



Information on different levels of securities segregation and their protection

Introduction

In accordance with the 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 (CSDR)*, Central Securities Depositories (CSD) and respective market participants should disclose to their customers the levels of protection related to different levels of segregation in (CSD). This document covers only information regarding levels of segregation in CSD of Latvia, Lithuania and Estonia provided by Nasdaq CSD SE, Reģ. Nr. 40003242879, as well as includes a description of the main legal implications of the specific levels of segregation offered and information on the principles of insolvency laws.

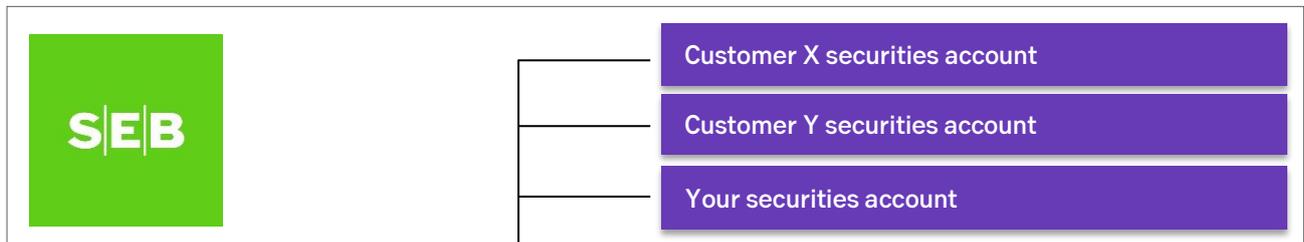
This document is meant for informational purposes only and is not intended as legal or any other kind of advice. Moreover, SEB bank does not guarantee that the same approach of assets segregation will be provided by any other country CSD. Customers should seek their own legal advice if any guidance is required on the matters discussed in this document.

Irrespective of the level of segregation of securities of the customer, the Law provides that:

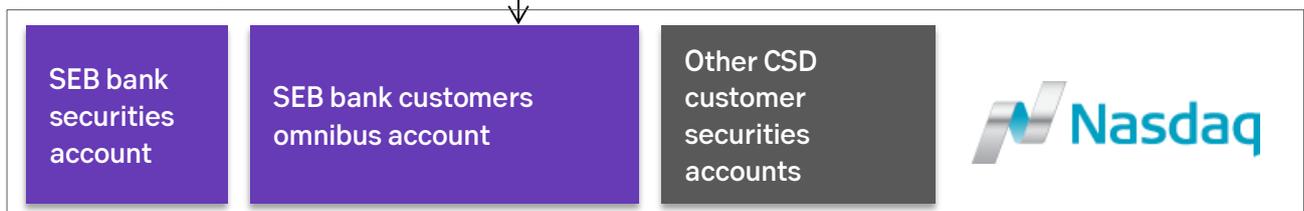
- Securities belonging to the customers are always held separately from SEB bank's own securities (securities belonging to SEB bank at CSD level are always kept in a separate participant's own account);
- Securities belonging to the customers shall not be used to settle the claims of SEB bank or CSD creditors. The same level of protection shall also apply to cases when SEB bank or CSD is recognized insolvent in due course of law;
- Securities that belong to the customers shall not be used in transactions, including securities financing transactions that are made by SEB bank for its own account or for other SEB bank customers account, unless the customer has given its prior consent to such transactions.

Omnibus account

Securities safekeeping in SEB bank



Securities safekeeping in CSD (NASDAQ CSD SE)



Securities at CSD level are being held in an account registered in the name of SEB bank and is used for holding securities of multiple customers of SEB bank (omnibus customer segregation).

In case you agree for safekeeping your assets in the following account in CVD level, please open new securities account as Intrabank account.

Associated costs for opening and managing Intrabank accounts can be found at the following website: <https://www.seb.lv/eng/business/price-list-business/price-list-securities>

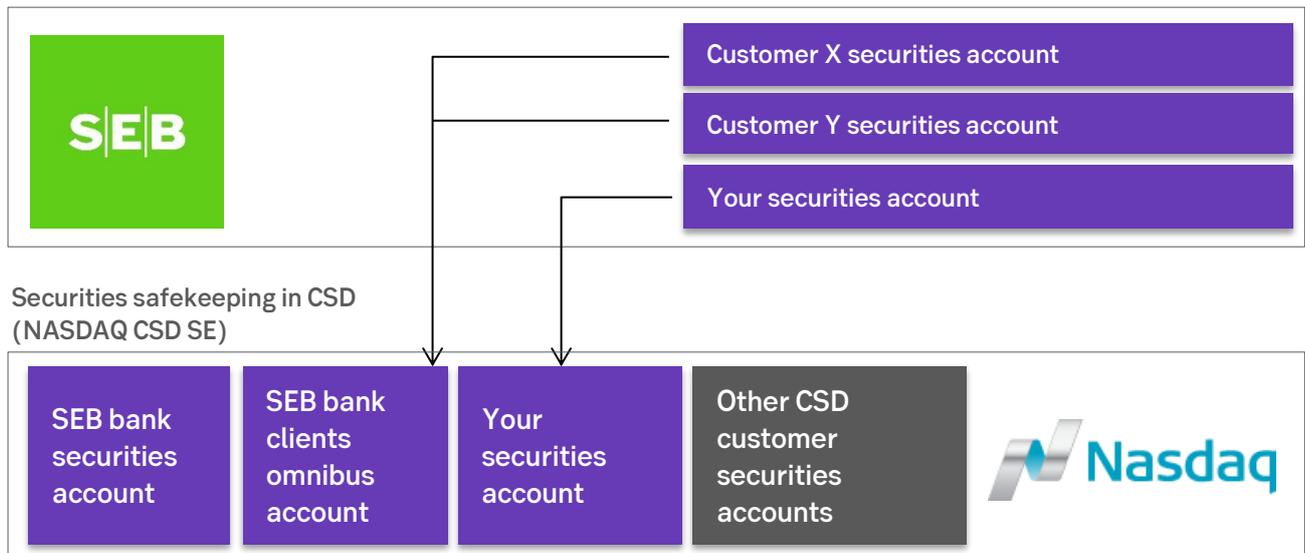
This level of segregation ensures that:

- securities of the customers are held separately from those owned by SEB bank, CSD and any other CSD participants or their customers. The customer is not identified at the level of CSD;
- Ownership for securities that are kept in CSD omnibus account will be identified in your securities account opened in SEB bank.

Securities held in omnibus account shall not be affected by any possible insolvency proceedings of CSD or SEB bank. However, since the exact number of securities belonging to a particular customer is determined at the lower tier accounts maintained by SEB bank, in case of insolvency proceedings of SEB bank, insolvency resolution of the affected accounts might not be as efficient and fast as in case of an owner account (described below).

Owner account

Securities safekeeping in SEB bank



This type of account provides for the highest degree of segregation, where securities of the customer will be held at CSD level in an account that is registered in the name of the customer and is used for holding securities owned only by this customer (individual customer segregation).

In case you agree for safekeeping your assets in the following account in CVD level, please open your new securities account as Central Securities Depository account.

Associated costs for opening and managing Central Securities Depository accounts can be found at the following website: <https://www.seb.lv/eng/business/price-list-business/price-list-securities>

This level of segregation ensures that:

- securities of the customer held in owner account are segregated from the securities of other customers of SEB bank or any other entities;
- The records of the owner of securities are maintained at CSD level. The record in the owner account is a proof that securities belong to the individual or legal entity in whose name the account is opened;
- Owner account may eliminate the risk associated with the operational or other failures of SEB bank in maintaining lower tier accounts;
- Securities held in owner account shall not be affected by insolvency proceedings of CSD or SEB bank. Furthermore, such segregation level allows speedier insolvency resolution of the affected securities accounts since:
 - records of securities ownership are maintained at the level of CSD and can be quickly retrieved from CSD;
 - the right to administer the owner account can be transferred from the insolvent account operator to another account operator (full portability), should the insolvency administrator and the holder of the owner account decide so.