SPUERKEESS

General Terms and Conditions concerning Indirect Clearing

PART ONE: REGULATORY FRAMEWORK

An indirect clearing arrangement constitutes a series of contractual relationships that involve multiple parties: a central clearing counterparty (**CCP**), a clearing broker (**Clearing Broker**), the Clearing Broker's direct client (**Direct Client**), and the client of the Direct Client (**Indirect Client**).

This structure enables Indirect Clients to access the clearing services provided by a Clearing Broker via the Direct Client. The regulatory framework for these arrangements was initially set out by EU Regulation (EU) No 648/2012 of the European Parliament and the Council of 4 July 2012 (**EMIR**). This regulation, as amended from time to time, regulates over-the-counter derivatives (**OTC Derivatives**) which are derivative contracts that are privately negotiated, CCPs, and trade repositories, which collect and maintain records of derivative contracts and securities financing transactions. EMIR granted Indirect Clients the ability to fulfil their clearing obligations for OTC Derivatives, thus offering them access to clearing services. This is now enshrined into Article 30 of Regulation (EU) No 600/2014 of the European Parliament and of the Council (**MiFIR**) as amended from time to time, which addresses exchange-traded derivatives (**ETD**), meaning derivatives traded on a regulated market or on a third-country equivalent.

To further coordinate the framework surrounding Indirect Clearing, the European Commission has enacted the following delegated regulations (**Indirect Clearing RTS**), which outline the essential conditions and responsibilities for all parties involved in any indirect clearing chain:

1. Commission Delegated Regulation (EU) No 2017/2154 of 22 September 2017, supplementing MiFIR with technical standards on indirect clearing arrangements; and

2. Commission Delegated Regulation (EU) No 2017/2155 of 22 September 2017, amending Delegated Regulation (EU) No 149/2013 concerning technical standards on indirect clearing arrangements.

The Indirect Clearing RTS, in alignment with EMIR and MiFIR establish several key provisions:

1. Set obligations for Direct Clients to support the process of indirect clearing;

2. Limit the number of possible links in an indirect clearing chain;

3. Require the Direct Client to propose specific account structures for holding the assets and positions of Indirect Clients, such as the Gross Omnibus Indirect Client Account ("GOSA") and the Basic Omnibus Indirect Client Account ("BOSA"); and

4. Mandate the implementation of default management procedures, such as the distribution of assets in the event of insolvency.

The above described regulatory framework requires Banque et Caisse d'Epargne de l'Etat, Luxembourg (**Spuerkeess**), when providing indirect clearing services to an Indirect Client for ETD cleared on EU CCPs, to disclose the general terms and conditions applicable to such clearing services provided.

PART TWO: TERMS AND CONDITIONS FOR INDIRECT CLEARING OF TRANSACTIONS IN EXCHANGE-TRADED DERIVATIVES ON EU CCPs

When Indirect Clients trade ETD with Spuerkeess, Spuerkeess will execute and clear such transactions in Spuerkeess' capacity as Direct Client of a Clearing Broker, such Clearing Broker being a member of a CCP, whereby Spuerkeess is considered as Direct Client of the Clearing Broker and Spuerkeess' client is considered as Indirect Client. The Indirect Client needs to enter into an "Exchange-traded derivatives agreement" with Spuerkeess (the **Agreement**). These Terms and Conditions concerning Indirect Clearing, together with the "INDIRECT CLEARING OF EXCHANGE-TRADED DERIVATIVES THROUGH AN EU CCP - DIRECT CLIENT DISCLOSURE DOCUMENT" (the **Risk Disclosure Document**), the Account Election Form and, where applicable, the Indirect Clearing Schedule (for BOSA only), shall form an integral part of the Agreement.

Spuerkeess offers the following types of client account segregation when providing indirect clearing services that involve clearing derivatives through a Clearing Broker on an EU CCP :

1. a basic omnibus client account (sometimes also referred to as a net omnibus segregated account or **BOSA**); or

2. a gross omnibus client account (sometimes also referred to as a gross omnibus segregated account or **GOSA**).

Please refer to the Risk Disclosure Document which contains an overview of the levels of segregation of each account type, together with an overview of the main protections afforded by and the main legal implications of each.

A. FEE STRUCTURE

Spuerkeess may charge a clearing commission covering execution and clearing services. In addition to the clearing commission, Spuerkeess will charge an account set-up fee and an account maintenance fee in accordance with the fee structure as separately provided to the Client.

C. ACCOUNT ELECTION FORM

The Indirect Client needs to confirm its election regarding the type of client account segregation by completing the Account Election form. In case Spuerkeess does not receive the Account Election Form duly completed, dated and executed by the Indirect Client within the relevant timeframe as set out in the Agreement, the Indirect Client is deemed to have elected the default type of client account segregation consisting in the BOSA. The Indirect Client is entitled to request a change in the Account Election Form at any time.