2007), clients' funds, such as – in this case – those deriving from the close-out of clients' positions and in general those held in respect of such positions, or clients' financial instruments, such as – in this case – those provided as collateral in the form of transferable securities in the DSS and in general those held as collateral in connection with such positions, are protected by law given that they are held indirectly, in the name of the Clearing Member but for the account of clients, and consequently they are segregated from the Clearing Member's own assets. The same protection is afforded with respect to clients and segregation of the aforesaid assets as above also in the case where the Clearing Member is placed under special liquidation (art. 22, par. 7, art. 23, par. 3 of Law 3606/2007, article 145, par. 3 and 4 of Law 4261/2014).

38. If the balance of accounts of the above-mentioned funds or transferable securities is not sufficient to satisfy the rights of the clients of the defaulting Clearing Member, those clients shall be satisfied from the respective balances on a pro rata basis in accordance with Greek law (Law 3606/2007, Law 4261/2014).

X. Charges relating to Clearing Accounts

39. The charges for opening and maintaining Clearing Accounts are set out in Resolution No. 10 of the Board of Directors of ATHEXClear, as published.

XI. Final terms

40. These terms shall be applicable in accordance with the provisions of the Rulebooks.

41. The recording of these terms shall in no way affect their validity under the Rulebooks, since such recording is solely for the purpose of publicly disclosing the protection and segregation levels pursuant to article 39, par. 7 of Regulation (EU) No 648/2012.

41. In the event of any change to these terms, particularly as the consequence of an amendment to the Rulebooks, the respective terms shall be amended accordingly and disclosed anew in compliance with article 39 of Regulation (EU) No 648/2012.