

# General Terms and Conditions of Clearstream Banking AG

## **General Terms and Conditions of Clearstream Banking AG**

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Please note that the German version of the General Terms and Conditions of Clearstream Banking AG, Frankfurt is legally binding only and shall prevail over any translations which have been provided for commercial purposes only.

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## A. General provisions

### I Definitions

For these General Terms and Conditions, the following definitions shall apply:

- **“Account”**  
shall mean accounting balance for cash;
- **“Business Day”**  
shall mean any day which is defined for settlement in T2S by the T2S public holiday calendar or defined for settlement in Creation by the CBF public holiday calendar;
- **“CBF”**  
shall mean Clearstream Banking AG;
- **“Communication Media”**  
shall mean an electronic communication channel used by CBF for information of its clients, in particular, the CBF-master and maturity data system, WSS, File-Transfer, S.W.I.F.T. message or clients' circular letter;
- **“Conditions”**  
shall mean these General Terms and Conditions as well as the Price Schedule and the Special Conditions of CBF;
- **“Corporate Action”**  
shall mean an issuer's action concerning the rights certificated in a security which will be performed by CBF either without the client's separate instruction (“compulsory corporate action”) or solely upon the client's separate instruction (“voluntary corporate action”, e.g. execution of subscription, option or conversion rights);
- **“Clearing Member”**  
shall mean clearing member within the meaning of Article 1 point (a) of the Commission Delegated Regulation (EU) No 2018/1229;
- **“Creation”**  
shall mean a system for the delivery and settlement of securities used by CBF for the processing of transfer orders via which securities transactions in Commercial Bank Money are settled on CBF Current Accounts;
- **“Current Account”**  
shall mean an account that CBF sets up for a client based on the general terms and conditions;
- **“Deliverability”**  
shall mean a security's ability to settle contractual transfer operations;
- **“Foreign Currency”**  
shall mean any currency except Euro;
- **“Issuer”**  
shall mean a natural person or legal entity issuing securities;
- **“Key Provisions”**  
Key provisions of the General Terms and Conditions shall be the following parts and numbers, respectively:
  - Part A “General provisions” and
  - Numbers X (Material performance characteristics of the agreement), XVI (Other forms of securities safekeeping by foreign bodies, credit for securities held on a fiduciary basis abroad), XXX (Fees), XXXI (Collateral for claims of CBF against the client), XXXII (Pledge), XXXIII (Realisation of collateral).
- **“Payment / Delivery Transaction”**  
shall mean a client's order to CBF to transfer fractions of securities in collective safe custody, of securities in segregated custody, of claims to surrender of securities or of rights, which shall be performed by means of book entry contemporaneously with payment of a certain amount of cash;
- **“Price Schedule”**  
shall mean the “Price Schedule for CBF Clients” as amended from time to time;
- **“Securities Account”**  
shall mean the accounting balance for securities or rights in securities;
- **“Settlement instruction”**  
shall mean settlement instruction within the meaning of Article 1 point (e) of the Commission Delegated Regulation (EU) No 2018/1229;

- **“T2S Dedicated Cash Account – T2S DCA”**

shall mean a Central Bank Money (CeBM) account held at the National Central Bank (NCB) that is used for the settlement of payments in connection with the securities settlement of a client in T2S;

- **“T2S Services”**

shall mean the services that CBF provides to its clients and that are based on the T2S Framework Agreement and the descriptions provided for it;

- **“T2S Framework Agreement or FWA”**

shall mean the agreement to provide T2S concluded between CBF and the Eurosystem and published on the website of the European Central Bank under [www.ecb.europa.eu](http://www.ecb.europa.eu);

- **“TARGET RTGS”**

shall mean the Euro-system's real-time gross settlement (RTGS) system serving the settlement of payments in Central Bank Money (CeBM);

- **“TARGET2-Securities (T2S)”**

shall mean the Real-Time Gross Settlement system of the Eurosystem for securities transactions in central bank money that is used by CBF for the processing within the securities settlement system CASCADE;

- **“Technical Rules”**

shall mean the descriptions of the technical activities necessary for performance of the contractual relationship which are provided to the clients by CBF, above all, the technical instructions for use of the EDP-systems of CBF (e.g. Client Handbook and Manual Operating Procedure).

## II Scope

- (1) CBF and the client are parties to this agreement. Any legal entity entering into a business relationship with CBF may be a CBF client.
- (2) Any business relationship with CBF shall be governed by these General Terms and Conditions as well as the Price Schedule. Additionally, for certain kinds of service the respective Special Conditions shall apply, which may contain modifications or amendments to these terms and conditions at hand and whose applicability, in conjunction

with the General Terms and Conditions and the Price Schedule, is hereby agreed upon with the client. Insofar as the provisions of the Special Conditions deviate from the General Terms and Conditions, the provisions of the Special Conditions shall prevail.

- (3) CBF may implement separate Technical Rules. The Technical Rules shall apply in addition to the General Terms and Conditions and the Special Conditions. In case the Technical Rules deviate from the General Terms and Conditions or the Special Conditions, the provisions contained in the General Terms and Conditions and the Special Conditions shall prevail. Amendments and modifications of the Technical Rules shall be published on the website of CBF ([www.clearstream.com](http://www.clearstream.com)).
- (4) The Conditions as well as the Technical Rules may be accessed, saved and printed via the internet under [www.clearstream.com](http://www.clearstream.com).
- (5) CBF reserves the right to modify and amend the Conditions in accordance with paragraphs 5 and 6 at any time. Modifications and amendments of the Conditions shall be disclosed to the client (i) via the electronic communication channel and (ii) be published on the website of CBF ([www.clearstream.com](http://www.clearstream.com)). If not provided otherwise in the Conditions, modifications and amendments of the Conditions shall be communicated at least six weeks prior to the effective date indicated in the respective notification (“Regular provision for notice”). If, in CBF's opinion, due to applicable law or other important reasons (e.g. short-term changes regarding the provision of T2S by the Eurosystem or a change in the interpretative practice of regulatory authorities) required, such notification of the modifications and amendments of the Conditions shall be published at least three weeks prior to the effective date indicated in the respective notification (“Shortened provision for notice”). CBF shall take these decisions under due consideration of the legitimate interests of the client. The modifications and amendments of the Conditions shall be deemed to be approved unless the client submits a written objection to CBF via notification or via the email address [conditions@clearstream.com](mailto:conditions@clearstream.com) within the respective provision for notice. CBF shall

expressly draw the client's attention to such consequence in the announcement of the amendment.

- (6) Before modifying or amending the key provisions of the General Terms and Conditions CBF shall conduct a consultation process. For this purpose CBF shall communicate the proposed modifications and amendments via the electronic communication channel and request clients to submit comments regarding the proposed modifications and amendments ("Consultation") within one month. CBF shall examine these comments. A consultation shall not be conducted, if, in CBF's opinion, applicable law or other important reasons are opposed to a consultation. CBF shall take these decisions under due consideration of the legitimate interests of the client.

### III Banking secrecy

Any client-related facts and evaluations which may come to CBF's knowledge will be kept confidential by CBF ("Client Data") (banking secrecy). CBF may only disclose Client Data if this is required by statutory regulations or with the client's consent.

Personal data is processed in accordance with applicable data protection regulations. Further information is available in the "Notice of European Data Protection Terms" as published on CBF's website.

Foreign securities that a CBF client entrusts to CBF for custody in the home country or abroad are regularly subject to a foreign jurisdiction (e.g. decrees, conditions prescribed by issuers, laws and trade practices applicable at the place of deposit and the terms and conditions applicable to any of the foreign entities involved in custody and administration). Therefore, the rights and duties of CBF or the client are determined by the respective foreign jurisdiction that may allow for the disclosure of Client Data. CBF shall, after fair consideration, take consequential disclosure requirements as a reason for passing on the required information; the client hereby agrees in advance to such disclosure. CBF shall provide the client with a list of the disclosure requirements known to them. CBF may, however, disclose client-related information to its affiliated companies in the meaning of sections 15 et seq. AktG [German Stock Corporation Act]

("Affiliates") or third parties and instruct them to further process such information, insofar as such disclosure is required for CBF for the purpose of performing the agreements concluded between CBF and its client. In particular, the aforementioned shall apply if CBF, directly or indirectly, uses EDP-systems, infrastructures or platforms, including for example the EDP-system "Creation", data centres and cloud services of Affiliates or third parties. CBF may also disclose Client Data to Affiliates or third parties for the following purposes: client relationship management, know-your-customer due diligence, anti-money laundering and counter-terrorism financing, and product, service and business development including the preparation of statistics, analyses and models. This however only applies to the extent that those purposes are internal only to CBF or concerning any of its Affiliates internally. CBF shall ensure that Client Data will be kept confidential. Personal data is only processed to the extent covered by applicable data protection regulations.

Statistics, analyses, and models prepared by CBF on the basis of Client Data may be published by CBF or otherwise shared with a third party, irrespective of whether or not in exchange for money or other value for CBF, under the condition that such information is aggregated or otherwise anonymised so that an attribution of the information to the identity of the client is not possible

CBF may disclose Client Data to central banks, central securities depositories or participants involved in the settlement in T2S as well as supervisory authorities or offices dealing with an insolvency proceeding, insofar as such disclosure is required

(i) for performing the orders issued to CBF or the T2S Framework Agreement or (ii) in case of an insolvency proceeding according to the European Directive 98/26/EG ("Settlement Finality Directive") relating to the assets of the client (e.g. regarding the disclosure of transfer orders and information on their finality).

### IV Disclosure of information for risk management purposes

Should the client be considered a key participant in the meaning of Article 67 (1) of the Commission Delegated Regulation (EU) 2017/392, the client - upon request by CBF - shall be obliged to

disclose those of their clients that are responsible for a significant proportion of transactions processed by CBF or whose transactions, based on their volumes and values, are significant relative to the client's risk management capacity; the client shall ensure that for this purpose they are entitled to disclose their clients to CBF. Furthermore, CBF may request the client to disclose any information in order to identify, monitor, and manage the operational risks in the meaning of Article 67 (4) of the Commission Delegated Regulation (EU) 2017/392; the client shall ensure that for this purpose they are entitled to disclose also information about their clients to CBF.

### V Client's general obligations, irrevocability of orders (finality), IT Releases

- (1) In order to safeguard orderly performance of business transactions, the client has to notify CBF immediately in writing of any changes of its name and contact data as well as on the expiry or modification of any power of representation (in particular, a power of attorney) granted by the client towards CBF. This notification duty shall also apply in case such power of representation is entered into a public register (e.g. commercial register) and its expiry or modification is also entered into such register.
- (2) In case of a default of the client in the meaning of Article 2 (1) No. 26 of Regulation (EU) 909/2014, the client shall be obliged to immediately inform CBF thereof in writing.
- (3) For each securities account the client shall be obliged to disclose to CBF whether the securities account belongs to the client themselves, to one of their clients or to several of their clients. The client has to notify CBF immediately of any changes.
- (4) The client shall be obliged to settle their transactions on the intended settlement date.
- (5) Client's orders or instructions to CBF have to clearly indicate their contents as well as the name of the ordering client; moreover, they have to observe the time period and/or form determined for such order by CBF in its Conditions or communication media. Should an order fail to comply with these requirements, CBF will immediately inform the client thereof and await the client's further

decision. Should a client place an order with CBF for a batch run not complying with the requirements as set out in sentence 1, CBF shall be entitled to refrain from or delay performance of such order. If CBF refrains from performance of an order for a batch run not complying with the requirements of sentence 1 above, CBF will inform the client immediately. Any modifications, confirmations or repetitions of orders have to be particularly marked. A client's order for a payment/delivery transaction shall be deemed orderly placed, if, at the time of performance agreed, the credit required for the settlement exists in the account and/or securities account determined or if the client may draw on a cash loan agreed upon for such purpose and/or on a non-cash loan arranged by CBF. Moreover, the Technical Rules published by CBF have to be observed.

- (6) If the client considers the performance of an order or a transfer particularly urgent, it shall notify CBF separately thereof. In case of orders or transfers placed by employing a form, the notification of special urgency shall be made separately of such form.
- (7) A transfer order for payment and delivery transactions, issued to CBF for settlement in T2S is considered as entered into the CBF-system, as soon as T2S discovers that the T2S validation rules have been met. The transfer order is irrevocable, as soon as it is indicated as "*matched*" by T2S. With this binding booking the transfer order will then be processed in T2S (Settlement). If a transfer order is not performed within a period of time determined by T2S, T2S may delete the transfer order indicated as "*matched*". Both clients hereby agree in advance to such deletion.  
  
A transfer or payment order for payment and delivery transactions, issued to CBF for settlement in Creation is considered as entered into the CBF-system, as soon as Creation discovers that the Creation validation rules have been met. The transfer or payment order is irrevocable, as soon as it is indicated as "*matched*" by Creation. With this booking the transfer order will then be processed in Creation (Settlement).
- (8) The client is obliged to check immediately whether account statements, statements of securities, other clearings, notices on order



performance and transfers as well as information on expected payments and consignments (advice notes) are correct and complete; it shall notify CBF immediately of possible objections.

(9) Should the client not receive any account balances and statements of securities it shall notify CBF thereof. This obligation to notify CBF applies also in case other communication expected by the client (e.g. on performance of the client's orders and transfers or on payments expected by it) are not received.

(10) The client shall ensure that the software ("Participant Software") they use to avail himself of the IT systems of CBF is suitable for this purpose. The Participant Software shall be fully compatible with the CBF systems and interact with them without any errors or interruptions. The functioning of the Participant Software shall be sufficiently tested by the client prior to the first use.

CBF is entitled to update or amend the CBF systems at any time upon its sole discretion ("Release"). CBF shall notify the client on any Release reasonably in advance ("Release Information"), however with at least six (6) months prior notice.

Whenever CBF provides for a simulation and testing phase with respect to a Release ("Simulation"), CBF shall determine the content of the Simulation in an adequate manner. The client shall participate in such Simulation, provided that participating in such Simulation has been specified as "mandatory" in the Release Information by CBF for those clients using the IT systems of CBF that are subject matter of the Release. In case the participation in the Simulation is not specified as mandatory for the client, the client may still choose to participate in the Simulation. If any error or malfunction of the CBF systems occurs during the Simulation, the client shall inform CBF about such error or malfunction without undue delay. If any error or malfunction of the client systems occurs during the Simulation, CBF shall, on its part, inform the client about such error or malfunction without undue delay.

The client shall, prior to the first use of the CBF systems after the implementation of a Release, provide CBF with a written statement confirming to CBF that (a) the respective Release has successfully undergone the

Simulation described in detail in the respective Release Information and (b) that the Participant Software is interacting with the CBF system essentially without any errors or interruptions during the Simulation ("Readiness Statement"). The Readiness Statement is available on the website of CBF ([www.clearstream.com](http://www.clearstream.com)).

If a Release also requires an adaptation, update or amendment of the Participant Software, the client shall (a) adapt, update or amend its Participant Software accordingly to ensure that the Participant Software interacts with the CBF systems without any errors or interruptions and (b) sufficiently test the functioning of the Participant Software prior to the first use.

A declaration by the client stating that the CBF systems interact with the Participant Software without any errors or malfunctions after the implementation of the Release shall be deemed to have been made if the client (a) either commences with the use of the CBF systems after the implementation of the Release or (b) fails, within a period of 15 Business Days after the implementation of the Release, to inform CBF about the occurrence of any errors or malfunctions with respect to the interaction of the CBF systems with the Participant Software. CBF shall expressly draw the client's attention to such legal consequence in the Release Information.

In case of any malfunctions of the CBF systems, including the Releases, the client shall be obliged to use the IT applications provided free of charge by CBF until the malfunction has been removed, provided the client has been informed about this by CBF in advance. The provision of Releases or IT applications by CBF does not require the client's approval.

## VI Prevention of money laundering and terrorist financing, financial sanctions

(1) For the purposes of implementing legal regulations relating to the prevention of money laundering and terrorist financing or financial sanctions, CBF continuously subjects all of its clients' transactions to an IT-based compliance review, which is supplemented in justified individual cases by manual checks

conducted at the due discretion of CBF. If the review identifies irregularities, CBF will obtain further clarification as it deems necessary in exercise of its due discretion. Should CBF deem it necessary to take further action, particularly to suspend execution of the transaction pursuant to paragraph 3, it will - to the extent legally permissible - inform the client of the irregularities that led to the suspension and explain why it considered the measures taken to be necessary.

- (2) In justified individual cases in order to protect its legitimate interests and to the extent necessary for the prevention of money laundering and terrorist financing or financial sanctions, CBF will request declarations and representations from the client as to the purpose of an intended transaction and compliance with legal regulations. In the case of facts and evaluations that do not fall within the client's sphere of organisation and responsibility, the client will forward CBF's request to the underlying client or, as the case may be, forward the underlying client's declarations and representations to CBF. CBF will request declarations and representations only to the extent that no statutory provisions exist to the contrary.
- (3) After consideration of a client's justified interests, CBF may cease or temporarily suspend execution of a client's instructions or the provision other services (such as collection and payment of interest, dividends, repayments of capital or other amounts owed by the Issuer to the client), without notifying the client in advance, if
  - executing the instruction or providing another service violates applicable legal regulations relating to the prevention of money laundering and terrorist financing or financial sanctions (e.g., of the United Nations, European Union or United States of America);
  - executing the instruction or providing another service would, as a result of legal regulations relating to the prevention of money laundering and terrorist financing or financial sanctions, materially jeopardise the proper provision of CBF's services to its clients or, as a result of such requirements, put CBF's or its clients' assets at significant risk; or

- CBF's client has not or has not yet provided the declarations and representations that CBF may request pursuant to paragraph 2.

To the extent legally permissible and reasonable, CBF will inform affected clients of such action in text form without undue delay.

If the respective Securities Accounts under sub-paragraph 1 are Securities Accounts holding third party portfolios (collective securities accounts), CBF may transfer the securities affected by such non-execution to a separate Securities Account. To the extent legally permissible, CBF will inform affected clients of such action in text form without undue delay.

The liability provision pursuant to no. VII remains unaffected.

### VII Liability

- (1) In performance of its obligations, CBF shall be liable for any fault of its employees and of persons CBF uses for performing its obligations. Should the Special Conditions for certain kinds of services or other agreements specify otherwise, such special regulations shall prevail. The liability of CBF pursuant to sect. 5 paragraph 4 sentence 2 and sect. 3 paragraph 2 sentence 1 DepotG [German Securities Deposit Act] shall remain unaffected. If negligence of the client leads to the occurrence of a damage or loss (e.g. by violating its cooperation duties as set forth in no. V of these Terms and Conditions), such damage/loss shall be borne by CBF and the client shall be determined according to the principle of contributory negligence.
- (2) An order is typically performed by CBF by assigning the performance of such order to a third party and if the client, giving such order could not expect the performance of such order by CBF, the obligation of CBF is limited to transmitting the order on its own behalf to the third party (transmitted order). This applies in particular to custody and management of securities abroad according to no. XVI. as well as to settlement of payment orders or debits in money transmission via TARGET RTGS. In these cases, CBF's liability shall be limited to the diligent selection and instruction of the relevant third party.
- (3) CBF shall not be liable for damage/loss caused by force majeure, uproar, war or

natural disasters or by other circumstances CBF is not responsible for (for instance strike, lock-out, traffic disruptions or order of higher authority in its home country or abroad).

- (4) To the extent permitted by law, CBF shall be liable for a client's damage that (i) is a direct consequence of any act or failure to act by the Eurosystem that violates obligations under the Framework Agreement caused by gross or ordinary negligence and (ii) is caused in compliance with an order addressed to CBF to perform a T2S service according to no. X Paragraph 1 Indent 4 (securities transfer by book entry), only to the following extent:
- a) In case of the Eurosystem's ordinary negligence CBF shall, per calendar year, be liable only partly with reference to the damage compensated for, to all participating central securities depositories, by the Eurosystem. In this case the total maximum liability of the Eurosystem sums up to EUR 30.000.000 per calendar year.
  - b) In case of the Eurosystem's gross negligence CBF shall, per calendar year, be liable only partly, with reference to the damage compensated for, to all participating central securities depositories, by the Eurosystem. In this case the total maximum liability of the Eurosystem sums up to EUR 500.000.000 per calendar year.

The determination of the relevant calendar year is based on the calendar year in which the act or failure to act that led to the damage has occurred.

The client is obliged to inform CBF without undue delay about any event that the client will reasonably take as grounds for asserting any claims against CBF. Should the client be temporarily unaware whether an event may or may not give grounds for the assertion of any claims, they are obliged to inform CBF about the event within 30 calendar days after such awareness was acquired. The client is obliged to assert any claims against CBF in a written form and without undue delay and in any event within twelve (12) months after the occurrence of the event giving rise to damage. Should the client be temporarily unaware whether an event may or may not give grounds for the assertion of any claims, they are obliged to assert any claims against CBF in a written

form within twelve (12) months after such awareness was acquired or should have been acquired. In doing so, the client informs CBF on the amount of the claim as well as its justification. If the client fails to assert their claims in due time, CBF is entitled to reject such claims.

The client is obliged to refrain from asserting any claims directly or indirectly against the Eurosystem regarding the use of any T2S services. Should CBF be obliged to pay damages, CBF shall provide such compensation from the payments derived by the Eurosystem for the damaging event within, when possible, ninety (90) calendar days after the end of the relevant calendar year. The payment of compensation credited to the client by CBF shall be subject to the Eurosystem not reclaiming such amount received in accordance with the T2S Framework Agreement (e.g. due to subsequent exceeding of the Eurosystem's relevant maximum liability limit).

Furthermore, CBF shall only be liable for typical and foreseeable damages; otherwise CBF shall not be liable. The option of claiming contributory negligence remains unaffected. CBF's liability according to no. VII Paragraph 1 to Paragraph 3 based on the fulfilment of its obligations with respect to other CBF services, in particular the custody or administration of securities or rights to securities, remains unaffected; this shall also apply to damages that occurred in connection with or on the occasion of the provision of a T2S service and relate to other CBF obligations, such as the custody and administration of securities (for example, the erroneous credit or debit of securities or rights to securities without a corresponding order from the client).

### VIII Termination of business relationship

- (1) CBF may at any time, giving reasonable notice, terminate individual business connections or the performance of particular services unless the parties agreed otherwise on a certain term or termination provision, provided that this does not restrict the access to the securities settlement systems of CBF. In determining a reasonable notice period, CBF will consider the client's legitimate interest.

- (2) At any time, the client may terminate without notice period either the complete business relationship, individual business connections or particular services unless the parties agreed otherwise on a certain term or termination provision. The termination of all securities accounts by a client shall be considered as termination of the business relationship as a whole.
- (3) The parties' right to termination for good cause shall remain unaffected.
- (4) Any termination shall be in writing.

## IX Applicability of German law, place of performance and jurisdiction

- (1) This business relationship between the client and CBF shall be governed exclusively by the laws of the Federal Republic of Germany.
- (2) Place of performance for the parties to this agreement shall be Frankfurt am Main.
- (3) If the client is a merchant and the legal position in dispute belongs to its mercantile trade, CBF may sue this client on grounds of any legal disputes arising from these conditions at the competent court in Frankfurt am Main. This shall apply accordingly if the client is a corporate body under public law or if its registered office abroad. CBF reserves the right to initiate further legal steps against the client also at its general venue.

## B. Special provisions

### X Material performance characteristics of the agreement

- (1) CBF will perform the following services:
  - custody of securities;
  - administration of securities and rights to securities;
  - performance of cashless money transmissions between Current Accounts opened by CBF for the client, including an option to overdraw such accounts;
  - performance of orders for the transfer of fractions of securities in collective safe custody of the same class, claims to surrender of securities or of rights, which

shall be performed by means of book entry (securities transfer by book entry) and

- other services.

The services set forth in sentence 1 above will be performed in accordance with mandatory law subject to the provisions under no. XI. to XXVIII. CBF provides the T2S services in accordance with the T2S Framework Agreement. This agreement provides for the unilateral changes to the T2S Framework Agreement as well as the interruption of the provision of T2S to be undertaken by the Eurosystem. CBF is obliged to inform the client of this without undue delay. The connection of a client with a direct technical connection to T2S without the involvement of any technical CBF interface (DCP client) can be subject to measures introduced by the Eurosystem. In particular, a direct technical connection of a DCP client to T2S can be disrupted or restricted anytime, provided that, to the reasonable opinion of the Eurosystem or of CBF, the connection of the DCP client poses a fundamental threat to the security or integrity of T2S. CBF shall make best efforts, acting in agreement with the Eurosystem, to end the interruption of the connection of the DCP client two (2) hours after the interruption occurred.

- (2) In performing its services, CBF has to consider the client's rights, legal assets and interests. CBF is obliged to take reasonable measures in order to prevent the client's rights, legal assets and interests from being affected in an adverse manner; moreover, CBF has to refrain from measures which recognisably could affect rights or legal assets of the client.
- (3) CBF will check information or orders from issuers or third parties acting on their behalf concerning securities in domestic custody for recognisable errors. In case of a recognisable error CBF is obliged to immediately notify the issuer or third party about the error and to work towards correction of such error insofar as is legally possible and economically reasonable.
- (4) The client is obliged to instruct CBF in relation to the opening of T2S DCA and to open and maintain Current Accounts for the duration of this business relationship or to authorise a third party to do so. Upon issuance of a corresponding invoice, the client is obliged to

pay fees, interest and expenditures as set forth in the Price Schedule.

- (5) The client is obliged to be considerate to the rights, legal assets and interests of CBF. In particular cases the client shall be obliged to take appropriate measures in order to avert any recognisable impairment of the rights, legal assets and interests of CBF in providing its services, and to refrain from taking any measures that would considerably affect the rights, legal assets or interests of CBF. If the client is provided with T2S services by CBF, they shall support CBF, after having been adequately informed, in complying with their obligations and rights provided in the T2S Framework Agreement in particular cases when necessary and appropriate (e.g. in the elimination of disruptions in T2S or the asserting of claims against the Eurosystem). The DCP client is obliged to refrain from any actions that would result in a fundamental threat to the security or integrity of T2S. When sending orders directly to T2S that involve the transfer of fractions of securities in collective safe custody or the claim for surrender of securities, the DCP client is obliged to take appropriate internal safeguards that ensure the compliance with the legal provisions that the DCP client needs to consider regarding (i) the prevention of money laundering and the financing of terrorism, (ii) financial sanctions, (iii) insider dealing and market manipulation and (v) other criminal offences. The DCP client shall make reasonable efforts in order to ensure that their technical connection to T2S works appropriately at all times and that they fulfil the requirements for the connection defined by the Eurosystem and CBF at all times.

## XI Admission of securities to collective safe custody, depositing of securities for collective safe custody

- (1) The admission of securities to domestic collective safe custody shall only take place upon application. Applications for admission of securities to collective safe custody may be submitted by the issuer itself, provided that the issuer is a client of CBF. If the issuer itself is not a client of CBF, the application must be submitted by a third party commissioned by the issuer, which in turn is a client of CBF.
- (2) Securities are eligible for admission to domestic collective safe custody, if they are fungible securities within the meaning of § 1 Paragraph 1 in conjunction with § 5 Paragraph 1 DepotG [German Securities Deposit Act]. This includes the following securities:
- Global-) certificates certifying rights if exercising such rights requires the holding of the relevant document. Registered shares within the meaning of AktG [German Stock Corporation Act] are deemed to be fungible if they bear an endorsement in blank.
  - collectively managed rights if they are by virtue of statute deemed to be equal to securities held in collective custody;
  - securities issued electronically pursuant to eWpG;
  - other securities pursuant to § 1 Paragraph 1 in conjunction with § 5 Paragraph 1 DepotG [German Securities Deposit Act].
- Securities are fungible if, in comparison with others of the same class, they do not feature distinct individualisation characteristics and are interchangeable.
- (3) CBF is entitled, but not obliged, to admit securities for collective safe custody abroad pursuant to § 5 Paragraph 4 DepotG [German Securities Deposit Act], provided that the securities are securities within the meaning of § 1 Paragraph 1 in conjunction with § 5 Paragraph 4 Sentence 1 No. 4 DepotG [German Securities Deposit Act] and the respective security is available via a central securities depository connection of CBF within the meaning of § 5 Paragraph 4 DepotG [German Securities Deposit Act]. § 5 Paragraph 4 Sentence 1 No 4 DepotG [German Securities Deposit Act] and the respective security is available through a central depository connection of CBF within the meaning of § 5 Paragraph 4 DepotG [German Securities Deposit Act].
- (4) When checking the securities' eligibility for collective safe custody, CBF may consider, in particular legal, regulatory, compliance and custody-related matters (e.g. the tax treatment of income payments). With the client's application for admission of a security to domestic collective safe custody, the client must name the securities account the securities are to be credited on. The client is

obliged to inform CBF in advance if a third party shall act on its behalf.

- (5) Upon the securities' depositing in the form of individual certificates in domestic collective safe custody, CBF will check public announcements published in the "Bundesanzeiger" [German Federal Gazette] and the opposition list ("*Oppositionsliste*") issued by "Wertpapier-Mitteilungen" whether there are any loss notices (oppositions), payment stops or public notification procedures existing for these securities. In case of securities held in custody abroad, these duties shall be borne by the custodian abroad.
- (6) When admitting securities of the same class to collective safe custody for the first time, CBF will publish this fact in the communication media. Securities admitted to collective safe custody will be deposited for the client by CBF not separated from its own or third parties' holdings of the same class. CBF will issue a corresponding collective safe custody account credit (GS-credit). The GS-credit renders evidence of the client's fractional co-ownership in the securities of the same class belonging to the collective holding. By issuance of the GS-credit, a bailment ("*Besitzmittlungsverhältnis*") is constituted between CBF and the client. The same shall apply accordingly for securities entrusted to a central securities depository abroad by CBF pursuant to sect. 5 paragraph 4 DepotG [German Securities Deposit Act] for collective safe custody.

## XII Change of the rights embodied in a security

CBF makes changes on domestic securities deposited by CBF only if the issuer, a third party authorised by it or another authorised party provide CBF fungible documents that confirm that CBF is entitled

- a) by law;
- b) by virtue of a law;
- c) by legal act;
- d) by judicial decision; or
- e) by enforceable administrative act

to make changes. In case of doubt, CBF is entitled but not obliged to request further evidence. If the

issuer, a third party authorised by it or another authorised party fails to comply with its obligation pursuant to sentence 1 and 2, CBF is entitled to refuse to execute the changes. Sentence 1 and 2 shall not apply to the correction of obvious inaccuracies.

The issuer, a third party authorised by the issuer or the other authorised party is solely responsible for the correctness of the notified basis for change.

## XIII Reconciliation of Settlement Instructions, securities accounts and registers

- (1) Subject to the cases pursuant to Article 5 paragraph 2 points (a) to (c) of the Commission Delegated Regulation (EU) No 2018/1229, the client shall be obliged to match its Settlement Instructions prior to the settlement through the matching functionality provided by CBF. The client shall be obliged to use the matching fields according to Article 5 paragraph 3 of the Commission Delegated Regulation (EU) No 2018/1229 and to indicate the transaction type according to Article 5 paragraph 4 of the Commission Delegated Regulation (EU) No 2018/1229 in its Settlement Instructions
- (2) The client shall be obliged to reconcile on each business day, for each of their securities accounts maintained by CBF, its records with the information received from CBF. For this purpose, CBF shall provide the client with the following information specified for each securities account and for each securities issue:
- a) The aggregated balance of a securities account at the beginning of the respective business day;
  - b) The individual transfer of securities in or from a securities account during the respective business day;
  - c) The aggregated balance of a securities account at the end of the respective business day.

The client shall be obliged to inform CBF immediately of any discrepancies and provide, upon request by CBF, all information necessary to ensure the integrity of a securities issue.

- (3) Within the scope of the registrar model in the meaning of Article 61 of the Commission Delegated Regulation (EU) 2017/392 the issuer shall be obliged, for the securities maintained by CBF, to conduct on each business day a reconciliation of the total balance of the securities accounts maintained by CBF with the records filed in the ownership register. The issuer shall be obliged to inform CBF immediately of any discrepancies and provide, upon request by CBF, all information necessary to ensure the integrity of a securities issue. In case the issuer is neither subject to these General Terms and Conditions nor is subject to another arrangement with CBF regarding the reconciliation with the ownership register sentences 1 and 2 apply accordingly to the third party authorised by the issuer for the depositing of the securities.
- (4) Within the scope of the transfer agent model in the meaning of Article 62 of the Commission Delegated Regulation (EU) 2017/392 the third party authorised for the depositing of the securities is obliged to conduct on each business day a reconciliation of the total balance of the securities accounts maintained by CBF, including the aggregated opening and closing balances, with the records of the transfer agent or the entity acting in this capacity, to inform CBF immediately of any discrepancies and provide, upon request by CBF, all information necessary to ensure the integrity of a securities issue.
- (2) An order for delivery of securities held in domestic collective safe custody, will be performed by CBF by delivering the securities in question over its counter. Sections 7 and 9a paragraph 3 DepotG (German Securities Deposit Act) shall remain unaffected. If the client requests that delivery be performed at another place, the risk will pass to it as soon as CBF handed over the securities for transportation to a third party either authorised by the client or by CBF with the client's consent. The transportation costs shall be borne by the client.
- (3) If CBF is requested by an issuer to submit securities to the issuer or a third party for exchange purposes and this request was published in the "Wertpapier-Mitteilungen", CBF may deliver these securities to the issuer or its authorised agent if such submission obviously corresponds to the client's interest and no investment decision is connected to it (e.g. after the issuer's merger with another company or in case of the security's incorrectness as regards contents). CBF will notify the client about the exchange via its communication media. Paragraph (2) sentence 4 above shall apply accordingly to the transmission of the securities.
- (4) If the collective holding is decreased due to a loss CBF is not responsible for, CBF will apportion such loss pro rata to the clients according to the fraction each client held of this collective holding in the moment the loss occurred. If this moment is unknown, apportionment of loss shall be decided according to the client's fraction held upon expiration of the business day preceding that business day when CBF took notice of the loss. If securities of the respective class are on stock, CBF, at the client's expense, will acquire securities at prevailing market conditions in order to compensate for the loss. In doing so, CBF will consider the legitimate interests of the client as reasonably possible. Alternatively, CBF will debit the client's securities account accordingly. Sect. 7 paragraph 2 sentence 2 DepotG (German Securities Deposit Act) shall remain unaffected.

### **XIV Withdrawal of securities from collective safe custody**

- (1) If securities lose their security character due to expiration of the rights embodied, they may be eliminated from the client's securities account. The client will be notified about the elimination. Domestic collective safe custody securities, which are issued as individual certificates (physical securities), shall, if possible, be made available to the client upon request and against remuneration of costs. The client will be notified if a physical delivery of individual certificates (physical securities) is possible. If no delivery pursuant to Sentence 3 takes place, CBF may destroy individual certificates (physical securities) within three months after the notification was sent to him.
- (5) CBF will withdraw from collective safe custody any securities which were declared invalid by disqualification decision. The client's claim to delivery is excluded insofar.

### **XV Segregated custody, individual safe custody account credit**

In case CBF does not admit securities to collective safe custody or the client requests their segregated custody, CBF may admit such securities to segregated custody. In this case, CBF will hold the client's securities, bearing its identification in externally visible manner, separated from its own and third persons' holdings (jacket custody). CBF will issue to the client a corresponding jacket-custody account credit (ISC-credit). By issuance of the ISC-credit, a bailment (*"Besitzmittlungsverhältnis"*) is constituted between CBF and the client. The provisions in no. XI paragraphs (4) and (5) and no. XIV. shall apply accordingly to the deposit and delivery of such securities as well as for their withdrawal from custody.

### **XVI Other forms of securities safekeeping by foreign bodies, credit for securities held on a fiduciary basis abroad**

(1) Securities not admitted to collective safe custody which the client entrusts to CBF for custody abroad, will be kept by CBF with an appropriate foreign custodian. CBF will assign such task to a custodian abroad. The securities' safekeeping is subject to the laws and trade practices applicable at the place of deposit as well as to the general terms and conditions applicable for the foreign custodian in question; such terms and conditions will be provided to the client upon request. In its own dutiful discretion and in consideration of the client's interests, CBF shall obtain ownership or co-ownership with regard to the securities held abroad or shall acquire an equivalent legal position, as is customary in the country of custody; CBF will hold such legal position as a fiduciary for the client. CBF will issue to the client corresponding account credit for securities held on a fiduciary basis abroad (WR-credit) identifying the foreign state where the securities are being held (country of custody); in case the foreign custodian is an intermediate custodian, the intermediate custodian's country is also country of custody. The WR-credit gives evidence for the client's pro rata claim for delivery against CBF with regard to the asset pool for the respective securities' class in the custodian state. CBF

has to satisfy the client's claims to delivery based on the WR-credit issued to it solely from the asset pool it keeps abroad ("cover pool"). The cover pool consists of all securities of the same class which CBF holds for its clients and for itself within the country of custody. Therefore, a client, who has been issued a WR-credit, will bear pro rata any economic and legal disadvantages and damages which might affect the asset pool as a consequence of force majeure, uproar, war and natural disasters or other third party actions abroad CBF is not responsible for or in combination with orders of higher authority in the home country or abroad.

(2) CBF will oblige the foreign custodian to provide a "Three Point Declaration". CBF may obtain this statement in the English language. If the foreign custodian is an intermediate custodian, CBF will ensure that this intermediate custodian also will cause the third party-custodian to provide a corresponding declaration.

### **XVII Adjustment entries**

Entries in the client's securities account which were carried out incorrectly due to an error, an EDP- or literal mistake or due to another reason without the existence of a corresponding client order, may be reversed (cancelled) by CBF in the course of the current calendar year within six months after occurrence of the faulty securities account entry by means of simple adjustment entry. After the six-months period has expired or after the end of the current calendar year, in case the latter should end earlier than the six-month period, CBF will instead assert its claim otherwise. Other securities account entries becoming faulty over a period of time (e.g. due to a decrease in the asset pool of CBF) may be cancelled by CBF until the next annual securities account statement is issued (no. XVIII paragraph 1 sentence 1). After the annual securities account statement was issued, CBF will instead assert its claim otherwise. In the cases set forth in sentences 1 and 3 above, the client may not object to the debit entry by arguing that it already disposed of the amount credited. CBF will immediately notify the client (e.g. also via email if so requested by the client) about the cancellation and transmit free of costs a corrected status report on the holdings, if required.



### **XVIII Administration of securities, securities account statement and disclosure of information**

- (1) At least once a year, CBF shall provide a securities account statement. The client has to enter objections on grounds of such statement's incorrectness or incompleteness in writing to CBF no later than four months after receipt of the statement; sending of the objection note within the four-month period shall be sufficient. If the client does not raise any objections within due time, the statement is considered approved. When issuing the securities account statement, CBF will notify the client specifically about this consequence. Even after expiration of the time period set forth above, the client may demand an adjustment of its securities account statement; it will, however, have to provide evidence for the fact that its securities account was incorrectly debited or that a credit it is entitled to was not entered.
- (2) CBF will publish information referring to the client's securities held by or on behalf of CBF in the communication media, insofar as such information may significantly affect the client's legal position and the communication to the client is required to safeguard its interests. This shall not apply, however, if custodians/intermediate custodians abroad fail to transmit information on the securities held by them to CBF. If CBF employs information published in the "Wertpapier-Mitteilungen" to comply with its disclosure obligations pursuant to sentence 1 above, CBF will not be liable for completeness, timeliness and correctness of such information. CBF shall not be obliged to employ the information published in "Wertpapier-Mitteilungen". If CBF employs its own information which deviates from information published in "Wertpapier-Mitteilungen" to comply with its disclosure obligations pursuant to sentence 1 above, CBF will be liable for deliberate intention and negligence as regards completeness, timeliness and correctness of this information.
- (3) After the depositing of securities, which are issued as individual certificates (physical securities), CBF will continuously check public announcements published in the "Bundesanzeiger" and the opposition list ("Oppositionsliste") published by "Wertpapier-

Mitteilungen" whether there are any loss notices (oppositions), payment stops or public notification procedures existing for these securities. In case of securities held in custody abroad, these duties shall be borne by the custodian abroad.

### **XIX Administration of securities, redemption of securities, coupon renewal, principal maturities**

- (1) For securities held in domestic custody CBF shall carry out the collection of funds for the payment of interest, dividends, income or other payments, as well as funds from matured securities. At the end of the business day prior to maturity of the instrument, CBF determines the amount due to the client. If the issuer determined another day than the business day set forth in sentence 2 above, CBF will take this other day as a basis and will notify the client in advance thereof via its communication media. The collected amounts will be credited to the client. CBF provides credits denominated in Euros in the client's T2S DCA or in that of a third party authorised by the client. If interest coupons, profit participation certificates and coupons as well as matured securities denominated in foreign currencies are redeemed or if corresponding claims are collected, CBF will credit the equivalent in the client's Current Account. If the client gives CBF prior to collection an exchange order, CBF will credit the amount in Euros. No. XXIII paragraph (2) shall apply accordingly to the exchange.
- (2) In case of securities in custody safekeeping abroad, the obligations set forth in paragraph (1) sentences 1 to 5 above shall be borne by the foreign custodian.

### **XX Administration of securities, corporate actions**

- (1) In case of securities in domestic custody, CBF will notify the client through the communication media about mandatory corporate actions and will perform such actions according to the order of the issuer or a third party acting on behalf of the issuer provided that the third party is a client of CBF (e.g. crediting of purchase rights). For this purpose, CBF will determine, at the end of the business day preceding the day the corporate

action is performed, the number of securities affected by such corporate actions the client is entitled to. If the issuer determined another business day to be the decisive date, CBF will take such other day as the basis and will inform the client accordingly in advance through its communication media.

- (2) Paragraph 1, sentences 1 and 2 shall apply accordingly in case of voluntary corporate actions. In its communication media, CBF will announce a business day for client's instructions to be submitted (e.g. period for instruction on execution of purchase rights). Upon instruction submitted by the client CBF will perform as instructed according to the announcements of the issuer or a third party acting on the issuer's behalf. CBF shall not be obliged to perform partial execution of an instruction. If the issuer or the third party acting on the issuer's behalf do not implement the necessary arrangements required for the corporate action's execution (e.g. if they fail to provide the necessary shares in the course of a capital increase), CBF is entitled not to execute the client's instructions. CBF will inform its client accordingly.
- (3) In case of securities in custody abroad, the obligations as set forth under paragraphs (1) and (2) above have to be borne by the foreign custodian. CBF will inform the client in its communication media about information on corporate actions transmitted by the foreign custodian. CBF will transmit received client's instructions to the foreign custodian immediately. CBF will provide the client with purchase rights, partial rights or similar rights abroad. The related costs, taxes and expenditures shall be borne by the client. If the client's instructions are received by CBF delayed or not at all, CBF will eliminate the expired foreign purchase rights, partial rights or similar rights from the securities account.
- (4) In case of securities in collective safe custody, CBF shall be entitled to claim any owner's rights towards third parties to the extent CBF considers such claim necessary or client's instructions request to do so; if as a consequence of such collective safe custody these rights or necessary measures can not be executed by the client itself, CBF shall be obliged to claim such owner's rights. Prior to

initiation of any prosecution measures by CBF, the clients, on a pro rata basis subject to their respective fraction in the collective holding, have to provide the required advance payments and have to undertake to bear any accruing costs. No. XIV. paragraph (4) shall apply accordingly.

### **XXI Administration of securities, services in relation to general meetings**

- (1) If, in case of bearer shares kept in domestic custody by CBF the client wishes to attend the general meeting, it instructs CBF to issue to it a confirmation/voting card regarding its holdings as of the beginning of the twenty first day prior to the general meeting (record date pursuant to sect. 123 paragraph 3 AktG (German Stock Corporation Act)). CBF will assess the client's holdings and will either cause the confirmation/voting card to be deposited at the general meeting's place or send it to the recipient named by the client. If the client does not wish to attend the general meeting, it will issue to CBF the instruction to execute its voting right at the general meeting. In such case, CBF will assess the client's holdings at the beginning of the twenty first day prior to the general meeting and will transmit the client's instruction to the issuer or a third party denominated by the issuer. This shall apply accordingly for securities under a similar call date arrangement due to a provision of a foreign jurisdiction.
- (2) If securities are not under a record date requirement and CBF is instructed by the client to block such securities from transfer until the general meeting's end, CBF will keep the securities as instructed and will provide the client with a corresponding written confirmation. If the client instructs CBF to transfer such securities prior to the general meeting's end, CBF will perform such instruction according to no. XXIV. after being instructed by the client to cancel the blocking, unless such procedure is prohibited by legal provisions. The same shall apply to foreign securities held in domestic custody safekeeping.

## XXII Administration of securities, tax-related services

- (1) Upon the client's specific instruction, CBF will perform tax-related services for securities in domestic custody.
  - (2) CBF performs tax-related services for securities in custody abroad, insofar as CBF is obliged to do so by legal provisions applicable at the securities' state of custody or the issuer's home state; CBF will also perform such services upon special client instruction.
  - (3) The services as set forth in paragraphs (1) and (2) above are performed by CBF in particular cases insofar as the necessary information or declarations are transmitted by the client. Their content, form and time of transmission or filing is at the reasonable discretion of CBF. CBF will consider the client's legitimate interests and will notify the client through the communication media immediately.
  - (4) In case of modifications of the tax regulations relevant for such services, CBF retains the right, depending on the client's tax status and the resulting consequences for performing the service, to perform tax-related services as set forth in paragraphs (1) and (2) above exclusively to a limited extent or for a limited clientele or not to perform such services at all any longer. CBF will immediately notify the client about this through its communication media.
- (3) Objections based on incorrectness or incompleteness of an account statement have to be raised by the client in writing no later than four weeks after receipt of the account statement in question. If the client does not raise objections in due time, the account statement shall be considered approved. When issuing the account statement, CBF will notify the client specifically about this consequence. The client may request correction of the account balancing even after expiration of the aforementioned time period; however, it will have to provide evidence for the fact that its account was debited wrongly or that a credit it is entitled to was not entered.
  - (4) Debits beyond payment/delivery transactions are entered into the account at execution date. In case of payment instructions, credits will be entered only upon prior advice; entry will be performed after CBF received notification of its correspondent bank abroad or of a third party authorised by CBF (e.g. Clearstream Banking S.A.) that the respective amount has been credited to its account held with the correspondent bank abroad. The advice contains the unconditional promise towards CBF to remit to the account the amount described therein at the advised date.

## XXIII Giro operations

- (1) CBF will open accounts in form of current accounts ("KontoKorrentKonto") for the client for the purpose of crediting any incoming payments and debiting any payments caused by it at the expense of the respective account. The accounts will be opened upon the beginning of the business relationship. Payment orders will be performed as long as the account shows sufficient credit balance or the client has been granted a corresponding credit limit by CBF. Based on the client's payment orders, CBF may transfer cash balances among various Current Accounts of the client. Deposits mature on a daily basis.
- (2) Accounts may be maintained in various currencies. Upon the client's request, CBF will convert cash amounts in foreign currency or in Euros with value date of two business days after trading day. The respective conversion rates for the most important currencies are published in Reuters on page CBLUX01. Currencies which are not published there will be balanced at market rates achieved of the correspondent banks of CBF.
- (5) CBF may reverse incorrect credits to accounts within three months after entering by means of a debit entry, if CBF is entitled to a redemption claim against the client, if the entry was caused due to an incorrect custody account credit connected to a payment/delivery transaction (reversal entry). In this case the client may not object to the debit entry by arguing that it already disposed of the amount credited. If CBF notices an incorrect credit only after an account balancing and if CBF is entitled to a redemption claim against the client, CBF will debit its account corresponding to the amount of such claim (adjustment entry). Should the client raise objections against such adjustment entry, CBF will credit the respective amount again to the client's

account and will assert its redemption claim otherwise. CBF will notify the client immediately about reversal and adjustment entries.

- (6) Disposals of credit balances denominated in foreign currency are settled through or by banks in the home country of the currency. CBF shall discharge its foreign currency obligation by crediting the account of the client in the respective currency, unless agreed otherwise. The obligation of CBF to execute a disposal order to the debit of a foreign currency credit balance or to discharge a foreign currency obligation, shall be suspended to the extent that and as long as CBF, directly or indirectly, cannot or can only restrictedly dispose of the currency in which the foreign currency credit balance is denominated, due to political measures or other circumstances beyond the control of CBF in the country of the respective foreign currency. Moreover, to the extent and as long as such measures or circumstances continue, CBF shall bear no obligation to perform at another place outside the country of the respective currency or in another currency (not even in Euros). This shall not apply, however, if CBF can execute such performance entirely within its own organisation. The right of the client and of CBF to net mutual maturing claims due in the same currency against each other shall remain unaffected by the provisions above. CBF will instantly inform the client if it should not be capable of performing a conversion order.
- (7) Under stress situations in the meaning of Article 36 (9) sentence 2 of the Commission Delegated Regulation (EU) 2017/390, CBF may execute the provisional settlement services in non-relevant currencies for their equivalent value in a relevant currency.
- (8) If the account's credit balance is not sufficient for performing a payment order, CBF may grant an overdraft facility in particular cases (e.g. in case of an unconfirmed receipt of funds by the client at the correspondent bank of CBF). The execution of the payment and credits in relation to interest coupons, profit participation certificates or coupons or upon maturity of securities made under the condition of payment receipt lead to the conclusion of a loan agreement (the loan

agreement concluded is hereinafter referred to as "unconfirmed funds facility on grounds of unconfirmed funds" or as "loan"). The loan may be granted in various currencies. The loan has to be repaid until the end of the business day on which the loan was granted. Unless it was settled otherwise (e.g. by credit entry from a payment/delivery transaction), the loan amount shall to be paid to an account of Clearstream Banking S.A. held with a deposit-taking credit institution determined by CBF for the respective currency. The correct account details as well as the timing to be respected for timely repayment may be accessed, saved and printed under the internet address [www.clearstream.com](http://www.clearstream.com). CBF may terminate the loan for important cause without notice. An important cause, in particular, will be a threatening deterioration in the client's financial situation or the threatening deterioration in the value of the provided collateral. CBF will only make a loan available if sufficient collateral is provided. CBF will publish the collateral eligibility criteria on CBF's website ([www.clearstream.com](http://www.clearstream.com)). The provision of collateral is subject to no. XXXII.

### **XXIV Orders for transactions in securities (transfer of securities, fractions of the collective holdings, claims for surrender of securities or rights by means of book entry)**

- (1) Transfer of securities, fractions of collective holdings in securities of the same class, claims for surrender (*"Herausgabeansprüche"*) of securities or rights by means of book entry between two clients' securities accounts is performed if these clients have provided CBF with corresponding orders. The orders of both clients will be performed if the securities account balance of the selling client is sufficient for order performance.
- (2) Orders for payment/delivery transactions have to be provided in voucherless form by the client to CBF. CBF will perform the orders of both clients if securities account balance and credit of the clients are sufficient for order performance.
- (3) In addition, performance of orders as set forth in paragraphs (1) and (2) above may depend

upon the client's release which the client has to enter into the EDP-systems provided by CBF for the performance of such orders.

## **XXV T2S-transfer of securities in respect of securities denominated in Euro**

- (1) Fractions of collective holdings in securities of the same class held by CBF for a client will be transferred to another client by agreement and transfer of the joint possession which CBF procures for the respective client (securities transfer by book entry). The joint possession will pass by means of constituting a bailment (*"Besitzmittlungsverhältnis"*) between CBF and the purchasing client and by modification of the bailment intention of CBF regarding the fractions to be transferred. The transfer of possession is completed as soon as CBF, upon the selling client's instruction, posted a debit entry into its securities account and posted a credit entry regarding the respective fractions in the securities account of the purchasing client. The T2S-entry time is disclosed by CBF.
- (2) In case of payment/delivery transactions regarding securities to be denominated in Euros and held by CBF in segregated custody or in collective safe custody, CBF secures that transfer of possession or joint possession will take place concurrently with payment of purchase price. The payment will be carried out on the DCA.

## **XXVI T2S/Creation-transfer of securities by book entry in respect of claims for surrender of securities that CBF holds on fiduciary basis with a depository abroad (fiduciary giro system ("Treuhandgiroverkehr") for securities held on fiduciary basis); settlement of proceeds through T2S-DCA and Current Accounts at CBF within the fiduciary giro system for Euro and foreign currencies and for securities denominated in foreign currencies held in collective safe custody**

- (1) A client's claims against CBF for surrender (*"Herausgabeansprüche"*) of securities that CBF holds on fiduciary basis with a foreign depository shall be transferred by posting a debit entry in this client's securities account and a corresponding credit entry into the securities account of another client.
- (2) For payment/delivery transactions CBF shall secure that transfer takes place concurrently with payment of the purchase price. Payment of the purchase price will be settled via cashless money transmission to the T2S DAC or the Current Accounts maintained by the clients with CBF or to respective accounts of third parties authorised by them. The client is obligated to provide the credit necessary for payment settlement in due time prior to debiting by CBF.

## **XXVII Registered shares in collective safe custody**

For clients whose registered shares are held by CBF in collective safe custody, CBF performs the services of extended position-keeping (*"erweiterte Bestandsführung"*) with consideration of entry of shareholders into the shareholders' ledger. For this purpose, CBF keeps the registered shares entered into the client's securities account in an itemised position-keeping. CBF will transmit to the issuer or a third party authorised by it shareholders' data which the client transferred to CBF for the purpose of disclosure to the issuer. Information submitted by the issuer or a third party authorised by it on entry or non-entry into the

shareholder's register will be considered by CBF for its position-keeping.

### XXVIII Consignments of valuables

By order and for account of the client, CBF organises the transportation of securities in domestic custody by concluding the necessary contracts and committing the securities to the third parties authorised by CBF. In this respect, CBF shall only be liable for the diligent selection of the third parties CBF authorises. Unless otherwise provided in the provisions in sentences 1 and 2 above, the "Allgemeine Deutsche Spediteurbedingungen" [German Carriers' General Terms and Conditions] shall apply.

### XXIX Settlement discipline

(1) For each Settlement Instruction that fails to settle CBF calculates and applies cash penalties vis-à-vis clients pursuant to Article 7 paragraphs 2, 11 to 13 of the Regulation (EU) No 909/2014 in conjunction with Article 16 of the Commission Delegated Regulation (EU) No 2018/1229 and Commission Delegated Regulation (EU) No 2017/389. Cash penalties are collected and distributed according to Article 17 of the Commission Delegated Regulation (EU) No 2018/1229. The client shall be obliged to maintain a T2S DCA for the collection and distribution of penalties from securities transactions in T2S and a Current Account with CBF from securities transactions in Creation or to authorise a third party to do so. The client authorises CBF to debit its Dedicated Cash Account or Current Account for the purpose of the collection of cash penalties. If the client does not have a T2S DCA or a Current Account in the currency to be debited, CBF shall apply, at the client's expense, cash penalties to a client's T2S DCA or Current Account, which is held preferably in the client's home country currency or a liquid currency (EUR, USD, GBP, CHF). The provisions pursuant to No. XXIII Paragraph (2) shall apply to the exchange. If the collection of the client's penalty fails, CBF is entitled to disclose the identity of such client to the client to whom the penalty should have been distributed. CBF may recover distributed penalties from the client and, for this purpose, debit the T2S DCA or Current Account if this is

necessary due to a recalculation or correction of the penalties.

- (2) Where the client is a central counterparty CBF provides this client with the calculation of the cash penalties for the failed Settlement Instructions submitted by it. This client shall collect the cash penalties from the Clearing Members that caused the settlement fails and distribute the cash penalties to the Clearing Members that are affected by the settlement fails and report to CBF on the penalties that the client has collected and distributed, on a monthly basis.
- (3) For transaction neither cleared by a central counterparty nor executed on a trading venue, the client shall, as soon as and to the extent applicable, apply the buy-in and cash compensation rules according to Article 7 of the Regulation (EU) No 909/2014 in conjunction with the Commission Delegated Regulation (EU) No 2018/1229.
- (4) In case the client consistently and systematically fails to deliver within the meaning of Article 7 paragraph 9 subparagraph 1 sentence 1, paragraphs 11 to 13 of the Regulation (EU) No 909/2014 in conjunction with Article 39 of the Commission Delegated Regulation (EU) No 2018/1229, CBF may, in consultation with the "Bundesanstalt für Finanzdienstleistungsaufsicht", suspend the client and publicly disclose its identity only after giving that client the opportunity to submit its observations and provided that the "Bundesanstalt für Finanzdienstleistungsaufsicht" and the competent authority of that client have been duly informed.
- (5) CBF shall establish arrangements with clients qualifying as participants referred to in fields 17 and 18 of Table 1 in Annex I of the Commission Delegated Regulation (EU) No 2018/1229 which have the most significant impact on the securities settlement systems of CBF to analyse the main reasons for the settlement fails.

### XXX Fees

- (1) The services performed by CBF pursuant to these Terms and Conditions are subject to remuneration. If the client makes use of such services, it is obliged to pay the fees as set forth in the Price Schedule. For other services

of CBF which are performed on the client's order or which presumably are in its interest and which, according to the circumstances, can be expected to be performed for remuneration only, CBF shall invoice a fee based upon the hourly rate as set forth in the Price Schedule. In case of a default related to a overdraft of a Current Account, CBF shall charge the client with a overdraft interest the rate at its reasonable discretion.

- (2) Subject to provision of respective evidence, CBF may invoice the client with necessary expenses which accrue when CBF acts on its behalf or in its presumed interest or when collateral is provided, administered, released or exploited.
- (3) The client authorises CBF to debit its T2S DCA or Current Account with such fees, interest and expenses.

### **XXXI Collateral for claims of CBF against the client**

- (1) For any claims resulting from the business relationship, CBF may request provision of bankable collateral; this applies even in case of contingent claims. If the client has assumed a warranty for another client's liabilities towards CBF, a claim of CBF to provision or increase of collateral with regard to the debt resulting from such assumption of liability shall exist no earlier than the date the debt falls due.
- (2) If CBF at the time its claims against the client came into existence, totally or in parts, refrained from demanding the provision or increase of collateral, CBF may demand provision of such collateral later, subject to the fact that circumstances arise or threaten to arise or become known which will justify a higher risk evaluation of the claims directed against the client. This may be the case, in particular, if the client's economic situation has undergone or threatens to undergo adverse changes or if the collateral provided so far has deteriorated in value or threatens to suffer such deterioration in value. However, there shall be no claim of CBF to provision of collateral, if the parties have specifically agreed that the client would not have to provide collateral or would exclusively have to provide such collateral as is denominated in detail.
- (3) CBF will grant a reasonable period of time for provision or increase of collateral. If CBF intends to execute its right to termination without notice in case the client fails its obligation to provide or intensify the collateral, CBF will notify the client in advance of its intention in written form via facsimile or SWIFT message.

### **XXXII Pledge**

- (1) The securities accounts maintained at CBF shall serve CBF as pledge subject to paragraph (4), if the client has submitted a written statement declaring that the securities booked therein are in its ownership or under its unrestricted power of disposal pursuant to sect. 12 paragraph 4 or sect. 13 (German Securities Deposit Act). In case of claims of the client this means respectively that the client has to have unrestricted power of disposal and has notified CBF thereof in writing. Securities shall include any securities booked into the account now or in future times, fractions of collective holdings as well as collective debt register claims, including interest portions and coupons plus renewal coupons and the subscription rights and bonus shares accruing for shares. Claims shall be, above all, foreign currency balances as well as claims of the client, especially claims for delivery and surrender, which it is entitled to towards CBF now or in future on grounds of securities booked in the securities accounts described in sentence 1 above and kept abroad including respective renewal coupons.
- (2) For creating a pledge on securities, the client shall instruct CBF to possess all securities on a securities account in its function as pledgee and to secure that the client will no longer be able to access such securities without consent of CBF. This same instruction is also given, if the client orders CBF to transfer securities to a pledged securities account as a sub account of the respective client and to secure that the client will no longer be able to access the securities transferred to such pledged securities account without consent of CBF. If claims are pledged, CBF will mark the securities account as pledged.
- (3) CBF and the client agree that CBF will acquire a pledge on the respective securities, rights and claims as soon as the prerequisites as set out in paragraphs (1) and (2) will occur. If CBF,

in specific cases, grants the client permission to dispose of the securities, rights or claims booked in a securities account, such permission shall not affect the pledge of any other securities, rights or claims posted in the respective securities account.

- (4) The pledge serves as collateral for any claims CBF might be entitled to towards the client, from outstanding fees and in connection with loan liabilities including any possible statutory claims for damages or reimbursement of expenses or claims on account of unjust enrichment. If the client has assumed a warranty for another client's liabilities (e.g. as guarantor) towards CBF, the pledge will serve as collateral for the debt resulting from such liability assumption.
- (5) The client may not request surrender of interest portions or coupons of securities serving as pledge.
- (6) Even before complete satisfaction of all of its claims secured by the lien, CBF is obliged to release in its discretion, totally or in parts, the pledged objects as well as possible other collateral upon request to the client, if the realisable value of the complete collateral exceeds not just temporarily 110% of the secured claims of CBF. When evaluating the pledged objects' value, a safety margin will be deducted, which CBF will publish in its communication media. In determination of the realisable value of pledged objects, CBF will take the evaluation of the respective values by the market under employment of information sources customary in the market (e.g. Bloomberg) as orientation and will meet concerns about the risk of a modification in the market's evaluation and the risk of a short amount in case of realisation by reasonable deductions.
- (7) Statutory liens shall not be affected by no. [XXXII](#).

### XXXIII Realisation of collateral

- (1) Contrary to § 1234 of the German Civil Code (BGB) CBF may realise the collateral - unless otherwise provided for below - without prior warning of sale and without complying with a term of notice.
- (2) In case of realisation CBF may choose from different collateral. In the course of realisation and selecting the collateral to be

realised, CBF will pay regard to the legitimate interest of the client and a third-party principal who provided collateral for the client's liabilities. CBF will give the client the opportunity to respond immediately, in case of an intended realisation solely on account of outstanding fees. This shall not apply if the client seriously and definitely refuses performance or if an immediate realisation is justified for special reasons, giving due consideration to the interests of both parties (e.g. in case of an imminent loss of value of the collateral).

- (3) CBF may sell the pledged objects directly in the open market if the client is in default with performing due payments. In case of default CBF may also, as far as possible, seek satisfaction of its claims by appropriation of the pledged assets. CBF will only realise the pledged assets to that extent as is necessary to settle the claims in default.

### XXXIV Freezing of securities accounts and accounts

If a public authority issues a decree pursuant to sections 45 et seq. KWG [German Banking Act] or pursuant to corresponding foreign legal regulations, if the client's registered offices are situated abroad, against the client, CBF may freeze that client's securities accounts and cash accounts. The performance by CBF of irrevocable orders of the client for the transfer of securities, fractions of collective holdings, claims to surrender of securities or rights shall remain unaffected.

## C Final provisions

### XXXIII Deposit Insurance Fund

- (1) CBF participates in the Deposit Insurance Fund of the Bundesverband Deutscher Banken e.V. [Federal Association of German Banks] (hereinafter referred to as "*Deposit Insurance Fund*"). The Deposit Insurance Fund secures any liabilities which have to be declared in the balance position "liabilities towards clients". The protected amount ("*Sicherungsgrenze*") of the liable equity funds of CBF which are relevant for the protection of deposits amounts to 30 percent per creditor



until 31 December 2014, will then be reduced to 20 percent until 31 December 2019, 15 percent until 31 December 2024 and finally be reduced to 8.75 percent as from 1 January 2025. For deposits made after 31 December 2011, including extensions of current deposits, regardless of the time of the deposit, the amended limitations to the protected amount shall apply as from the relevant effective date as outlined above. The current limitations to the protected amount will apply for all deposits made prior to 31 December 2011 until maturity of the deposit or the next possible termination date.

- (2) Claims for which CBF has issued bearer instruments, like e.g. bearer debentures and global bearer certificates, as well as liabilities towards credit institutions, are unprotected.
- (3) For further details regarding the extent of protection reference is taken to sect. 6 of the

Statute of the Deposit Insurance Fund which may be provided upon request.

- (4) Insofar as the Deposit Insurance Fund or a third party authorised by it performs payments to a client according to the Deposit Insurance Fund's statutes, this client's claims against CBF will be transferred contemporaneously in corresponding amount, including any ancillary rights, to the Deposit Insurance Fund. The same shall apply if the Deposit Insurance Fund, lacking a client's instructions, will perform payment into an account to be opened in favour of this client at another bank.
- (5) CBF may provide the Deposit Insurance Fund or a third party authorised by it with any information and documentation required in this regard.



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