

## ARCO SYSTEM

### FEES FOR PARTICIPANTS

*Please note that only the Spanish version of this Circular produces legal effect. Any translation is provided for commercial purposes only.*

#### **Regulation 1. General.**

1. The fees set out herein do not include VAT.
2. All fees are invoiced on a monthly basis, unless expressly stipulated otherwise.
3. The fees stated in basis points are expressed on an annual basis of 365 days.

#### **Regulation 2. Participation and account maintenance fees.**

1. Participants will be charged a fee of €750 per month for the acquisition and maintenance of participant status. This fee will be applied to each of the participant's BIC codes.
2. A fee of €100 per month will be charged for the maintenance of each account associated with each participant code. The cost of the first proprietary and third-party account for each entity, and the first account of each CSD participant in IBERCLEAR, is included in the participation fee.

#### **Regulation 3. Domestic securities safekeeping.**

1. Securities are considered to be domestic when IBERCLEAR acts as the issuing Central Securities Depository (hereinafter, the CSD).
2. The safekeeping fee for the equities securities is set as a percentage of the cash value of the securities registered in the participant's accounts.
3. These balances are valued using the closing price of the securities at the end of each day. If it is not possible to determine this closing price, the closing price for the previous available trading day is used or, ultimately, the nominal value of the security.
4. When tranches are determined for the safekeeping fees, these are applied cumulatively: i.e. the balance in the first tranche is subject to the fee for that tranche; the balance in the second tranche is subject to the fee for that tranche; and so on.
5. The safekeeping fee is calculated by summing the balances for all the accounts with the participant's BIC code and applying these to the fee tranches. This involves calculating the average monthly balance for all the participant's accounts, using the balance at the close of each

day multiplied by the number of calendar days on which the balance did not change, divided by the total number of days in the current month. This calculation is performed by asset type as defined in the fees, and by applying the tranches to this average monthly balance, the system will calculate the average monthly fee in basis points. This average fee is then applied to the balances of each of the participant's accounts in order to establish the due amount per account. The total for the entity is calculated as the sum of applying the average fee to the average balances for each account.

6. The exchange rate for the last business day of the month, as published on the European Central Bank website, is used for invoicing issues denominated in currencies other than the euro.

7. The fees applicable to domestic equities are:

a) As a general provision, the following scale is applied cumulatively:

Tranches		Fee (basis points)
From (€)	To (€)	
-	1,000,000,000.00	0.150
<b>1,000,000,000.01</b>	5,000,000,000.00	0.138
<b>5,000,000,000.01</b>	20,000,000,000.00	0.129
<b>20,000,000,000.01</b>	50,000,000,000.00	0.119
<b>50,000,000,000.01</b>	100,000,000,000.00	0.092
<b>100,000,000,000.01</b>		0.080

b) An annual fee of 0.05 basis points is charged on investments in exchange-traded funds, warrants, shares of stock exchange open-ended collective investment schemes (SICAV), together with SICAVs, [shares in investment funds admitted to trading on the Alternative Equity Market \(MAB\)](#) and shares and units issued by collective investment Schemes (CIS), hedge funds and funds of funds (FOF) listed on the Alternative Equity Market (MAB).

#### Regulation 4. Foreign equities securities safekeeping.

1. For invoicing purposes, securities for which IBERCLEAR is not the issuer CSD are considered to be foreign. For securities included through an account opened by IBERCLEAR with another CSD (direct link), the fee will depend on the issuer CSD.

2. The calculation process for the safekeeping fee for foreign securities is the same as that for domestic securities set out in the previous Regulation.

3. A fee of 0.28 basis points is charged in the case of direct links to the CSDs Monte Titoli, Euroclear France, Euroclear Nederland, Caja de Valores and BM&F BOVESPA S.A.

4. The following fees are charged in the case of direct links to the CSD Clearstream Banking Frankfurt:

a) In general, the following scale is applied:

Tranches		Fee (basis points)
From	To	
-	500,000,000.00	0.75
<b>500,000,000.01</b>		0.50

b) A fee of 3 basis points is charged for warrants

5. A fee of 0.75 basis points is charged in the case of direct links to the CSD OeKB.

When applicable, IBERCLEAR may charge any additional cost derived from the maintenance of securities in the so-called "individual securities accounts".

6. A fee of 0.05 basis points is applied to foreign securities included via a link entity.

## Regulation 5. Settlement and related services.

1. Settlement fees are determined based on the type of transaction and are charged to each of the participants involved.

2. The following fees are applicable to each securities transfer without change of ownership effectively settled:

Transaction type	Fee
Securities transfer free of payment settlement	€0.40
Securities transfer versus payment settlement	€0.70

3. The following fees are applied to settlement instructions from a CCP or trading platform with which IBERCLEAR has an agreement in place, as well as to any other bilateral transactions between two participant entities not covered by subsections 2, 4 and 5 of this regulation:

Transaction type	Fee
Free of payment settlement	€0.40
Delivery/receipt versus/with payment settlement	€0.50
Payment without delivery settlement	€0.40

4. A fee of 3 basis points of the cash value to be settled, or the equivalent thereof determined by the market price and volume of securities, with a minimum of €10 and a maximum of €150, is charged on settlement instructions for trades done outside organised exchanges (“over the counter”, involving securities admitted to trading on stock exchanges. This fee applies to both versus or free of payment settlement.

5. For inclusion and exclusion instructions with the CSDs of Italy (Monte Titoli), France (Euroclear France), Holland (Euroclear Nederland), Argentina (Caja de Valores) and Brazil (BMF & Bovespa), a fee of €6.00 is charged on delivery of securities and €3.00 on receipt, together with a variable amount depending on the number of shares, as defined in the following table:

Volume of securities	Fee
Up to 1,000	€30 per instruction
From 1001 to 10,000	€0.02 per share
From 10,001 to 100,000	€0.01 per share
From 100,001 to 500,000	€0.005 per share
From 500,001 upwards	€2,500 per instruction

This fee shall not apply to instructions from participants acting as specialists in the Latibex market for transactions involving securities listed for trading on that market.”

6. For inclusions and exclusions of foreign securities with the German CSD (Clearstream Banking Frankfurt), a fee of €2 is charged for instructions settling on settlement cycles, and €2.50 when they settle in real time. A further fee of €0.30 is charged in the event of settlement failure due to a cash shortfall in the participant's account.

7. A fee of €5 is charged on free-of-payment delivery instructions for inclusions and exclusions of foreign securities with the Austria CSD (OeKB), and €7 for delivery versus payment instructions. A fee of €0.30 is charged in the event of settlement failure due to a cash shortfall in the participant's account.

8. The following fees are added in settlement instructions with Clearstream Banking Frankfurt and OeKB that affect sub-accounts opened by the entities in their systems:

Instruction	Fee
Between subaccounts opened by the same participant	€1.30 per instruction
Between subaccounts opened by different participants	€0.60 is added for each entity, plus domestic settlement costs.

9. IBERCLEAR may credit 60% of the amount received by way of inclusions and exclusions of foreign securities with other CSDs to the entity designated by IBERCLEAR for management of the financial operations or provision of fiscal and administration services relating to management of the link.

10. In inclusions and exclusions of foreign securities through a link entity, a fixed fee of €1.20 per instruction, plus a variable amount depending on the number of securities in the instruction (as shown in the table below), is applied to the entity in whose favour the transaction is performed:

Volume of securities	Fee
Up to 1,000	€30.00 per instruction
From 1001 to 10,000	€0.02 per share
From 10,001 to 100,000	€0.01 per share
From 100,001 to 500,000	€0.005 per share
From 500,001 upwards	€2,500 per instruction



11. IBERCLEAR pays 80% of the amount received for inclusions and exclusions of securities through a link entity to the entity acting as the link, for performance of such functions.
12. The initial transfers of securities carried out due to public offerings or in order to achieve the dissemination of the security or minimum threshold required for its listing are exempt from application of the fee for inclusions and exclusions, both in direct links and those established through a link entity, as are those deriving from capital increases, swaps, mergers and other corporate actions involving such foreign securities.
13. The fees for inclusions and exclusions of securities for the Latin American Securities Market (LATIBEX) included through a direct link are determined based on the contracting units established for trading in each security class in the market. Transactions involving securities admitted to trading in the market that the participants carry out in their activities as specialists in the said market are exempt from the fee.
14. A fee of €0.30 per movement is charged for movements between balances within a single account.
15. A matching fee of €0.10 is charged to both participants in the case of instructions requiring matching.
16. A recycling fee of €0.30 is charged to each participant for each day that an instruction remains pending settlement in the recycling process.
17. A fee of €0.20 is charged on all instructions involving a cash settlement, in order to pass on TARGET2 - Bank of Spain settlement costs to the entities involved.
18. A fee of €0.05 per instruction is charged to each participant when real time settlement is requested. A further fee of €0.03 is charged to each entity for real time settlement for the mandatory "Store and Forward" processing of SWIFT messaging in TARGET2 - Bank of Spain. In the event that an instruction cannot be settled in the real time settlement process due to a lack of cash, the entity causing the fail will also be responsible for the costs of the "Store and Forward" service and the TARGET-2 settlement for the counterparty.
19. A fee of €3.00 will be charged to each entity involved for automatic cancellation of an instruction by IBERCLEAR.
20. Any auxiliary transactions settled that are not linked to a CCP transaction or any other auxiliary transaction with other financial intermediaries will be subject to an additional fee for the oversight required of IBERCLEAR for such incidents. This fee will vary depending on the number of incidents per day, with the first 5 unlinked transactions being exempt. An additional fee will be charged from the sixth unlinked transaction: the size of the resulting fee will depend on the number of daily incidents. This fee will be charged for each individual financial

intermediary account and theoretical settlement date. This fee will be charged in tranches as follows<sup>1</sup>:

Nº of unlinked auxiliary transactions	Fee
<5	N/A
6-15	€0.5
16-30	€1
>30	€2

## Regulation 6. Corporate events.

1. A fee of €3 will be charged for the management of corporate events involving domestic securities that result in movements of cash and/or securities for each account in which there is a position on the accrual date.
2. IBERCLEAR will charge a fee of €7.00 to its participants for the management of mandatory events on foreign securities accessed via a direct link to another CSD (dividend payments, final redemptions, etc.). A fee of €10.00 will be charged if the corporate event involves the processing of instructions by IBERCLEAR (subscriptions, voluntary redemptions, etc.). The fee will be applied to each account with a position in the security on the accrual date, in both cases.
3. IBERCLEAR will charge its participants a fee of €13.00 for its dividend collection management service for Italian equities through the account IBERCLEAR keeps with the Italian Central Securities Depository, for each dividend collected per final beneficiary. IBERCLEAR will charge a fee of €20 per final beneficiary if a participant requests a certificate of withholdings in Italy.
4. Tax return services for withheld amounts on securities from Euroclear France or Monte Titoli, are subject to a fee of €200 per final beneficiary.
5. The reporting to Euroclear France derived from the French tax for financial transactions will be subject to a fee of €1.00 per item reported, plus any other amount charged by Euroclear France to IBERCLEAR.
6. Tax reclaims on securities from Clearstream Frankfurt will be subject to a fee of €50 per final beneficiary. A fee of €500 per beneficiary will be charged in case of late tax reclaims.

<sup>1</sup> According to the Final Provision 2<sup>a</sup> of the Circular nº 16/2016, 21st April, about "ARCO securities registration and settlement system. Modification fees" the participant entities shall be exempt for three months from the date on which the ARCO System comes into operation of the fee for unlinked auxiliary transactions set out in this regulation 6.2.

7. Any service related to shareholders' or bondholders' meetings for foreign securities other than the sending of basic information, such as the generation of attendance cards or specific information requests, shall be subject to a fee of 50€. This does not apply to certificates of legitimacy, for which a fee of €60 will be charged.

## Regulation 7. Reporting and communications.

1. A fixed monthly fee will be charged for access to the BME-PC application, based on the total number of users who have access to the application per participant. This fee shall also apply to CADE system participants that contract the terminal to manage corporate events:

Number of users	Monthly fee
1-5	€350
6-10	€500
+10	€600

In the case of entities acting on behalf of one or more participants, each such entity will be charged based on the number of users resulting from multiplying the number of users contracted by the number of entities represented.

2. A transmission fee of €0.10 will be charged for any settlement related (MT540, MT541, MT542, MT543, MT530 and MT524) or custody related (MT564 and MT565) transmission message, or any other transmission sent by participants to IBERCLEAR. This fee will be applied to the participant benefiting of the transmission independently of who the originator may be.

3. A custody messaging reporting fee of €0.15 will be applied for each custody message sent by IBERCLEAR (MT564, MT566, MT567, MT568 and MT598).

4. For the sending of reports on positions, instructions settled, pending instructions and intra-position balances, participants will be charged a fixed fee of €0.15 per report, plus a variable amount of €0.007 for each item included in the report (position, instruction or balance).

5. An information query fee of €0.20 will be charged for queries done through the BME-PC application. If the report is downloaded as well as being viewed on screen, the fees applied to reports on positions and instructions sent by IBERCLEAR, as set out in the preceding point, will apply.





6. The first two information requests on ownership (HTITU03) and auxiliary transactions (HVINCOPE) each day will be free, with a fee of €50 being applied to each additional request<sup>2</sup>.
7. Transactions done with other central securities depositories requiring the use of the SWIFT FIN messaging service, will be subject to a pass-on fee of €0.30 in order to reflect the cost of this service. The fee will be applied for each message sent to the participant or central securities depository acting as an investor in the transaction, both for the sending of settlement messages to the CSD using the SWIFT network as well as for the messages the CSD sends in response to previous settlement messages.
8. Participants will be charged a monthly subscription fee of €180 for the "similar filings" service, with a charge of €50 per day for ad hoc requests for filings for a particular date.

#### **Regulation 8. Other services.**

1. For instructions entered manually by IBERCLEAR, a fee of €30 will be charged.
2. The maintenance of the pledged securities registration will be subject to a fee of 0.01 basis points of the average monthly pledged balance, valued daily at closing market prices for equities and at nominal value for fixed income securities.
3. A fee of €300 will be charged for the processing of regular or ad hoc reconciliation audit files. In the event that an additional audit file is required as a result of any imbalance in the reconciliation, the regular fee will be charged, plus an additional fee of €200.
4. IBERCLEAR will charge a fee of €60 per certificate for each certificate it is required to issue for the registration of pledged securities or any other type of certificate.
5. Access to the test environment outside the established official periods and the mandatory admission testing for new participants will be subject to a monthly fee of €500 per calendar month.
6. IBERCLEAR will apply fees for any other services not set out herein, based on the user covering the cost of the service provided and any expenses incurred as a result of administration with third-parties.

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<sup>2</sup> According to the Final Provision 5<sup>a</sup> of the Circular nº 16/2016, 21st April, about "ARCO securities registration and settlement system. Modification fees" IBERCLEAR is authorised to modify the fee for information requests on ownership and auxiliary transactions set down in this Regulation 7.6 by notifying the CNMV and issuing an instruction. As circumstances advise, it may also revise the number of free daily information requests.



7. For a monthly subscription to the “billing file” the participating entity will be charged, at the BIC code level, a monthly fee of €250.<sup>3</sup>

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<sup>3</sup> The monthly subscription fee for the billing file service will be applicable from 1 October 2016.