

INDIRECT CLEARING AGREEMENT BETWEEN CECABANK AND THE CLIENT

1. INDIRECT CLEARING SERVICES

- 1.1. Cecabank provides Clients with indirect clearing services in those derivative markets where it is not a direct member.
- 1.2. In providing the indirect clearing service, Cecabank will comply with all requirements established by the applicable regulations at any given time.
- 1.3. Cecabank provides the service under reasonable economic terms, and the general conditions for providing the service are public.
- 1.4. Cecabank will provide the Client with sufficient information to enable the Client to identify the CCP and the clearing member used to clear its positions.
- 1.5. Cecabank has entered into agreements with the relevant clearing members to regulate indirect clearing and ensure that, in the event of a default by Cecabank, all Client information, including their identity, is immediately made available to the corresponding clearing member.
- 1.6. With respect to the transactions covered by this document, Cecabank will fulfil all the Client's obligations towards the relevant clearing member.

2. RIGHTS AND OBLIGATIONS OF THE CLIENT

- 2.1. The Client confirms that Cecabank has informed them of the risks associated with net omnibus accounts and gross omnibus accounts:
 - 2.1.1. The net omnibus account ensures that Cecabank's positions are segregated from the positions of its clients.
 - 2.1.2. The gross omnibus account ensures that the Client's positions are not offset against other clients' positions.
- 2.2. The Client will inform Cecabank of the chosen account before this clearing agreement becomes effective. Otherwise, Cecabank will open/maintain an account with the minimum required segregation, which is that provided through the net omnibus account.

INFORMATION DOCUMENT ON THE RISKS ASSOCIATED WITH DIFFERENT TYPES OF ACCOUNTS UNDER INDIRECT CLEARING AGREEMENTS

The following information is intended to meet the requirements set out by Delegated Regulation (EU) 2017/2154 of the Commission of 22 September 2017, supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards on indirect clearing arrangements (Delegated Regulation 2017/2154), applicable in this case between Cecabank, S.A. and its Clients in organised derivative markets.

For the purposes of this Document, as set out in Delegated Regulation 2017/2154, Cecabank is considered a client, and its clients are considered indirect clients.

Article 4 of the Delegated Regulation establishes two types of accounts for managing the assets and positions of indirect clients:

1. A **net omnibus account** (NOSA) that includes the assets and positions held by the client on behalf of its indirect clients;

The NOSA account:

- ✓ Complies with the minimum level of segregation permitted under EMIR and MiFID II.
- ✓ The account is held with the Clearing Member and the relevant Central Counterparty (CCP).
- ✓ There is separation between the assets and positions of the Clearing Member/client and the assets and positions of the indirect client who has chosen the standard omnibus account for indirect clearing.
- ✓ The assets covering the positions in the net omnibus account are not exposed to losses on positions held in any other account, except those that may occur within the net omnibus account itself, as a client's assets may be used to cover another client's positions.
- ✓ Positions are netted, and a single pool of collateral is maintained for all these positions.
- ✓ Portability can only occur when all indirect clients can be transferred together at the same time.

Clients who maintain their assets and positions in the same net omnibus account are exposed to losses in positions and collateral within the same account, and there is also a risk related to portability.

2. A **gross omnibus account** (GOSA) containing assets and positions held by the client on behalf of its indirect clients, where the clearing member ensures that the positions of one indirect client are not offset against the positions of other indirect clients, and that the assets of one indirect client are not used to hedge the positions of another indirect client: The GOSA account:

- ✓ The account is held with the Clearing Member and the relevant Central Counterparty (CCP).
- ✓ There is segregation between the assets and positions of the Clearing Member/Client and the assets and positions of the indirect client who has chosen the gross omnibus account for indirect clearing.
- ✓ The positions of all clients in the GOSA account are recorded on a gross basis, and the corresponding collateral is calculated by the CCP for each individual indirect client position, which is uniquely identifiable.
- ✓ The collateral (per indirect client) is transferred to the CCP and managed in a collateral account for those clients who have chosen this account.
- ✓ This account benefits from protection similar to that of individual segregation accounts.

Clients who maintain their assets and positions in the same gross omnibus account take on less risk than with a net omnibus account, although the collateral pool is common for all indirect clients of the client who chose a gross omnibus account, with the collateral calculation for each indirect client being done individually.