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Nasdaq CSD SE

RULES OF NASDAQ CSD

CHAPTER V

PROVISIONS SPECIFIC TO ICELANDIC SETTLEMENT SYSTEM

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1. LEGAL BASIS, GOVERNING LAW AND DISPUTE RESOLUTION

- 1.1 The Depository is authorised to act as an operator of the Icelandic Settlement System in accordance with the Icelandic Act No. 7/2020 on Central Securities Depositories, Settlement and the Electronic Registration of Securities.
- 1.2 Icelandic law (the applicable law) governs the Depository's activities, when acting as the operator of the Icelandic Settlement System, and its relations with a Participant to the extent it acts as a System Participant, and matters listed under Section 2.17.3 of Chapter I.
- 1.3 Any disputes, claims or controversies that arise in connection with the Icelandic Settlement System shall be resolved pursuant Section 2.18 of Chapter I.

2. RULES OF THE ICELANDIC SETTLEMENT SYSTEM

- 2.1 Provisions of Chapter I of the Rulebook and the Contractual Documents of the Depository shall apply to the Icelandic Settlement System to the extent and unless specifically provided otherwise in this Chapter.
- 2.2 The provisions of the Rulebook dealing with the settlement of claims and obligations arising from instructions entered into in the Icelandic Settlement System to debit, credit or make any other entries to any securities account in the Icelandic Settlement System shall be considered the relevant rules of the Icelandic Settlement System within the meaning of the Icelandic Act No 90/1999, on Settlement Finality in Payment and Securities Systems.

3. USER COMMITTEE OF THE ICELANDIC SETTLEMENT SYSTEM

- 3.1 The Depository shall be advised by the user committee of the Icelandic Settlement System (the "User Committee") on matters related to the Icelandic Settlement System. The mandate, governance arrangements, operational procedures, admission criteria and election mechanism for the User Committee members shall be provided in "Rules of Procedure of the User Committee of the Icelandic Settlement System".

4. SPECIAL PROVISIONS REGARDING NOTARY SERVICES IN ICELAND

- 4.1 In the capacity of a member of the Association of National Numbering Agencies, the Depository assigns ISIN¹ and classification of financial instrument (CFI) codes and other necessary specifications to the securities initially registered in Iceland through the Icelandic branch on reasonable commercial terms and on a non-discriminatory basis.
- 4.2 The Depository may provide through Icelandic Settlement System notary services in respect of securities constituted under the laws of other Member State, subject to compliance by the Issuer with the admission requirements set out in Section 4 of Chapter I and compliance by the Depository with the requirement to take measures to allow its

¹ ISIN stands for *International Securities Identification Number* according to ISO 6166.

users to comply with corporate or similar law of the Member State under which the securities are constituted.

5. SPECIAL PROVISIONS REGARDING COMMUNICATION OF APPLICATIONS AND REQUESTS RELATED TO THE ICELANDIC SETTLEMENT SYSTEM

- 5.1 All notices, requests, applications, inquiries, orders and other communication to the Depository in its capacity as the operator of the Icelandic Settlement System shall be referred to the Icelandic branch.

6. SPECIAL PROVISIONS RELATED TO THE GENERAL DUTIES OF THE ISSUER

- 6.1 The Depository issues electronically all securities that can be subject to transactions and fulfil requirements of laws, regulations, and the Rules of Nasdaq CSD. The Depository shall assess whether securities fulfil the requirements for being issued electronically in the system.
- 6.2 All securities registered electronically in the Depository's system carry an ISIN identity based on the ISO 6166 standard and issued by Nasdaq CSD.
- 6.3 In this chapter, the term issuing of electronic securities stands for electronic registration of securities
- 6.4 An issuer shall make an agreement with a CSD participant that is an Issuer Agent. The Issuer Agent distributes securities of the initial registration and provides service to the issuer according to local market practices. An issuer must appoint a Paying Agent for each securities issue. A Paying Agent distributes cash entitlements in relation to Corporate Actions events using the Depositories system.
- 6.5 When issuing electronic securities, the issuer or the Issuer Agent must submit the securities' issue description in the form required by the Depository at any given time.
- 6.6 When issuing electronic securities, the issuer and the Issuer Agent shall follow the issue process of the Depository. Should an issuer or an Issuer Agent require exceptions from the issue procedures, the Depository should be notified immediately. The issuer or the Issuing Agent shall bear the cost of these exceptions and be in consultation with the Depository regarding the issue.
- 6.7 An issuer shall invalidate physical securities with a recall in accordance with section VII of Regulation No. 397/2000.
- 6.8 If an issuer of shares or fixed income securities announces a recall under section VII of Regulation No. 397/2000, a pledgee can make his rights known to an Account Operator.
- 6.9 An issuer of electronically registered shares must notify the Depository immediately of any change to the issued share capital. The notification of the change shall specify the authorization for the change, such as a decision of a shareholders meeting.

- 6.10 The issuer or the Issuing Agent notifies the Depository of all relevant corporate actions. The Depository processes the actions of the issuer according to the Depositories Corporate Action Service description, provided that the conditions of laws, regulations and Rules of the Depository are complied with. The Depository reserves the right to require that Account Operators prepare and manage actions in the system.
- 6.11 The issuer can request that the securities are removed from registration. A confirmation of sufficient approval from the owners of the securities shall accompany the request, such as, minutes from shareholders meeting or written approval from the owners of the securities. For fixed income securities, the issuer must submit supporting documents confirming the removal, such as, acknowledgement of the maturity payment. Article 45 of Regulation No. 397/2000 shall furthermore apply in the event of bankruptcy, redemption, mergers, or other such events that might lead to the end of registration of securities.

7. SPECIAL PROVISIONS FOR QUALIFIED INTERMEDIARY DOCUMENTATION SERVICES

- 7.1 The Depository offers to eligible Participants a voluntary U.S. tax withholding documentation service (the "Qualified Intermediary Service" or "QI Service") in connection with U.S.-source income (including dividends and interest) distributed on securities held in the Icelandic Settlement System that are subject to U.S. withholding tax ("U.S. Income").
- 7.2 The QI Service enables a Participant, by providing the Depository with valid tax documentation as set out in this Chapter 7, to seek the application of a reduced U.S. withholding rate on U.S. -source income attributable to such Participant's clients, where that Participant is eligible for such reduction under applicable U.S. tax rules.
- 7.3 Participation in the QI Service is voluntary. A Participant that does not elect to participate in the QI Service, or that fails to provide valid documentation in accordance with this Section 7, will be subject to the default U.S. withholding rate of thirty percent (30%) on U.S. -source income, as further described this Chapter 7.
- 7.4 The QI Service is described in further operational detail in the Service Description for the Icelandic Settlement System.

ELIGIBILITY

- 7.5 A Participant is eligible to participate in the QI Service if it has provided the Depository with valid and complete documentation in accordance with Section 7.7-7.9. For the purposes of this Chapter 7, an eligible Participant may participate in the QI Service either:
- (i) as a Qualifying Intermediary ("QI"), being an intermediary that has entered into a QI agreement with the U.S. Internal Revenue Service; or
 - (ii) as a Non-Qualifying Intermediary ("NQI"), being an intermediary that has not entered into a QI agreement but participates in the QI Service by providing documentation on behalf of its underlying account holders.

- 7.6 The Depository shall have no obligation to admit a Participant to the QI Service where it determines, that a Participant does not satisfy the eligibility conditions set out in Section 7.5 or has failed to provide documentation in accordance with Section 7.17.

DOCUMENTATION OBLIGATIONS

- 7.7 As a condition of participation in the QI Service, each Participant must provide the Depository with such tax documentation as is required to establish the Participant's status and the applicable withholding rate, as follows:
- (i) A Participant participating as a QI must provide:
 - (a) a valid Form W-8IMY (Certificate of Foreign Intermediary, Foreign Flow-Through Entity, or Certain U.S. Branches for United States Tax Withholding and Reporting), completed to reflect the Participant's QI status and its QI Employer Identification Number; and
 - (b) a QI withholding statement allocating U.S. -source income and specifying the applicable withholding rates for the Participant's account holders.
 - (ii) A Participant participating as an NQI must provide:
 - (a) a valid Form W-8IMY completed to reflect the Participant's NQI status;
 - (b) a NQI withholding statement identifying each underlying recipient and allocating U.S. -source income to such recipients; and
 - (c) valid Forms W-8BEN or W-8BEN-E (as applicable) in respect of each underlying recipient for whose benefit the NQI seeks a reduced withholding rate.
- 7.8 All documentation provided pursuant to Section 7.7 must be:
- (i) complete, accurate and in the form required by the Depository;
 - (ii) provided prior to the first payment of U.S. -source income in respect of which the Participant seeks the benefit of a reduced withholding rate; and
 - (iii) maintained in valid and up-to-date condition throughout the Participant's participation in the QI Service in accordance with Section 7.11-7.14.
- 7.9 All forms must be submitted in the format and through the channel notified by the Depository from time to time. The Depository may update its requirements in relation to documentation format or submission channel upon advance written notice to participants.
- 7.10 The Depository may reject any documentation that does not satisfy the requirements in this Chapter 7.

MAINTENANCE OF DOCUMENTATION – CHANGE IN CIRCUMSTANCES, TRIGGER EVENT AND RE-SOLICITATION

- 7.11 Tax forms submitted under the QI Service are generally valid for a period of three (3) calendar years following the year in which the form was signed (for example, a form signed in 2024 remains valid through 31 December 2027), unless the form is invalidated earlier by a change in circumstances or the participant's documentation status.

- 7.12 A Participant shall promptly notify the Depository, and shall provide updated documentation in accordance with Section 7.7 -7.9, upon any change in circumstances that may affect the validity, accuracy or completeness of documentation previously provided to the Depository under the QI Service.
- 7.13 Without prejudice to the generality of Section 7.11, the obligation to provide updated documentation in accordance with that Section applies upon the occurrence of any trigger event. The following constitute trigger events that require a participant to provide updated documentation:
- (i) Change in QI or NQI status: any acquisition, loss, suspension, or material modification of the participant's QI agreement, or any change in the participant's status as a QI or NQI;
 - (ii) Change in applicable withholding rate: any change in the withholding rate applicable to any recipient or class of recipients covered by the participant's withholding statement;
 - (iii) Expiry of tax forms: expiry of the validity period of any Form W-8IMY, W-8BEN or W-8BEN-E submitted by the participant
 - (iv) Change in legal identity or structure: any change in the participant's legal name, jurisdiction of incorporation, or tax residency, or any merger, demerger, or other corporate restructuring affecting the participant as well as a change in the eligibility requirements under Section 7.5;
 - (v) Change in beneficial ownership structure: any material change in the underlying account holder or recipient structure that affects the accuracy of the participant's withholding statement; and
 - (vi) Notification from a tax or regulatory authority: receipt by the participant of any notification from a tax or regulatory authority that may affect the participant's status, obligations, or the withholding rates applicable to its account holders.

Participants are responsible for monitoring their own circumstances and ensuring that documentation on file with the Depository remains accurate and up to date at all times.

- 7.14 The Depository may, at any time and at its reasonable discretion, re-solicit documentation from a Participant. The timeframes within which a Participant must respond to any such re-solicitation request and the consequences of failure to do so within the applicable period are set out in the relevant Service Description.
- 7.15 Where a participant fails to provide updated or renewed documentation within the applicable timeframe set out in the Service Description, the Depository shall apply the default withholding rate of thirty percent (30%) to U.S. Income attributable to that Participant in accordance with Section 7.16-7.17, without prior notice, until valid documentation is received and validated by the Depository.

DEFAULT WITHHOLDING RATE

- 7.16 Default withholding rate of thirty percent (30%) will be applied where:
- (i) a Participant has not elected to participate in the QI Service;

- (ii) a Participant has failed to provide documentation in accordance with Section 7.7-7.9 prior to a payment of U.S. Income;
- (iii) documentation provided by a Participant has been rejected by the Depository as invalid or incomplete; or
- (iv) a Participant has failed to provide updated or renewed documentation within the applicable timeframe in accordance with Section 7.12-7.15.

7.17 The Depository shall have no liability to any Participant for the application of the default withholding rate of thirty percent (30%) in any of the circumstances described in Section 7.16.

LIABILITY AND INDEMNITY

7.18 Without prejudice to the general indemnity provisions set out in Section 2.11 and 2.12 of Chapter I of Nasdaq CSD Rules, each Participant that participates in the QI Service shall indemnify and hold harmless the Depository from and against any and all taxes, interest, penalties, charges and related costs and expenses assessed against or incurred by the Depository by any tax authority arising from or in connection with:

- (i) any documentation provided by the Participant pursuant to Section 7.7-7.9 that is incorrect, invalid, incomplete or misleading in any material respect; or
- (ii) any failure by the Participant to notify the Depository of a change in circumstances in accordance with Section 7.11, where such failure causes the Depository to apply a withholding rate that is lower than the rate that should have applied.

7.19 Without prejudice to the general limitation of liability provisions set out in Section 2.11.3 of Chapter I of Nasdaq CSD Rules, the Depository's liability to any Participant in connection with the QI Service shall be limited to direct losses only. The Depository shall not be liable for any indirect losses, loss of profits, loss of tax treaty benefits, or reputational damage arising from or in connection with the Depository's performance of, or any failure to perform, its obligations under the QI Service.

7.20 For the avoidance of doubt, the limitations of liability set out in Section 2.11.3 of Chapter I of Nasdaq CSD Rules and in this Chapter 7 apply mutatis mutandis to any claim arising in connection with the QI Service, including any claim arising from an administrative error by the Depository in processing documentation that was valid at the time of processing.

7.21 The indemnity obligations of the Participant under Section 7.18-7.20 shall survive the termination of the Participant's participation in the QI Service and the termination of the Participant's participation in the Icelandic Settlement System.

SUSPENSION AND TERMINATION OF QI SERVICES

7.22 The Depository may suspend or terminate a Participant's access to the QI Service, with written notice to the Participant, where:

- (i) the Participant's documentation on file is or has become invalid, and the Participant has not provided updated documentation within the applicable timeframe;
- (ii) the Participant has breached its obligations under this Chapter 7; or
- (iii) the Depository deems that continued provision of the QI Service to that Participant creates material risk of non-compliance with applicable U.S. tax rules.

7.23 Upon suspension or termination of a Participant's access to the QI Service, the Depository shall apply the default withholding rate of thirty percent (30%) to U.S. Income attributable to that Participant until such time as the Participant's access to the QI Service is reinstated (if applicable).

7.24 A Participant may elect to withdraw from the QI Service at any time upon written notice to the Depository. Such withdrawal shall take effect no later than the next scheduled U.S. -source income payment date following receipt of such notice by the Depository, and provided that it is submitted prior to the date set out in the relevant Service Description.