



GUIDELINES FOR NON-STANDARD SETTLEMENT PROCEDURES FOR NASDAQ BALTIC EXCHANGES

For the purposes of these Guidelines for Non-Standard Settlement Procedures for Nasdaq Baltic Exchanges (hereinafter: the Guidelines), Nasdaq Baltic Exchanges shall mean Nasdaq Tallinn AS, Nasdaq Riga, AS and AB Nasdaq Vilnius (hereinafter also: the Baltic Exchanges or Exchanges and individually Exchange) and also all markets operated by them (stock exchanges, regulated markets and multilateral trading facilities, if applicable in respective jurisdiction) (hereinafter altogether also: Nasdaq Baltic or Nasdaq Tallinn, Nasdaq Riga and Nasdaq Vilnius, respectively).

1. General

These guidelines set unified terms and conditions for non-standard settlement procedures on Nasdaq Baltic. These Guidelines do not have any effect on the Member's obligations arising from Baltic Member Rules. The definitions used in these Guidelines are deriving from Baltic Member Rules, if not defined separately.

2. Entering clearing account for settlement instructions in the trading systems

- 2.1. Where a Trade concluded on Nasdaq Baltic is settled at Nasdaq CSD Members have the possibility to enter the clearing account already upon order entry in trading systems. That way once the order is executed into Trade, the clearing account information will automatically be added to the settlement instructions.
- 2.2. Members can indicate the clearing account upon order entry by entering the following information to the Order:
 - (i) Exchange in which the instrument is issued by entering 1 character in the Clearing firm field (V for Vilnius, R for Riga, T for Tallinn); and
 - (ii) Clearing account type and account number by entering 12 characters in in the Clearing account filed. For account type Member enters letter O for own account or letter C for client account, and the remaining 11 characters indicate the account number.

3. Switch of account operators

- 3.1. When a Trade concluded by or Manual Trade reported to Nasdaq Baltic is settled at Nasdaq CSD, the Member may choose to settle such a transaction through a Nasdaq CSD participant other than the default account operator, which then would act as account operators in the respective Nasdaq CSD securities settlement system and have the possibility of effecting cash settlements, and would have arrangements made with the Member on settlement of Trade concluded by or Manual Trade notified to Nasdaq Baltic (switch of account operators).
- 3.2. The right to switch account operators may be granted upon application, which shall be submitted in the format provided by Exchange in the Member Portal. In the Application the Member shall indicate the CSD participants, who could act as

the account operators, and their BIC codes for the exchanges in which the switch of account operator should be applied. The Member shall submit an updated Application form in case of any changes to the information given in the previous Application. The Application can be accessed and filled in Member Portal. The use of the right to switch account operators may only be commenced following approval by Nasdaq Baltic in Member Portal.

- 3.3. The Member must indicate the switch of account operator upon order entry by entering the following information to the Order:
 - (i) Clearing firm (Member identification code); and
 - (ii) Clearing account (account type and account number) as described in point 2.2.(ii).
- 3.4. In cases when Member does not want to indicate the Clearing account when switching the account operator, upon order entry the field 'Clearing account' must be filled in with 1 letter indicating the account type:
 - (i) Letter C to indicate that it will be a client account, or
 - (ii) Letter O to indicate that it will be an own account.
- 3.5. The Member is responsible for delivery and settlement of financial instruments in accordance with the conditions governing the transaction and in compliance with Baltic Member Rules.
- 3.6. The possibility to switch the account operator shall enter into force upon date indicated in the Application, but not sooner than the next day of the Application submission date if the Application has been submitted until 16:00 o'clock on an Exchange trading day, and shall be in force for an indefinite period subject to notice of termination by either Exchange or Member subject to clause 6.
- 3.7. The Member may terminate the switch of account operator through the CSD participants by submitting an updated Application to the Nasdaq Baltic with an indicated effective date, noting that effective date cannot be earlier than the next day of the Application submission date if the Application has been submitted until 16:00 o'clock on an Exchange trading day. The Application can be accessed and filled in Member Portal.

4. Internally settled trade

Where a Manual Trade reported to Nasdaq Baltic is settled internally by the Member, the Member shall, inter alia, enter to the Order under Clearing firm (Member identification code) field for BUY side 'NONE', then the trade information will not be provided to Nasdaq CSD for settlement.

5. Settlement at Clearstream Banking S.A. (Luxembourg)

- 5.1. Where a Trade concluded on Nasdaq Baltic is settled at Clearstream Banking S.A. (Luxembourg) there is no automatic settlement instruction sending procedure in place. Member needs to (pass the Trade details to their Back Office and) insert the settlement instructions manually directly to the Clearstream Banking S.A. (Luxembourg).
- 5.2. In case Member has executed several Trades on the same day, with the same instrument and against the same opposing Member, if a mutual agreement

reached, settlement instructions for these Trades can be inserted as one accumulated settlement instruction using the following logic when accumulating Trade details:

- (i) Accumulated instruction Trade quantity is the sum of all the underlying Trade quantities
- (ii) Accumulated instruction price is the volume weighted average price of all the underlying Trades
- (iii) Accumulated instruction settlement amount is the sum of all the underlying Trade settlement amounts
- (iv) Accumulated instruction Trade reference should be a common reference agreed between both Members

5.3. Member shall send confirmation to the Exchange when the Trade concluded on Nasdaq Baltic has been settled at Clearstream Banking S.A. (Luxembourg).

6. Applicability of the guidelines

Nasdaq Baltic reserves the right to suspend the aforementioned non- standard settlement procedures.

7. Entry into force

Nasdaq Baltic reserves the right to update and change the Guidelines from time to time. Nasdaq Baltic will give a prior notice of such changes.