

LEGAL RULES ON THE FUNCTIONING OF THE AXIOLOGY DLT TSS INFRASTRUCTURE

Axiology

Version No. 1

effective as of 27 August 2025

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Legal Rules on the Functioning of the Axiology DLT TSS Infrastructure (Legal Rules or Rules)

1. ABOUT

- 1.1. UAB Axiology DLT (the **Axiology DLT TSS**) is a legal entity, code 306440582, LEI code 259400P9K73EP4XNK437, with an office address at Aukštaičių str. 7, Vilnius, Lithuania.
- 1.2. The Axiology DLT TSS is authorised by the Bank of Lithuania to operate under the Regulation (EU) 2022/858 of the European Parliament and of the Council of 30 May 2023 on pilot regime for market infrastructures based on distributed ledger technology, and amending Regulations (EU) No 600/2014 and (EU) No 909/2014 and Directive 2014/65/EU (the **DLTR**). The licence/permit number of the Axiology DLT TSS is No 1. The Axiology DLT TSS is authorised to operate under DLTR a distributed ledger technology Trading and settlement system (the **Axiology DLT TSS**). Axiology DLT TSS shall not be considered as the operator of a securities settlement system within the meaning of the Settlement Finality Directive.
- 1.3. Axiology DLT TSS is a combination of a DLT multilateral Trading facility (**DLT MTF**) and a DLT settlement system (**DLT SS**). Only Eligible Securities (as defined in [Annex 1](#)) that are initially issued in the form of security tokens or after they were duly issued thereafter may be issued, recorded, traded, settled, or otherwise processed and transacted in the Axiology DLT TSS.
- 1.4. The Axiology DLT TSS is subject to standard regulatory requirements applicable in the field of securities and settlement (i.e. MiFID II, MIFIR, CSDR, DLTR and other relevant EU and local legal acts), subject to specific exceptions granted to the Axiology DLT TSS under DLTR. The activities of the Axiology DLT TSS are supervised by the Bank of Lithuania (**the Competent Authority**).
- 1.5. The Axiology DLT TSS runs on a private permissioned distributed network that keeps the records of Orders and Transactions in Eligible Securities and that is shared across, and synchronized between, a set of Axiology DLT TSS distributed ledger network Nodes using a Consensus Protocol that relies on trusted validators or a Unique Node List (UNL) that determines the entry of Transactions into the ledger of the Axiology DLT TSS (**the Ledger**).
- 1.6. Distinct from conventional multilateral Trading facilities (MTFs), the Axiology DLT TSS infrastructure is characterised by its utilisation of a decentralised exchange (decentralised Order Book) for Order matching, a pivotal function facilitated by the Axiology DLT TSS. Distributed ledger technology (DLT) enables synergies and efficiencies across multiple processes (Order execution, pre/post Trade, Trading, settlement, custody) inherent in the management of the lifecycle of certain financial instruments (Eligible Securities). This is accomplished by Axiology DLT TSS offering market Participants single streamlined access point and a unified regulatory compliant data structure to facilitates settlement of tokenized financial instruments (Eligible Securities) in electronic money tokens (EMT) within the meaning of EU Markets in Crypto- Assets Regulation (EU) 2023/1114.

2. SCOPE OF SERVICES

- 2.1. As a part of its DLT TSS operations, the Axiology DLT TSS may carry the following notary, central maintenance, and related services:
 - 2.1.1. notary service (initial recording of Eligible Securities on the Ledger);
 - 2.1.2. central maintenance service (provides and maintains Issuance and/or Operational Wallets where Eligible Securities are recorded at the top tier level on the Ledger);
 - 2.1.3. settlement services for Eligible Securities;

- 2.1.4. other services related to the settlement service within the Axiology DLT TSS, such as: (a) automated instruction routing, (b) trade confirmation, (c) trade verification;
- 2.1.5. other services related to maintenance of registers of the holders of the Eligible Securities; supporting the processing of Corporate Actions, including coupon payments, redemptions, and information services; new issue services, including allocation and management of DTI codes (digital token identifier¹);
- 2.1.6. services related to providing, maintaining, and operating Issuance and/or Wallets in relation to the settlement service.
- 2.2. As a part its DLT TSS operations, the Axiology DLT TSS also carries out certain investment services:
 - 2.2.1. placing of Eligible Securities on the Axiology DLT TSS without a firm commitment basis;
 - 2.2.2. operation of a multilateral Trading facility on the Axiology DLT TSS;
 - 2.2.3. safekeeping and administration of Eligible Securities for the Operational Wallets of Clients (End-Investors), Participants and Issuers, including custodianship of Eligible Securities in the Operational Wallets.
- 2.3. The Axiology DLT TSS shall be obliged to allow its Participants to access separately only specific Services rendered and functions provided by Axiology DLT TSS, when chosen by the Participants.

3. Participation in the Axiology DLT TSS

Participation eligibility criteria

- 3.1. Only the following legal entities can qualify as eligible applicants for participation in the Axiology DLT TSS:
 - 3.1.1. Credit institution. A credit institution within the meaning of Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC, organised and licenced under the laws of a Member State of the European Union (EU) or European Economic Area (EEA);
 - 3.1.2. Investment firm. An investment firm within the meaning of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (**MiFID II**), excluding the institutions set out in Article 2(1) of MiFID II, organised and licenced under the laws of a Member State of the EU or the EEA or, in case the applicant's home state is not within the EU or the EEA, is licenced to conduct investment business in its home state and is therein subject to satisfactory supervision equivalent to what follows from MiFID II and, where applicable, is authorised to provide custody services in the EU or EEA;
 - 3.1.3. ESCBs. Participant of the Eurosystem central banks with the purpose of holding of securities and conducting other activities (if any) that they are authorised to issue and/or conduct following applicable law;

¹ <https://www.iso.org/standard/80601.html>

- 3.1.4. National Treasury. Any Member State of the EU or EEA (as may be represented by the State Treasury, the Ministry of Finance or other authorised institution);
- 3.1.5. DLT SS and DLT TSS operator. Any operator of DLT settlement system or DLT trade and settlement system authorised to act under DLTR;
- 3.1.6. Crowdfunding platform operator. Any operator that is licensed to facilitate the matching of business funding interests of investors and project owners through the use of a crowdfunding platform through (i) the placing without a firm commitment basis of Eligible Securities for crowdfunding purposes issued by project owners or a special purpose vehicle, and (ii) the reception and transmission of Client orders in relation to Eligible Securities for crowdfunding purposes.
- 3.2. A Participant shall possess a suitable organisation for the business, comply with regulatory requirements applicable for the Participant, requisite risk management routines, adequate control mechanisms, secure technical systems, data protection policies, procedures for the delivery of trade and settlement related information to the Axiology DLT TSS and otherwise be deemed suitable to participate in Trading and settlement on the Axiology DLT TSS. The Participant will need to pass an anti-money laundering (**AML**) and Sanctions screening check to the satisfaction of the Axiology DLT TSS. Furthermore, the Participant shall fulfil the following criteria:
 - 3.2.1. the Participant (except for Participants listed in Clauses 3.1.3 and 3.1.5 shall have at least one authorised Exchange Trader provided, if the Participant intends to enter Orders into Axiology DLT TSS and/or Trade in its own name or in the name of the Clients on the Axiology DLT TSS;
 - 3.2.2. the Exchange Trader shall be the contact person for Trading related issues and shall have access to the Participant Portal of the Axiology DLT TSS (in case of Participants listed in Clauses 3.1.3 and 3.1.5 access to the Participant Portal of the Axiology DLT TSS shall be granted to the person(s) indicated by such Participant);
 - 3.2.3. the Participant (except for Participants listed in Clauses 3.1.3 and 3.1.4 shall have a Compliance Officer or a person with similar responsibility to act as the contact person for compliance-related issues.
 - 3.2.4. The Participant shall ensure that its systems are compatible with the technical, operation, and other requirements of the Axiology DLT TSS system;
 - 3.2.5. If the Participant is a DLT SS or DLT TSS operator, it may be granted access to the Axiology DLT TSS, provided such access would not be detrimental to the stability of the EU financial system, financial system of the Member State concerned or the functioning of the Axiology DLT TSS, and provided that granting of such access to the DLT SS or DLT TSS is approved by the Competent Authority according to Article 5(9) of DLTR.
- 3.3. The Participant must at all times ensure that the above staff are fit and suitable and have adequate knowledge, experience, training, and competence.
- 3.4. In addition to the criteria set out in Clauses 3.1. - 3.3, an applicant requesting the right to become a Participant of the Axiology DLT TSS shall establish all the necessary arrangements to meet all of the obligations as attributed to its requested status under these Rules, Participation Agreement, Trading Rules, Implementing Regulations and applicable law.

Admission procedure

- 3.5. Participation in the Axiology DLT TSS is granted by the Axiology DLT TSS following submission of an Application for participation in the Axiology DLT TSS, which shall be submitted on a standard Application form set by Axiology together with all supporting

documents (including Questionnaire for legal entities) enclosed as prescribed in the Application form. Participation is only granted subject to the execution by the Participant of the Participation Agreement with the Axiology DLT TSS. In case the applicant is a DLT SS or DLT TSS, such application shall also be substantiated with information prepared by the respective DLT SS or DLT TSS confirming that its participation in Axiology DLT TSS would not be detrimental to the stability of the EU financial system, financial system of the Member State concerned or the functioning of the Axiology DLT TSS.

- 3.6. The Axiology DLT TSS shall decide at its sole discretion whether to grant the right of Participation to the applicant no later than 30 Business Days from the date it receives a correctly completed Application. In case such applicant is a DLT SS or DLT TSS, the Axiology DLT TSS shall decide at its sole discretion whether to grant the right of Participation to the applicant no later than within 6 months from the date it receives a correctly completed Application of the DLT SS or DLT TSS. In case the applicant is a DLT SS or DLT TSS, the information relevant for the assessment of absence or existence of possible detrimental effects to the stability of the EU financial system, financial system of the Member State concerned or the functioning of the Axiology DLT TSS shall be furnished by the Axiology DLT TSS to the Competent Authority within 30 Business Days following the receipt of sufficiently detailed information from such an applicant. The term of consideration of application shall be suspended until Axiology DLT TSS receives information from the Competent Authority permitting to grant or refusing to grant permission to the DLT SS or DLT TSS to become a Participant of the Axiology DLT TSS.
- 3.6.1. The Axiology DLT TSS has the right to request any additional information and documents within 15 Business Days of the date of receipt of an Application if:
 - 3.6.1.1. the information provided in the Application and/or supporting documentation is outdated, inaccurate, misleading or incomplete;
 - 3.6.1.2. additional information or documentation is necessary to assess the applicant's compliance with the requirements and admission criteria prescribed in the Rules;
 - 3.6.1.3. additional information or documentation is necessary for carrying out a comprehensive risk assessment provided by Article 33 (3) of the CSDR and Article 89 - 90 of the RTS on Authorisation.
- 3.7. In case of request for the right of participation from a foreign legal entity established in a country other than Lithuania, the Axiology DLT TSS shall have the right to request the applicant to provide at its own expense a reasoned and independent legal opinion from a reputable law firm or attorney-at-law in the form and substance acceptable to the Axiology DLT TSS demonstrating and establishing that possible conflict of laws issues would not impede the enforceability of the Rules and ability of the applicant to meet its obligations in connection with its participation in the Axiology DLT TSS and activities for which it has applied or subscribed for.
- 3.8. The term of the proceeding provided in Clause 3.6 shall be suspended for the period between the request by the Axiology DLT TSS for additional information or documents and receipt of requested information or documents from the applicant. Suspension shall also include the period from the moment the request for information from the Competent Authority as provided in clause 3.6 was sent and until it was duly received.
- 3.9. Right of participation is granted to the applicant that complies with the requirements and admission criteria provided in Clauses 3.1 - 3.8 and that has concluded a written Participation Agreement with the Axiology DLT TSS.
- 3.10. The Axiology DLT TSS may request that the opening of an applicant's production connection(s) shall be subject to the successful completion of validation and testing

procedures to verify the compliance of such connection(s) with Clause 3.15 and obligations of the Participant listed, among other things, in Clause 8.6 of these Rules.

- 3.11. The Axiology DLT TSS shall refuse to grant the right of participation if:
 - 3.11.1. information in the Application or its supporting documentation was outdated, inaccurate, misleading or incomplete and such deficiencies were not rectified upon the request of the Axiology DLT TSS;
 - 3.11.2. the applicant does not meet the requirements or admission criteria provided for in these Rules;
 - 3.11.3. a reason for refusal was identified in the course of the comprehensive risk assessment referred to in Article 33 (3) of the CSDR and/or Article 20, 89 – 90 of the RTS on Authorisation;
 - 3.11.4. the applicant is exceeding the Axiology DLT TSS's AML and Sanctions risk appetite;
 - 3.11.5. the granting of participation would, in the view of the Axiology DLT TSS, be detrimental to the stability of the EU financial system, financial system of the Member State concerned or the functioning of the Axiology DLT TSS.
- 3.12. The Axiology DLT TSS's decision refusing the right of participation shall be provided to the applicant in writing. The decision shall outline grounds of refusal and information to the applicant about its right to complain the refusal to the relevant Competent Authority pursuant to Article 33 of the CSDR and Article 90 of the RTS on Authorisation.
- 3.13. The applicant shall have a right to appeal against the decision of the Axiology DLT TSS to refuse the participation of the applicant in the Axiology DLT TSS to the Competent Authority. In case the Competent Authority satisfies the appeal of the applicant and issues an order for the Axiology DLT TSS to grant participation right to the applicant in the Axiology DLT TSS, the Axiology DLT TSS shall follow the order of the Competent Authority.
- 3.14. If a Participant no longer satisfies the conditions for Participation, the Axiology DLT TSS may terminate the Participation with immediate effect. The Axiology DLT TSS may decide, where special cause exists, that the Participant may execute already recorded Orders in order to protect the persons involved against loss.

Start of participation

- 3.15. The Participant may start to participate in the Axiology DLT TSS as soon as the Participant has been accepted as a Participant to the Axiology DLT TSS by the decision of the Axiology DLT TSS and its Technical Equipment has been successfully connected and passed the connectivity tests to the Axiology DLT TSS and the Participant has demonstrated its readiness to comply with the Rules.
- 3.16. The Participant will be granted a Participant identity code that shall be used for identifying operations in the Axiology DLT TSS.
- 3.17. The Participant is responsible at all times for the delivery Eligible Securities under the terms of the Order and settlement of Eligible Securities in EMTs in accordance with the Rules. This responsibility of the Participant applies irrespective of whether the Order is delivered or the Transaction is concluded in the name and/or for the account of the Participant or on behalf of a Client or an Issuer.

Participant default rules and procedures

- 3.18. The Axiology DLT TSS may at any time suspend the access of a Participant to all or part of the Services and functionalities of the Axiology DLT TSS, with effect from such date and time

as the Axiology DLT TSS may specify, provided that any of the following events occurs in respect of a specific Participant (an **Event of Default**):

- 3.18.1. if the Participant is in breach of any provision of the Rules and fails to remedy such breach within the time reasonably allocated to it by the Axiology DLT TSS;
- 3.18.2. the Participant does not satisfy all of the requirements and admission criteria provided in Clauses 3.1 - 3.17 or, in the reasonable opinion of Axiology DLT TSS, such failure is likely to occur;
- 3.18.3. the Participant is in material breach of any obligations under the Rules or, in the reasonable opinion of the Axiology DLT TSS, any such breach is likely to occur;
- 3.18.4. in the reasonable opinion of the Axiology DLT TSS, the continued participation of the Participant in the Axiology DLT TSS threatens the security, regulatory compliance requirements, integrity or reputation of the Axiology DLT TSS, its trade and/or settlement system, puts at risk the interests of other Participants, the Clients (End-Investors), the Issuers, the Axiology DLT TSS or public interest;
- 3.18.5. a Participant becomes subject to Sanctions;
- 3.18.6. a Participant becomes subject to an Insolvency Event.
- 3.19. The Participant, or any other persons with the knowledge of the existence of an Event of Default, shall immediately inform the Axiology DLT TSS of any circumstances that may lead or have led the Participant to the Event of Default upon having discovered any such circumstances. The information shall be provided via the Participant Portal or in accordance with Section 14 of the Rules on Communication Means and Notices.
- 3.20. As soon as the Axiology DLT TSS is informed of an Event of Default of a Participant, the Axiology DLT TSS should transmit this information, including details available at that moment in time and the source of information, to the Competent Authority. Following this the Axiology DLT TSS should, as soon as possible, identify and transmit to the Competent Authority at least such additional information:
 - 3.20.1. the type of the Participant in respect of which the Event of Default has occurred (i.e. information such as legal status, licence, activity, whether it is a key Participant under Article 67 of the RTS on Authorisation);
 - 3.20.2. the total volume and value of the defaulting Participant's outstanding non-executed Transactions and (or) Orders, with "value" being calculated as specified in Article 42 (2) of the RTS on Authorisation;
 - 3.20.3. the type of Transactions and the Eligible Securities those Orders or instructions relate to and in which common settlement infrastructure the defaulting Participant's settlement instructions are processed;
 - 3.20.4. where known to the Axiology DLT TSS, the number of Clients the defaulting Participant has, and
 - 3.20.5. information on any material risks that such default might entail.
- 3.21. If the Event of Default occurs, the Axiology DLT TSS may adopt the following measures:
 - 3.21.1. suspend the participation of the Participant to all or part of the Services and/or functionalities of the Axiology DLT TSS, including, but not limited to suspension or termination of the entry and/or processing of Orders by the Participant;

- 3.21.2. suspend the participation of the Participant in the Axiology DLT TSS.
- 3.22. The Axiology DLT TSS shall take into account the following criteria prior to adoption of specific measures indicated in Clause 3.21: gravity of the breach, impact of the breach on the functioning of the Axiology DLT TSS, rights and interests of its Participants, Issuers and the Clients of the Participants, and regulatory requirements. The Axiology DLT TSS shall adopt measures that are proportionate to the gravity and impact of the breach committed by the Participant and that would enforce the Participant to comply with the Rules, the Participation Agreement, Implementing Regulations and applicable laws.
- 3.23. Suspension of the Participant shall continue for the period that the Axiology DLT TSS has established. Suspension of the Participant may be prolonged or shortened, if the circumstances, in the opinion of Axiology DLT TSS, so require. Suspension of the Participant shall be ended once the circumstances serving as the grounds for suspension of the Participant have expired, precautionary measures are put in place and there is no risk of recurrence of circumstances serving as the grounds for suspension of the Participant of in the foreseeable future.
- 3.24. If the access of the Participant to the Axiology DLT TSS is suspended in respect of all or part of the Services and functionalities, the Orders in respect of the suspended functions shall be rejected or cancelled by the Axiology DLT TSS. The Axiology DLT TSS may decide, where special cause exists, that the Participant may execute already recorded Orders in order to protect the persons involved against loss following its suspension in the Axiology DLT TSS.
- 3.25. The Axiology DLT TSS shall inform the Participant of the suspension and the Services and functionalities to which the suspension applies immediately following adoption of the appropriate decision in respect of the Participant. The Axiology DLT TSS shall also inform about the suspension ESMA, other Participants of the Axiology DLT TSS, other persons concerned (i.e. trading venues, etc.) and the general public, if the circumstances so require, about the suspension of the Participant and other details of practical relevance to the interests of such persons concerned and the general public. Information provided to other persons concerned or the general public should not contain personal data and confidential information.
- 3.26. The fact of the suspension of the Participant does not release the Participant from the obligation to follow the provisions of these Rules, Implementing Regulations and other relevant documents governing the relationship between the Participant and the Axiology DLT TSS, unless otherwise indicated in the decision of the Axiology DLT TSS in respect to the suspended Participant.
- 3.27. If a Participant no longer satisfies the conditions for Participation in the Axiology DLT TSS and, in the opinion of the Axiology DLT TSS it is unlikely that the Participant will satisfy such requirements within a reasonable period of time, or the Participant is suspended and did not rectify the circumstances that served as the cause for the suspension of the Participant during the suspension period, the Axiology DLT TSS may terminate the participation of the Participant in the Axiology DLT TSS. Such termination may enter into effect immediately, if the circumstances so require.
- 3.28. The Axiology DLT TSS shall inform the Participant of the termination of participation of the Participant in the Axiology DLT TSS immediately following adoption of the appropriate decision in respect of the Participant. The Axiology DLT TSS shall also inform about termination ESMA, other Participants of the Axiology DLT TSS, other persons concerned (i.e. trading venues, etc.) and the general public, about the termination of the participation of the Participant in the Axiology DLT TSS and other details of practical relevance to the interests of such persons concerned and the general public.
- 3.29. The Participant may terminate its Participation in the Axiology DLT TSS upon not less than 40 Business Days' written notice, whereupon the Participation shall terminate on the last day

of the calendar month 00:00:00 time during which the term of 40 Business Days expires. All Trades to which the Participant is a party must be delivered and settled on the Axiology DLT TSS, where relevant, before the termination of Participation. All Orders of the Participant that are not delivered and settled before the moment of termination must be cancelled at the moment of termination. All Eligible Securities issued or owned by the Participant or its Clients shall be assigned to another Participant continuing to service the Clients. Following termination of access of the Participant to the Axiology DLT TSS, the Orders and/or instructions of the Participant shall be rejected or cancelled by the Axiology DLT TSS.

- 3.30. In case of suspension or termination of the Participant's participation in the Axiology DLT TSS for whatever reason, the Participant and the Axiology DLT TSS shall make reasonable efforts to reduce the possible impact of such termination or suspension on the Clients, the Issuers, the Participant, other Participants and the Axiology DLT TSS and shall cooperate in good faith to minimize such effects. In all cases, the suspended or terminated Participant shall follow the instructions of the Axiology DLT TSS.

Periodic testing and review of Participant default rules and procedures for the purpose of Insolvency Event

- 3.31. In case of substantive changes to the Participant default rules and procedures, but not less than annually, the Axiology DLT TSS shall test the effectiveness and practicality of such rules and procedures, and review (amend) the default rules in order to meet the requirements of effectiveness and practicality.
- 3.32. The Axiology DLT TSS shall also test the Axiology DLT TSS infrastructure upon request of the Competent Authority in the manner, scope and content indicated by the Competent Authority. The Competent Authority shall be entitled to take part in such tests.
- 3.33. Upon the request of the Axiology DLT TSS, any Participant shall be obliged to participate in the testing of the default rules and procedures. The Axiology DLT TSS shall inform the Participant(s) required for participation in the testing about such tests not less than 20 Business Days prior to such testing.
- 3.34. Prior to each test, the Axiology DLT TSS should define the parameters according to which such test should be run, taking into account different types of Participants (in terms of volume, activity, etc.), Participants located in different countries or time zones (if any), relevant market infrastructures, as may be appropriate. Such test should include a simulation exercise and a test of the communication procedures. If so requested by the Competent Authority, the Axiology DLT TSS may submit the parameters it intends to use to the Competent Authority prior to each test. The results of the testing shall be documented and shall at least address the evaluation of meeting or not meeting of the parameters set prior to testing and overall assessment of the testing results from the following angles: suitability of the testing scenario(s), practicality of the testing scenario(s), overall risk assessment of the testing scenario(s).
- 3.35. Where a test reveals any weakness in its default rules and procedures, the Axiology DLT TSS should modify them accordingly. Where the simulation exercise reveals the lack of knowledge or readiness to apply the default rules and procedures by its Participants (or other market infrastructures, if any) the Axiology DLT TSS should make sure that these entities are duly informed and take actions to remove such weaknesses.
- 3.36. The results of any test and the contemplated changes to its default rules and procedures, if any, should be provided to the Board the Axiology DLT TSS and the Competent Authority. The Axiology DLT TSS should also disclose at least a summary of the results of a performed test and the contemplated changes to its default rules and procedures, if any, to its Participants.

- 3.37. The Axiology DLT TSS should involve its Participants and other market infrastructures (if relevant) in developing and amending its default rules and procedures.

Training of staff to implement default rules and procedures

- 3.38. The Axiology DLT TSS should clearly define the rules, delineate the lines of responsibilities and specific actions to be taken within the Axiology DLT TSS as well as outside the Axiology DLT TSS (if relevant), for addressing an Event of Default of a Participant. The Axiology DLT TSS shall at least annually conduct training and provide guidance to its personnel on how the default rules and procedures should be implemented in practice. These rules and procedures should identify key personnel for this purpose, address communications, documentation, information needs and data access issues, and coordination with other entities (if relevant).

4. CSD SERVICES

Notary service

- 4.1. Any Issuer that intends to issue or has issued Eligible Securities in accordance with the requirements of applicable laws, may arrange for such Eligible Securities to be represented on the Ledger. By recording Eligible Securities the Ledger Axiology DLT TSS makes the initial admission of Eligible Securities issue and conducts subsequent recording of Eligible Securities in the Wallets opened on the Ledger. Such admission and subsequent recording of Eligible Securities and events (i.e. Corporate Actions) related to the Eligible Securities in the Wallets opened on the Ledger is considered as the notary service for the purpose of these Rules. The notary service encompasses initial representation of Eligible Securities on the Issuance Wallet opened in the name of the Issuer on the Ledger and subsequent maintenance of Eligible Securities in the Issuance Wallet and Operational Wallets. The data of such Issuance Wallets and/or Operational Wallets, that includes the initial credit and all subsequent credit and debit records to Eligible Securities made in the Issuance Wallets and/or Operational Wallets is constantly reflected on the Ledger. For this purpose the admission and subsequent recording of the Eligible Securities by the Axiology DLT TSS in the Wallets opened with the Ledger shall be made by virtue of careful review and acceptance of the Application of the Issuer in respect to initial recording of Eligible Securities on the Issuance Wallet opened with the Ledger and careful examination of subsequent data and information supplied by the Issuer, the Participant or the other persons to the Axiology DLT TSS.
- 4.2. For the purposes of initial admission of Eligible Securities to the Wallets opened with the Ledger the Issuer shall be obliged to fill in the Application in which the Issuer shall provide all the information and accompany the Application with necessary documents for the Axiology DLT TSS to be able to make initial admission and recording of Eligible Securities subject to notary service. If after review of the Application the Axiology DLT TSS finds that the Eligible Securities may be admitted on the Issuance Wallet opened on the Ledger, the Issuer shall be promptly informed thereof. Following the decision of the Axiology DLT TSS to admit the Eligible Securities on the Ledger, the Issuer shall sign an Agreement with the Axiology DLT TSS. The Eligible Securities are considered as admitted to the Ledger from the moment of making of appropriate record by the Axiology DLT TSS in the Issuance Wallet of the Issuer opened on the Ledger (for the avoidance of doubt, the record in the Issuance Wallet and the Ledger is made simultaneously and is reflected in all the Nodes). For the avoidance of doubt, Eligible Securities technically and legally may not be recorded on and/or deleted from the Ledger in the absence of approval by Axiology DLT TSS (i.e. Eligible Securities may not be recorded on/deleted from the Ledger by the Issuer and/or the Participant without the approval by the Axiology DLT TSS).
- 4.3. The Axiology DLT TSS may refuse to open an Issuance Wallet for the Issuer and make initial recording of the Eligible Securities on the Issuance Wallet opened on the Ledger in case:

- 4.3.1. the Issuer does not qualify as an eligible Issuer under those Rules for the Axiology DLT TSS purposes;
- 4.3.2. the Securities do not qualify as Eligible Securities for the purposes of DLTR and/or the Rules;
- 4.3.3. the laws under which the Issuer is incorporated or the law applicable to financial instruments prohibit or impose limitations on the Eligible Securities to be validly recorded on the Ledger;
- 4.3.4. the Eligible Securities of the same issue are not fungible;
- 4.3.5. opening of an Issuance Wallet for the Issuer is incompatible with fair, orderly and smooth functioning of the Axiology DLT TSS.
- 4.4. The Axiology DLT TSS may request the Issuer to provide the documents and information (including in the form and content of a legal opinion of a law firm acceptable to the Axiology DLT TSS) to justify the correctness of the content of the application/other requested information and eligibility of financial instruments as Eligible Securities to be recorded on the Ledger.
- 4.5. The Axiology DLT TSS may ask the Issuer or the Participant to provide all and any additional information and documents in respect of the application/ other request, provided documents or information, provided that:
 - 4.5.1. the information provided is outdated, inaccurate, incomplete or not properly certified;
 - 4.5.2. additional information is required to evaluate if the Issuer or application complies with DLTR, the Rules, other Implementing Regulations or applicable law;
 - 4.5.3. additional information is required to make a risk assessment under Article 49 (3) of the CSDR and/or Article 89 of the RTS on Authorisation.
- 4.6. The Axiology DLT TSS shall adopt a decision in respect of admission/record of the Eligible Securities to the Ledger within 30 Business days. The Axiology DLT TSS may prolong such a term for additional 15 Business Days due to objective reasons.
- 4.7. The Axiology DLT TSS shall not perform initial recording of Eligible Securities on the Ledger in case the information in the Application or documents supporting the Application (following exchange of communication with the Issuer) maintains deficiencies listed in Clause 4.5. In such a case the Axiology DLT TSS shall refuse to record Eligible Securities on the Ledger.
- 4.8. The Axiology DLT TSS may also suspend and/or terminate provision of notary services to the Issuer in case:
 - 4.8.1. the Eligible Securities do not meet the requirements for initial or ongoing admission/recording;
 - 4.8.2. the Issuer has materially breached its obligations under the Rules or applicable laws and has not cured such breach following request of the Axiology DLT TSS within a reasonable period of time;
 - 4.8.3. the Issuer is exceeding Axiology DLT TSS AML/LTF/Sanctions risks appetite or is not providing information needed to conduct internal investigation according to the Implementing Regulations;
- 4.9. Upon request of the Issuer or Issuer's representative (Issuer's Agent,) the Axiology DLT TSS may provide the following ancillary services related to the notary services in connection with the Eligible Securities that are recorded on the Ledger:

- 4.9.1.1. support the processing of Corporate Actions;
- 4.9.1.2. render services related to Eligible Securities holders' registers;
- 4.9.1.3. render new or complementary issue services of the Eligible Securities which the Issuer has requested to admit/record on the Ledger;
- 4.9.1.4. instruction routing and processing, fee collection, processing and reporting related to actions listed in this Clause;
- 4.9.2. providing information, data and statistics.
- 4.10. Services mentioned in Clause 4.9 shall be provided in accordance with applicable law, these Rules, Agreement between the Axiology DLT TSS and the Issuer, Issuer's Agent, Corporate Action Standards, Implementing Regulations or other documents adopted following the Rules, applicable laws or good industry practices.
- 4.11. Unless Rules or good industry practices (Corporate Action Standards) allow to process incomplete or unconfirmed information on Corporate Actions, any obligation of the Axiology DLT TSS to process a Corporate Action affecting Eligible Securities or other persons as well as its obligation to provide, forward or disclose information, data or statistics about such Corporate Action, shall only apply to the extent that the Axiology DLT TSS has received in a timely manner complete set of information and documents, and when required by these Rules or good industry practices, a valid processing request and supporting documentation from the Issuer or the Issuer's Agent.
- 4.12. The Axiology DLT TSS may process the following Corporate Actions only (i) upon Issuer's application submitted on a standard application form or in a manner agreed with the Axiology DLT TSS and (ii) insofar as the applicable law allows or requires the respective Corporate Action:
 - 4.12.1. any cancellation of the Eligible Securities except as and to the extent otherwise provided by the applicable law;
 - 4.12.2. cash distributions (e.g. Coupon payment, redemption); and
 - 4.12.3. Eligible Securities distributions (e.g. bonus issue).
- 4.13. The Axiology DLT TSS processes Corporate Actions, as applicable, in accordance with Corporate Action Standards.
- 4.14. Deadlines for submission of an Issuer's application, and description and processing of Corporate Actions, shall be provided by applicable law or Implementing Regulations. Applicable law or Implementing Regulations may provide specific rules on the determination of key dates (e.g. Ex date, payment date, record date and deadline prior to such record date by which an Issuer's application must be submitted to the Axiology DLT TSS).
- 4.15. The integrity of issue of all and each emission of the Eligible Securities recorded on the Ledger (the total number of Eligible Securities making up a securities issue or part of such securities issue admitted to the Axiology DLT TSS) is assured through constant 24/7/365 on-line reconciliation process that takes place without interruptions. During such a reconciliation process the total number of Eligible Securities recorded in the Issuance Wallet of the Issuer on the Ledger is checked against the total number of Eligible Securities recorded in the Operational Wallets on the Ledger. To assure reconciliation properly on the Axiology DLT TSS, the Axiology DLT TSS employs automatic double-entry records in the Issuance Wallets and Operational Wallets, according to which for each credit entry made on an Issuance Wallet and Operational Wallet maintained on the Ledger, there shall be a corresponding automatic

debit entry made on another Issuance Wallet and Operational Wallet maintained by the Ledger, and vice versa.

- 4.16. Participants of the Axiology DLT TSS shall reconcile their internal records of the securities recorded in the securities accounts maintained by them with the information about the same Eligible Securities recorded in the Issuance Wallets and Operational Wallets (received from the Axiology DLT TSS) at least on a daily basis. For this purpose, the Axiology DLT TSS shall constantly and without interruptions make available to the Nodes of Participants (to other persons) on a daily basis the following information specified for each Issuance Wallet and Operational Wallet and for each issue (or part of issue) of Eligible Securities recorded on the Axiology DLT TSS in respect of the Participant and the Clients (End-Investors) of the Participant: (a) the aggregated balance of the Issuance Wallet and Operational Wallet of the Participant and the specific Issuance Wallets and Operational Wallets of the Clients of the Participant, as the case may be, at the beginning of the respective Business Day; (b) the individual transfers of the Eligible Securities in or out of an Issuance Wallet(s) and Operational Wallet(s) of the Participant and/or its Clients during the respective Business Day; (c) the aggregated balance of an Issuance Wallet(s) and Operational Wallet(s) of the Participant and/or its Clients at the end of the respective Business Day. If the Participant (other persons) identifies any discrepancies between data received from the Axiology DLT TSS and data recorded in the internal records of the Participant, the Participant (other persons) shall immediately inform the Axiology DLT TSS of such mismatches and inconsistencies.
- 4.17. Participants (other persons), Issuers and other holders of Issuance Wallets and/or Operational Wallets in the Axiology DLT TSS (if any) shall provide the Axiology DLT TSS with the information that the Axiology DLT TSS deems necessary to ensure the integrity of records relating to Eligible Securities, in particular to solve any reconciliation problems that the Axiology DLT TSS may face.
- 4.18. When a Corporate Action in respect of Eligible Securities is processed by the Axiology DLT TSS, it shall ensure that prior to distribution of proceeds or performance of other actions triggered by a Corporate Action, all the data of the Ledger is updated.
- 4.19. The Axiology DLT TSS shall analyse any mismatches and inconsistencies resulting from the reconciliation process and endeavour to solve them before the beginning of settlement on the following Business Day. Where the reconciliation process reveals an undue creation or deletion of Eligible Securities, and the Axiology DLT TSS fails to solve this problem by the end of the following Business Day, the Axiology DLT TSS shall suspend the Eligible Securities issue for settlement until the undue creation or deletion of Eligible Securities has been remedied. In the event of suspension of the settlement, the Axiology DLT TSS shall inform without undue delay the Participants, the Issuers, the Competent Authority, other relevant authorities and all other entities involved in the reconciliation process, if any. The Axiology DLT TSS shall take without undue delay all the necessary measures to remedy the undue creation or deletion of Eligible Securities and shall inform the Competent Authority and relevant authorities with regard to the measures taken and completion of remedy of the undue creation or deletion of Eligible Securities. The Axiology DLT TSS shall resume settlement as soon as the undue creation or deletion of particular Eligible Securities has been remedied.
- 4.20. The Axiology DLT TSS shall ensure that the records and reconciliation measures related to issues of Eligible Securities recorded on the Ledger and the measures employed concerning cooperation and exchanges of information with Participants, Issuers and other persons related to reconciliation are audited annually in respect of their accuracy and adequacy and the report is shared with the Competent Authority, as required under Article 59 (4) of RTS on Authorisation. The Axiology DLT TSS shall review at least annually its cooperation and information exchange measures with other entities involved in the reconciliation of Eligible Securities records.
- 4.21. Without prejudice to the above reconciliation measures, the Axiology DLT TSS has the right:

- 4.22. to request that a Participant, Issuer or other person apply specific event-driven reconciliation measures in a manner specified by the Axiology DLT TSS; and
- 4.23. to subject a Participant or other person involved in reconciliation to undergo an audit control on its application of reconciliation measures.
- 4.24. Where the number of instances of undue creation or deletion of Eligible Securities is higher than 5 per month, the Axiology DLT TSS shall send within 1 month to the Competent Authority and the relevant authorities a proposed plan of measures for mitigating the occurrence of similar instances. The Axiology DLT TSS shall update the plan and shall provide a report on its implementation to the Competent Authority and the relevant authorities on a monthly basis, until the number of instances of undue creation or deletion of Eligible Securities falls below 5 per month.

Central maintenance services

- 4.25. The Axiology DLT TSS provides continuous management and updating of information relating to Eligible Securities on its Ledger. This ongoing administration of Eligible Securities on the Ledger constitutes the central maintenance services. Such services encompass ongoing updating and precise management of all the records in respect of Eligible Securities resulting from Corporate Actions, transactions between Participants, Clients, Issuers, or other events affecting the features of the Eligible Securities held in Issuance Wallets and Operational Wallets on the Ledger.
- 4.26. For the purposes of rendering the central maintenance services, the Axiology DLT TSS maintains Eligible Securities records on the Ledger at the “**top tier**” level. The Axiology DLT TSS may also maintain records in the “**lower tier**” level (being Issuance Wallets and Operational Wallets for Participants) on the Ledger where other types or records on Eligible Securities are recorded. The “**top tier**” level and “**lower tier**” level records are maintained on the same Ledger, therefore no discrepancies between the “**top tier**” level and “**lower tier**” level of records should arise.

Issuance Wallets and Operational Wallets, individual client segregation and risks associated with segregation

- 4.27. For the purposes of proper central maintenance of Eligible Securities, segregation between the Eligible Securities of the Axiology DLT TSS, Issuers, Participants and Clients; and the ability to account for and determine the holder of each Eligible Security, the Axiology DLT TSS may open Issuance Wallets and Operational Wallets on the Ledger where records in respect of Eligible Securities are recorded depending on the needs of Participants, as described below:
 - 4.27.1. Issuance Wallets. An Issuance Wallet is opened in the name of the Issuer for the purpose of an initial recording and issuance of Eligible Securities by the Issuer and for consolidated accounting purposes. The following data is recorded in the Issuance Wallet:
 - 4.27.1.1. name of the Issuer, legal entity code of the Issuer, ISIN of Eligible Security, nominal value of Eligible Security, currency of Eligible Security, total supply of Eligible Security, embedded Corporate Events and their details (DTI (digital token identifier), annual coupon rate, maturity date, coupon accrual date, and coupon payment dates, each Transaction timestamp, consolidated general balance of all Operational Wallets, etc);
 - 4.27.1.2. this data is kept in storage hosted and available to each network Participant. Its unique CID is kept in the Issuance Wallet on the Ledger; the type of data recorded in the Issuance Wallet of the Issuer depends on the features of the Issuer and the Eligible Securities at hand.
 - 4.27.2. Operational Wallets. The Axiology DLT TSS offers the following Operational Wallet types for

the purposes of initial and subsequent recording of Transactions, Corporate Actions, payments, events, etc. in relation to Eligible Securities, as well as the segregation of Eligible Securities in the Operational Wallets of different persons:

- 4.27.2.1. Operational Wallet of an Issuer shall be opened for an Issuer with the main purpose of reconciling the data of the Operational Wallet of the Issuer with the data of its Issuance Wallet, in order to determine the number of Eligible Securities not distributed to investors and to record the Eligible Securities owned by the Issuer, if any;
- 4.27.2.2. Operational Wallet of a Participant shall be opened for a Participant with the main purpose of recording the Eligible Securities owned by the Participant in its own name;
- 4.27.2.3. Operational Wallet of a Participant's Client, shall be opened for a Participant with the main purpose of recording the Eligible Securities owned by individual Clients (End-Investors) of the Participant and provide individual Client (End-Investor) segregation of the Eligible Securities;
- 4.27.2.4. Operational Wallet of the Axiology DLT TSS, shall be opened for the Axiology DLT TSS with the main purpose of recording the Eligible Securities owned by the Axiology DLT TSS and to provide segregation of the Eligible Securities of the Axiology DLT TSS from those of other Participants, Issuers and Clients;
- 4.27.3. The following data on the Eligible Securities shall be available in relation to each and every Operational Wallet:
 - 4.27.3.1. data related to features of Eligible Securities: name of the Issuer, legal entity code of the Issuer, ISIN of the Eligible Security, nominal value of the Eligible Security, currency of Eligible Security, total supply of the Eligible Security, embedded Corporate Events and their details (annual coupon rate, maturity date, coupon accrual date, and coupon payments dates, relevant transactions dates, etc.), list of the owned Eligible Securities and their amounts, is the owner of the Eligible Securities recorded in the Operational Wallet the Participant, the Client (End-Investor), the Issuer, the Axiology DLT TSS; this data shall be kept in a storage hosted and available to each network Participant in respect of its Clients; its unique CID shall be kept on the Operational Wallet on the Ledger;
 - 4.27.3.2. Amount of EMTs deposited or acquired by the owner of the Operational Wallet;
 - 4.27.3.3. Number of undistributed Eligible Securities in the time frames between Eligible Security record and Eligible Security distribution and between Eligible Security maturity date and Eligible Security destruction (burning);
 - 4.27.3.4. List of owned Eligible Securities and their amounts by the holder of the Operational Wallet.
- 4.28. The initial set of data and other parameters to be recorded by the Axiology DLT TSS in the Issuance Wallet or Operational Wallet of an Issuer and the Ledger shall be provided in the Application of the Issuer in respect of the initial recording of its Eligible Securities. The Issuer shall notify the Axiology DLT TSS about any change in the set of data provided in its Application in respect of the initial recording of its Eligible Securities.
- 4.29. The set of data and other parameters to be recorded by the Axiology DLT TSS in the Operational Wallet of a Participant / Participant's Client and the Ledger is provided in the Application of the Participant for the opening of an Operational Wallet. The Participant shall update such data immediately after any change of such data in comparison to the data provided with the Application for the opening of the Operational Wallet.
- 4.30. The Axiology DLT TSS offers segregation of Eligible Securities on individual Client segregation level only (within the meaning of CSDR 38(4)). The Axiology DLT TSS does not offer omnibus client segregation within the meaning of CSDR 38(2)).

- 4.31. The holders of Eligible Securities shall be aware of the following legal aspects, risk and prices associated with individual client segregation offered by the Axiology DLT TSS in the Operational Wallet:
- 4.31.1. An Operational Wallet is opened in the name of the owner of the Eligible Securities and the Eligible Securities are recorded in the Operational Wallet in the name of the owner of the Eligible Securities; however, Axiology DLT TSS shall not have personal data (i.e. name surname) of the specific owner of the Eligible Securities, which shall be in the possession of the Participant and disclosed to the Axiology DLT TSS on need-to-know basis only to identify which person is the owner of the Eligible Securities recorded in such an Operational Wallet; in this light, the owners of the Eligible Securities shall be aware that Axiology DLT TSS shall be unable to identify the owners of Eligible Securities without the help of the Participant that has applied for the opening of the Operational Wallet for the owner of the Eligible Securities;
- 4.31.2. the Eligible Securities of their owners in an Operational Wallet shall be segregated from the Eligible Securities owned by other Participants, Clients, Issuers or the Axiology DLT TSS;
- 4.31.3. the Eligible Securities in an Operational Wallet shall be accounted in the Ledger at the “top tier” level;
- 4.31.4. the right of ownership and other rights of the End-Investor owners of Eligible Securities shall be certified by extracts from the personal securities accounts of the holders of the Eligible Securities opened with and maintained with Participants servicing the respective Clients at the “lower tier” accounting level of Eligible Securities;
- 4.31.5. An Insolvency Event of a Participant that has applied for the opening of, or operates, Operational Wallets on of an owner of the Eligible Securities and/or an Insolvency Event of the Axiology DLT TSS shall not affect the rights of other Participants, the Clients and the Issuers in respect of the Eligible Securities;
- 4.31.6. An Insolvency Event of the Axiology DLT TSS shall be subject to the laws of the Republic of Lithuania that shall govern such insolvency proceedings;
- 4.31.7. If insolvency proceedings are initiated against an Issuer or a Participant, the law governing the insolvency proceedings of the Issuer or the Participant should be determined by a court or other competent body handling the insolvency proceedings in accordance with applicable laws;
- 4.31.8. costs associated with individual Client segregation are described in the Price List.

Validation of records

- 4.32. A specific Issuance Wallet or Operational Wallet is deemed to have been opened from the moment its activation transaction is signed, submitted, and accepted into a Validated Ledger version following the Consensus Protocol. Any record in an Issuance Wallet or Operational Wallet is deemed to have been made from the moment when the record Transaction is signed, submitted, and accepted into a Validated Ledger version following the Consensus Protocol.

Obligations of the Participant

- 4.33. A Participant acting in its own name, or as an Issuer’s Agent, or as a representative of a Client shall:
- 4.33.1. comply with any applicable law regarding reflection of the initial recording and maintenance of the data of the Issuance Wallets or Operational Wallets of the Eligible Securities (as the case may be) in the accounting system(s) used by such Participant for the accounting of the

Eligible Securities at the level of the Participant (i.e. “**lower tier**” level of accounting of the Eligible Securities), asset segregation, asset protection;

- 4.33.2. mediate the opening of Issuance Wallets or Operational Wallets for the Eligible Securities (as the case may be) and the provision of other central maintenance services, except where the Axiology DLT TSS provides the respective services directly;
- 4.33.3. ensure that the information necessary for the registration of the Eligible Securities and Orders is communicated to the Axiology DLT TSS in compliance with these Rules and the Implementing Regulations;
- 4.33.4. communicate the Orders, information and inquiries of the Issuer and / or the Clients (End-Investors), as the case may be, to the Axiology DLT TSS;
- 4.33.5. identify the person and verify the authority of the person that has submitted an Order regarding restriction or disposal of Eligible Securities and record the time of receipt of such Order;
- 4.33.6. verify the accuracy and correctness of information communicated to the Axiology DLT TSS and keep the documents related to the Orders of its Clients (End-Investors) in compliance with the applicable law;
- 4.33.7. maintain insurance or guarantee on the terms provided in the applicable law and the Agreement concluded with the Axiology DLT TSS and provide proof of such insurance or guarantee to the Axiology DLT TSS, if the Participant is obligated under the applicable law to procure insurance or guarantee;
- 4.33.8. to comply with national and international AML and counter terrorist financing (**CTF**) regulation.

Extracts from Issuance Wallets and Operational Wallets

- 4.34. Upon request of the Issuer of the Eligible Securities, the Axiology DLT TSS shall provide to the Issuer the extracts from the Issuance Wallets and Operational Wallets of the Issuer with all the records contained therein in line with the requirements of the applicable law.
- 4.35. Upon request of a Participant, the Axiology DLT TSS shall provide to the Participant the extracts from the Operational Wallets of the Participant and the Participants' Clients (to the extent such Clients hold positions on the Ledger via the Participant) with all the records contained therein in line with the requirements of the applicable law.

Recording of restrictions in the Issuance Wallets and Operational Wallets

- 4.36. Following the request ("**Public Order**") of a public institution, such as a court of law, arbitration, Financial Crime Investigation Service, Prosecutor Office, Competent Authority, bailiff, notary, state tax inspectorate, or other public authority acting within the limits of its powers, the Axiology DLT TSS shall:
 - 4.36.1. make a record with a specific restriction/release instruction in respect of a certain number of Eligible Securities (or EMT's, as the case may be) credited to Issuance Wallet(s) and/or Operational Wallet(s) maintained by the Axiology DLT TSS in order to prevent or control/allow the movement or disposal of Eligible Securities or to exercise rights arising under the Eligible Securities (or EMT's as the case may be) as may be required under the applicable law;
 - 4.36.2. refuse to process instructions of the Issuer or a Participant, in relation to such Eligible Securities (EMT's, as the case may be) or Issuance Wallet or Operational Wallet recording such Eligible Securities (or EMT's, as the case may be), if and to the extent that processing them would violate the Public Order, Implementing Regulations or the applicable law.

- 4.37. The Axiology DLT TSS shall only be obliged to check the formal validity of the Public Order. The Axiology DLT TSS is not liable to Participants, Issuers, Clients (End-Investors) or any other person as a result of executing a restriction in respect of Eligible Securities (or EMT's, as the case may be), Issuance Wallets or Operational Wallets with the Eligible Securities (or EMT's, as the case may be), and is entitled to recover from the Issuer or Participant any costs reasonably incurred by the Axiology DLT TSS in connection with such restriction.
- 4.38. Subject to the applicable law, the Axiology DLT TSS registers a pledge or other Encumbrance over Eligible Securities (or EMT's, as the case may be) and financial collateral over the Eligible Securities (or EMT's, as the case may be) of the owner of an Operational Wallet with Eligible Securities (or EMT's, as the case may be) in the Operational Wallets and the Ledger on the basis of a pledge arrangement or financial collateral arrangement between the pledgor and the pledgee, provided by the Participant or other person with whom the Axiology DLT TSS has an agreement under which the Axiology DLT TSS shall render such services following applicable law.
- 4.39. If the Public Order obliges the Axiology DLT TSS to make a change in respect of the owner of the Eligible Securities (or EMT's, as the case may be) (i.e. ownership change, etc.), the Axiology DLT TSS shall be obliged to open an Operational Wallet, where appropriate Eligible Securities (or EMT's, as the case may be) would be transferred and recorded.
- 4.40. Provided no restrictions are imposed on an Issuance Wallet and/or Operational Wallet as per above Clauses 4.37 – 4.43, following the request of a Participant the Axiology DLT TSS shall register a pledge or other Encumbrance over Eligible Securities (or EMT's, as the case may be) and financial collateral over the Eligible Securities (or EMT's, as the case may be) of the owner(s) of the Issuance Wallet and/or Operational Wallet with the Eligible Securities (or EMT's, as the case may be) in the Issuance Wallet and/or Operational Wallet and the Ledger on the basis of a request from the Participant issued following the pledge arrangement, financial collateral or other Encumbrance arrangement between the pledgor and the pledgee.
- 4.41. A pledge and financial collateral over Eligible Securities (or EMT's, as the case may be) held in an Issuance Wallet and/or Operational Wallet maintained in the books of the Participant ("lower tier" accounting provider) is registered with the respective securities account maintained by such Participant in accordance with the applicable law and agreement between the parties to a transaction for a pledge and/or financial collateral. This Clause does not restrict the Participant maintaining "lower tier" accounting of the Eligible Securities from using other methods of registration (provision) of pledges or financial collateral pledges in "lower tier" accounts maintained by such Participant, provided that the content of such restrictions always corresponds to the records of the Ledger.
- 4.42. A pledge, financial collateral pledge or other Encumbrance over the Eligible Securities or EMTs, as the case may be, and their release are recorded in the Issuance Wallets and Operational Wallet(s) of the owner of the Eligible Securities (or EMTs) and reflected simultaneously in the Ledger accordingly and is deemed to acquire legal effect from the moment of Validation of the record.
- 4.43. The pledge, financial collateral pledge, Encumbrance and their release are registered in the Issuance Wallets and Operational Wallets and the Ledger on the basis of matching instructions of the Participant acting in the name of its Client(s) (i.e. pledgor(s)) and the Participant of the other Client(s) (i.e. pledgee(s)).

Recording of ownership change in the Issuance Wallets and Operational Wallets

- 4.44. The changes of ownership in the Eligible Securities (or EMTs, as the case may be) are registered in the Issuance Wallets and Operational Wallets and are simultaneously reflected on the Ledger on the basis of matching instructions of the Participant acting in the name of one Client(s) (i.e. seller(s)) and the Participant of the other Client(s) (i.e. buyer(s)).

Record keeping

- 4.45. Records in respect of the Services rendered by the Axiology DLT TSS to Issuers and Participants, processing of Orders and other activities in the Axiology DLT TSS shall be kept for a period of 10 years. All such records shall be made available by the Axiology DLT TSS to the Competent Authority or other authorised persons, entitled individuals or legal entities in accordance with applicable laws.

Use of Eligible Securities not owned by the Axiology DLT TSS

- 4.46. The Axiology DLT TSS shall not use for any purpose the Eligible Securities that do not belong to it. The Axiology DLT TSS may however use the Eligible Securities of a Participant where the Axiology DLT TSS has obtained that Participant's prior express consent. The Axiology DLT TSS shall enter into appropriate agreements with the Participant prior to use of the Eligible Securities that do not belong to the Axiology DLT TSS.

5. ADMISSION OF ELIGIBLE SECURITIES TO TRADING

- 5.1. Eligible Securities are admitted to Trading and traded on the Axiology DLT TSS following the Rules for the Admission of the Eligible Securities to Trade on the Axiology DLT TSS (the "**Trading Rules**"), attached hereto as Annex 2.
- 5.2. The Eligible Securities are admitted to Trading, if they and their Issuer meets the requirements set forth in the Trading Rules.
- 5.3. The Axiology DLT TSS shall adopt a decision in respect of admission to Trading of the Eligible Securities in the Axiology DLT TSS within 30 days following the submission of the Application by the Issuer or the Issuer's Agent.
- 5.4. The Axiology DLT TSS organizes admission to Trading and Trading in Eligible Securities on the Axiology DLT TSS.
- 5.5. Information about the composition of the Eligible Securities for Trading on the Axiology DLT TSS and changes thereto must be announced through the DLT TSS without delay.
- 5.6. The Axiology DLT TSS may suspend or adopt a decision to remove Eligible Securities from Trading following the Trading Rules.
- 5.7. Once admitted to Trading, Eligible Securities can be traded on the Axiology DLT TSS.

6. TRADE IN ELIGIBLE SECURITIES

- 6.1. Only Participants may participate directly in Trading of the Eligible Securities and settle for them with EMTs on the Axiology DLT TSS. Only Participants can enter Orders into the Axiology DLT TSS. The Participants intending to trade in the Eligible Securities shall be duly licenced to render investment services and shall be authorised to carry out such activities in accordance with applicable law. Upon becoming a Participant for the purposes of trading and settlement in Eligible Securities, the Participant agrees to participate in the trade and settlement system of Axiology DLT TSS and use EMTs as the payment means for Transaction settlement in the Eligible Securities. The Participant is accepted into the Axiology DLT TSS following the signing of a Participation Agreement, successful testing of the Participant's Technical Equipment and connection of the Participant to the Axiology DLT TSS. Following acceptance of the Participant into the Axiology DLT TSS, the Participant shall be obliged at all times to deliver the Eligible Securities and settle for them in EMTs.
- 6.2. Trading Session, Exchange Hours and accessibility times are set forth in the Website of the

Axiology DLT TSS. Deviations from the indicated times may occur in special circumstances following a decision of the CEO of the Axiology DLT TSS. Separate notice shall be served immediately to Participants, Clients, Issuers and on the Website.

- 6.3. Participants shall participate in Trading on the Axiology DLT TSS through Exchange Traders. The Exchange Traders shall be employed by the Participant or the group company of the Participant. An Exchange Trader can represent one Participant only. The Participant shall be responsible for all actions which the Exchange Traders or other persons that take actions via the Participant's connection to the Axiology DLT TSS, irrespective of whether the action was authorised or unauthorised and irrespective of whether the Exchange Trader was employed by the Participant or the group company of the Participant. The Participant's Exchange Traders shall ensure that every Order placed in the Axiology DLT TSS complies with the Rules, Trading Rules and other Implementing Regulations. The Participant shall ensure that the personal user ID of the Exchange Trader responsible for the placement of Orders is provided with each individual Order entry in the Axiology DLT TSS.
- 6.4. The Participant shall ensure that an Exchange Trader is suitable for his/her duties and possesses the following qualifications and training:
 - 6.4.1. At least 3 months, within 1 year prior to the time of application, experience in Eligible Securities Trading or being under supervision by an authorised Exchange Trader at least until six months experience has been reached;
 - 6.4.2. Documented knowledge and comprehension of the Rules and other legislation governing Trading and settlement in a trade and settlement system running on distributed ledger technology, including features specific to the Axiology DLT TSS;
 - 6.4.3. Documented knowledge of economics, financial markets, financial analysis and risks related to Trading and settlement in Eligible Securities;
 - 6.4.4. Has passed the exam or obtained other qualification, if such is required by the law applicable to the Exchange Trader or the Participant.
- 6.5. Following an application from the eligible Participant, an employee who fulfils the requirements stated above and whom the Axiology DLT TSS deems fit and suitable shall be registered as an Exchange Trader for Trading and settlement on the Axiology DLT TSS. The application for registration shall be submitted on a standard application form to the Axiology DLT TSS. The Exchange Trader shall be assigned a personal user ID which provides the Exchange Trader with access to, and the right to use, the relevant part of the Axiology DLT TSS Participant Portal. The Exchange Trader may not permit another person to use the Exchange Trader's user ID. The Exchange Trader may be subject to special observation by the Axiology DLT TSS for a period of up to three (3) months following initial Trading and settlement in the Axiology DLT TSS.
- 6.6. The Participant shall immediately notify the Axiology DLT TSS in the event an Exchange Trader's employment is terminated or where circumstances otherwise occur which affect the Exchange Trader's ability to participate in Trading.
- 6.7. An Exchange Trader who has not participated in Trading via the Axiology DLT TSS for a period of one 1 year shall forfeit his right to use the Axiology DLT TSS. The Participant shall notify the Axiology DLT TSS when the Participant has a reason to assume that this requirement is not fulfilled.
- 6.8. Where special causes exist, Axiology DLT TSS may grant exemptions from the requirements for Exchange Traders.

Order placement and monitoring

- 6.9. The Participants shall conduct Order placement and formulate Trading and settlement instructions in such a manner that Sell and Buy Orders which the Participant executes on its own account or in the name of its Client (End-Investor) do not intentionally create Trades in the Axiology DLT TSS.
- 6.10. Participants shall have in place Pre-Trade controls on price, volume and value of orders and Post-Trade controls on their Trading activities, as well as technical and administrative arrangements in place enabling the Participant to cancel immediately, as an emergency measure, any or all of its unexecuted Orders submitted to the Axiology DLT TSS (Participants Kill functionality) as required by MiFID II, Market Abuse Regulation.
- 6.11. Participants shall during the hours they are sending Orders to Axiology DLT TSS monitor all Trading activity as required by MiFID II, Market Abuse Regulation.
- 6.12. Axiology DLT TSS may impose Throttling limits on predefined time intervals.

Quality of pricing for Orders and Trades

- 6.13. Orders shall be placed in the Order Book via the Participant Portal. Orders can bear only the terms and conditions further described in the Order types and terms applicable in respect of trade in Eligible Securities (Annex 3). Orders shall also bear information on the settlement instruction of the type that the Axiology DLT TSS processes (i.e. for Trades entered into the Order Book such settlement instruction shall be DVP). Orders must reflect the current market value of the Eligible Securities in question and constitute genuine Orders and Trades.
- 6.14. For the sake of the clarity for the purposes of these Rules the following terms shall mean:
 - 6.14.1. "genuine Order" means an Order that is registered with the intention to result in execution on the conditions expressed by the terms of the Order;
 - 6.14.2. "current market value" for Trades means prices, which, upon a comprehensive assessment, reflect the current pricing of the Eligible Security in question. When assessing the current market value, consideration should be made to, among other things, the changes in the pricing of the Eligible Security during the relevant Exchange Day, the changes in the pricing of the Eligible Security on previous Exchange Days, the volatility of the Eligible Security and the general changes in the pricing of comparable instruments and, where relevant other particular conditions related to the Trade.
- 6.15. An Order will not reflect current market value if placed in the Order Book with such conditions that it can reasonably be expected to be executed in close proximity to its entry at a price that would not be considered current market value.
- 6.16. The Participant may not place Orders, enter into Trades or enter into any other behaviour which, individually or together:
 - 6.16.1. give or are likely to give false or misleading signals to the supply, demand or price of relevant Eligible Securities;
 - 6.16.2. secure or are likely to secure the price of the relevant Eligible Securities at an abnormal or artificial level;
 - 6.16.3. affect or are likely to affect the price of one or several Eligible Securities and where the activity is part of a fictitious device, or any other form of deception or contrivance; or
 - 6.16.4. are intended to delay or prevent access to the Axiology DLT TSS by other Participants.
- 6.17. The above general rule means, for example, that it is:

- 6.17.1. prohibited to secure a dominant position over the supply of or demand for an Eligible Security where such activity has or is likely to have the effect of fixing, directly or indirectly, purchase or sale prices or creates, or is likely to create, other unfair Trading conditions;
- 6.17.2. place Orders or enter into Trades which have or are likely to have the effect of misleading others acting on the basis of the prices displayed, including the opening or closing prices;
- 6.17.3. place Orders, including changes or cancellations of Orders, which have or are likely to have an improper effect on the price formation or orderly functioning of the Axiology DLT TSS by:
 - 6.17.3.1. disrupting or delaying the functioning of the Axiology DLT TSS or being likely to do so;
 - 6.17.3.2. making it more difficult for other persons to identify genuine Orders on the Axiology DLT TSS or being likely to do so, including by entering Orders which result in the overloading or destabilisation of the Order Book;
 - 6.17.3.3. creating or being likely to create a false or misleading signal about the supply of, or demand for, or price of, the Eligible Securities, in particular by entering Orders to initiate or exacerbate a trend;
- 6.17.4. secretly making a Trade in the Eligible Securities contingent upon a promise to subsequently acquire such Eligible Securities at a given minimum price or subject to terms and conditions which restrict the right of further transfer of the Eligible Securities or which are otherwise intended to take the Eligible Securities out of public circulation;
- 6.17.5. automatically match/enter into a Trade with the intention that the buyer and seller of the Eligible Securities shall be the same person;
- 6.17.6. automatically match/enter into Trades where the buyer and the seller of the Eligible Securities is the same person and that, in a shorter or a longer time frame, have a significant impact on price formation, Trading statistics, market shares or that otherwise impair price formation or Trading;
- 6.17.7. place an Order or automatically match/enter into a Trade with the intention of influencing the price of Eligible Securities in order to alter the value of one's own, or any other person's holding of any Eligible Securities at any given time, for example prior to the end of the year or end of a month;
- 6.17.8. advise any other person to submit an Order or automatically match/enter into a Trade with the aim of influencing the price of an Eligible Securities such that a third person is able to buy or sell the Eligible Securities at a more favourable price than otherwise would have been the case;
- 6.17.9. delay the placement of an Order, or take advantage of the knowledge of an Order, which can reasonably be expected to materially influence the price of Eligible Securities with the intention, prior to the submission of such Client Order, of entering into/automatically matching a Trade in the Eligible Securities for the Participant's own account or on behalf of a third person;
- 6.17.10. a Participant Trading on behalf of a third person may not place any Orders, enter into any Trades or enter into any other behaviour if it suspects or reasonably should suspect that the third person for which it is dealing intends to accomplish such improper influence as is described above.
- 6.18. Orders, Trades and behaviours that are described in Clause 6.17 shall not be considered to constitute a breach of the Axiology DLT TSS Rules if they have been carried out for legitimate reasons and conform with an accepted market practice as established in accordance with

Article 13 of the Market Abuse Regulation.

- 6.19. The Axiology DLT TSS may decide that Orders which fail to meet the requirements stated in Clauses 6.13 - 6.17, 7.21.1 shall be regarded as invalid and cancelled from the Order Book and that Trades which fail to meet these requirements shall be regarded as Trades which cannot update latest paid price for the Eligible Securities. The Axiology DLT TSS shall inform the Participant(s) involved in such decisions. The Axiology DLT TSS may, in each individual situation, decide to announce such decisions to general public.

Suspension of Trading (Trading Halt)

- 6.20. Where the general public does not have access to information regarding particular Eligible Securities subject to equal terms and conditions or does not have access to information regarding the Issuer of the Eligible Securities to a sufficient extent, or where special cause exists, or if the Issuer's situation is such that Trading would be detrimental to the investors' interests, the Axiology DLT TSS may effect a suspension (Trading Halt) in the Eligible Securities.
- 6.21. The Axiology DLT TSS shall decide when the suspension (Trading Halt) is to be effected and shall notify other trading venues on which the Eligible Securities are admitted to Trading in respect of the suspension (Trading Halt). The other Trading venues may decide to suspend Trading in the respective Eligible Securities traded on their respective markets.
- 6.22. A suspension of Trading shall cease when the reasons for the suspension (Trading Halt) no longer exist.
- 6.23. An announcement shall be made that the Eligible Securities have been subject to a suspension (Trading Halt) and the reason for the suspension (Trading Halt). An announcement will also be made prior to the discontinuation of a suspension (Trading Halt).
- 6.24. The Axiology DLT TSS may decide that Automatic Order Matching after a suspension (Trading Halt) shall be resumed with an open call auction.
- 6.25. The following applies for the Eligible Securities covered by a suspension (Trading Halt):
- 6.25.1. The Participant shall not place, act as an intermediary, or execute Orders on behalf of third persons or on its own account, in the name of the Participant or its Clients (End-Investors) or trade in the Eligible Securities, or engage in active management of the Eligible Securities in question, or assist in such actions;
- 6.25.2. Orders placed in the Order Book prior to the suspension (Trading Halt) may be cancelled;
- 6.25.3. Placement of new Orders is not permitted for such time as the Eligible Security is subject to a suspension (Trading Halt).
- 6.26. Automated Order Routing (AOR) shall be not allowed in the Axiology DLT TSS.
- 6.27. Direct Market Access (DMA) shall be not allowed in the Axiology DLT TSS.
- 6.28. Sponsored Access shall be not allowed in the Axiology DLT TSS.
- 6.29. Algorithmic Trading shall be not allowed in the Axiology DLT TSS.

Market Making Activities

- 6.30. Participants being authorised investment firms as market makers shall notify the Axiology DLT TSS and enter into a Market Making Agreement as specified by the Axiology DLT TSS

regarding the Eligible Securities in which they pursue a market making strategy on the Axiology DLT TSS as defined in applicable legislation (including the ones implementing MiFID II).

Measures to be taken in case of breaches of the Rules or applicable laws

- 6.31. Where a Participant breaches the Axiology DLT TSS Rules, Trading Rules, Implementing Regulations, applicable law, common market practices, or otherwise demonstrates unsuitability to be a Participant of the Axiology DLT TSS as the entity providing investment services via the Axiology DLT TSS or demonstrates unsuitability as an Issuer, the Axiology DLT TSS may, in respect of any such breach, in accordance with the Rules:
 - 6.31.1. impose a warning to the Participant or the Issuer;
 - 6.31.2. issue a public statement regarding the breach of the Participant or the Issuer;
 - 6.31.3. demand improvement within a specified time limit and impose a daily fine in range from EUR 500 up to EUR 5,000 (for the Participant rendering investment and investment related services or the Issuer whose Eligible Securities are admitted to Trading or Traded on the Axiology DLT TSS) until the improvements are made;
 - 6.31.4. impose additional requirements and restrictions on the Participant or the Issuer with the intention to assure non-repetition of a breach;
 - 6.31.5. suspend the participation of the Participant in the Axiology DLT TSS (in respect to some or all Services);
 - 6.31.6. suspend Trading in the Eligible Securities of the Issuer on the Axiology DLT TSS;
 - 6.31.7. terminate the participation of the Participant in the Axiology DLT TSS;
 - 6.31.8. terminate the Trade in the Eligible Securities of the Issuer on the Axiology DLT TSS;
 - 6.31.9. apply other measures provided for in the Rules, the Trading Rules and/or Implementing Regulations.
- 6.32. Where an Exchange Trader breaches the Rules or otherwise demonstrates unsuitability as an Exchange Trader, the Axiology DLT TSS may, in accordance with the Rules:
 - 6.32.1. issue a warning to the Exchange Trader;
 - 6.32.2. suspend the Exchange Trader's authorisation to use the Axiology DLT TSS for a fixed period up to 3 months;
 - 6.32.3. cancel the Exchange Trader's authorisation to use the Axiology DLT TSS.
- 6.33. The Participant and the Exchange Trader shall be liable for the violations of these Rules, Trading Rules, Participation Agreement, Implementing Regulations, decisions passed by the CEO and/or the Board of the Axiology DLT TSS (that are applicable to each of them respectively) as well as for actions or omissions with regard to the use of the Axiology DLT TSS that jeopardizes the interests of investors and/or safety of the Trade and settlement in the Eligible Securities and/or fails to comply with the principles of fair Trading in Eligible Securities and/or misleads or may mislead other Participants of the Axiology DLT TSS. The same violation may invoke the imposition of measures to the Participant and/or Exchange Trader and/or the Issuer, if the content of the violation so requires.
- 6.34. Specific measures for the violation of the provisions of the Rules listed in Clauses 6.32 – 6.34

shall be imposed on the Participant and/or the Exchange Trader and/or the Issuer by the resolution of the Risk Committee of the Axiology DLT TSS adopted by the majority of the members of the Risk Committee present in the meeting (until such Risk Committee is formed, such decisions shall be adopted by the Board of the Axiology DLT TSS).

- 6.35. Following the consideration of the case, the Risk Committee may impose any measure listed in Clauses 6.32 – 6.34 or refuse to impose any such measure, if there are no grounds for doing so. When selecting the measure to be imposed, the Risk Committee shall take into consideration aggravating and mitigating circumstances of the case.
- 6.35.1. The following circumstances shall be considered as aggravating the violation:
- 6.35.1.1. violation was committed intentionally by the person;
 - 6.35.1.2. the person hinders the determination of the circumstances important for the case or otherwise hinders the investigation of the case;
 - 6.35.1.3. the person does not provide all the information requested surrounding the case;
 - 6.35.1.4. the violation is continued following notice of the breach by the Axiology DLT TSS;
 - 6.35.1.5. the person has committed the violation in the period of 1 year predating the violation at hand;
 - 6.35.1.6. the violation has caused damage to other persons.
- 6.18.1. The following circumstances shall be considered as mitigating the violation:
- 6.18.1.1. the person has informed of the violation prior to its discovery by the Axiology DLT TSS;
 - 6.18.1.2. the person has ceased the violation immediately following delivery of a notice by the Axiology DLT TSS;
 - 6.18.1.3. the person acknowledges the violation;
 - 6.18.1.4. the person has compensated the damage to the injured persons;
 - 6.18.1.5. other similar circumstances showing the goodwill of the person in violation to cease the violation, cooperate in its investigation and actively take measures to assure that the breach is not repeated in the future.
- 6.19. The Participant, the Exchange Trader, the Issuer shall be notified about the decision adopted in respect of their rights and/or obligations in writing. The decision shall be adopted within 10 days following the meeting of the Risk Committee in which the case was considered.
- 6.20. The prescription term of 5 years shall apply to the investigation of the violations by the Risk Committee, if more than 5 years have passed from the moment of termination of the violation, the Risk Committee shall have no right to investigate it.
- 6.21. If the Risk Committee decides to impose a fine on the Participant or the Exchange Trader, such fine shall be paid into the account indicated by the Axiology DLT TSS within 10 Business Days from the day the decision of the Risk Committee is communicated. If the persons are late to pay a fine within the period prescribed, the Risk Committee may suspend the participation of the Participant, the Exchange Trader, and/or Trade in the Eligible Securities of the Issuer in the Axiology DLT TSS until such fine is duly paid, but not for more than 20 Business Days. Following expiry of 20 Business Days, the Axiology DLT TSS may terminate the participation of the Participant, the Exchange Trader, and/or Trade in the Eligible Securities of the Issuer in the Axiology DLT TSS upon prior 5 Business Day warning.

- 6.22. Upon suspension of the Participant's right to Trade on the Axiology DLT TSS, the Participant shall be obliged to fulfil all of its obligations under the Rules, the Trading Rules and Implementing Regulations.
- 6.23. The Participant, the Exchange Trader, the Issuer may appeal against the decision of the Risk Committee adopted against it to a court of law. An appeal against the decision shall not suspend the effects and execution of the decision, unless the court imposes provisional measures and suspends the application of the decision pending the resolution of the dispute.
- 6.24. Decisions of the Risk Committee concerning imposition of measures on the Participant, the Exchange Trader, the Issuer may be announced on the Axiology DLT TSS, if the Risk Committee so decides. The copy of the decisions shall also be forwarded to the Competent Authority.

7. PROCESSING OF ORDERS, SETTLEMENT AND SETTLEMENT FINALITY

- 7.1. All submitted order by Participants or Axiology DLT TSS are recorded in the Ledger and represented in the Issuance Wallets and Operational Wallets.
- 7.2. It shall be the obligation of the Participant to provide to the Axiology DLT TSS only such Orders and instructions that are executable, i.e. that bear all the terms and conditions as mandatory under the Rules and the Trading Rules and that may be subject to lawful execution at moment of submission of an Order. The Participants shall abstain from entering into the Axiology DLT TSS fake or deficient Orders (i.e. Orders bearing instructions on transfer of Eligible Securities, that a transferor does not possess; Orders bearing instructions on transfer of EMTs that a transferor does not possess; providing for settlement instructions that are not provided in the Rules, etc.). Axiology DLT TSS does not allow to enter Orders, does not process such orders and/or settle the initiated Order if and as long as:
 - 7.2.1. balance of the relevant Eligible Securities or the EMTs is insufficient (e.g., where such Eligible Securities or EMTs have already been committed under an existing Order, they cannot be entered under the terms of another Order);
 - 7.2.2. such Transaction would breach regulatory requirements of AML, CTF or Sanctions;
 - 7.2.3. other regulatory requirements restrict processing of such a Transaction (i.e. received obligatory request to restrict relevant Issuance Wallets or Operational Wallet, etc.);
 - 7.2.4. the Order was not properly completed and submitted for execution;
 - 7.2.5. the Order does not comply with the Rules, Trading Rules or other Implementing Regulations.
- 7.3. Axiology DLT TSS processes only the Orders that satisfy the conditions set out in the Rules and do not violate applicable law. The types of Orders and their exhaustive terms and conditions are further defined and elaborated in the Annex 3. The Orders that do not meet these requirements are not processed on the Axiology DLT TSS and the Participants are informed thereof immediately.

Moment of entry of the Order

- 7.4. The Order of the Participant is entered into Axiology DLT TSS through the Participant Portal as the main means of communication. An Order is deemed to be entered into the Axiology DLT TSS at the moment when the Order is Validated by the Axiology DLT TSS.
- 7.5. The Participant is informed about the status of Order entered into Axiology DLT TSS through the Participant Portal as the main means of communication.

Processing time frames

- 7.6. The standard time frames by which Orders must be received by the Axiology DLT TSS in order to be processed during the Trading Session are Trading Hours. In Exceptional Circumstances, the Axiology DLT TSS may amend the standard time frames when, in the reasonable opinion of the Axiology DLT TSS, it is required due to operational issues. The Axiology DLT TSS informs the Participant of such amendment without delay.

Moment of Order irrevocability

- 7.7. The Order is irrevocable from the moment at which the Order is given a status "matched" (i.e. it becomes incapable of being amended or cancelled by a unilateral instruction of the Participant, or any third person, who wishes to have the Order amended or deleted).
- 7.8. Without prejudice to Clause 7.9- 7.13, a Participant or the Axiology DLT TSS does not have a right to withdraw or revoke, or purport or attempt to revoke, any Order from the time at which it becomes irrevocable pursuant to Clause 7.7 on its own motion or the request of any third person, including without limitation any insolvency administrator of a Participant. Any Order or instruction for such revocation of Order shall not have any legal effect, and the Axiology DLT TSS will not process and disregard any such Order or instruction.

Cancellation of Orders

- 7.9. A Participant may unilaterally cancel a submitted Order until the moment such instructions are matched with a corresponding instruction of another Order. The moment of matching is time stamped and recorded on the Ledger.
- 7.10. Matched Orders may only be cancelled bilaterally with the consent of both Participants or upon request of an authorised entity acting on their behalf. Since matched Orders are settled simultaneously, the cancelation of a matched Order shall be effected by means of a storno transaction. Notwithstanding the aforementioned, a matched Order may be cancelled by the Axiology DLT TSS automatically in case Participants does not have sufficient balances needed for settlement.
- 7.11. The Axiology DLT TSS may enter the cancellation instruction in the Axiology DLT TSS upon the request of the Participant or the Issuer, in respect of Corporate Actions and restrictions pursuant to Public Orders and in other cases provided in these Rules and applicable law.
- 7.12. The Participants submit a cancellation instruction via the Participant Portal. The original Order are cancelled at the moment when the cancellation instructions are recorder in the Axiology DLT TSS. If the original instructions of the Order are partly settled, only the outstanding unsettled amount is cancelled.
- 7.13. The Axiology DLT TSS shall monitor and report to the Competent Authority the number and value of Orders, including those that were cancelled, as specified under Regulation (EU) No 600/2014.
- 7.14. Orders that are not matched within the time schedule provided in the Order or Maximum Recycling Period are not valid and are automatically cancelled in the Axiology DLT TSS at the moment of expiry of the Order deadline or the expiry of the Maximum Recycling Period, whichever is earlier.

Correction of erroneous credits and debits and reversals

- 7.15. Subject to applicable law and without prejudice to a claim that a Participant may have against the Axiology DLT TSS under these Rules, the Axiology DLT TSS may, without prior consultations with the Participant, correct or reverse any credit or debit to any Issuance

Wallets and Operational Wallet in respect of Eligible Securities and/or EMTs, provided: (i) the credit and/or debit is erroneous or made as a result of incorrect processing of an Order; (ii) the Axiology DLT TSS is required to do so under the mandatory provision of applicable law or a Public Order (i.e. court, Competent Authority, etc.).

- 7.16. The Participant authorises the Axiology DLT TSS to generate the necessary instructions on its behalf in order to perform such corrections or reversals. The Axiology DLT TSS immediately notifies the Participant(s) of corrections or reversals to features of the Eligible Securities or the EMTs in the Issuance Wallets and Operational Wallet(s).
- 7.17. The Axiology DLT TSS shall monitor and report to the Competent Authority the number and value of Orders that are corrected or reversed, as specified under Regulation (EU) No 600/2014.

Application of restrictions

- 7.18. The Axiology DLT TSS may take appropriate actions in the Axiology DLT TSS, including refusal to process Orders and/or block the Eligible Securities and/or EMTs in the Issuance Wallets and Operational Wallets: (i) if such action is necessary in connection with its custody operations, including withholding of tax, voting procedures, acceptance of conditional offers and exchange of Eligible Securities or market claims; or (ii) upon occurrence of any event providing grounds for suspension of the Participant's participation in the Axiology DLT TSS.
- 7.19. The Axiology DLT TSS shall not process the Order or take any other action in relation to the Eligible Securities and/or EMTs if, and insofar as, such Order or action would violate the Rules, any Public Order or any agreement concluded between the Axiology DLT TSS, the Participant or the Issuer, or other Implementing Regulations.
- 7.20. In exercising the right to apply restrictions, the Axiology DLT TSS shall follow the provisions of applicable laws and terms of the Public Order adopted (if any).

Types of settlement instructions, timelines, settlement means, settlement period, change of ownership and settlement finality

- 7.21. The Axiology DLT TSS facilitates the settlement of the following types, accepts and processes the following settlement instructions:
 - 7.21.1. Delivery Versus Payment (DVP);
 - 7.21.2. Free of Payment (FOP);
 - 7.21.3. Delivery Versus Delivery (DVD).
- 7.22. Settlement for the Orders processed in the Axiology DLT TSS shall be conducted during the Exchange Hours.
- 7.23. EMTs shall be used as the means of settlement for Transactions in Eligible Securities in the Axiology DLT TSS. Only EMTs issued by the Issuer of EMTs shall be accepted as the means of settlement in the Axiology DLT TSS. For this purpose the Axiology DLT TSS shall enter into a contractual framework with the Issuer of EMTs, following which the Issuer of EMTs shall undertake to accept the funds of the Clients of the Participant (or the Participant itself) to be transferred only from the account(s) opened in the name of the Participant in the credit institution (and whitelisted by the Axiology DLT TSS) to the account opened in the name of the Axiology DLT TSS (**Clients' Funds Account**) with the Issuer of EMTs. Following the credit of funds transferred by the Participant from the whitelisted account to the Clients' Funds Account, the Issuer of EMTs shall immediately (i.e. as fast as technically possible, which in the ordinary course of business shall not require more than one minute) issue the amount of

EMTs equal to the amount of funds transferred by the Participant from its whitelisted account to the Clients' Funds Account (at EUR 1: EMT 1 ratio). At the moment of issuance of EMTs by the Issuer of EMTs, the Axiology DLT TSS shall immediately record the corresponding amount of the EMTs in the Operational Wallet and/or Issuance Wallet of the Client of the Participant (or the Participant, as the case may be), and such EMTs shall become immediately available to the Client of the Participant (the Participant) for their use in the Axiology DLT TSS as the means of settlement for the Transactions in the Axiology DLT TSS. Under the contractual framework of Axiology DLT TSS and the Issuer of EMTs, the Issuer of EMTs shall undertake to redeem the EMTs at the request of the Participant, representing its Client(s) (or acting on its own behalf) and following the burn of the EMTs, the Issuer of EMTs shall immediately transfer the amount of funds, corresponding to the amount of the EMTs burned, from the Clients' Funds Account back to the whitelisted account opened in the name of the Participant in a credit institution. The service of issuance and/or redemption of the EMTs by the Issuer of EMTs shall be rendered 24/7. For the avoidance of doubt, the Client (or the Participant) for the benefit of which the Issuer of EMTs has issued the EMTs shall remain the bearer of the claim towards the Issuer of EMTs in respect of the EMTs issued for its benefit, and in case the Participant or Axiology DLT TSS shall be unwilling or unable to facilitate the redemption of the EMTs as provided above, such a holder of EMTs shall have a right to request the redemption of the EMTs by the Issuer of EMTs directly, unless such exercise of its rights would be contrary to the mandatory provisions of applicable laws.

- 7.24. The settlement for the transfer of Eligible Securities arising from a specific Order in the Axiology DLT TSS shall be made through Operational Wallets opened with Axiology DLT TSS.
- 7.25. For the matched Order with a DVP instruction, settlement is considered as final (settlement finality moment) from the moment on which (i) the Eligible Securities are debited from the Operational Wallet of the transferor of the Eligible Securities (seller) and are credited to Operational Wallet of the transferee (buyer) of the Eligible Securities (**Securities Leg**) and (ii) the EMTs are debited from the Operational Wallet of the transferor of the EMTs (buyer) and are credited to Operational Wallet of the transferee of the EMTs (seller) (**Cash Leg**). The credit and debit of Eligible Securities and EMTs is atomic and is made simultaneously (at the same moment in time in the Ledger and Operational Wallets of the Clients). The debit of the Eligible Securities under the terms of the Order from the Operational Wallet of the transferor (seller) of the Eligible Securities and their credit under the terms of the other (matching) Order to the Operational Wallet of the transferee (buyer) shall be considered as the moment of transfer of ownership rights over the Eligible Securities from the transferor (seller) to the transferee (buyer). The debit of the EMTs under the terms of the Order from the Operational Wallet of the transferor of the EMTs (buyer) and their debit under the terms of the other (matching) Order from the Operational Wallet of the transferee (seller) shall be considered as the moment of transfer of ownership of EMTs from the transferor (buyer) to the transferee (seller). The exact time of achievement of settlement finality and change of ownership under matched Orders is evidenced by a time stamped entry on the Ledger.
- 7.26. From the moment provided in Clause 7.25 the transfer of the Eligible Securities from the Operational Wallet of the transferor of the Eligible Securities (seller) to the Operational Wallet of the transferee of the Eligible Securities (buyer) and the transfer of the EMTs from the Operational Wallet of the transferor of the EMTs (buyer) to the Operational Wallet of the transferee of the EMTs (seller) under the Order are both unconditional, irrevocable, irreversible and enforceable and binding on the Participant(s), the Clients (End-Investors), the Issuer(s), the Axiology DLT TSS and the third persons.
- 7.27. If the Order(s) of the Participant(s) to the Axiology DLT TSS in respect of the Eligible Securities provide(s) for their transfer under other settlement terms than DVP, (i.e. DVD – delivery versus delivery (DVD) or Free of Payment (FOP)), the Order(s) of the Participant(s) is executed by the Axiology DLT TSS strictly in accordance with Order(s)' instructions.
- 7.28. For the Order(s) with a DVD settlement instruction, settlement is considered as final (settlement finality moment) from the moment on which (i) the Eligible Securities are debited

from the Operational Wallet of the transferor's Eligible Securities and are credited to the Operational Wallet of the transferee's Eligible Securities. The debit of the Eligible Securities under the terms of the Order(s) from the Operational Wallet of the transferor of the Eligible Securities and their credit under the terms of the other Order(s) to the Operational Wallet of the transferee shall be considered as the moment of transfer of ownership into the Eligible Securities from the transferor to the transferee. The credit and debit of [both sets of] Eligible Securities is atomic and is made simultaneously (at the same moment in time on the Ledger and in the Operational Wallets of the Clients). The exact time of achievement of settlement finality and change of ownership under matched Orders is evidenced by a time stamped entry on the Ledger.

- 7.29. For the Order(s) with a FOP settlement instruction, settlement is considered as final (settlement finality moment) from the moment on which the Eligible Securities are debited from the Operational Wallet of the transferor of the Eligible Securities and are credited to the Operational Wallet of the transferee the Eligible Securities. The debit of the Eligible Securities under the terms of the Order(s) from the Operational Wallet of the transferor of the Eligible Securities and their credit under the terms of the other Order(s) to the Operational Wallet of the transferee shall be considered as the moment of transfer of ownership into the Eligible Securities from the transferor to the transferee. The credit and debit of Eligible Securities is atomic and is made simultaneously (at the same moment in time on the Ledger and in the Operational Wallets of the Clients). The exact time of achievement of settlement finality is evidenced by a time stamped entry on the Ledger.
- 7.30. The settlement in respect of Eligible Securities under DVD and/or FOP terms is considered as final from the moment then Eligible Securities are debited from the Operational Wallet of the transferor of the Eligible Securities and are credited to the Operational Wallet of the transferee of the Eligible Securities is unconditional, irrevocable, irreversible, enforceable and binding on the Participant(s), the Issuer(s), the Axiology DLT TSS and on third persons.
- 7.31. For the avoidance of doubt, settlement finality provisions of Clauses 7.21 - 7.30 shall also apply to settlement finality in Eligible Securities and EMTs relating to Corporate Actions.
- 7.32. The Participant shall only have a right to make any book entries/other records in its internal accounting/record keeping systems in respect of the Eligible Securities and/or EMTs processed in Axiology DLT TSS after the respective record is Validated in the Ledger.
- 7.33. The records maintained by the Participant in respect of Eligible Securities and/or EMTs in the internal the accounting/record system(s) of the Participant shall not prejudice or effect settlement finality provisions listed above that shall always be superior to the records of the Participant.

Measures to prevent and address transfer and settlement fails

- 7.34. Participants must take all necessary measures to ensure smooth and timely processing of every Transaction under the terms of their Orders made in the Axiology DLT TSS. Participants shall send their Orders with proper and full instructions to the Axiology DLT TSS covering the whole cycle of Trade and settlement under each Order, namely providing exhaustive instructions in respect of Eligible Securities and/or EMTs following the formats specified in Annex 3. The Orders of a Participant that do not meet the requirements of Annex 3 will not be accepted and processed in the Axiology DLT TSS, therefore automatically rejected and not processed at all.
- 7.35. The Axiology DLT TSS: (i) maintains a distributed ledger driven system that monitors Order processing fails, including transfer and settlement fails of Transactions in Eligible Securities and EMTs which enable the Axiology DLT TSS to identify and keep record of the status of every Order instruction on the Axiology DLT TSS; (ii) provides Participants with access to tools that allow the Participants to monitor the whole cycle of the Trade and settlement of the Transaction under each Order and to take action to prevent transfer and settlement fails.

Order processing in case of an Insolvency Event

- 7.36. An Order may not be set aside due to the fact that an Insolvency Event has occurred and continues in respect to a Participant to that Order, provided that the Order complies with the requirements of the Rules and: (i) the Order was entered into and Validated in the Axiology DLT TSS prior to the occurrence of the Insolvency Event, or (ii) the Order was entered into and Validated and became irrevocable (i.e. acquired a status “matched”) in the Axiology DLT TSS after the occurrence of the Insolvency Event, on the same day but the Axiology DLT TSS was not aware of, about the occurrence of the Insolvency Event at the moment when the Order became irrevocable (i.e. “matched”). All Orders that meet the requirements of this Clause are processed in accordance with the Rules and in disregard of Insolvency Event and are binding on the Participant(s), the Issuer(s), the Axiology DLT TSS and third persons, irreversible and enforceable.
- 7.37. After the Axiology DLT TSS is informed that an Insolvency Event of a Participant has occurred, the Axiology DLT TSS will, in respect of such Participant:
- 7.37.1. reject new Orders from the Participant;
 - 7.37.2. block the communication means of the Participant to provide instructions or Orders to the Axiology DLT TSS;
 - 7.37.3. revoke the access of the Exchange Traders belonging to the Participant to submit Orders and instructions to the Axiology DLT TSS;
 - 7.37.4. handle the existing Orders of the Participant that have been submitted to the Axiology DLT TSS in accordance with the Rules described herein; and
 - 7.37.5. suspend or terminate the Participant’s rights of participation in the Axiology DLT TSS in accordance with the Rules.
- 7.38. The above Clause 7.37 does not limit the right of Axiology DLT TSS to accept a new Order from the Participant after the occurrence of Insolvency Event, if such Order is submitted on behalf of the Participant by the appointed insolvency administrator or any other authorised person following a Public Order, and will process the Order in accordance with the general provisions of the Rules (i.e. the processing rules that would have applied had the Insolvency Event not occurred).
- 7.39. Upon becoming aware of any event that could result in an Insolvency Event of the Participant, the Participant shall take all the measures to prevent submission of Orders to the Axiology DLT TSS resulting in debiting Eligible Securities/EMTs from the Operational Wallet of the Participant.

Settlement in case of an Insolvency Event

- 7.40. Settlement finality in case of an Insolvency Event is determined in accordance with Clauses 7.21 – 7.30 governing Securities Leg and Cash Leg of the Order settlement.
- 7.41. If an Order of the Participant was entered into Axiology DLT TSS after the moment the Insolvency Event occurred and is matched before the Axiology DLT TSS becomes aware of the Insolvency Event, it is processed in accordance with the general processing rules only on the day when the Insolvency Event occurred and settled, and if it is not settled at the end of that day, it is cancelled by the Axiology DLT TSS.
- 7.42. If an Order of the Participant was entered into the Axiology DLT TSS after the occurrence of an Insolvency Event and was not matched by the time the Axiology DLT TSS becomes aware of the Insolvency Event, it is immediately cancelled by the Axiology DLT TSS. Axiology DLT

TSS shall also monitor and report to the Competent Authority the number and value of such cancelled Orders (if any) as it is specified under Regulation (EU) (EU) No 600/2014.

- 7.43. Following the occurrence of an Insolvency Event of the Participant, the Axiology DLT TSS may at any time suspend or terminate the access of a Participant to all or part of the Services and functionalities the Axiology DLT TSS, with effect from such date and time as the Axiology DLT TSS may specify.
- 7.44. Declaration of invalidity of Transactions concluded before the suspension of the Participant's participation in the Axiology DLT TSS and/or the Insolvency Event according to the laws on insolvency of the Republic of Lithuania or other insolvency laws applicable to the Participant, shall not cancel the Orders and their execution and may affect only the mutual rights and obligations of the parties to the Transaction (i.e. the seller and the buyer), but not the Axiology DLT TSS or its Participants.

Use of EMTs and Eligible Securities of the Participant in case of an Event of Default

- 7.45. Eligible Securities and/or EMTs owned by and recorded in the Operational Wallet of the Participant shall be used by the Axiology DLT TSS for the performance of obligations of the Participant existing on the day of Event of Default or suspension of operations in respect of the Participant arising from the participation of the Participant in the Axiology DLT TSS. The sequence specified in Article 6.923, Part 2 of the Civil Code of the Republic of Lithuania, when there are insufficient EMTs or Eligible Securities in the Operational Wallet to satisfy all the claims, is applied only after the Participant's obligations related to the participation in the Axiology DLT TSS are duly fulfilled.

Order processing and settlement in case of an Event of Default (excluding Insolvency Event)

- 7.46. In case the Participant is in an Event of Default that does not constitute an Insolvency Event, settlement finality is determined in accordance with Clauses 7.21 – 7.30 governing Securities Leg and Cash Leg of the Rules.

Assistance to Participants in case of compromise or loss of the private key

- 7.47. In case a private key of the Participant, granting the access to the Issuance Wallet and/or Operational Wallet is compromised or lost (regardless of the fact that the cryptographic key(s) were actually used or not used to sign any Transactions on the Axiology DLT TSS that could lead to unintended transfer or loss of Eligible Securities and/or EMTs), the Participant shall immediately inform the Axiology DLT TSS about the fact of compromise or loss of the private key(s) and request Axiology DLT TSS to cancel the existing cryptographic key(s) of the Participant and reset the private key(s) of the Participant. Upon receipt of the information, the Axiology DLT TSS will immediately cancel the compromised private key(s) of the Participant, generate the new private key(s) of the Participant and perform other required actions indicated in the IT Business Continuity Plan of the Axiology DLT TSS. For the avoidance of doubt, in case Eligible Securities and/or EMTs are transferred (intentionally or not) due to other technical error or other intentional or unintentional conduct attributable to the Participant (including its staff or service providers), such situation shall be remedied by the Participant by way of compensation of in kind (i.e. the Participant shall remedy the situation at its own account and cost and shall keep Axiology DLT TSS completely harmless).
- 7.48. Axiology DLT TSS shall be entitled to inform the Competent Authority of any incident and actions taken in accordance with Clause 7.47 of the Rules and take other actions (including disciplinary ones) provided in the Rules.

Clock synchronization

- 7.49. Each Participant shall ensure that the business clocks it uses to record the date and time of

any Order or Trade in accordance with Commission Delegated Regulation (EU) 2017/574 are synchronised in accordance with the standards set out in these RTS. The required level of accuracy and granularity shall depend on the nature of the trading activity and specified by Axiology DLT TSS.

8. RIGHTS AND OBLIGATIONS OF THE OPERATOR, THE ISSUERS, THE PARTICIPANTS

Rights and obligations of the Operator of the Axiology DLT TSS

- 8.1. The Axiology DLT TSS provides Services and fulfils its responsibilities strictly in compliance with these Rules, Agreements, Implementing Regulations and applicable laws with care, diligence professionalism and appropriate caution.
- 8.2. The Axiology DLT TSS will take all feasible steps within the scope of Services rendered to identify, evaluate, monitor, and manage any potential risk sources stemming from and related to the Services rendered.
- 8.3. In the event of disruptions in the Axiology DLT TSS Services due to reasons such as software errors, telecommunications failures, or an Event of Default involving Participant(s) or Issuer(s), the Axiology DLT TSS shall exert every reasonable effort to minimize Service disruptions for Participants and Issuers. The Axiology DLT TSS may implement the following contingency measures:
 - 8.3.1. adjustment of the Order processing schedules, which may include temporary halts, extraordinary reduction or extension of operating hours;
 - 8.3.2. temporary limitations on access to the Axiology DLT TSS or specific features thereof;
 - 8.3.3. relaying Orders and other directives necessary for the render of Services via alternative communication methods and, if required;
 - 8.3.4. implementation of additional strategies outlined in the Axiology DLT TSS's business continuity plans, as disclosed to Participants.
- 8.4. In the unlikely event of disruption of the rendering of Services, the Axiology DLT TSS will promptly inform Participants directly impacted by such a disruption with a brief explanation of the fault causing the interruption; inform about any actions already taken or planned to mitigate the disruption's impact and the anticipated duration of such disruption; and where feasible, provide additional details and instructions to aid in the resumption of normal operations of the Axiology DLT TSS.
- 8.5. In accordance with Axiology DLT internal procedures, the Axiology DLT TSS shall notify the Competent Authority about the decision of the Axiology DLT TSS to terminate the activities of Axiology DLT TSS within 3 Business Days from the moment of adoption of such a decision.

Duties of the Participants

- 8.6. The Participant shall:
 - 8.6.1. facilitate, set up and maintain Issuance Wallets and Operational Wallets for its Clients with the Axiology DLT TSS;
 - 8.6.2. communicate Orders and instructions of the Clients of the Participant that hold Issuance Wallets and Operational Wallets on the Axiology DLT TSS;
 - 8.6.3. mediate the provision of Services provided by the Axiology DLT TSS in accordance with the applicable law and agreements of the Participant with the Axiology DLT TSS;

- 8.6.4. comply with the Rules, agreements, Implementing Regulations and applicable law, observe good practice of the financial sector participation in the Axiology DLT TSS and activities for which it has applied or subscribed for, and to that effect maintain, among others, at all times operational capacity, financial resources, legal powers, risk-management expertise, compliance, operational and technical arrangements that are adequate to prevent the occurrence of risk for the End-Investors, the Axiology DLT TSS, other Participants and Issuers, pass AML/CTF and Sanction screening controls conducted by the Axiology DLT TSS to the satisfaction of the Axiology DLT TSS;
- 8.6.5. ensure a proper connection to the Axiology DLT TSS and other IT systems used by the Participant that meet(s) at all times the IT security and other technical requirements established by the Axiology DLT TSS under these Rules or Implementing Regulations (if any);
- 8.6.6. ensure that, by means of appropriate administrative, technical and IT security measures, information communicated to the Axiology DLT TSS by the Participant and information available from the Axiology DLT TSS or Axiology DLT TSS to the Participant, including information recorded with regard to Issuance Wallets and Operational Wallets on the Ledger, is protected against unauthorised access and processing, including use, destruction or alteration;
- 8.6.7. verify correctness and compliance with applicable legal and regulatory requirements of Orders, information and instructions communicated to the Axiology DLT TSS, preserve the documents related to the underlying Orders of the Issuance Wallet and Operational Wallet holders as required by the applicable law, and upon request provide a copy of such documents to the Axiology DLT TSS;
- 8.6.8. ensure that all instructions, including Orders, instructions to open Issuance Wallets and Operational Wallets or instructions to pledge, establish financial collateral, block, establish Encumbrance over Eligible Securities and EMTs (release such pledge, financial collateral, block or Encumbrance), are entered into the Axiology DLT TSS in a timely manner following the receipt of the instruction of the Client or other authorised person, as the case may be;
- 8.6.9. have proper credit and liquidity management arrangements and other systems and controls in place:
 - 8.6.9.1. to ensure and facilitate the settlement of Orders entered into the Axiology DLT TSS;
 - 8.6.9.1.1. to minimize liquidity risks to the Axiology DLT TSS and other Participants from its settlement activities;
 - 8.6.9.1.2. to avoid settlement fails to the extent possible.
- 8.6.10. where applicable, make and maintain accurate and timely Eligible Securities and EMT related records in its books/records in accordance with these Rules or Implementing Regulations (if any) and applicable laws;
- 8.6.11. comply with FATCA and other similar international tax compliance reporting and information exchange requirements;
- 8.6.12. provide to the Axiology DLT TSS any information, including about Participants' Clients and their settlement activities, that is relevant for the Axiology DLT TSS to identify, monitor, and manage any risks associated with the Participation Agreement unless and in so far as mandatory law provides otherwise;
- 8.6.13. upon reasonable request of the Axiology DLT TSS, attend to and provide assistance to any task, procedure, routine, check and control, including special-purpose audit(s), conducted by

or upon request of the Axiology DLT TSS, or requested on an event-driven basis and manner, to ensure integrity of Eligible Securities records and to comply with reconciliation measures provided by CSDR and relevant RTS;

- 8.6.14. pay the Service fees, charges, interests and fines in accordance with the Rules, the Price List and applicable laws;
- 8.6.15. notify any change in the information provided by it to the Axiology DLT TSS as part of its Participant application which is material for the assessment of the compliance of the Participant with the admission and eligibility conditions;
- 8.6.16. immediately notify the Axiology DLT TSS about any inaccuracy in the information within the Axiology DLT TSS or any erroneous credit or debit to any Issuance Wallet and Operational Wallet in respect of Eligible Securities or EMTs of which it becomes aware;
- 8.6.17. promptly notify the Axiology DLT TSS of any and all circumstances that may cause a situation where a Participant is not, due to its solvency, change in legal status, technical interruption or restrictions on its activity established against it, able to perform its obligations in connection with its participation in the Axiology DLT TSS;
- 8.6.18. follow an order issued by the Axiology DLT TSS which establishes a breach of the Participant's obligations and may impose an obligation on the Participant ("**Request**"); provide any information requested by the Axiology DLT TSS to the extent it is necessary to ensure or to verify Participant's compliance with the Rules, Implementing Regulations and applicable laws;
- 8.6.19. comply with applicable laws regarding AML/CTF, Sanctions and submit to the Axiology DLT TSS, upon respective request, self-assessment or confirmation to that effect;
- 8.6.20. present to the Axiology DLT TSS in advance (for assessment and clearance by the Axiology DLT TSS) of the solution assuring proper recording of personal data of the Clients of the Participant and association of such data with Issuance Wallet and/or Operational Wallet of the Clients opened with the Axiology DLT TSS; test technical aspects of such a solution during technical testing and improve the shortcomings identified (if any) prior to starting to use the Axiology DLT TSS infrastructure;
- 8.6.21. to assure proper record of personal data of the Clients of the Participant (keep proper data log) in such a manner that such data would be always associated with Issuance Wallet and/or Operational Wallet of the Client opened with Axiology DLT TSS and would be provided to the Axiology DLT TSS, the Issuer, the Competent Authority upon request and would be easily accessible to the Insolvency administrator of the Participant, should such be appointed.
- 8.6.22. Each Participant shall be solely responsible for complying with any trade reporting, transaction reporting, or other reporting and/or filing obligations that may be imposed on it under Applicable Law, including but not limited to Regulation (EU) No 600/2014 ("MiFIR") and Directive 2014/65/EU ("MiFID II"), in connection with its use of the Axiology DLT TSS. The Operator shall have no responsibility or liability in relation to such obligations.
- 8.6.23. The Participant shall provide the Axiology DLT TSS with accurate and up-to-date information on their knowledge and experience in relation to the relevant product(s) and/or service(s).

Duties of the Issuer

- 8.7. The Issuer shall:

- 8.7.1. comply with the Rules, Trading Rules, Agreements, Implementing Regulations and any other document adopted by the Axiology DLT TSS in accordance with the Rules, Trading Rules, agreements, Implementing Regulations and the applicable law, considering the Axiology DLT TSS is used for the initial recording of Eligible Securities and rendering of Services to which the Issuer has applied or subscribed for;
- 8.7.2. pass AML/CTF, Sanction screening controls conducted by the Axiology DLT TSS to the satisfaction of the Axiology DLT TSS;
- 8.7.3. ensure that the information provided to the Axiology DLT TSS in the course of initial and ongoing recording of Eligible Securities is true, correct, complete not misleading and up to date;
- 8.7.4. facilitate compliance with Corporate Action Standards and to that effect ensure submission of correct information (including any changes to, or confirmation of, such information) to the Axiology DLT TSS about any Corporate Action affecting any attributes of the Issuer's Eligible Securities or the rights or obligations of the owners of the Eligible Securities as soon as the Issuer has publicly announced the Corporate Action according to the applicable law. The list of such Corporate Actions and information to be submitted to the Axiology DLT TSS shall be provided to the Issuer on standard application forms by the Axiology DLT TSS;
- 8.7.5. be liable to the Axiology DLT TSS, the Participants and the owners of Eligible Securities and/or EMTs for damage caused by its failure to comply with the Issuer's obligations;
- 8.7.6. make available to the Axiology DLT TSS such information (including LEI code), documents and records as the Axiology DLT TSS may from time to time reasonably request for the purposes of providing the Services under these Rules, monitoring the Issuer's compliance with these Rules, facilitating compliance with Corporate Action Standards, Trading Rules, Implementing Regulation, applicable laws, or ensuring the integrity of the Issuer's Eligible Securities records;
- 8.7.7. pay the Service fees, charges, interests, contractual penalties and fines in accordance with the Price List and applicable laws.
- 8.8. The Issuer has the right to appoint a Participant (Issuer's Agent) to represent the Issuer in relation to the Axiology DLT TSS, be authorised to act on behalf of the Issuer in respect of the Axiology DLT TSS, other Participants and owners of the Eligible Securities or EMTs in connection with the issue of the Eligible Securities, EMTs, Corporate Actions and other matters relating to the Eligible Securities issued by the Issuer.
- 8.9. An Issuer has to designate a Participant or the Axiology DLT TSS as Issuer's Agent for the making of Orders regarding primary placement, giving and receiving instructions in respect of each Corporate Action and representation of the Issuer in respect of each Corporate Action.
- 8.10. The Issuer shall ensure that the required amount of Corporate Action proceeds is made available at the Operational Wallet of the Issuer at the moment when payment from such Operational Wallet is due under each Corporate Action. The Issuer's Agent shall be responsible for making the Order or instruction in the Axiology DLT TSS effecting the transfer of Corporate Action proceeds from the Operational Wallet of the Issuer to the Operational Wallets of the investors (End-users) entitled to receive such Corporate Action proceeds.
- 8.11. The required amount of Corporate Action proceeds in the form of EMTs in respect of the Eligible Securities Issue is equal to the total amount of the Corporate Action proceeds which the Issuer's Agent has to make available at the Operational Wallet of the Issuer.

9. MEASURES TO ELIMINATE THE RISK OF DISRUPTION & PROPER FUNCTIONING OF THE AXIOLOGY DLT TSS

9.1. The Trade and settlement system architecture incorporates:

- 9.1.1. Utilisation of distributed ledger technology (DLT), which supports a decentralised structure that eliminates single points of failure;
- 9.1.2. adherence to best practices and regulatory guidelines that recommend decentralised systems for critical financial operations;
- 9.1.3. multiple Nodes that maintain the network, ensuring operational continuity even if individual Nodes fail;
- 9.1.4. continuous monitoring tools to track the system's performance and to identify anomalies in real-time.

9.2. Geographical Distribution of Nodes:

- 9.2.1. Risk Diversification Strategy Compliance: strategic distribution across diverse locations, meeting standards for risk diversification to enhance system resilience;
- 9.2.2. Enhanced Disaster Recovery: augments the system's ability to withstand regional disruptions like power outages and natural disasters, essential for continuity and integrity of operations.

9.3. Implementation of fault tolerance mechanisms:

- 9.3.1. Consensus Protocol for Transaction Validation: establishes robust Validation mechanics in line with regulatory expectations, ensuring integrity and reliability of Transactions across possibly faulty or compromised Nodes;
- 9.3.2. Quorum-Based Transaction Validation: majority consensus requirement on Transactions assures higher fault tolerance, minimizes the impact of Node failures, and safeguards against any single Node's failure disrupting the entire network.

10. MEASURES TO ENSURE RESILIENCY AND CAPACITY TO HANDLE LARGE VOLUMES OF ORDERS

10.1. The infrastructure operated by the Axiology DLT TSS shall incorporate:

10.1.1. System Scalability and Load Handling:

- 10.1.1.1. Vertical scaling of DLT Nodes to ensure that capacity and performance adjusts dynamically to handle increased network traffic efficiently, maintaining seamless communication across network participants;
- 10.1.1.2. Utilisation of both horizontal and vertical scaling within the Kubernetes environment enables handling real-time traffic adjustments effectively. Horizontal scaling dynamically adjusts the number of active gateway pods based on traffic, while vertical scaling optimizes resources within each pod.

10.1.2. Load Balancing to Ensure System Stability:

- 10.1.2.1. Deployment of load balancers strategically distributes traffic across Nodes, preventing overload and ensuring even distribution of processing efforts. This infrastructure mitigates

the risk of system slowdowns or failures under extreme traffic conditions, maintaining the platform's robustness and reliability.

10.1.3. Business Continuity

10.1.3.1. Implementation of a solid business continuity policy along with tested and reliable disaster recovery strategies assure sustained service continuity amidst various types of operational shocks. These prepare the Axiology DLT TSS to quickly resume operations following any Trading system outage;

10.1.3.2. Regular resilience testing, in accordance with stipulated guidelines, helps in ensuring that all preparedness measures are up to date and effective. These procedures are integral to pre-emptively recognizing potential disruptive scenarios and mitigating risks proactively.

11. PRICES, FEES AND CHARGES

11.1. The prices, fees and other charges applied by the Axiology DLT TSS for its Services rendered and functions provided are listed in the Price List. The Price List consists of the Price List, applied for Axiology DLT TSS core services and that is published on the Axiology website and accessible to all Participants as it is referred to in Article 34 of Regulation (EU) 909/2014; and Price List for non-core services that is provided individually by Axiology DLT TSS to the relevant Participant.

11.2. The Axiology DLT TSS shall disclose the prices, fees and charges for each Service it provides and function it renders separately in the Price List. Discounts and rebates applied by the Axiology DLT, if any, and the conditions to benefit from those discounts or rebates shall also be disclosed. The Axiology DLT TSS shall be bound by the prices, fees and charges for its Services and the functions it renders separately from the moment they are made public on its Website.

11.3. In order to ensure compliance with competition rules and enable the identification, *inter alia*, of cross-subsidisation of some types of Services/functions by the other Services/functions, the Axiology DLT TSS shall maintain analytical accounting for its activities. Such analytical accounts shall at least separate the costs and revenues associated with each of its core Services from those associated with ancillary Services. The Axiology DLT TSS shall account separately the revenue and costs for the core Services and ancillary Services (as the whole) and shall disclose such information to the Competent Authority upon request.

11.4. The prices, fees and charges for the Services and functions rendered (including fines, default interest, late payment interest, contractual penalty, etc.) may be set out in:

11.4.1. the Price List; and/or

11.4.2. an agreement or other contractual arrangement entered into with the Axiology DLT TSS; and/or

11.4.3. the Rules;

11.4.4. Implementing Regulations;

11.4.5. applicable law.

11.5. Participants and Issuers shall compensate the Axiology DLT TSS for any taxes, duties, interest, fines, penalties and other extraordinary expenses (including reasonable legal counsel fees) imposed on, paid by, charged to, suffered by or incurred by the Axiology DLT TSS in connection with the provision of Services/functions unless such taxes, duties, interest, fines, penalties and other extraordinary expenses are incurred by the Axiology DLT TSS as

a result of its fraud, wilful misconduct or failure to provide Services/functions in accordance with the Rules. Whenever objectively possible, the Axiology DLT TSS will make reasonable efforts to inform the person on the pending expenses set out in this Section and to obtain its consent prior to incurring such expenses.

- 11.6. Without prejudice to the Axiology DLT TSS's right to suspend or terminate the participation of a Participant or to terminate the contractual relationship with a Participant or an Issuer as per the Rules, Implementing Regulations, agreement, or applicable law, in case the Participant or the Issuer does not pay on time to the Axiology DLT TSS any amount due, the Axiology DLT TSS may charge late payment interest or similar contractual penalty provided in the Price List, the agreement with the Axiology DLT TSS, Implementing Regulation or applicable law without having to send any notice to this effect.
- 11.7. The Axiology DLT TSS shall provide its Participants and Issuers with information that allows them to reconcile their invoices with the published Price List.
- 11.8. The Axiology DLT TSS shall disclose to its Participants and Issuers the Price List information.

12. CONFIDENTIALITY

- 12.1. The terms of private arrangements between the Axiology DLT TSS and Participants or Issuers are confidential. A party to such an arrangement does not have the right to disclose the terms of them to third persons without receiving the express prior written consent of the other party.
- 12.2. The following disclosure of the confidential information will not constitute a breach of the Rules:
 - 12.2.1. Information is publicly available;
 - 12.2.2. The disclosure is made to professional advisers (in the field of tax, law, finance, environment, construction, etc.) or actual or potential investors, financiers, employees of the person related to the performance of the Rules, on the terms that such professional advisers, employees or financiers undertake to comply with the provisions of confidentiality under the law or agreement within the scope established in the Rules;
 - 12.2.3. The disclosure of which is required by the applicable laws or Public Order;
 - 12.2.4. The disclosure of the confidential information is necessary for due fulfilment of the persons obligations assumed under the Rules and/or implementation of the rights stipulated in the Rules (in the latter case, however, the information may be disclosed to the extent required for performance of the mentioned obligations).

13. LIABILITY

- 13.1. If a Participant, Issuer or the Axiology DLT TSS breaches its obligations under the Rules or provides wrong of representation or warranty, the person in breach shall compensate the other person for the losses incurred by the injured party as a result of said breach or misrepresentation, unless the Rules or applicable law provide for otherwise.
- 13.2. Each person shall take all reasonable steps and provide all reasonable assistance to the other person to avoid or mitigate any losses, which in the absence of mitigation might give rise to or increase liability of the other person. Each person shall act in good faith with respect to any claim that might be subject to compensation to the other person and shall use all measures that a reasonable person would use if such a person would not have a right to claim compensation of losses from the other person.

- 13.3. The person that fails to fulfil the payment obligations specified in the Rules, Implementing Regulations according to the Price List or applicable laws undertakes to pay the other person 0,01% late payment interest for each delayed calendar day from the amount not paid on time.
- 13.4. For the avoidance of doubt, the limitation of a party's liability shall not apply regarding losses which were incurred due to deliberate actions or gross negligence of the person or its representative.

Liability of the Axiology DLT TSS

- 13.5. Unless mandatory provisions of the applicable law provide otherwise, the Axiology DLT TSS is only liable for any damage, loss or expenses of any kind or nature resulting from its negligence, fraud or wilful misconduct and incurred by:
 - 13.5.1. the Client (End-Investor) as a result of its holding of Eligible Securities, or its Transactions in the Axiology DLT TSS;
 - 13.5.2. the Issuer, as a result of rendering of Services to the Issuer by the Axiology DLT TSS;
 - 13.5.3. the Participant, as a result of rendering of Services to the Participant by the Axiology DLT TSS.
- 13.6. Unless mandatory provisions of applicable law provide otherwise, the aggravated person shall only be entitled to claim compensation from the Axiology DLT TSS for direct losses for which the Axiology DLT TSS is liable under the Rules, if the aggravated person notifies of its claim to the Axiology DLT TSS within a period of:
 - 13.6.1. 3 months from the date on which it has or should have become aware of the event or circumstance giving rise to such claim; or
 - 13.6.2. the applicable prescription period, whichever period is longer, except in case of fraud or wilful misconduct of the Axiology DLT TSS, in which case no contractual limitation of liability shall apply.
- 13.7. The Axiology DLT TSS is not liable for:
 - 13.7.1. any action or omission in the event and to the extent that such action or such omission arises due to Force Majeure;
 - 13.7.2. any indirect liability for losses, including loss of clients, loss of profits or savings, and reputational damage;
 - 13.7.3. any act or omission of third persons, other than acts or omissions of Participants and/or Issuers;
 - 13.7.4. any failure by any Participant, Issuer or any other person to comply with any procedures or requirements stipulated in the Rules, Trading Rules, implementing Regulations, agreement or applicable laws or from a fraudulent or abnormal use of the Axiology DLT TSS by any Participant, Issuer or any other person. Abnormal use of the Axiology DLT TSS means the use of the Axiology DLT TSS in a manner which is deviating from the ordinary or expected use of its functionalities and which has caused losses to another Participant, Issuer or Client;
 - 13.7.5. any losses to the extent the Participant or the Issuer failed to take reasonable and practical measures to mitigate the amount of liabilities it may incur by reason of the act or omission of the Axiology DLT TSS.

Liability of the Participant

- 13.8. Unless otherwise provided by mandatory provisions of the applicable law, each Participant shall compensate the Axiology DLT TSS any losses incurred by the Axiology DLT TSS in connection with the Participant's participation in Axiology DLT TSS, use of Services, or with the Participant's holding Eligible Securities or EMTs with the Axiology DLT TSSS arising from the actions and omissions of such Participant, including any breach by the Participant of these Rules, any failure to comply with the applicable law.
- 13.9. The Participant is not liable for any action or omission in the event and to the extent that such action or such omission arises due to Force Majeure.

Liability of the Issuer

- 13.10. Unless otherwise provided by mandatory provisions of the applicable law, each Issuer shall compensate the Axiology DLT TSS any losses incurred by the Axiology DLT TSS in connection with the Issuer's use of the Services arising from the actions and omissions of such Issuer, including any breach by the Issuer of these Rules, Trading Rules, implementing Regulations, agreement or applicable laws, any failure to comply with the applicable law, or as a result of the Axiology DLT TSS's reliance on information provided by the Issuer.
- 13.11. The Issuer is not liable for any action or omission in the event and to the extent that such action or such omission arises due to Force Majeure.

14. COMMUNICATION MEANS AND NOTICES

15. All communication between the Axiology DLT TSS and its Participants in connection with the Services as well as notices to be sent in connection with the Rules shall be sent by the Participant to the Axiology DLT TSS and by the Axiology DLT TSS to the Participant using the messaging functionality of the Axiology DLT TSS. Such means of Communication may be used by the Axiology DLT TSS or Participants.
- 15.1. Unless it is proven that the notices were received at a given time, they shall be deemed received:
- 15.1.1. If the notice is sent via DLT TSS, it shall be deemed to have been received by the person or the Axiology DLT TSS immediately on the same day if it is received during the Business Hours or on the first minute of the next Business Day if it is received outside Business Hours;
- 15.1.2. If the notice is sent by e-mail, it shall be deemed to have been received by the person on the same day if it is received during Business Hours or on the next Business Day if it is received outside Business Hours;
- 15.1.3. If the notice is delivered in person, it is considered as received by the person on the date of delivery;
- 15.1.4. Where the notice is sent by a registered delivery letter, it shall be considered received after 5 Business Days after the date of dispatch;
- 15.1.5. If notice is sent by courier, it is considered received on the day of receipt.
- 15.2. In the context of this Clause, the term "business hours" refers to the time between 08:00 hours and 17:00 hours inclusive on a Business Day (time zone: UTC + 3).
- 15.3. The Participant and the Axiology DLT TSS shall treat messages and instructions received via DLT TSS as notices duly given in accordance with the Rules, without the need for any electronic signature or acknowledgement of the reading or receipt of such a message.

- 15.4. The Participant and the Axiology DLT TSS shall treat e-mail messages sent to the e-mail addresses referred to in this Clause as notices duly given in accordance with the Rules, without the need for any electronic signature or acknowledgement of the reading or receipt of such message.
- 15.5. The persons subject to these Rules shall notify each other in writing within 1 calendar day of any change of address and other particulars, indicating the new address and/or other new particulars. Letters/notices delivered to the previous address shall be deemed to have been duly served until the change of address has been notified in accordance with the prescribed procedure.
- 15.6. To prove that a notice was received via registered letter, courier, it is sufficient to prove the fact of delivery thereof in person or prove that the envelope containing correspondence has been correctly addressed, stamped and sent, and there is a slip supporting the dispatch thereof, or that an email has been sent to a certain address.
- 15.7. Upon failure to notice about change of the address, all the notices (documents) sent at the last known addresses shall be deemed as duly sent and delivered.
- 15.8. If a person refuses to accept notice of the other person sent via registered letter or such notice cannot be delivered to the addressee due to other reasons beyond the control of the sending person for more than 5 Business Days from the dispatch of the respective notice, such notice shall be deemed to have been given to the respective person on the 6th Business Day following the date of dispatch of the notice.

16. APPLICABLE LAW, DISPUTE SETTLEMENT

- 16.1. The Rules and all the relations of the Axiology DLT TSS, the Participants, the Issuers and the Clients (End-Investors) and other third persons relating to the actions or omissions governed by the Rules shall be governed by and construed in accordance with the law of the Republic of Lithuania.
- 16.2. All disputes, claims or controversies arising from or in connection with the Rules, also disputes as to validity, interpretation or breach of the Rules, shall be attempted to be resolved in the pre-litigation phase in the manner prescribed in the complaints management policy of the Axiology DLT TSS.
- 16.3. If a person considers that the dispute was not properly resolved in the pre-litigation manner prescribed in the complaints management policy of the Axiology DLT TSS, the dispute shall be resolved in accordance with the procedure established by the legal acts of the Republic of Lithuania and/or the EU in the courts of law of the city of Vilnius.

17. INTERPRETATION & HIERARCHY

- 17.1. In the Rules, unless the context requires otherwise:
- 17.1.1. words importing the singular include the plural and *vice versa*;
- 17.1.2. a reference to person(s) includes references to a natural person, an individual, the Axiology DLT TSS, a firm, a corporation, a partnership, a joint venture, an association, or any other legal person or entity of any kind whatsoever possessing legal personality, including, in each case, its heirs at law and its successors in rights, functions and powers;
- 17.1.3. words in one gender also refer to other genders;

- 17.1.4. the headings of Sections and Clauses in the Rules are for convenience of reference only and shall not affect the interpretation of the Rules;
- 17.1.5. references to Sections and Clauses, annexes, appendixes and paragraphs shall refer to Sections and Clauses, annexes of the Rules;
- 17.1.6. a reference to a document includes an amendment or supplement of that document made according to the terms and conditions of the Rules and legal acts;
- 17.1.7. unless otherwise specifically provided, references to days are to calendar days;
- 17.1.8. the terms "includes", "including", "inter alia" are interpreted as "not limited to";
- 17.1.9. the term "consent" shall include an agreement, authorisation, approval or assignment, whether executed as a separate document or otherwise expressed in writing, including by endorsement (references to obtaining consents shall be construed as set out in this provision of the Rules);
- 17.1.10. the Rules shall be interpreted in good faith. The persons shall not be bound by a literal interpretation of the text alone, but shall interpret the Rules in a systematic manner and consider any provision of the Rules in the context of the Rules as a whole;
- 17.1.11. the following sequence of priority shall apply in case of conflict or competition of norms of the Rules:
 - 17.1.11.1. the Rules;
 - 17.1.11.2. the Trading Rules;
 - 17.1.11.3. the Annexes to the Rules;
 - 17.1.11.4. the Implementing Regulations (unless in the implementing Regulations provided for otherwise); in case of conflict between the Implementing Regulations, Implementing Regulations adopted by the Board of the Axiology DLT TSS shall prevail.
- 17.2. The Rules (including their new wording or new wording of a specific provisions of the Rules) shall enter into force from the date of their publication and shall be effective until restated by the new wording of the Rules (their provision) or declaration of Rules as incompatible with mandatory provision of laws by the court of law with jurisdiction over the Rules.

18. FINAL PROVISIONS

- 18.1. In the performance of their obligations under the Rules and in the exercise of their rights, the persons shall undertake, in good faith, to cooperate fully and to take all possible measures to achieve the objectives of the Rules. The persons shall undertake to refrain from any action that may impede the attainment of the objectives of the Rules. In the event of any ambiguity in the performance of the Rules or in the event of a specific situation not governed by the Rules and the applicable law, the persons whose relationship is governed by the Rules shall immediately contact the Axiology DLT TSS to receive its instructions within the shortest possible time as to how the Rules shall be complied with.
- 18.2. The Rules and their annexes contain the entire understanding between the persons subject to these Rules and supersedes any arrangements, understandings, promises, agreements and transactions made or existing between such persons regarding the questions covered by the Rules.

- 18.3. If one of the provisions of the Rules is or becomes invalid, this does not affect the validity of the other provisions of the Rules. The invalid provision shall be replaced by another valid provision that is closest to the meaning of the condition being replaced.
- 18.4. The persons subject to these Rules expressly agree and confirm that no provision of the Rules may be considered revoked by either person unless such written revocation is signed by the Axiology DLT TSS. Such revocation by the Axiology DLT TSS of any provision of the Rules shall not be construed as a revocation of any other provision of the Rules or any other breach of any provision of the Rules.
 - 18.4.1. The Rules are drafted in the English language. In the event of any contradiction or discrepancy between the English and versions of the Rules in other languages, the English language version of the Rules shall prevail.
 - 18.4.2. The time specifications in the Rules and any documents adopted in accordance with or with a purpose to implement these Rules shall be understood as referring to the time zone of the Axiology DLT TSS unless expressly stated otherwise.

19. PERSONAL DATA PROTECTION

- 19.1. Each person subject to these Rules agrees to provide one other with personal data as far as their relations are concerned. By submitting personal data, the person confirms that it must provide such data to another person after receiving the consent of the data subject.
- 19.2. Each person subject to these Rules undertakes to comply with the applicable law requirements for the protection of personal data.
- 19.3. Each person subject to these Rules, as an independent controller of personal data, shall, in the performance of the Rules, ensure that:
 - 19.3.1. establishes procedures for the confidentiality of personal data to be followed by any third person to whom the person grants access to personal data, including processors. This provision does not apply to persons who need access to personal data or who are authorised to process personal data by the law;
 - 19.3.2. if the person discloses and/or transfers personal data to a third country outside the European Economic Area (EEA), it ensures that such third country signs a contract or other data transfer agreement approved by the EU competent authority or complying with other GDPR's in accordance with the standard terms of the EU Agreements Ensuring the requirements of Chapter V regarding the transfer of personal data to another third level and an adequate protection;
 - 19.3.3. provides reasonably requested by the other person's assistance in accordance with applicable personal data protection legislation to the best of its ability to assist that person in complying with security, personal data breach notification and communication, data protection impact assessment, prior consultation, reporting requirements or other obligations under data protection law (e. g. enforcement of the data subject's rights) to the processing of personal data under the Rules;
 - 19.3.4. its employees processing personal data are made aware of the obligation to maintain the confidentiality of personal data;
 - 19.3.5. in the event of a dispute with a data subject or a supervisory authority, or if one or more persons have a claim in relation to the processing of personal data in connection with the performance of the Rules, the person subject to these Rules shall, to the extent not precluded by law, notify the Axiology DLT TSS and other persons concerned of any such disputes

and/or claims and shall cooperate in an effort to resolve them amicably and in a timely manner.

ANNEX 1 – DEFINITIONS

1. Capitalised terms set forth in this Annex, when used in the Rules and/or Implementing Regulations, as well as in communication following the Rules and/or Implementing Regulations, shall have the following meanings, unless the context expressly requires otherwise.

Algorithmic Trading – Trading in financial instruments where a computer algorithm automatically determines individual parameters of Orders such as whether to initiate the Order, the timing, price or quantity of the Order or how to manage the Order after its submission, with limited or no human intervention, and does not include any system that is only used for the purpose of routing Order to one or more Trading venues or for the processing of Order involving no determination of any Trading parameters or for the confirmation of Order or the Post-trade processing of executed Transactions.

Automatically Matched Trade – a Trade, which is executed in the Axiology DLT TSS by Automatic Order Matching.

Automatic Order Matching – the process in the Order Book by which Sell and Buy Orders are matched automatically when the price, volume, and other specifications for a given Order correspond with Order(s) previously or at the same time entered in the Order Book.

Automated Order Routing (AOR) – the process by which a Participant, through the use of internet connections or other computer connections between the Participant and its Client, electronically and automatically transmits Orders registered by the Client directly to the Trading venue.

Axiology DLT TSS – depending on the context, shall mean a private limited liability company, incorporated under the laws of the Republic of Lithuania with legal entity code 306440582, LEI code 259400P9K73EP4XNK437, office address at Aukštaičių str. 7, Vilnius, Lithuania or Distributed ledger technology based trade and settlement system consisting from a set of hardware, software, other technical infrastructure components operated by the legal entity, where it renders Services and provides other functionalities in respect of Eligible Securities and EMTs, as described in the Legal Rules, Implementing Regulations, contractual arrangements and applicable law.

Buy Order – an Order to buy a specific Eligible Security (-ies).

Business Day – a day on which the Axiology DLT TSS is open for the rendering of all or any Services.

Competent Authority – the Bank of Lithuania.

Client – the holder of an Issuance Wallet and/or Operational Wallet opened with the help of a Participant with which that Client has a contractual relationship.

Compliance Officer – legal entity' designated employee/officer, who is responsible for the regulatory compliance requirements.

Corporate Action – any corporate action or event related to Eligible Securities and defined in the applicable law.

Corporate Action Standards – Market Standards for Corporate Actions Processing developed by the Corporate Actions Joint Working Group.

CSDR – Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012, as may be amended from time to time.

Consensus Protocol – is a procedure following which the simple majority of Nodes of the Axiology DLT TSS network reach a common agreement about the status of the Ledger at a specific moment in time.

Delivery Versus Delivery (DVD) – a settlement mechanism which links two or more transfers (exchange) of the Eligible Securities in such a way as to ensure that the delivery (exchange) of one group of the Eligible Securities occurs if and only if the corresponding delivery of the other group of the Eligible Securities occurs and *vice versa*.

Delivery Versus Payment (DVP) – a settlement mechanism which links and subjects the transfer of the Eligible Securities and EMT transfer in such a way as to ensure that delivery of Eligible Securities occurs if and only if the corresponding EMT payment occurs and *vice versa*.

DLTR – Regulation (EU) 2022/858 of the European Parliament and of the Council of 30 May 2022 on a pilot regime for market infrastructures based on distributed ledger technology, and amending Regulations (EU) No 600/2014 and (EU) No 909/2014 and Directive 2014/65/EU.

Electronic Money Token or EMT – a type of crypto-asset that is designed to maintain a stable value by referencing the value of one official Eligible Currency.

Eligible Currency – means Euro.

Eligible Securities – means sovereign bonds, corporate and other bonds and other forms of securitised debt, including depository receipts in respect of such securities, or money market instruments, with an issue size of less than EUR 1 billion (calculated at the moment of admission to Trading or the moment of recording on the Ledger), excluding those that embed a derivative or incorporate a structure which makes it difficult for the Client to understand the risk involved, represented in the form of a token.

Encumbrance – any kind of obligation, right *in rem* or other right, pledge, mortgage, attachment, claim, condition, option, lien, prohibition, creditors' right, right of first refusal or any other restriction which limits or may limit the exercise or realisation of a right of ownership, possession or use.

End-Investor – Client, which is a natural or legal person that is the owner of the Eligible Securities or EMTs recorded in the Operational Wallet in its own name, and not as a consequence of the provision of investment services or similar services to a third person.

Event of Default – has the meaning ascribed to it in Clause 3.183.18 of the Rules.

Exchange Day – a day on which the Axiology DLT TSS is open for Trading.

Exchange Hours – Axiology DLT TSS's Trading Session and accessibility times.

Exchange Trader – an employee of a Participant or an employee of an authorised investment firm within the EEA that belongs to the same group as the Participant who holds an authorisation to participate in Trading on the Axiology DLT TSS on behalf of the Participant.

Force Majeure – circumstances beyond the reasonable control of the non-performing person, including, without limitation, an element of nature or an act of God, earthquake, fire, flood, war, terrorism, civil, industrial or military disturbance, sabotage, cyberattack, labour strike or lock-outs, pandemic, epidemic, riot, loss or malfunctioning of utilities or communication services, court order, act of civil or military authority, or governmental, judicial or regulatory action.

Free of Payment (FOP) – a settlement mechanism for a Transaction in Eligible Securities in which the delivery or reception of the Eligible Securities is not linked to a corresponding transfer of funds (EMTs).

Implementing Regulations – mean all and any rules, procedures, guidelines, user manuals, and other documents adopted by the Board or the CEO of the Axiology DLT TSS in relation to the use of the Axiology DLT by Participants, Issuers or the Axiology DLT TSS.

Inside Information – as defined in the Market Abuse Regulation.

Insolvency Event – commencement or occurrence of any collective measure provided for in an EU Member State, or a third country, either to wind up a legal person or to reorganise it, or a decision of a Competent Authority where such measure or decision involves the suspending of, or imposing limitations on, transfers of Eligible Securities, other securities or payments. For the avoidance of doubt, the term includes but is not limited to: commencement or occurrence any of the following proceedings or measures: (a) bankruptcy proceedings (in Lithuanian – *bankrotas*), (b) restructuring proceedings (in Lithuanian - *restruktūrizavimas*), (c) moratorium (in Lithuanian - *moratoriumas*) in relation to Participants which are credit institutions under the Law on Banks and the Law on Credit Unions of the Republic of Lithuania, or (d) the resolution means (in Lithuanian - *pertvarkymo priemonės*) under the Financial Sustainability Law of the Republic of Lithuania. For the avoidance of doubt, the commencement or the occurrence any of the following proceedings or measures shall be understood as it is defined in the Article 6 part 1 of the Settlement Finality Directive, i.e. moment when the respective decision was handed down (adopted), even if it is subject to appeal and has not entered into force pending expiry of the term for such an appeal.

International Securities Identification Number or ISIN – the number assigned by the National Numbering Agency which uniquely identifies a security (including the Eligible Securities).

Issuance Wallet – a type of the account opened within the Ledger that is used as a storage medium recording the issue of Eligible Securities bearing the same or different ISIN. The Issuance Wallet may be opened in the name of the Issuer only.

Issuer – the issuer of the Eligible Securities serviced in accordance with these Rules.

Issuer's Agent – a Participant that has entered into an agreement with the Issuer and that is responsible for, among others, servicing of the Issuer of the Eligible Securities and/or distribution of the Eligible Securities to End-Investors during the initial offering of the Eligible Securities' issue.

Issuer of EMTs – UAB BLUE EMI LT, legal entity code: 305682465, address: Žalgirio st. 92, 6th floor, 09303, Vilnius, Lithuania, operating according to electronic money institution license No. 93 issued by the Bank of Lithuania.

Ledger – an electronic transaction recording database of the Axiology DLT TSS maintained by a decentralised network of participants (Nodes) governed by the Consensus Protocol.

Limit Order – an Order, which stipulates a maximum purchase price or minimum selling price.

Market Abuse Regulation – Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC Text with EEA relevance, including any measures adopted hereunder.

Market Making Agreement – an agreement between the Axiology DLT TSS, an Issuer, one or more Participants in which the Participant(s) agree(s) to provide market maker services or where the Participant need to enter into the market making agreement. The Market Making Agreement specifies the Eligible Securities covered by such agreement together with the rights and obligations for both the Participant(s), the Issuer and/or the Axiology DLT TSS and other terms and conditions relevant for the implementation of the Market making Agreement.

Maximum Recycling Period – the period of time during which the Orders can be matched with each other to complete a Transaction according to the terms of the matching Orders. The Maximum Recycling Period shall not be longer than 30 Business Days.

MiFID II – Markets in Financial Instruments Directive (Directive 2014/65/EU)), as amended, and any national legislation and regulation transposing MiFID II, including any measures adopted thereunder.

MiFIR – Regulation (EU) No 600/2014 of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012, as amended, including any measures adopted hereunder.

Node – a device or process that is part of the Axiology DLT TSS network and that holds a complete or partial replica of records of all Transactions on the Ledger.

Node Operators – Participants of Axiology DLT TSS that have technical capacity to operate a Node.

Operational Wallet – a type of account opened within the Ledger that is used for making and storing all the records about the Transaction data in the Eligible Securities of a specific Participant, Issuer or the Client (End-Investor), including but not limited to ownership rights, Encumbrances, Corporate Actions. Operational Wallet is linked to the Issuance Wallet, which mirrors certain (“public”) data of every Operational Wallet in the Issuance Wallet. Operational Wallet stores all the data about the Transaction in the Eligible Securities and EMTs possessed by the Client (End-Investor(s)).

Order – a binding offer from a Participant made in its own name or in the name of the Issuer, or the Client (End-Investor) to acquire or dispose or Encumber the Eligible Securities, which is placed in the Order Book, or other instruction of the Participant to make a record in respect of the Eligible Securities, their features, rights, obligations, Encumbrances or other kind of records in the Issuance Wallet and/or Operational Wallet.

Order Book – the arrangement of Sell Orders and Buy Orders placed in the Axiology DLT TSS, as well as other information related to a particular Eligible Securities relevant for their trade and settlement (such as information regarding number of decimals for the price, etc.).

Order Condition – any term or conditions (including their mix) which a Participant may state for an Order that is placed in the Order Book in accordance with the Rules (including, but not limited to, [Annex 3](#)).

Participant – an eligible applicant that has been granted participation in the Axiology DLT TSS by the Axiology DLT TSS and has signed a Participation Agreement with the Axiology DLT TSS for the use of the Axiology DLT TSS and that has been assigned the status of a Participant by the Axiology DLT TSS.

Participant Portal – Axiology DLT TSS provided application program interface, or Participants account via website or API where Participant can manage their account, initiate orders, communicate and perform other actions with the Axiology DLT TSS.

Participation Agreement – an agreement between the Participant and the Axiology DLT TSS regarding participation in the Axiology DLT TSS.

Price List – means the schedule of fees, charges and any other amounts payable for the services provided by the Axiology DLT TSS, as amended from time to time in accordance with the Rules.

Post-Trading Phase – the period during the Trading Session that is after the Trading Hours and in which changes to, and cancellation of, Orders and Trades are permitted.

Pre-Trading Phase – the period during the Trading Session that is prior to the Trading Hours and in which Orders may be placed in the Order Book.

Public Order – the legal act adopted by a public institution, such as court or law, Competent Authority or other governmental, municipal or European or other international institution within the limits of its powers, and applicable to the Issuer, the Participant, the Client, the Axiology DLT TSS and obliging any of them to perform certain deeds or abstain from their performance, as described in such a legal act.

Rules – Legal Rules on the Functioning of the Axiology DLT TSS Infrastructure (**Legal Rules** or **Rules**).

RTS – the relevant regulatory technical standards and implementing technical standards adopted under the CSDR, MiFID II, MiFIR and other applicable laws.

RTS on Authorisation – Commission Delegated Regulation (EU) 2017/392 of 11 November 2016 supplementing Regulation (EU) No 909/2014 of the European Parliament and of the Council with regard to regulatory technical standards on authorisation, supervisory and operational requirements for central securities depository.

Sanction – means a restriction that has been decided by the European Union, the United Nations, another international organisation or the Government of the Republic of Lithuania, and that fully or partially prevents a subject of the sanction from using and disposing of financial or other means or giving thereof to its possession.

Services – means initial recording of the Eligible Securities ("**notary service**"), maintenance of storing of the Eligible Securities in the Issuance Wallets and/or Operational Wallets at the top tier level ("**central maintenance service**"), operating a Trade in Eligible Securities ("**exchange**"), operating settlement system through Issuance Wallets and/or Operational Wallets ("**settlement services**"), and provision of other services and functionalities provided for the Rules or Implementing Regulations through the Axiology DLT TSS infrastructure.

Settlement Finality Directive – Directive 98/26/EC of the European Parliament and of the Council of 19 May 1998 on settlement finality in payment and securities settlement systems.

Sell Order – an Order to sell a specific Eligible Security (-ies).

Sponsored Access - an arrangement where a Participant of a Trading venue possessing authorizations permits a Client to use the Participant's identity so the Client can electronically transmit Orders relating directly to the Trading venue and includes arrangements where the orders are transmitted directly.

Technical Equipment – the hardware and software, including computer application programs, used for Trade and settlement in the Axiology DLT TSS's Axiology DLT TSS and for connecting hereto.

Terminating Phase – the period during the Trading Session that is prior to the Post-Trading Phase and in which Orders cannot be changed or cancelled, but Trades may be cancelled.

Throttling limits – are the limits per Participant of the number of messages sent per predefined time intervals, which in case of Axiology DLT TSS shall be equal to a set number of messages per one second/minute/hour of the Trading Hour.

Time in Force – an Order Condition that stipulates how long an Order will remain active before it is executed or expires.

Trade – a combination of actions the purpose or the outcome of which is the agreement for the purchase and sale of the Eligible Securities.

Trading Hours – the period during Trading Session as defined in the Website.

Trading Rules – Rules for the Admission of Eligible Securities to Trade on the Axiology DLT TSS.

Trading Session – the period during an Exchange Day which includes the Pre-Trading Phase, the Trading Hours and the Post-Trading Phase. In addition, the Trading Session may include the Terminating Phase.

Transaction – an operation signed by a private key cryptographically in respect of Eligible Securities, EMTs, their features involving their Trade, transfer, Encumbrance of release from Encumbrance.

Validation – a process during which following the Consensus Protocol the Order (entered into Axiology DLT TSS by the Participant) is verified by the Nodes of Axiology DLT TSS network and the new version of the Ledger bearing a time-stamp is created.

Wallet – a component of Axiology DLT infrastructure that utilizes cryptographic public-private key pairs, and provides access to the Issuance Wallet, Operational Wallet, Transaction history, enables initiation and/or confirmation of Transactions on the Ledger and/or commercial Transaction details relevant for the operation of the Axiology DLT TSS.

Wallet Operator – Axiology DLT TSS Participant which is authorised and responsible for: setting up and maintaining Issuance Wallets and/or Operational Wallets for its Clients; having access to the Wallets of its Clients; communicating Transactions instructions, including Corporate Action instructions of the holders of Eligible Securities to the Axiology DLT TSS; maintaining and monitoring cash (EMT) and securities obligations of account holders; mediating other services provided by Axiology DLT TSS in accordance with these Rules, Participation Agreement, Implementing Regulations and the applicable law.

Website – official website of Axiology DLT TSS accessible at www.axiology.xyz

2. Other terms used in the Rules or Implementing Regulations have the same meaning as in the Law on Markets in Financial Instruments of the Republic of Lithuania, the Law on Securities of the Republic of Lithuania, CSDR, DLTR, MiFID II, MiFIR, RTS and the other applicable laws.

ANNEX 2 – RULES FOR THE ADMISSION OF ELIGIBLE SECURITIES TO TRADE ON THE AXIOLOGY DLT TSS (TRADING RULES)

THE RULES OF THE AXIOLOGY DLT TSS, APPLICABLE TO TRADE IN FIXED INCOME ELIGIBLE SECURITIES ON THE AXIOLOGY DLT TSS (Trading Rules)

1. General provisions

- 1.1. The Rules for the admission of Eligible Securities to Trade on the Axiology DLT TSS (the **Trading Rules**) are applicable to fixed income Eligible Securities and regulate:
 - 1.1.1. the types of the Eligible Securities that may be admitted to Trade and Traded on the Axiology DLT TSS;
 - 1.1.2. the requirements applicable to the Issuers of the Eligible Securities/other persons that are willing to Trade in Eligible Securities issued by the Issuer on the Axiology DLT TSS;
 - 1.1.3. the terms, conditions and procedure for the admission of the Eligible Securities to Trade on the Axiology DLT TSS, the removal of the Eligible Securities from Trade on the Axiology DLT TSS;
 - 1.1.4. the terms, conditions and procedure applicable for the suspension and resumption of Trade of the Eligible Securities on the Axiology DLT TSS;
 - 1.1.5. the terms and conditions applicable in respect of provision of public information about the Issuer and the Eligible Securities of the Issuer that are admitted to Trade on the Axiology DLT TSS;
 - 1.1.6. other rights and obligations of Issuers of the Eligible Securities admitted to Trade on the Axiology DLT TSS and other persons.
- 1.2. These Trading Rules are designated to implement the requirements of Articles 22, 41, 65, 66, 67 and 70 of the Law on Markets in Financial Instruments of the Republic of Lithuania.
- 1.3. The amendments to the Trading Rules shall be adopted by the Board of the Axiology DLT TSS. Following approval by the Board of the Axiology DLT TSS, the amendments to these Trading Rules shall become effective from the moment of their publication on the Website.
- 1.4. Decisions adopted by the CEO, the Board of the Axiology DLT TSS or their authorised employees in pursuit of these Trading Rules shall be disseminated publicly.
- 1.5. Definitions used in the Trading Rules shall have the meaning attributed to them in Annex 1 (Definitions) of the Legal Rules on the Functioning of the Axiology DLT TSS Infrastructure (the **Legal Rules** or the **Rules**), and other concepts shall have the meaning attributed to them in the Law on Markets in Financial Instruments of the Republic of Lithuania, the Law on Securities of the Republic of Lithuania, MIFID II, MIFIR, Market Abuse Regulation, the Price List or Implementing Regulations.

2. Types of Eligible Securities that may be admitted to Trade and Traded on the Axiology DLT TSS

- 2.1. The following types of fixed income instruments are eligible for admission to Trade on the Axiology DLT TSS as the Eligible Securities:
- 2.2. sovereign bonds and other types of the Eligible Securities representing the debt of the Member States;

- 2.3. bonds and other types of the Eligible Securities representing the debt of the supranational and/or international organizations, such as the World Bank, the International Monetary Fund, the European Central Bank, European Union, etc.;
- 2.4. municipal, regional, local and other similar bonds and other types of the Eligible Securities representing the debt of the municipalities, regional, local authorities of the Member States;
- 2.5. corporate bonds and other types of the Eligible Securities representing the debt of a legal entity established under the applicable laws of a Member State (or an undertaking that does not possess the status of a legal entity but is considered as the subject of law under the laws of a Member State, as the case may be) or third country.
- 2.6. For the avoidance of doubt, Eligible Securities shall also include convertible or exchangeable financial instruments such as convertible bonds, debentures with warrants and other types of financial instruments that may in certain circumstances be converted into equity or any similar type of financial obligation of the Issuer under the terms of their issuance at the time of admission to Trade on the Axiology DLT TSS, provided they do not embed a derivative or incorporate a structure which makes it difficult for the Client to understand the risk involved. If following the conversion or exchange of such the Eligible Securities they do not meet the requirements applicable to the Eligible Securities under these Trading Rules (i.e. they become equity instruments, such as shares, etc.), they shall be removed from Trade on the Axiology DLT TSS.
- 2.7. For the Eligible Securities of the same issue (emission) to be admitted to Trade on the Axiology DLT TSS they shall be fully paid up, shall have no restrictions on transfer, shall entitle equal rights to their holders and shall constitute one issue (emission) bearing the same ISIN code.
- 2.8. To be admitted to Trade on the Axiology DLT TSS they shall be tokenized, namely duly recorded according to the requirements of the Legal Rules on the Axiology DLT TSS and granted a DTI (digital token identifier) by the Axiology DLT TSS. For the avoidance of doubt, the Eligible Securities eligible for admission to Trade on the Axiology DLT TSS may be (a) either initially issued and recorded in the tokenized form on the Axiology DLT TSS by the Issuer or (b) may be tokenized on the Axiology DLT TSS after they were issued and recorded on a Central Securities Depository, licenced and functioning according to the requirements of CSDR.
- 2.9. A prospectus of the Eligible Securities or other adequate document (information document or other similar document required by the applicable laws to inform the investors about the features of Eligible Securities and/or the Issuer) required for the admission of Eligible Securities to Trade on the Axiology DLT TSS, shall be prepared, approved and published in the manner prescribed by applicable laws, unless the obligation to publish a prospectus or other similar document does not apply to the Issuer willing to admit the Eligible Securities to Trade on the Axiology DLT TSS. For the avoidance of doubt, no prospectus or other document shall be prepared, provided it was prepared, approved and published by the Issuer prior to admission to trade of such financial instruments at another trading venue prior to their admission to Trade on Axiology DLT TSS as Eligible Securities.
- 2.10. The total aggregate nominal value of a single issue of Eligible Securities that may be admitted to Trade on the Axiology DLT TSS at the moment of admission shall be not less than EUR 500 000.
- 2.11. The Eligible Securities shall be denominated in Euros.
- 2.12. The par value of the Eligible Security shall be a whole number.
- 2.13. The Eligible Securities admitted to Trade on the Axiology DLT TSS must cover the financial

instruments having the same ISIN number and shall rank pari passu with other financial instruments of the same issue.

2.14. There shall be no requirement for Eligible Securities to be admitted to a trading venue situated or operating in one of the Member States prior to their admission to Trade on the Axiology DLT TSS.

2.15. If the securities that are intended for admission to Trading on the Axiology DLT TSS (i.e. tokenization) as the Eligible Securities are already admitted to trading or traded in another trading venue in the EU/EEA, they may be admitted to Trading on Axiology DLT TSS following the application of the holder of such Eligible Securities of volume not less than indicated in Clause 2.6 without the consent of the Issuer of such securities. In such a case, admission of Eligible Securities to Trading and their Trading shall not be subject to the provisions of the Clauses 3.4, 4.2, 5.1 - 5.5, 5.9 - 5.21, 5.24.

3. The requirements applicable to the Issuer of Eligible Securities

3.1. The Issuer of Eligible Securities shall be a subject of law (possess a legal personality) under the applicable laws of a Member State.

3.2. The law of the Member State applicable to the Issuer of Eligible Securities shall permit the issuance of Eligible Securities by the Issuer.

3.3. The law applicable to the Issuer of Eligible Securities shall permit the admission of the Eligible Securities of the Issuer to Trade on the Axiology DLT TSS.

3.4. The competent body of the Issuer shall adopt a decision to include the Eligible Securities of the Issuer to Trade on the Axiology DLT TSS (except for cases provided in Clause 2.11).

3.5. No legal restrictions (such as corporate, capital markets, Sanctions, anti-money laundering (AML), counter terrorist financing (CTF), judicial rulings, etc.) against the Issuer of the Eligible Securities that would restrict the issuance, admission or Trade in the Eligible Securities on the Axiology DLT TSS shall be in effect.

3.6. The economic activities (pursuit of activities without required permit, business goals are contrary to applicable laws, good morality, etc.), legal status (bankruptcy, restructuring, litigation, seizure of or Encumbrance on assets, etc.), financial standing (i.e. solvency, financial difficulties, etc.) or track record (failure to comply with corporate, capital markets, crowdfunding or other regulatory requirements) shall not pose risks to the interests of the potential investors in the Eligible Securities.

3.7. The Issuer or the group to which the Issuer belongs shall be operating actively in the field of activities pursued for not less than 12 months. If the issuer of the Eligible Securities is government, regional or local authority, supranational or international organization, the requirements of this Clause shall not apply to the Issuer.

3.8. The Issuer shall ensure that all the holders of the Eligible Securities ranked pari passu would be treated equally in respect of all the rights attached to Eligible Securities that they hold.

4. Terms, conditions and procedure for the admission of the Eligible Securities to Trade on the Axiology DLT TSS and the removal of the Eligible Securities from Trade on the Axiology DLT TSS

4.1. The Eligible Securities of the Issuers, satisfying the requirements set in Clauses 2 – 3 of these Trading Rules may be admitted into Trade on the Axiology DLT TSS following satisfaction of application for the admission of the Eligible Securities to Trade on the Axiology DLT TSS.

- 4.2. An Issuer seeking admission of the Eligible Securities issued by the Issuer to Trade on the Axiology DLT TSS shall file an application to the Axiology DLT TSS on a template form. The Application must be signed by the authorised representative of the Issuer. The application shall have following documents and information:
- 4.2.1. filled in AML/CTF and Sanctions' standard questionnaire;
 - 4.2.2. duly prepared, signed and approved prospectus (other similar document, if required by applicable laws) in respect of the Eligible Securities that the Issuer seeks to be admitted to Trade on the Axiology DLT TSS, unless the obligation to publish the prospectus (other similar document) does not apply (in which case a convincing explanation and with documents shall be provided);
 - 4.2.3. the latest annual report and an interim report (if an interim report shall be drawn in accordance with the Law on Securities of the Republic of Lithuania or applicable law of another Member State);
 - 4.2.4. statement of the distribution of Eligible Securities or other document confirming the payment for the Eligible Securities subject to admission to Trade in the Axiology DLT TSS;
 - 4.2.5. the Articles of Association of the Issuer and the extract from a register confirming the legal status of the Issuer;
 - 4.2.6. information about the Issuer's shareholders who at the moment of filing of the application have by the right of ownership, or hold, in concert with other persons or independently, 25% or more of the total votes of the Issuer, indicating the names and surnames of the shareholders (names and codes of the legal entities), the number of the shares and percentage of votes each of them holds;
 - 4.2.7. information about the total number of the holders of the Eligible Securities subject to admission to Trade on Axiology DLT TSS, concerning which the application has been filed;
 - 4.2.8. information on material changes that took place after the preparation of the Issuer's most recent prospectus (other similar document, if required by applicable laws);
 - 4.2.9. decision of the competent body of the Issuer authorising the admission of the Eligible Securities to Trade on the Axiology DLT TSS;
 - 4.2.10. information on the security trustee (other authorised representative) of the holders of the Eligible Securities and a copy of agreement with the security trustee (other authorised representative), or other document confirming representation rights;
- 4.3. The Axiology DLT TSS may decide, in each particular case, if objective circumstances exist, which of the documents under Clause 4.2 may not accompany the application.
- 4.4. In case of additional issue of Eligible Securities (i.e. bearing the same ISIN code), the Issuer shall file a new standard application and update the information provided under Clause 4.2, accordingly.
- 4.5. Where the Issuer of the Eligible Securities is a government, regional or local authority or supranational or international organization, the Issuer shall not be obliged to submit the documents specified under Clause 4.2, unless otherwise required by the Axiology DLT TSS.
- 4.6. Where the applicant for the admission of the Eligible Securities (listed in Clause 2.11) to Trade in the Axiology DLT TSS is not the Issuer of the Eligible Securities, the applicant shall be obliged to submit the application for admission of Eligible Securities to Trade on a standard form, but shall have no obligation to submit documents specified under Clause 4.2,

unless otherwise required by the Axiology DLT TSS.

- 4.7. The Axiology DLT TSS may require additional documents or information from the Issuer (other applicant), who has filed an application concerning the admission of its Eligible Securities to Trade on the Axiology DLT TSS, where Axiology DLT TSS finds it necessary in order to ensure protection of the End-Investors, Participants and/or smooth functioning of Axiology DLT TSS.
- 4.8. The application shall be considered and the decision concerning the admission of the Eligible Securities to Trade on the Axiology DLT TSS shall be adopted by the Axiology DLT TSS within 20 Business Days from the moment all the information and documents required by the Trading Rules are provided and meet the requirements of the Trading Rules. In case the application is incomplete (i.e. certain documents or information are missing), the Axiology DLT TSS shall inform the Issuer (other applicant) and grant additional time for the submission of such documents and information. The term of 20 Business Days shall be calculated from the day of the receipt of these documents and information required.
- 4.9. All the derogations from the conditions of admission of Eligible Securities to Trade on the Axiology DLT TSS that can be made in accordance with Clause 4.3 of these Trading Rules shall be equally applied to all Issuers (other applicants) in similar situations.
- 4.10. The decision in respect of admission of Eligible Securities to Trade on the Axiology DLT TSS shall be adopted by the CEO of the Axiology DLT TSS. The CEO of the Axiology DLT TSS shall have a right to adopt the following decisions:
- 4.11. to admit the Eligible Securities to Trade on the Axiology DLT TSS, provided the Issuer (other applicant) satisfies the requirements of these Trading Rules;
- 4.12. to refuse admission of the Eligible Securities to Trade on the Axiology DLT TSS, provided the Issuer (other applicant) does not satisfy the requirements of these Trading Rules.
- 4.13. The decision concerning admission or refusal to admit the Eligible Securities to Trade on the Axiology DLT TSS shall be delivered to the Issuer (applicant) on the next Business Day following its adoption, it shall provide for the following:

Admission of the Eligible Securities to Trade on the Axiology DLT TSS

- 4.14. If the decision of the CEO of the Axiology DLT TSS provides for admission of the Eligible Securities to Trade on the Axiology DLT TSS, it shall determine the day when the Eligible Securities are admitted to Trade, which shall be the first day of the Eligible Securities' Trade. The decision shall also invite the Issuer to sign the Admission Agreement of a standard form within not more than 10 Business Days from the adoption of the decision, unless a later date for the admission of the Eligible Securities to Trade on the Axiology DLT TSS is granted following the application and/or supporting documents or information. The Admission Agreement shall, among other things, determine the obligation of the Issuer (other applicant) to comply with the Legal Rules, these Trading Rules of the Axiology DLT TSS and Implementing Regulations, pay the fee for the admission of the Eligible Securities to Trade on the Axiology DLT TSS. The Trade in the Eligible Securities of the Issuer on the Axiology DLT TSS shall not be commenced until the Admission Agreement has entered into force, admission and other fees indicated in the Price List have been duly paid by the Issuer (other applicant). The decision shall also be announced through the Axiology DLT TSS prior to or on the first day of Trade in Eligible Securities on the Axiology DLT TSS and provided to the Competent Authority in accordance with applicable laws. If the Eligible Securities were admitted to Trading on the Axiology DLT TSS without the consent of the Issuer of the Eligible Securities, the Issuer shall be informed thereof accordingly at least 2 Business Days prior to admission of Eligible Securities to Trading on the Axiology DLT TSS.

Refusal to admit the Eligible Securities to Trade on the Axiology DLT TSS

- 4.15. If the decision of CEO of Axiology DLT TSS provides for refusal to admit the Eligible Securities to Trade on the Axiology DLT TSS, grounds for the refusal shall be indicated therein. Such a decision may be adopted in case the Issuer (other applicant), or the Eligible Securities do not meet the requirements of the Legal Rules, the Trading Rules, Implementing Regulations or the Issuer (other applicant) fails to provide information or documents requested, or does not fulfil the pre-conditions of admission of the eligible Securities to Trade determined by the CEO of the Axiology DLT TSS. The Issuer (other applicant, as the case may be) may apply for admission of the Eligible Securities to Trade on the Axiology DLT TSS following expiry of 1 month after the decision to refuse the admission of the Eligible Securities to Trade on the Axiology DLT TSS was adopted.
- 4.16. The decision adopted in respect of the admission, refusal to admit the Eligible Securities to Trade on the Axiology DLT TSS shall be communicated to the Issuer (applicant) on the next Business Day following its adoption.
- 4.17. In the unlikely case where the CEO of the Axiology DLT TSS does not adopt and/or communicate to the Issuer any decision within the time limit specified in Clause 4.8 of the Trading Rules, the application shall be deemed as rejected.
- 4.18. The Issuer (applicant) may appeal against decision of the CEO of the Axiology DLT TSS in respect to refusal to admit the Eligible Securities to Trade on the Axiology DLT TSS in accordance with the Complaints Management Policy.
- 4.19. The Eligible Securities issued on behalf of the entities indicated in Clauses 2.1.1- 2.1.3 shall be admitted to Trade on the Axiology DLT TSS automatically after the CEO of Axiology DLT TSS adopts the decision to this effect and without signing of the Admission Agreement. In those instances, the decision of the CEO of Axiology DLT TSS concerning the admission of the Eligible Securities to Trade on the Axiology DLT TSS shall not be adopted. Information about the admission of these Eligible Securities to Trade on the Axiology DLT TSS shall be announced through the Axiology DLT TSS.
- 4.20. Once admitted to Trade on the Axiology DLT TSS the Eligible Securities may be Traded and otherwise transacted (exchanged, Encumbered, etc.) on the Axiology DLT TSS in accordance with the Legal Rules, these Trading Rules, Public Orders and/or Implementing Regulations.
- 4.21. Information about the admission of the Eligible Securities into Trade on the Axiology DLT TSS shall be announced on the Axiology DLT TSS not later than on the next Business Day following admission.

5. Information to be published

Types of information subject to publication

- 5.1. The following information in respect of the Issuer and the Eligible Securities shall be published on the Axiology DLT TSS:
- 5.1.1. the list of Eligible Securities admitted to Trade on the Axiology DLT TSS;
- 5.1.2. the details of each Issuer whose Eligible Securities were admitted to Trade on the Axiology DLT TSS and its representative;
- 5.1.3. the information on the Issuer's shareholders if it is required under applicable laws;
- 5.1.4. the information about the key features of the Eligible Securities and legal and commercial

terms applicable to the Eligible Securities, volume of issue of the Eligible Securities, issue price, yield, coupon (interest rate), coupon payment terms, redemption date, early repayment option, rights of the holders of the Eligible Securities, etc;

- 5.1.5. details of the security trustee or other representative of the holders of the Eligible Securities, if such is appointed;
- 5.1.6. the information about the status of Trading in the Eligible Securities, i.e. admission to Trade on the Axiology DLT TSS, being Traded, Trading is suspended, Trading is resumed, Eligible Securities are removed from Trade on the Axiology DLT TSS;
- 5.1.7. the prospectus, information document or other equivalent document and information that shall be prepared, adopted and published in respect of the Eligible Securities following the Trading Rules or applicable laws;
- 5.1.8. the list of completed and forthcoming Corporate Actions and their dates, other features;
- 5.1.9. the decisions of the Competent Authority in respect of the Issuer (other applicant), the Axiology DLT TSS or the Participant that may have the influence on the rights, obligations or interests of the End-Investors or the Participants;
- 5.1.10. copies of the documents justifying the above data on the Issuer and the Eligible Securities;
- 5.1.11. the decisions of the Issuer, the Axiology DLT TSS, the Competent Authority or other public body or person, relevant for the functioning for the DLT TSS, effecting the rights, interests and/or obligations of the End-Investors, the Issuer, the Participants, the Axiology DLT TSS, the Competent Authority, shall be published on the Axiology DLT TSS immediately following their adoption or provision for the attention of the Axiology DLT TSS;
- 5.1.12. other information and documents that are indicated in the Trading Rules or that may be important for the rights, obligations and interest of the end-Investors, the Axiology DLT TSS, the Issuer, the Participants or the Competent Authority or general public.

Moment of delivery, publication and availability of the information that is referred to in Clause 5.1.1.

- 5.2. The information subject to publication shall be furnished to the Axiology DLT TSS by the Issuer, the Participant, the Competent Authority as soon as such information or documents become available to the subject.
- 5.3. The information subject to publication shall be published by the Axiology DLT TSS immediately upon its availability.
- 5.4. The information published shall be available all the times to the general public and shall be always up to date.
- 5.5. The historic information that was published shall not be deleted, modified or substituted and shall remain always accessible to the general public.
- 5.6. The Issuer (applicant) shall be prohibited from disclosing undisclosed information that may affect the price of the Eligible Securities admitted to Trade on the Axiology DLT TSS in reports, comments, and interviews or by any other means, until such information has been made public according to requirements of the applicable laws.
- 5.7. If the Issuer (applicant) becomes aware of the fact that any information treated as information subject to disclosure has become available to unauthorised persons before its intended disclosure, the Issuer (other applicant) shall immediately publish such information.

- 5.8. Where any third persons distribute any unconfirmed information that may have a significant information effect on the price of the Eligible Securities admitted to Trade on the Axiology DLT TSS, the Issuer should not comment on such information in case such information does not have factual basis.

Requirements and procedure for the provision of information on the Eligible Securities admitted to Trade on the Axiology DLT TSS

- 5.9. The Issuer shall appoint a person responsible for the submission of information and communication with the Axiology DLT TSS in respect of disclosure of information. The Issuer shall inform the Axiology DLT TSS of such person and his/her substitution immediately.
- 5.10. All notices that the Issuer announces through the Axiology DLT TSS shall be submitted in Lithuanian and/or English language. The Issuer shall disclose the information at least in English language.
- 5.11. All the financial information shall be expressed in Euro currency (this does not limit the Issuer from provision of information in other currencies next to expression of financial information in euros).
- 5.12. The information disclosed by the Issuer shall be accurate, precise, without omissions, unambiguous and not misleading. The information shall be provided by the Issuer in a simple business language.
- 5.13. In case of malfunctioning of functionality of the Axiology DLT TSS the Issuer of the Eligible Securities shall provide such information to the Axiology DLT TSS via e-mail, in such a case the Axiology DLT TSS shall assure publication of such information.
- 5.14. In case where material errors or inaccuracies are identified in the information published on the Axiology DLT TSS, the Axiology DLT TSS shall have the right to not publish or delete such information (if it was published) and request that the Issuer to correct such incorrect information.
- 5.15. If the equity or debt instruments of the Issuer or its parent company or a subsidiary are listed on one or more of other trading venues, the Issuer following whose application Eligible Securities were admitted to Trade on the Axiology DLT TSS shall ensure that the information about the Issuer's and these companies' accounts is made public simultaneously on all these trading venues.
- 5.16. The Issuer whose Eligible Securities are admitted to Trade on the Axiology DLT TSS and one or more other trading venue(s) shall ensure that market participants get equivalent information on all trading venues as much as possible at the same time. The Issuer shall disclose this information through the Axiology DLT TSS at the same time as it is disclosed through other trading venue(s).
- 5.17. Where the Eligible Securities are admitted to Trade on the Axiology DLT TSS are issued by the entity listed in (Clause 2.1.1. - 2.1.3.), the Issuer of such Eligible Securities shall be subjected only to the provisions of Clauses 5.6 - 5.9 of the Section 5.

Types of information the Issuer shall publish

- 5.18. An admitted Issuer shall publish on the Axiology DLT TSS the following periodic information:
- 5.18.1. audited annual financial statements and the auditor's report as well as the annual report drawn in compliance with the applicable laws on the day Issuer's shareholders have a right to be acquainted with it;

- 5.18.2. if the Issuer is or becomes obliged to prepare interim financial statements under the applicable law, the Issuer shall inform about this decision through the Axiology DLT TSS immediately following the awareness of the establishment of such an obligation. The Issuer shall publish the interim information or (and) consolidated interim information within the same period of time as it is disclosed to Competent Authority, other public body or when this information is made available to persons that are not charged with a management or supervisory functions at the Issuer, its parent company, subsidiary or a branch.
- 5.18.3. if an Issuer is obliged to prepare interim or (and) consolidated interim information following the documents governing the issuance, admission to Trade on the Axiology DLT TSS of the Eligible Securities, the Issuer shall publish interim financial statements of 3, 9 and 12 months and the representation made by the persons responsible within the Issuer that, to the best of their knowledge, the interim financial statements have been prepared in accordance with the applicable accounting standards, are truthful and give a true and fair view of the assets, liabilities, financial condition, profit or loss, and cash flows of the Issuer, unless such documents provide for otherwise. In the event an audit or a review of interim financial statements and/or interim consolidated financial statements has been conducted, the interim information shall be made public together with the auditor's report.
- 5.19. The Issuer shall publish on the Axiology DLT TSS the following *ad hoc* information:
 - 5.19.1. information of any changes to the rights attached to the Eligible Securities;
 - 5.19.2. information on any resolution adopted or proposed for adoption by the Issuer's competent body on the founding documents or the Articles of Association affecting the rights of holders of the Eligible Securities, details of any major changes in its business or other circumstances relating to the Issuer which are not directly specified in these Trading Rules, but which are not public knowledge and which may, by virtue of their effect on the Issuer's assets, liabilities, operations or reputation, affect the price of its Eligible Securities admitted to Trade on the Axiology DLT TSS;
 - 5.19.3. information about convocation of the general meeting of holders of the Eligible Securities, as well as about exercising the rights of conversion, exchange, subscription or renunciation, if any;
 - 5.19.4. any resolution adopted or proposed for adoption by the Issuer's competent body to cease paying interest on the Eligible Securities to their holders or to make interest payments only in part;
 - 5.19.5. any resolution adopted or proposed for adoption by the Issuer's competent body on redemption of the Eligible Securities before their maturity (such notice shall specify the early redemption date and the procedure thereof, as well as the amount of money per each Eligible Security);
 - 5.19.6. any resolution adopted or proposed for adoption by the Issuer's competent body on intended reduction of the authorised capital of the Issuer;
 - 5.19.7. information about any circumstances that may have an effect on the Issuer's ability to meet its obligations to the holders of the Eligible Securities;
 - 5.19.8. other information which the Axiology DLT TSS may require to be disclosed in line with prevailing terms practice of Trade in the Eligible Securities, in order to protect End-Investors or ensure the smooth operation of the Axiology DLT TSS as a trading venue.
- 5.20. The Issuer shall provide explanations or additional information about the information that the Issuer has already disclosed or submitted upon request of the Axiology DLT TSS in such a form and within such time limits that the Axiology DLT TSS indicates. Should the Issuer fail

to publish such information, the Axiology DLT TSS may itself publish such information on the Axiology DLT TSS.

Special requirements for the publication of Inside Information

- 5.21. The Issuer (applicant) shall immediately publish Inside Information on the Axiology DLT TSS, as defined in the Market Abuse Regulation, Implementing Regulations or applicable laws.
- 5.22. The disclosure of Inside Information shall be subject to the requirements of the Market Abuse Regulation and applicable laws implementing it, i.e. the Law on Securities of the Republic of Lithuania, the orders, rules, decisions and guidelines of the Competent Authority, ESMA and other public bodies.
- 5.23. The Issuer may postpone the disclosure of certain Inside Information following the provisions of the Market Abuse Regulation and applicable laws.
- 5.24. If the Issuer (applicant) breaches the requirements provided for in this Clause 5, the Axiology DLT TSS may notify the Competent Authority about such breach.

6. Suspension and (or) resumption of Trade in Eligible Securities

- 6.1. Trade in Eligible Securities admitted to Trade on the Axiology DLT TSS may be suspended in case the Axiology DLT TSS obtains information in respect of the Issuer (other applicant) or the Eligible Securities that may have a material adverse effect on the rights, obligations of interests of the End-Investors, the Participants or the Axiology DLT TSS. The information constituting the grounds for the suspension of Trade in the Eligible Securities shall relate to the facts or circumstances that make the admission of Eligible Securities to Trade incompliant with the legal Rules, Trading Rules, Implementing Regulations or applicable law. For instance:
 - 6.1.1. the Issuer fails to pay the coupon to the holders of the Eligible Securities;
 - 6.1.2. the Issuer of the Eligible Securities fails to redeem the Eligible Securities according to their terms;
 - 6.1.3. the information disseminated by the Issuer through the Axiology DLT TSS, which may have material effect on the features of the Eligible Securities, is false or misleading and requires thorough explanation or must be verified due to other reasons;
 - 6.1.4. the information to be disclosed through the Axiology DLT TSS became available to unauthorised persons before it is announced through the Axiology DLT TSS;
 - 6.1.5. the competent body of the Issuer intends to adopt or has adopted a resolution to reorganise, restructure, liquidate the Issuer or initiate Insolvency Event of the Issuer;
 - 6.1.6. other similar circumstances are present (such information may be obtained by the Axiology DLT TSS from the Issuer, the Competent Authority, the public body or other reliable source).
- 6.2. The Trade in the Eligible Securities may also be suspended following the application of the Issuer following whose application Eligible Securities were admitted to Trade on the Axiology DLT TSS providing convincing legal and business grounds for such a suspension. Such application shall also indicate the period of the intended suspension.

- 6.3. Following the receipt of above information, the CEO of the Axiology DLT TSS shall immediately:
- 6.3.1. adopt a decision to suspend the Trade in the Eligible Securities immediately, for the period of up to 20 Business Days, if the circumstances so require, unless longer period is required by the Issuer;
 - 6.3.2. request the Issuer to provide immediately the information and documents in respect to facts of circumstances surrounding the case and resolve the question of suspension of Trade in the Eligible Securities immediately following the receipt of such information or documents requested;
 - 6.3.3. abstain from the adoption of the decision to suspend the Trade in the Eligible Securities if the content of information and documents received does not prove the existence of imminent threat of material adverse effect on the rights, obligations or interests of the End-Investors, the Participants or the Axiology DLT TSS, or incompliance of continued Trade in the Eligible Securities with the Legal Rules, Trading Rules, Implementing Regulations or applicable law, or the facts and circumstances indicated in the application for suspension of the Issuer are not convincing.
- 6.4. The CEO of the Axiology DLT TSS shall be obliged to suspend the Trade in the Eligible Securities if it is so required by the Competent Authority at the terms and conditions established by the Competent Authority.
- 6.5. The CEO of the Axiology DLT TSS shall be obliged to suspend the Trade in specific Eligible Securities on the second Business Day before the record date, on which the list of holders of the specific Eligible Securities is determined for the redemption of these Eligible Securities.
- 6.6. For the avoidance of doubt, the Issuer whose Eligible Securities were admitted to Trade on the Axiology DLT TSS and the applicant following whose application Eligible Securities were admitted to Trade on the Axiology DLT TSS shall be bound by the Legal Rules, the Trading Rules, the Implementing Regulations during the whole period of suspension of Trade in the Eligible Securities admitted to Trade on the Axiology DLT TSS.
- 6.7. Trade in the Eligible Securities admitted to Trade on the Axiology DLT TSS shall be immediately resumed in case the Axiology DLT TSS obtains information in respect of the Issuer or the Eligible Securities that proves extinction of facts or circumstances that have served as grounds for suspension of Trade in the Eligible Securities, provided no new facts or circumstances that can serve as the new ground for suspension of Trade in the Eligible Securities come into being. The information about the extinction of the facts or circumstances that have served as grounds for the suspension of Trade in the Eligible Securities may be brought to the attention of the Axiology DLT TSS by any person.
- 6.8. The decision of the CEO of the Axiology DLT TSS in respect of the resumption of Trade of the Eligible Securities shall be notified to the Issuer, the applicant following whose application the Eligible Securities were admitted to Trade on the Axiology DLT TSS, the Competent Authority and shall be published on the Axiology DLT TSS.

7. Removal of the Eligible Securities from Trade on the Axiology DLT TSS

- 7.1. The Eligible Securities admitted to Trade may be removed from Trade on the Axiology DLT TSS in the following cases:
- 7.1.1. the Issuer (the applicant) or the Eligible Securities does not meet the requirements of admission to Trade on the Axiology DLT TSS and the Issuer (the applicant) does not rectify

- the situation within the timelines set by the CEO of the Axiology DLT TSS;
- 7.1.2. the Issuer (the applicant) fails to comply with the requirements of the legal Rules, the Trading Rules or the Implementing Regulations and does not rectify the situation within the timelines set by the CEO of the Axiology DLT TSS;
 - 7.1.3. an Insolvency Event occurs or a decision to liquidate the Issuer is adopted by a competent body of the Issuer;
 - 7.1.4. following the decision of a competent body of the Issuer, the Issuer ceases or intends to cease to function as an undertaking having a legal personality after its reorganisation;
 - 7.1.5. following the decision of a competent body of the Issuer, the Issuer ceases to have the legal capacity required for the Eligible Securities to remain admitted to Trade on the Axiology DLT TSS;
 - 7.1.6. the Issuer's economic situation and/or legal status is detrimental to the interests of investors, the Participants or the Axiology DLT TSS;
 - 7.1.7. the Issuer whose the Eligible Securities were admitted to Trade on the Axiology DLT TSS or the applicant following whose application the Eligible Securities were admitted to Trade on the Axiology DLT TSS has requested the Axiology DLT TSS to remove the Eligible Securities from Trade on the Axiology DLT TSS;
 - 7.1.8. the Issuer whose the Eligible Securities were admitted to Trade on the Axiology DLT TSS or the applicant following whose application the Eligible Securities were admitted to Trade on the Axiology DLT TSS has failed to pay the fees due under the Legal Rules, Trading Rules, Price List Implementing Regulations or applicable laws.
 - 7.2. The CEO of the Axiology DLT TSS shall be obliged to review the documents provided and adopt a decision within 60 Business Days from the day the application or additional documents are received. The CEO of the Axiology DLT TSS may consult the Competent Authority, security trustee or other representative of the holders of the Eligible Securities prior to adoption of a decision in respect of removal of the Eligible Securities from Trade on the Axiology DLT TSS.
 - 7.3. Prior to adoption of a decision to remove the Eligible Securities from Trade on the Axiology DLT TSS, unless the procedure is initiated by the Issuer, the Axiology DLT TSS shall notify the Issuer about the intention of the Axiology DLT TSS to address an issue of removal of the Issuer's Eligible Securities from Trade on the Axiology DLT TSS, discuss the possibility of eliminating the circumstances and causes regarding the removal of the Eligible Securities from Trade on the Axiology DLT TSS and provide the Issuer with an opportunity to give its opinion in writing. The CEO of the Axiology DLT TSS may set a term during which the Issuer should rectify the situation by eliminating the circumstances and facts regarding which the issue of removal of the Eligible Securities from the Trade on the Axiology DLT TSS is under consideration.
 - 7.4. The decision of the CEO of the Axiology DLT TSS shall set the date for the removal of the Eligible Securities from Trade on the Axiology DLT TSS; such date shall not be longer than 120 Business Days and shall take into consideration number of holders of the Eligible Securities and forecasted effect of the removal of the Eligible Securities from Trade on the Axiology DLT TSS to the rights, obligations and interests of such End-Investors.
 - 7.5. The decision of the CEO of the Axiology DLT TSS to remove Eligible Securities from Trade on the Axiology DLT TSS shall be sent to the Issuer of the Eligible Securities, the applicant following whose Eligible Securities were admitted to Trade on the Axiology DLT TSS, the Competent Authority and published on the Axiology DLT TSS.

- 7.6. Following the removal of the Eligible Securities from Trade on the Axiology DLT TSS, the Issuer (the applicant) may apply for the admission of the same Eligible Securities to Trade on the Axiology DLT TSS not earlier than 6 months after the date on which the Eligible Securities were removed from Trade on the Axiology DLT TSS, unless the CEO of the Axiology DLT TSS decides otherwise, taking into account the circumstances of the case.
- 7.7. Following the completion of the redemption of the Eligible Securities the Trade in Eligible Securities shall be terminated and the Eligible Securities shall be removed from Trade on the Axiology DLT TSS on their redemption day by the decision of the CEO of the Axiology DLT TSS.

ANNEX 3 – ORDER TYPES AND TERMS APPLICABLE IN RESPECT OF TRADE IN ELIGIBLE SECURITIES

1. General

- 1.1. The Axiology DLT TSS is entitled to admit to Trade and settlement only the Eligible Securities as defined in the Legal Rules on the Functioning of the Axiology DLT TSS Infrastructure (the Rules or Legal Rules) and the Trading Rules.
- 1.2. Eligible Securities subject to Trade.
- 1.3. The provisions of this Annex 3 provide guidance on how Trade and settlement in the Eligible Securities representing the debt instruments (namely sovereign, municipal, corporate and other bonds) is conducted on the Axiology DLT TSS.
- 1.4. The Participants are responsible to ensure that Orders are filled in accurately in line with these provisions, and incorrect information is corrected at the earliest convenience.
- 1.5. Types of Trade that can be matched in the Order Book.
- 1.6. Trade in Eligible Securities within Axiology DLT TSS may only be made on the Order Book of the Axiology DLT TSS as Automatically Matched Trades.

2. Trading Sessions and Trading Hours

- 2.1. Trading Sessions in the Eligible Securities and their respective Trading Hours are published and accessible at all times at the website www.axiology.xyz. The Axiology DLT TSS may change Trading Sessions and Trading Hours, provided that Participants are informed in writing beforehand.
- 2.2. During Trading Hours, Orders may be placed, changed or cancelled.

3. Order types

- 3.1. The following are the types of Orders that can be entered into the Axiology DLT TSS by the Participant:
 - 3.1.1. Buy Order; or
 - 3.1.2. Sell Order.
- 3.2. Capacity:
 - 3.2.1. Order may be made on the own account of the Participant;
 - 3.2.2. Order may be made on behalf of a Client (End-Investor) of the Participant;
 - 3.2.3. Order may be made on behalf of a Client (Issuer) of the Participant.

4. Order terms

- 4.1. Buy and Sell Order shall have only the following terms (options):
 - 4.1.1. Volume of Eligible Securities subject to Buy Order/Sell Order in numbers;
 - 4.1.2. Price offered for one unit of Eligible Securities subject to the Buy Order/Sell Order in numbers;

- 4.1.3. Price for one unit of Eligible Securities; or
- 4.2. Yield for one unit of Eligible Securities.
- 4.3. Operational Wallet ID.
- 4.4. The Order may have the following validity:
- 4.5. Time in force:
 - 4.5.1. Today (until end of day);
 - 4.5.2. Until specified date (a maximum number of days may be imposed that shall not exceed the Maximum Recycling Period);
- 4.6. The Order may include the following instructions:
 - 4.6.1. "All or nothing Order". For the purpose of this Rules All or nothing Order means an order to buy or sell a financial instrument that must be executed in its entirety, or not executed at all;

5. Order change and cancelation

- 5.1. Change of an Order means that the parameters of a previously placed Order are changed, for example, a change in price and/or volume. A change of an Order may affect its priority as specified in the description of the matching rule applied for the relevant Order Book.
- 5.2. Cancellation of an Order means that the Order is deleted from the Order Book.
- 5.3. Amendment of an Order means that the Order will be deleted from the Order Book and a new Order will be placed in the Order Book and ranked accordingly.

6. Other terms

- 6.1. The Axiology DLT TSS may decide that the price, value or volume of an Order may not deviate more than a certain amount from a reference price, value or volume specified by the Axiology DLT TSS. Such amount may differ with respect to each Eligible Security.
- 6.2. The Axiology DLT TSS may temporarily halt automatic matching of Orders to prevent potentially disorderly Trading.
- 6.3. Descriptions of the respective detailed procedures in use for order validation and prevention of potentially disorderly Trading are provided in the Implementing Regulations.

7. Amendment and Cancellation of Trades

- 7.1. The Axiology DLT TSS may cancel or amend a Trade upon the request by both of the Participants involved in the relevant Trade. Matched Orders may only be cancelled bilaterally with the consent of both Participants or upon request of an authorised entity acting on their behalf. Axiology DLT TSS cancels or amends such Trade by means of a storno transaction.
- 7.2. A request for cancellation or which is submitted via Axiology DLT TSS later than 10 minutes after the Trade has been registered in the Axiology DLT TSS will not result in the Trade being cancelled or amended unless, in the opinion of the Axiology DLT TSS, a special cause exists.

7.3. The Axiology DLT TSS, where required to ensure the integrity and regular operation of the market or in other extraordinary situations, on its own initiative may adjust or cancel a Trade that is the result of:

7.3.1. an obvious error or unfortunate mistake which is caused by a technical or manual error at the Axiology DLT TSS, a Participant or a Participant's Clients; or

7.3.2. in the opinion of the Axiology DLT TSS, substantial breach of applicable law, the legal Rules, the Trading Rules or Implementing Regulations was committed;

7.3.3. technical disruptions in the Axiology DLT TSS beyond the Participant's control.

8. Liability

8.1. The Axiology DLT TSS shall not be liable for damages, including loss of profit and benefits that result from the cancellation of the Trade provided that such cancellation was made on grounds provided in the applicable laws, Clauses 6.13 – 6.19 of the Legal Rules or Clauses 8 - 10 of this Annex or in other Implementing Regulations.