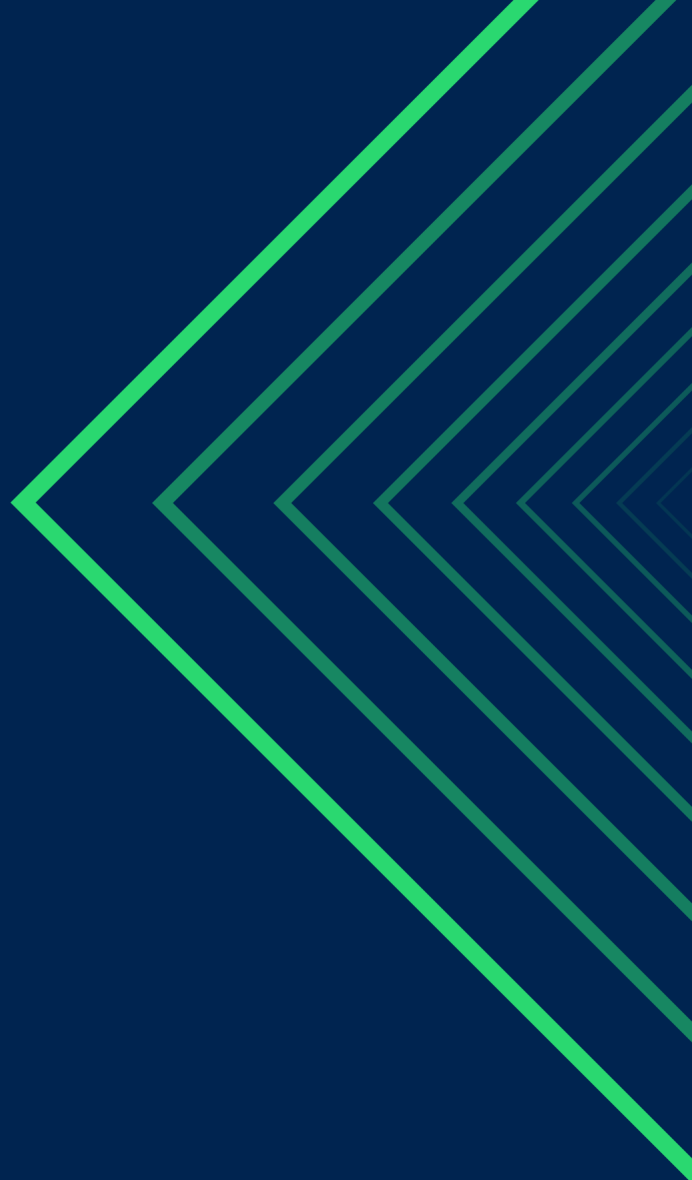




Regulation Buy-In Procedure



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1. Introduction

This Regulation is enacted pursuant to and in accordance with articles pursuant to article 5.11.7, 5.11.8 and 5.11.11 of the Clearing Rule Book.

Capitalised terms used in this Regulation, and not otherwise defined herein, shall have the meaning ascribed thereto in the Clearing Rule Book.

This Regulation applies as of 6 November 2023.

Changes to this Regulation will be implemented in accordance with the Cboe Clear Procedure Changes to Clearing Rules as published on Cboe Clear's website.

2. Purpose

The general purpose and principle of a buy-in for Cboe Clear as the formal counterparty to all transactions is to honor the original rights or entitlements resulting from contracts cleared by Cboe Clear, when one of the parties involved fails to meet its settlement obligations. Cboe Clear has chosen to follow local market practice as closely as possible, whilst aiming for a harmonized pan European process, with its rules defined to create transparency and efficiency in processing. A buy-in will be triggered for the non-delivery of Securities by a Clearing Participant or in the event of non-delivery of Securities by Cboe Clear to a Clearing Participant. The latter could result in an "early buy-in". Cboe Clear reserves the right to delay the start of a buy-in procedure at its own discretion. Clearing Participants however, cannot initiate a buy-in against Cboe Clear.

3. Procedure Description

3.1 Buy-in notification

Buy-in notifications will be issued as set out in provision 3.13 of this Regulation. The failing delivering Clearing Participant will receive a buy-in notification from Cboe Clear via e-mail. The notification will be sent before 09:00 AM CET and will provide an overview of all relevant information. All transactions not settled by 08:45 AM CET will be marked for notification.

3.2 Early buy-in

An early buy-in will commence when Cboe Clear has onward deliveries which have exceeded the buy-in date but have not received receipt instructions on the buy-in date. An early buy-in can commence from intended settlement date (ISD)+1.

The oldest pending transaction(s) will be selected up to the amount of securities needed for an early buy-in.

A delivering Clearing Participant selected for an early buy-in will receive an early buy-in announcement via e-mail on the buy-in date before 09:00 AM CET and will be given the time to close of business the following day to deliver.

Due to the alternative timelines, no early buy-in's will be executed against registered market makers.

3.3 Buy-in account

The failing delivering Clearing Participant must cancel its original transaction upon request of Cboe Clear. Cboe Clear will calculate the cash difference between the position being bought in and the failing delivery instruction, resulting in a cash movement between the failing delivering Clearing Participant and Cboe Clear.

3.4 Buy-in execution

The failing delivering Clearing Participant has until the DVP Cut-off time on buy-in date to deliver the Securities, either to the main settlement account or, if requested by Cboe Clear, to the dedicated buy-in account as stated under 3.14. Should the Securities not be delivered, the transaction will be cancelled by Cboe Clear and the Clearing Participant must cancel the transaction within 15 minutes from receiving the instruction from Cboe Clear.

3.5 Inter CCP Transactions

A CCP cannot initiate a buy-in on a selling CCP. As each CCP will follow their own buy-in schedule, this may result in a delayed delivery.

3.6 Market Maker Schedule

For market makers, an alternative buy-in execution timeline may apply; for all cash equities and ETFs listed on the LSE, SIX Swiss Exchange, Euronext Dublin and Euronext Main Markets, the buy-in execution date for designated market makers is ISD+11.

Cboe Clear may employ a broker between ISD+12 to ISD+20 or offer the position for tender to CPs at its own discretion.

If the Securities bought-in cannot be executed before ISD+20, a cash settlement will take place in accordance with provision 3.7 of this Regulation. Cash settlements will be undertaken against the last available closing price.

3.7 Cash settlement / Broker option

If Cboe Clear cannot facilitate the Buy-in in full or part, then the outstanding or remaining obligation to deliver may be settled in cash by Cboe Clear.

A cash settlement is undertaken by cancelling the original settlement and replacing it with a cash payment.

The basis for a cash settlement will be the closing price of the most recent business day prior to the buy-in or the last trade price adjusted for a corporate event of the relevant Securities. The cash settlement percentage (see table in provision 3.13 of this Regulation) will be applied to this price to establish the cash settlement price. In the event of a cash settlement, the following actions will be taken:

- a) The receiving Clearing Participant to the original failed settlement will be credited with the difference between the original price of the failed settlement and the cash

settlement price, if the cash settlement price is higher than the original price of the failed settlement.

- b) The delivering Clearing Participant to the original failed settlement will be debited for the difference between the original price of the failed settlement and the cash settlement price, if the cash settlement price is higher than the original price of the failed settlement.
- c) The failing delivering Clearing Participant will receive an email confirming the total cash amount due be paid that day.
- d) In case of an early buy-in, the failing receiving Clearing Participant will be requested to cancel its transaction and will receive a cash compensation instead (as detailed in provisions 3.2 and 3.4 of this Regulation).

Equities can be bought in via a broker as follows:

- a) The instruction of the delivering Clearing Participant will be cancelled, and the delivering Clearing Participant is obliged to confirm the cancellation of the instruction.
- b) Where the price of the Securities agreed at the time of the trade is lower than the price paid for the execution of the buy-in, the corresponding difference shall be paid by the delivering Clearing Participant to Cboe Clear.
- c) Where the price of the Securities agreed at the time of the trade is higher than the price paid for the execution of the buy-in, the corresponding difference shall be paid to the delivering Clearing Participant by Cboe Clear.

3.8 Sell out

If a settlement instruction is still failing due to lack of cash or incorrect instructions by the receiving Clearing Participant on ISD+5, Cboe Clear can commence the sell-out procedure.

Cboe Clear may employ a broker for the sell-out process or offer the position for tender (the reverse of the buy-in process) to Clearing Participants at its own discretion.

The failing Clearing Participant will be informed of the sell out on the processing date and receive an overview after the execution detailing all additional costs. The Clearing Participant is obliged to pay these costs within 2 business days.

3.9 Corporate actions

If the position that is bought in is subject to a corporate action, Cboe Clear will also manage the corporate action in the buy-in procedure. The delivering Clearing Participant must compensate Cboe Clear for the proceeds if a trade has been bought in. In the case of an optional event, the delivering Clearing Participant must deliver the choice of the failing receiving Clearing Participant.

3.10 Rights

Generally, Cboe Clear will not commence the buy-in process on ISD+4 for rights but may do so at its own discretion. For the Spanish market: in the event of an outstanding obligation to deliver non-tradeable temporary ISIN's (such as bearer shares) and tradeable rights, Cboe Clear will not cash settle the failing obligation by the end of ISD+5. If the

obligation remains failing, this will be executed after the transformation has taken place in the resultant ISIN on ISD+5, ISD being pay date.

3.11 Closing

Whenever the last available closing price is at least 20% lower than the original settlement price, Cboe Clear will, in the event of a cash settlement, cancel both instructions involved in the buy-in process. No cash compensations or penalties will be transferred.

3.12 Spain

For the Spanish market no buy-ins will be executed. Ultimately on ISD +5 all failed transactions will be processed via a cash settlement process, as agreed between Iberclear and Cboe Clear. The basis for cash settlement will be 20% of the cash compensation of the last closing value of the failing trade plus the consideration difference between the recipients traded value using the last closing price of the most recent business day (ISD+4) and the original trade price. In the event of a corporate action the price taken may be adjusted to ensure the receiving Clearing Participant is not disadvantaged. The receiving Clearing Participant to the original failed settlement will be credited with the compensation as described above. In the event where an interoperating CCP is the failing delivering party a cash settlement may be calculated using a different algorithm which the failing delivering Clearing Participant will be held liable.

The failing delivering party will be debited for the cash amount which is calculated in accordance with the cash compensation rules as described above plus any other related costs incurred by Cboe Clear. The cash amount to be paid by the Clearing Participant will be processed between Cboe Clear and the Clearing Participant bilaterally, outside the Spanish CSD, Spanish register (PTI), T2S and the Spanish Settlement Agent. The failing trade will be cancelled in T2S and the underlying trades will be closed in the PTI at close of business on ISD+5 and the Clearing Participant informed accordingly.

Early cash compensation in Spain can take place from ISD+0 after DVP cut-off which occurs when a receiving Clearing Participant has a trade at ISD+5. This will result in a cash settlement as outlined above and the failing delivering party will be debited for the cash amount which is calculated in accordance with the cash compensation rules as described above plus any other related costs incurred by Cboe Clear. This can also result in the timeline for Clearing Participants being notified of the early buy-in being reduced in this scenario.

Market	CSD	Settlement cycle	Notification of cash settlement	Cash settlement execution	Cash settlement percentage
Spain	Iberclear	Trade Date +2	ISD+3	ISD +5 (max)	120%

3.13 Buy-in details per market

Type	Settlement cycle	Notification of buy-in / cash settlement	Buy-in execution	Cash settlement percentage
Default	As per below table	As per below table	As per below table	As per below table
ETF ¹	As per below table	ISD+7	ISD+8	120%
Market Maker securities ²	As per below table	ISD+10	ISD+11	120%

Default Buy-in timelines

Market	CSD	Settlement cycle	Notification of buy-in / cash settlement	Buy-in execution	Cash settlement percentage
Austria	OCSD	Trade Date+2	ISD+4	ISD+5	120%
Belgium	Euroclear BE	Trade Date+2	ISD+4	ISD+5	120%
Czech Republic	SCP	Trade Date+2	ISD+4	ISD+5	120%
Denmark	VP	Trade Date+2	ISD+4	ISD+5	120%
The Netherlands	Euroclear NL	Trade Date+2	ISD+4	ISD+5	120%
Finland	Euroclear Finland	Trade Date+2	ISD+4	ISD+5	120%
France	Euroclear FR	Trade Date+2	ISD+4	ISD+5	120%
Germany	Clearstream BK Frankfurt	Trade Date+2	ISD+4	ISD+5	120%
Hungary	KELER	Trade Date+2	ISD+4	ISD+5	120%
IDRs	Euroclear Bank	Trade Date+2	ISD+4	ISD+5	120%
Ireland	Euroclear UK&I	Trade Date+2	ISD+4	ISD+5	120%
Italy	Monte Titoli	Trade Date+2	ISD+4	ISD+5	120%
Luxembourg	Euroclear Bank	Trade Date+2	ISD+4	ISD+5	120%
Norway	VPS	Trade Date+2	ISD+4	ISD+5	120%
Poland	KDPW	Trade Date+2	ISD+4	ISD+5	120%
Portugal	Interbolsa	Trade Date+2	ISD+4	ISD+5	120%
Spain	Iberclear	Trade Date+2	ISD+3	N/A	120%

¹ For ETFs settling in Iberclear the standard buy-in timelines apply (cash settlement execution on ISD+5)

² For market makers this rule applies to all cash equities and ETFs listed on the SIX Swiss Exchange, Euronext Dublin and Euronext Main Markets. For the LSE this rule only applies to a subset of cash equities and ETF listings as determined by the LSE

Market	CSD	Settlement cycle	Notification of buy-in / cash settlement	Buy-in execution	Cash settlement percentage
Sweden	Euroclear Sweden	Trade Date+2	ISD+4	ISD+5	120%
Switzerland	SegaInterSettle (SIS)	Trade Date+2	ISD+4	ISD+5	120%
United Kingdom	Euroclear UK&I	Trade Date+2	ISD+4	ISD+5	120%
U.S.	Euroclear Bank	Trade Date+3	ISD+4	ISD+5	120%

3.14 Cboe Clear CSD instructions for Buy-ins

Austrian Stocks	Rec/Del agent Buyer/seller T2S SEC ACCOUNT Place of Settlement	EMCFNL2AXXX EMCFNL2AXXX OCSD212500 OCSDATWWXXX
Belgium Stocks	Rec/Del agent Buyer/seller T2S SEC ACCOUNT Place of Settlement	EMCFNL2AXXX EMCFNL2AXXX CIKBEMCFNLAXXX000LMEUROCCP BUY-IN CIKBBEBBXXX
Czech Republic Stocks	Agent BIC Buyer/Seller Account	Deutsche Bank AG, filiale Prag DEUTCZPX EMCFNL2A 5013400001
Clearstream	Rec/Del Agent Buyer/Seller Place of Settlement	CEDE 64208 EMCFNL2AXXX CEDELULLXXX
Danish Stocks	Rec/Del agent Buyer/seller T2S SEC ACCOUNT Place of Settlement	EMCFNL2AXXX EMCFNL2AXXX VPDK17501175001 VPDKDKKKXXX
Dutch Stocks	Rec/Del agent Buyer/seller T2S SEC ACCOUNT Place of Settlement	EMCFNL2AXXX EMCFNL2AXXX NECIEMCFNL2AXXX000LMEUROCCP BUY-IN NECINL2AXXX
Finnish Stocks	CSD BIC Account Attention	Euroclear Finland APKEFIHHXXX APKE000 000 000 000 850 000 000 000 000 9002 Cboe Clear Buy-in account
French Stocks	Rec/Del agent Buyer/seller T2S SEC ACCOUNT Place of Settlement	EMCFNL2AXXX EMCFNL2AXXX SICVEMCFNL2AXXX000LMEUROCCP BUY-IN SICVFRPPXXX

German Stocks	Rec/Del agent Buyer/seller T2S SEC ACCOUNT Place of Settlement	EMCFNL2AXXX EMCFNL2AXXX DAKV4208001 DAKVDEFFXXX
Hungarian Stocks	Agent BIC Buyer/seller Account	Deutsche Bank ZRt, Budapest DEUTHU2B EMCFNL2A 1213002086
International Depository Receipts	Agent BIC Buyer/Seller Account number Place of Settlement:	ECLRI5083 MGTCBEBE EMCFNL2A MGTCBEBE
Italian Stocks	Rec/Del Agent Buyer/Seller T2S SEC ACCOUNT Place of Settlement	EMCFNL2AXXX EMCFNL2AXXX MOTIEMCFNL2AXXX6044000 MOTIITMMXXX
Luxembourg Depository Receipts	Agent BIC Buyer/Seller Account number Place of Settlement:	ECLRI5083 MGTCBEBE EMCFNL2A MGTCBEBE
Norwegian Stocks	Agent Rec/Del VPS ID Rec/Del Party Safe Rec/Del PSET Buyer/seller	Norges Bank, Oslo 45650 456504900014 VPSNNOKK EMCFNL2A
Polish stocks	Agent Field 95R Buyer/Seller Beneficiary account Place of Settlement	Deutsche Bank Polska /KDPW/0980 EMCFNL2A 5001001 KDPWPLPW
Portuguese Stocks	Rec/Del agent Buyer/seller T2S SEC ACCOUNT Place of Settlement	EMCFNL2AXXX EMCFNL2AXXX IBLSECMCFNL2AXXXSA000000002022222229 IBLSPTPPXXX
Swedish Stocks	CSD BIC Buyer/Seller Account BIC	Euroclear Sweden VPCSSESS EMCFNL2A 0001 5069 5594 EMCFNL2A
Swiss Stocks	CSD SCOM Buyer/Seller Account	Sega interSettle NL100386 EMCFNL2A 20 326'639
US Stocks	Agent BIC Buyer/Seller Account number Place of Settlement:	ECLRI5083 MGTCBEBEECL EMCFNL2A MGTCBEBEECL