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RESOLUTION No. 15

“List of Members that undertake close-out netting transactions, sales of collateral & related obligations”

Codified to include the decisions dated 28.8.2017 and 12.3.2020 of the Board of Directors

THE BOARD OF DIRECTORS OF ATHENS EXCHANGE CLEARING HOUSE S.A. (ATHEXCLEAR)

(Meeting 117/18.5.2015)

Having regard to the provisions of article 2.3 (2) and (7)¹ and article 2.6 (1) b) (i) of Section IV of the Rulebook for Clearing Transactions in Book-Entry Securities and the Rulebook for Clearing Derivatives Transactions respectively (hereinafter the “Rulebooks”), and the need to set out: a) the method for selecting Market Members to undertake close-out netting transactions or position reconciliation or the sale of securities collateral on the instructions of ATHEXCLEAR in cases of default in accordance with the aforementioned provisions of the Rulebooks,² b) the criteria for drawing up the relevant list of Market Members (Member List), c) the procedure for updating the Member List based on any changes in Market Member status, as well as d) the special obligations of Market Members that are selected from the Member List to perform the above transactions,

HEREBY RESOLVES AS FOLLOWS

1.1 Selection of Market Members

1. The Market Members that will carry out close-out netting or position reconciliation or collateral sale transactions (hereinafter referred to as "Close-Out Netting Transactions") on the instructions of ATHEXCLEAR in cases of default in accordance with the Rulebooks shall be selected exclusively from the Member List in accordance

with the provisions of articles 1.2 and 1.3 hereof, at such time that ATHEXClear issues instructions for the performance of a Close-Out Netting Transaction.³

2. Market Members on the Member List shall be obliged to perform Close-Out Netting Transactions in respect of any default in a transaction being cleared by ATHEXClear and in accordance with its procedures.

1.2 Criteria for drawing up the Member List

1. In order for a Market Member to participate in the Member List, it must have all the following capacities:
 - a. Market Member and Clearing Member in the Securities Market and in the Alternative Market (ENA).
 - b. Market Member and Clearing Member in the Derivatives Market of ATHEX and of HEnEx.⁴
 - c. General Operator in the DSS of the Hellenic Central Securities Depository (ATHEXCSD).
2. ⁵

1.3 Member List review procedure

1. The Member List is kept by ATHEXClear and posted on its website.
2. The Member List is immediately updated in the event of any changes in the capacity of a Market Member, e.g. deletion of a Market Member or addition of a new Market Member. In every case, in order for a newly added Market Member to participate in the Member List, it must meet the criteria of article 1.2 hereof.
3. ATHEXClear shall post each new version of the Member List on its website immediately after the said list has been updated.
4. The procedure for monitoring the Member List in accordance with the provisions of paragraphs 1 and 2 of this article is carried out by the Default & Crisis Management Committee of ATHEXClear.
5. In the event of any updating of the Member List, ATHEXClear shall duly inform, in writing, the Market Members participating in the new, updated Member List.

1.4 Obligations of a Market Member

1. Market Members must be fully prepared if selected by ATHEXClear to perform Close-Out Netting Transactions in accordance with the provisions hereof and to cooperate with ATHEXClear for the purpose of performing the relevant Close-Out Netting Transactions.
2. A Market Member that has been selected to perform a Close-Out Netting Transaction shall be informed by ATHEXClear immediately after its selection. In such a case, the Market Member is obliged to carry out the Close-Out Netting Transaction through the market simply by virtue of ATHEXClear's instructions and in accordance with their content⁶.

3. Before a Market Member can submit an order to the System for the performance of a Close-Out Netting Transaction, it must first enter – either directly or through ATHEXClear – the credit limit relating to the relevant order for the Close-Out Netting Transaction.⁷
4. The Market Member is required to transmit through the Market the instructions of ATHEXClear for the performance of a Close-Out Netting Transaction without delay and always in accordance with its directions.
5. The Market Member shall immediately inform ATHEXClear regarding the progress of its transmitted instructions and the Close-Out Netting Transaction being carried out in execution thereof.
6. In the event that the order transmitted by the Market member for the performance of a Close-Out Netting Transaction is not executed or only partially executed within the time stipulated by ATHEXClear, the Market Member must be ready to execute its unexecuted part during the same trading session or during the session of some subsequent day specified by ATHEXClear. In order to fulfil its obligations as above, the Market Member may also perform Close-Out Netting Transactions off-market after first consulting with ATHEXClear⁸. ATHEXClear may replace the Market member by selecting a new one from the Member List in accordance with this resolution when it deems this necessary for the purpose of completing the Close-Out Netting Transaction. In such a case, it shall inform the new Market Member accordingly, in accordance with the provisions hereof, and the latter shall be obliged to carry out the instructions of ATHEXClear for the completion of the Close-Out Netting Transaction.
7. The settlement of rights and obligations arising from Close-Out Netting Transactions is carried out either through the Market Member that performed the relevant Close-Out Netting Transaction or directly by ATHEXClear⁹.
8. The Market Member notifies ATHEXClear by means of a detailed list with respect to the Close-Out Netting Transactions it has performed and their respective cost¹⁰.

This resolution shall have effect as of its posting on the ATHEXClear website.

Immediately after its adoption, this resolution is to be posted on the aforesaid website.

¹ The preamble of the resolution was amended as above by virtue of decision 150/28.8.2017 of the Board of Directors.

² Instance a) of the preamble was replaced as above by virtue of decision 183/12.3.2020 of the Board of Directors of ATHEXClear with effect as of 16.3.2020.

³ Paragraph 1 of article 1.1 was replaced as above by virtue of decision 183/12.3.2020 of the Board of Directors of ATHEXClear with effect as of 16.3.2020.

⁴ Instance b) of article 1.2 was replaced as above by virtue of decision 183/12.3.2020 of the Board of Directors of ATHEXClear with effect as of 16.3.2020.

⁵ Paragraph 2 of article 1.2 was abolished by virtue of decision 150/28.8.2017 of the Board of Directors.

⁶ Paragraph 2 of article 1.4 was amended as above by virtue of decision 150/28.8.2017 of the Board of Directors.

⁷ Paragraph 3 of article 1.4 was replaced as above by virtue of decision 183/12.3.2020 of the Board of Directors of ATHEXClear with effect as of 16.3.2020.

⁸ Paragraph 6 of article 1.4 was amended as above by virtue of decision 150/28.8.2017 of the Board of Directors.

⁹ Paragraph 7 of article 1.4 was replaced as above by virtue of decision 150/28.8.2017 of the Board of Directors.

¹⁰ Paragraph 8 of article 1.4 was added by virtue of decision 150/28.8.2017 of the Board of Directors.