RESOLUTION No. 17

"Stock Lending"

(*Codified to include the decisions dated 17.4.2015, 31.1.2023 and 26.09.2023 of the Stock Markets Steering Committee of ATHEX)*

THE STOCK MARKETS STEERING COMMITTEE
OF ATHENS EXCHANGE S.A.

(Meeting of 13.11.2014)

Having regard to the provisions of paragraph 3.3 of the Athens Exchange Rulebook (hereinafter the "ATHEX Rulebook") and the provisions of paragraphs 3 and 4, article 2.2 and of article 3 of Annex I of the Rulebook for Clearing Derivatives Transactions (hereinafter the "Clearing Rulebook")

HEREBY RESOLVES AS FOLLOWS

For the purposes of this resolution, the terms used herein shall have the same meaning as those defined in the ATHEX Rulebook and the Clearing Rulebook.

SCOPE

This resolution sets out the terms and conditions governing the operation of stock lending agreements in the Securities Lending Mechanism of ATHEX, and in particular:

> 1. the standard operating characteristics of Agreements on stock lending or borrowing;

> 2. the position limits for the opening of a lending or borrowing position in stock lending or borrowing Agreements;

> 3. The terms governing the operation of the Quantities and Interest Rates Distribution Algorithm;

4. the specific terms relating to the application of Methods 8-1, 8-2 and 8-3-3;

5. the procedures for the adjustment of rights and obligations with regard to lending and borrowing positions in cases of corporate actions involving the reference assets of Stock Lending Agreements.

Article 1. Product Characteristics

Contract type	A lending or borrowing agreement based on Stock Lending Products in respect of reference assets, which is cleared by ATHEXClear as a central counterparty.

Underlying asset	The transferable securities which constitute the reference asset in lending or borrowing agreements and relate to Shares and Exchange-Traded Fund (ETF) units in accordance with the following terms:
	A. Lending or Borrowing Agreements in Shares:
	
	1. The underlying assets are shares that meet the following criteria: (i) they belong to the Main Market segment and (ii) they constitute the underlying asset or participate in an index that constitutes the underlying asset of Derivatives listed on ATHEX or participate in an index tracked by ETFs. In these cases, the following apply:
	    1) If a share ceases to be the underlying asset of Derivatives listed on ATHEX and irrespective of whether the share continues to belong to the Main Market segment, trading in Securities Lending Products whose underlying asset is the share shall cease on the day on which the share ceases to be the underlying asset of the respective Derivatives.
	    2) If a share, participating in an index that constitutes the underlying asset of Derivatives listed on ATHEX or participating in an index tracked by ETFs, is deleted from the index in question, and irrespective of whether the share continues to belong to the Main Market segment, trading in Securities Lending Products whose underlying asset is the share shall cease on the day on which the share is deleted from the respective index.
	    3) If a share, which constitutes the underlying asset or participates in an index that constitutes the underlying asset of Derivatives listed on ATHEX or participates in an index tracked by ETFs, is transferred from the Main Market to another segment, trading in the Securities Lending Products whose underlying asset is the share shall cease on the day of such transfer.
	
	2. Lending or borrowing positions in Securities Lending Products whose trading has ceased pursuant to the provisions of paragraph 1, necessarily expire within a time period set by ATHEX and ATHEXClear with exercise of the right to return the underlying transferable securities by the lender or the borrower or

	ATHEXClear.
	3. ATHEX may modify the terms on the cessation of trading and/or the expiration of lending or borrowing positions in Securities Lending Products, as these are set out in par. 1 and 2, provided this is deemed necessary in order to safeguard the smooth functioning of the market and protect investor interests.
	4. ATHEX announces on its website a list of shares in respect of which Securities Lending Products are entered in the Securities Lending Mechanism, and immediately updates the aforesaid list in the event of any changes in accordance with the provisions of par. 1 to 3, each time posting a new and full list.
	B. Lending or Borrowing Agreements in ETF units:
	1. The underlying assets are ETF units that belong to the Exchange-Traded Funds segment of ATHEX.
	2. If ETF units are deleted from ATHEX, trading in the Securities Lending Products shall cease on the day of deletion. Lending or borrowing positions in Securities Lending Products necessarily expire within a time period set by ATHEX and ATHEXClear with exercise of the right to return the underlying transferable securities by the lender or the borrower or ATHEXClear.
	3. ATHEX may modify the terms on the cessation of trading and/or the expiration of lending or borrowing positions in Securities Lending Products, as these are set out in par. 1 and 2, provided this is deemed necessary in order to safeguard the smooth functioning of the market and protect investor interests.
	4. ATHEX announces on its website a list of ETF units in respect of which Securities Lending Products are entered in the Securities Lending Mechanism, and immediately updates the aforesaid list in the event of any changes in accordance with the provisions of par. 1 to 3, each time posting a new and full list.
Contract Size	1 unit (share or ETF as the case may be).
Contract Expiration	Securities Lending Products have no expiration.
Lending Orders	The orders entered by lending participants in accordance with the Rulebook, specifying the quantity of underlying transferable securities which the lender (investor) intends to lend as well as the kind of the order (simple / standing)[1].
Aggregate Lending Orders	Aggregate Lending Orders are determined by the System on the basis of the lending orders and the "Quantities and Interest Rates Distribution

	Algorithm". These orders include a quantity of underlying transferable securities in multiples of one unit and an annual lending interest rate expressed as a percentage.
Borrowing Orders	Borrowing participants enter borrowing orders that include the quantity of underlying transferable securities in multiples of one unit and the annual interest rate expressed as a percentage which the borrower (investor) intends to borrow.
Trade Price for Borrowing	The trade price for borrowing is in the form of a percentage and expresses the annual interest rate. It is set by the System during the execution of Method 8-1 "Stock Lending Call Auction" or Method 8-2 "Stock Lending Continuous Automatic Matching". In the case of Method 8-3-3 "Lending or borrowing on the basis of Aggregate Lending Orders, the trade price is set as the maximum interest rate of the Quantities and Interest Rates Distribution Algorithm applicable to the relevant transferable security on the trade day.
Minimum Price Fluctuation Limit for Borrowing	0.01%
Day of Delivery of the transferable securities to ATHEXClear	The trade day (T+0).
Daily Borrowing Interest	The daily borrowing interest per trade is calculated as follows: $S * P * 1/360 * N$ where: S: the closing price of the underlying asset in the Securities Market on which it is traded, on the day before the trade day P: the price of the borrowing trade and N: the number of transferable securities of the trade The borrowing interest is calculated up to and including the day of return of the Transferable Securities.
Calculation and payment of Borrowing Interest	The borrowing interest is calculated on a daily basis for all the trades of the borrower per each Position Account of the latter. If the borrowing interest per underlying transferable security is less than €0.01, it is rounded to €0.01. The borrowing interest is paid on the business day following the day of calculation.
Total Daily Return from Lending	The sum of Lending Interest that is owed for each transferable security and day of calculation by all borrowers with borrowing positions in the relevant transferable security.
Daily Return from Lending	The return that each lender is entitled to receive from ATHEXClear per each transferable security and day of calculation, as calculated by ATHEXClear on the basis of the Total Daily Return from Lending for the respective underlying transferable security and expressed to six (6) decimal places. It is calculated as the Total Daily Return from Lending, divided by the number of transferable securities lent.
Daily Return for	The return of the lender for each transferable security is calculated by multiplying the Daily Return from Lending by the number of

Lender	transferable securities which it has lent and have not been returned to it, rounded to two (2) decimal places. The lender receives the Daily Return up to and including the day on which the transferable securities are returned to it.
Calculation and payment of Daily Return for Lender	The Daily Return is calculated on a daily basis and paid on the first business day of each month through ATHEXClear on the basis of the cash settlement procedures, minus any tax withholdings which are paid to the State by ATHEXCSD on behalf of the Clearing Member (paying agent) in accordance with the specific provisions of Decision 4/223/28.1.2014 of the Board of Directors of ATHEXCSD. The tax amounts are gathered by ATHEXClear through the daily cash settlement process. In the event that transferable securities are returned during the month, the Daily Return for the returned transferable securities is paid on the business day following their return.
Exercise of the Right of Return by the Lender	The Lender or ATHEXClear may exercise the right of return on any trading day.
	The aforesaid right may be exercised and its exercise revoked from the start of the session of the Securities Lending Mechanism and up to two (2) hours before its end.
	Exercise of the right by the lender cannot exceed, per day, zero point zero three percent (0.03%) of the total number of listed transferable securities per issuer.
	If the Lender or ATHEXClear exercises the right of return, the transferable securities are delivered by the borrower to the lender up to and including the third business day after the exercise day (T+3).
	The borrower that must deliver transferable securities is selected automatically by the System on the basis of the time of conclusion of the borrowing transactions, starting with the earliest.
Exercise of the Right of Return by the Borrower	The Borrower may exercise the right of return on any trading day.
	The aforesaid right may be exercised and its exercise revoked from the start of the session of the Securities Lending Mechanism and up to thirty (30) minutes after its end.
	If the Borrower exercises the right of return, the transferable securities are delivered by the Borrower on the day of the respective exercise.
	The lender that takes delivery of transferable securities is selected automatically by the System on the basis of the time of conclusion of the lenders' transactions, starting with the earliest.
	If the Lending Order is indicated as standing then by an automatic procedure a new declaration of intention to lend the amount of securities returned to the lender will be made[2].
Quantities and Interest Rates	The quantities and corresponding interest rates of Aggregate Lending Orders are determined by the System on the basis of the "Quantities

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[2] A new paragraph was added to the field "Exercise of the Right of Return by the Borrower" of the table "Product Characteristics" of article 1 of the present Resolution, as above by virtue of decision no. 190/31-01-2023 of the Stock Markets Steering Committee with effect as of 20/2/2023.

Distribution Algorithm	and Interest Rates Distribution Algorithm", which takes into account the following: 1. The minimum lending rate, which is equal to the half of the contractual interest rate.[3] 2. The maximum lending rate, which is equal to the contractual interest rate[4]. 3. The central interest rate, which is equal to the average of the minimum and maximum contractual interest rate[5]. 4. The total quantity of each underlying asset which is available for lending, based on lending orders, minus the quantity that is calculated by ATHEXClear for the purpose of fulfilling failed settlement obligations in accordance with Method 8-3-3. The fact that the transferable securities lent per each lender and transferable security cannot exceed 0.5% of the total number of listed transferable securities. 5. The fact that the total number of transferable securities lent at any time cannot exceed 5% of the total number of listed transferable securities. 6. The quantities for allocation per interest rate follow a normal distribution around the central interest rate.
Closing Price	Set on the basis of the Last Trade Method in accordance with paragraph 2.1.9 of the ATHEX Rulebook.
Starting Price	Set for everyday trading at 0.01%[6].

Article 2. Product Nomenclature

1. The names of products in Contracts contain up to fifteen (15) characters.

2. The name of the Contract consists of a maximum of twelve (12) characters of the Latin alphabet which identify the Underlying Asset plus the fixed designation "BOR" (three Latin characters that stand for the English word "borrowing").

3. Wherever necessary in cases of the creation of tracking series, or a change to the characteristics of the product, provision is made for the addition of a distinguishing Latin character at the end of the name.

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[3] The first paragraph of Field "Quantities and Interest Rates Distribution Algorithm" was amended as above by virtue of decision no. 196/26.09.2023 of the Stock Markets Steering Committee with effect as of 02.10.2023.

[4] The second paragraph of Field "Quantities and Interest Rates Distribution Algorithm" was amended as above by virtue of decision no. 196/26.09.2023 of the Stock Markets Steering Committee with effect as of 02.10.2023.

[5] A new third paragraph was added as above to the Field "Quantities and Interest Rates Distribution Algorithm" by virtue of decision 196/26.09.2023 of the Stock Markets Steering Committee with effect as of 02.10.2023.

[6] The Field "Starting Price" was amended as above by virtue of decision no. 196/26.09.2023 of the Stock Markets Steering Committee with effect as of 02.10.2023.

Article 3. Basic formula for the adjustment of contract rights in cases of corporate actions

1. Adjustments to the quantity of transferable securities of a position are made for the purpose of keeping the position value constant in the event of the corporate actions referred to below.

2. These adjustments have effect as of the day of the corporate action. Without prejudice to the provisions of ATHEX resolutions which regulate matters pertaining to adjustments in Securities Lending Products, the following apply:

Corporate Actions	Basic Adjustment Formula
Position Size Adjustment Ratio in cases of Corporate Actions	$$N_{new} = N_{old} \frac{n_{after}}{n_{before}} \qquad (1)$$ where N_{new}: the new number of shares of the position N_{old}: the old number of shares of the position n_{after}: the number of shares after the corporate action n_{before}: the number of shares before the corporate action
Distribution of Bonus Shares (Bonus Issue)	In cases where bonus shares are distributed to shareholders, the new size of the position is adjusted on the basis of the above ratio (1).
Stock Split	In the event of a stock split of underlying shares, the new size of the position is adjusted on the basis of the above ratio (1).
Reverse Split	In the event that the underlying shares are merged, the new size of the position is adjusted on the basis of the above ratio (1).
Share Capital Increase through cash payment	In the event of a share capital increase of the issuer, with a pre-emption right in favour of existing shareholders and payment in cash, the Borrower transfers to ATHEXClear, and the latter in turn to the Lender, the number of pre-emptive rights corresponding to the loaned transferable securities which have not been returned up to the day on which the beneficiaries of the corporate actions are named, so that the Lender is in a position to exercise the rights emanating from the corporate action.
Return of Capital with Cash Payment, Distribution of Dividend or Interim Dividend	In the event of a detachment of rights relating to Return of Capital with Cash Payment, the Distribution of a Dividend or Interim Dividend involving underlying transferable securities, the borrower renders to ATHEXClear, and the latter in turn to the lender, an amount equal to the value of the Return of Capital or of the Dividend or of the Interim Dividend which corresponds to the transferable securities that have not been returned up to the day on which the beneficiaries of the corporate actions are named, minus any tax withholdings which are payable by domestic investors in accordance with applicable provisions.

Corporate Actions	Basic Adjustment Formula
	ATHEXClear shall pay the aforesaid amount, interest-free, within ten (10) business days from the day of commencement of the Return of Capital or distribution of the Dividend or Interim Dividend by the issuer.
Voting Rights	The Borrower, as of the day on which the trade was concluded and for as long as it holds the transferable securities, acquires voting rights. Participants in these agreements are obliged to comply with the provisions of applicable legislation on the disclosure of substantial shareholdings.
Conversion	In cases of conversion of underlying shares into new securities, the following ratio is applied: $$N_{new} = N_{old}\, n = N_{old}\, \frac{n_{new}}{n_{old}} \qquad\qquad (2)$$ where N_{new} : the new number of securities per position N_{old} : the old number of securities per position n : the rate of conversion of old to new securities n_{new} : the number of new securities, after the corporate action n_{old} : the old number of securities, before the corporate action
Other Corporate Actions	With regard to any corporate actions that are supported by ATHEX and ATHEXClear in connection with Securities Lending Products, which either do not belong to one of the above categories or do not constitute a combination of the above, ATHEX and ATHEXClear shall be entitled to not apply the above-described adjustment methods if they consider that the result of such adjustment, as it arises from these methods, does not reflect the true financial change to the rights and obligations of the counterparties of ATHEXClear. In cases where the provision of technical support for a corporate action is not possible, ATHEXClear shall exercise the rights of return vis-à-vis a Borrower that maintains open positions in contracts, so that lenders are in a position to exercise their rights emanating from the corporate action.
Fractional Balances	Fractional balances from corporate actions are calculated per lender, borrower and are cash settled on the basis of the closing price of the first day of trading of the result of the corporate action.

Article 4. Entry into Force

This resolution has effect as of 1 December 2014. As of the entry into force of this resolution, resolutions 17 and 18/17.7.2008 are repealed.

This resolution is to be posted on the website of ATHEX (www.athexgroup.gr).