

DESCRIPTION OF DIFFERENT LEVELS OF SEGREGATION OFFERED BY NASDAQ CSD

Securities account provided by the CSD	Segregation level description [under applicable law]	Asset segregation as per Article 38 of CSDR	Associated costs	Commercial terms	Legal implications	Applicable insolvency law
III Lithuania						
<p><u>1. Participant's own account</u>¹</p> <p>Under Nasdaq CSD Rules participant own account is registered in the name of the Account Operator and is used for holding securities owned by the Account Operator.</p>	<p>This type of account may be opened for any Lithuanian, member state or foreign account operator² (Account Operator) for holding securities owned by the Account Operator itself (participant own account)³.</p>	<p>Participant own account ensures segregation of securities of a participant from those of any other participant and, if applicable, from the CSD's own assets (Article 38(1) CSDR) and segregation of securities of a participant from those of the participant's clients (Article 38(2) CSDR).</p>	<p><i>Please refer to the Price List.</i></p>	<p><i>Please refer to the Price List.</i></p>	<p>Participant account is registered in the name of the Account Operator and is used for holding securities belonging to the Account Operator.</p> <p>Clause 4.5(1) of the [draft] Regulations establishes that entries in securities accounts maintained at CSD level ensure administrative client segregation and do not evidence ownership of financial instruments (except for the accounts opened with CSD on an individual client segregation basis; see section "Owner account") and only records in the lower tier personal securities accounts maintained at the Account Operator level is a</p>	<p>Securities recorded in the participant's account will not be affected by insolvency proceedings of Nasdaq CSD nor insolvency proceedings of the other participants.</p> <p>As the securities held in the participant's own account are deemed to be owned by the participant, such securities would be a part of the bankruptcy estate of the other participants or Nasdaq CSD.</p> <p>In case of the Account Operator's bankruptcy Nasdaq CSD shall have a right to take over the information about the owners of financial instruments and financial instruments recorded in owner</p>

¹ Please note that the [draft] Regulations on Recording of Financial Instruments and Circulation Thereof (in Lithuanian: *Finansinių priemonių ir jų apyvartos apskaitos taisyklės*) (the **Regulations**). does not provide the exact names or definitions of particular accounts, it rather describes the types of specific accounts through their functionality. Therefore, all names of securities accounts used throughout this document are indicative and do not correspond to any particular account name established by legal acts.

² Under the Regulations account operators may only be investment firms, authorised credit institutions and central securities depositories.

³ Clause 3.3(4) of the [draft] Regulations.

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					<p>proof of ownership to financial instruments (Clause 4.5(2) of the [draft] Regulations). Thus, a book-entry record of securities in the Participant own account with CSD is not a proof that securities belong to the Account Operator in which name the securities account is opened unless such account is opened with CSD on an individual client segregation basis under Article 38(4) of the CSDR.</p> <p>Notably, Account Operators are obliged to ensure integrity of top tier and lower tier securities accounts and make respective entries in lower tier securities accounts <i>immediately</i> on the basis of the extract or notification from the top tier securities account (Clause [3.10] of the [draft] Regulations).</p> <p>Nasdaq CSD may exercise a right of retention over securities held in this account based on provisions of law.</p>	<p>accounts opened at Nasdaq CSD level and the Account Operator's level (Clause 6.5 of the [draft] Regulations). Nasdaq CSD shall keep in custody such information until the maintenance of such accounts is transferred to other person(s) holding the right to act as Account Operator(s), however Nasdaq CSD shall not provide the services related to the recording of financial instruments.</p>
<u>2. Owner account</u>	This type of account may be opened for any	Owner account ensures individual client	<i>Please refer to</i>	<i>Please refer to the</i>	Owner account is an account that is registered in the name	Securities recorded in the owner account will not be

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<p>Under Nasdaq CSD Rules owner account is registered in the name of the customer (individual or legal entity) of the Account Operator and is used for holding securities owned by that customer.</p>	<p>customer (individual or legal entity) of the Account Operator for holding securities owned by the customer.⁴</p>	<p>segregation (Article 38(4) CSDR).</p>	<p><i>the Price List.</i></p>	<p><i>Price List.</i></p>	<p>of the customer (individual or legal entity) of the Account Operator and is used for holding securities belonging to that customer.</p> <p>Data of the account holder and securities owned by the account holder are recorded at the level of Nasdaq CSD.</p> <p>According to the Clause 4.5.(2) of the [draft] Regulations record in the owner account is a proof that securities belong to the account holder.</p> <p>According to the Clause 4.6 of the [draft] Regulations operations with a securities in this account may be made on the basis of the customers' orders, investment decisions, securities' transfer agreements or on other legitimate basis. Records in the said accounts without the owner's consent may be made only in accordance with the rules established by Nasdaq CSD when correcting erroneous records.</p>	<p>affected by insolvency proceedings of Nasdaq CSD, the Account Operator or other participant.</p> <p>Data recorded at the level of CSD are used to identify the customer and securities owned by that customer.</p> <p>In case of the Account Operator's bankruptcy Nasdaq CSD shall have a right to take over the information about the owners of financial instruments and financial instruments recorded in owner accounts opened at Nasdaq CSD level and the Account Operator's level (Clause 6.5 of the [draft] Regulations). Nasdaq CSD shall keep in custody such information until the maintenance of such accounts is transferred to other person(s) holding the right to act as Account Operator(s), however Nasdaq CSD shall not provide the services related to the recording of financial instruments.</p>

⁴ Clause 3.3(5) of the [draft] Regulations.

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					<p>When performing any operation with the securities in this account the Account Operator must ensure that transaction is executed between the authorised persons and complies with the legal requirements applicable for the transfer of respective financial instruments.</p> <p>It might be interpreted that Nasdaq CSD may have a right of retention over securities held in this account based on provisions of law.</p>	
<p><u>3. Omnibus securities account</u></p> <p>Under Nasdaq CSD Rules omnibus securities account is registered in the name of:</p> <p>(i) an Account Operator for holding securities of the Account Operator's multiple customers; or</p>	<p>This type of account may be opened in the name of an Account Operator⁵ for holding securities of the multiple customers of the Account Operator⁶.</p>	<p>Omnibus client segregation (Article 38(3) CSDR)</p>	<p><i>Please refer to the Price List.</i></p>	<p><i>Please refer to the Price List.</i></p>	<p>Omnibus account is an account that is registered in the name of the Account Operator and is used for holding securities belonging to the multiple customers of the Account Operator.</p> <p>Through this account securities are held for and on behalf of the other persons (customers).</p> <p>The record in this securities</p>	<p>Securities recorded in this account will not be affected by insolvency proceedings of Nasdaq CSD or Account Operator of the customer or insolvency proceedings of other participants.</p> <p>Data recorded at the level of lower tier account provider (Account Operator) are used to identify an investor to whom securities belong.</p>

⁵ Given that Account Operators, amongst others, may be central securities depositories, this type of account may also be opened in the name of a foreign CSD for holding securities under a CSD link arrangement between Nasdaq CSD and foreign CSD.

⁶ Clause 3.3(2) of the [draft] Regulations.

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(ii) a Foreign CSD for holding securities under CSD link arrangement between the Depository and Foreign CSD.					<p>account merely evidences that securities are held on behalf of multiple clients of Account Operator and ensures administrative client segregation. Such clients are not identified at the level of Nasdaq CSD.</p> <p>Only information regarding the account holder and securities will be recorded in this account.</p> <p>The records in omnibus account maintained at CSD level shall clearly indicate the holder of this account and securities recorded in account holder's name.</p> <p>The records at the level of lower tier accounts maintained by the Account Operator shall clearly indicate each owner of securities and determine the securities held for each client⁷.</p> <p>The Account Operator may exercise a right of retention over securities held in this account based on provisions of law. It might be interpreted that Nasdaq CSD</p>	<p>In case of the Account Operator's bankruptcy Nasdaq CSD shall have a right to take over the information about owners of financial instruments and financial instruments recorded in owner accounts opened at Nasdaq CSD level and the Account Operator's level (Clause 6.5 of the [draft] Regulations). Nasdaq CSD shall keep in custody such information until the maintenance of such accounts is transferred to other person(s) holding the right to act as Account Operator(s), however Nasdaq CSD shall not provide the services related to the recording of financial instruments.</p> <p>The securities of a customer cannot be subject to a claim for payment against the Account Operator in an enforcement procedure and they are not part of the bankruptcy estate of the holder of the omnibus account (i.e. Account Operator). Measures</p>

⁷ Clause 4.1 (4) of the [draft] Regulations

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					may also have such a right of retention based on provisions of law.	for securing an action filed against the Account Operator or other restrictions on transfer of the assets of the Account Operator, applied in the course of proceedings conducted with regard to the Account Operator, do not extend to securities of customers held in this account.
<p><u>4. Nominee account</u></p> <p>Under the Nasdaq CSD Rules this account is registered in the name of a customer of an Account Operator and is used for holding securities of multiple clients of such customer, regardless of whether such clients are end investors or act as intermediaries in the securities holding chain.</p>	<p>This type of account may be opened in the name of a single customer of an Account Operator which also has the right to maintain the securities accounts and is used for holding securities of multiple clients of such customer⁸.</p>	<p>Omnibus client segregation (Article 38(3) CSDR) (in case of omnibus nominee account).</p> <p>Individual client segregation (Article 38(4) CSDR) (in case of segregated nominee account⁹).</p>	<p><i>Please refer to the Price List.</i></p>	<p><i>Please refer to the Price List.</i></p>	<p>Nominee account is an account that is registered in the name of the customer of the Account Operator and is used for holding securities belonging to the clients of the customer of that Account Operator.</p> <p>Through this account securities are held for and on behalf of the clients of another person (single customer of the Account Operator).</p> <p>The record in this account merely constitutes a proof of holding of securities.</p> <p>Only information regarding</p>	<p>Securities recorded in this account will not be affected by insolvency proceedings of Nasdaq CSD, Account Operator, other participants or the customer of the Account Operator.</p> <p>In case of the Account Operator's bankruptcy Nasdaq CSD shall have a right to take over the information about the owners of financial instruments and financial instruments recorded in owner accounts opened at Nasdaq CSD level and the Account Operator's level (Clause 6.5 of the [draft] Regulations). Nasdaq CSD shall keep in</p>

⁸ Clause 3.3.(3) of the [draft] Regulations.

⁹ Regardless that there is no express indication in the [draft] Regulations, based on clause 3.3.(5) of the [draft] Regulations a nominee account may also be opened in the name of a single customer of the Account Operator which may be used for holding the securities belonging to the *single* client of such customer (segregated nominee account).

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					<p>the account holder, indicating that the account is opened for the benefit of the clients of a single customer of the Account Operator, will be recorded in the account.</p> <p>The records in this account maintained at CSD level shall clearly indicate the holder of this account and securities recorded in account holder's name.</p> <p>Account Operators have to ensure that all securities transactions are immediately registered and securities acquired or disposed of, as a result of such transactions are reflected in records on the client securities accounts (i.e. lower tier accounts maintained at the level Account Operators)¹⁰.</p> <p>The records at the level of lower tier accounts maintained by the customer of the Account Operator shall clearly indicate each owner of securities and</p>	<p>custody such information until the maintenance of such accounts is transferred to other person(s) holding the right to act as Account Operator(s), however Nasdaq CSD shall not provide the services related to recording of financial instruments.</p> <p>The securities of the clients cannot be subject to a claim for payment against the account holder in an enforcement procedure and they are not part of the bankruptcy estate of the holder of the nominee account. Measures for securing an action filed against the holder of a nominee account or other restrictions on transfer of the assets of the holder of the nominee account, applied in the course of proceedings conducted with regard to the holder of the nominee account, do not extend to securities of third parties held</p>

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					determine the securities held for each client. ¹¹	in this account.

¹¹ Clause 4.1(4) of the [draft] Regulations