

Clearing Appendix 14

Collateral List

Nasdaq Derivatives Markets

Issued by Nasdaq Clearing AB

Collateral refers to the assets Clearing Members and Customers may provide to fulfill their Margin Requirement. **Eligible Funds** refer to the assets Default Fund Participants or a Loss Sharing Participant may use to fulfill their Default Fund Requirement Loss Sharing Requirement.

The applicable haircuts, depending on time to maturity, where relevant, will be applied as set out in the Collateral Parameter Value List from time to time, which can be found in the Nasdaq Resource Center on this page: <https://www.nasdaq.com/solutions/nasdaq-clearing-margining-methodology>

GENERAL CONDITIONS

- A) Property not specifically referenced in this appendix will be valued at zero.
- B) That portion of any approved form of collateral or Eligible Funds, which exceeds the limitations, which are referenced below, will be valued at zero.
- C) The Clearing House does not allow collateral or Eligible Funds issued by the Clearing Member/Clearing Client/Direct Pledging Customer itself, or by a company within the same group of companies as the Clearing Member/Clearing Client/Direct Pledging Customer.
- D) For Individual Client Segregated Accounts, the Clearing House does not allow collateral or Eligible Funds issued by the Clearing Member holding the Individual Client Segregated Account or by a company within the same group as such Clearing Member.
- E) All eligible securities provided as either collateral for undertakings in the clearing operations, or Eligible Funds for contributions to the Default Fund or Loss Sharing Pool, are valued in accordance with the following:
- Valuations prior to discounting (haircut) are based on the 1) Last Price or 2) Bid Price at 6:30 pm, the previous Bank Day as referenced by Reuters. The Clearing House may, however, decide that the prices that the valuations are based on can be taken at another time.
 - Valuation of bonds and bills is based on settlement date, i.e. bills and bonds are valued at zero when the settlement date is on or after the maturity date when also considering margin period of risk for the instrument.
 - Accrued interest is excluded from the valuation of bonds at the ex-coupon day (with number of settlement days taken into consideration).
- F) All eligible securities provided as either collateral or Eligible Funds shall have daily prices available via Reuters. If daily prices are missing, the security is valued at zero.
- G) Any re-calculation of surplus/deficit into Base Currency in relation to a Margin Requirement Account, Default Fund Custody Account or Loss Sharing Pool Custody Account is subject to the Clearing House's currency valuation ("Haircut when converting Surplus/ Deficit into Base Currency" referenced below).
- H) For eligible collateral to be recognized as accepted collateral, and for Eligible Funds to be recognized as Eligible Funds, it must be properly pledged or otherwise provided in accordance with the Clearing Rules and instructions, and applicable law.
- I) The Concentration Limits (referenced below) is the percentage allowed of totally posted eligible securities in relation to a Margin Requirement Account, Default Fund Custody Account or Loss Sharing Pool Custody Account. Any eligible securities posted exceeding the relevant concentration limit is valued at zero. Concentration Limits are set per collateral type (as referenced below). For Norwegian Covered Bonds, there is an additional Concentration Limit which is defined as the total amount of eligible securities allowed per Clearing Member.
- J) For securities eligible as collateral or Eligible Funds, the following applies:

- Outstanding amount
 - I. Covered bonds: All covered bonds approved as eligible collateral need to have a minimum outstanding amount of equivalent EUR 50 million per ISIN.
 - II. Bonds that are not covered bonds: All bonds except covered bonds approved as eligible collateral or Eligible Funds need to have a minimum outstanding amount of equivalent EUR 10 million per ISIN.
 - Minimum rating criteria: The minimum rating criteria is per issuer or security. Rating from one rating institute is sufficient, but when the issuer or the security is rated by both S&P and Moody's, the lower of the two ratings is applicable. In cases where the minimum rating criteria is A- (S&P) and/or A3 (Moody's) and the issuer (or security) has been given a BBB+ rating by S&P and a A3 rating by Moody's, S&P's rating is used and the security is not eligible as collateral or Eligible Funds (valued at zero). Nasdaq Clearing also uses an internal credit risk evaluation to set a minimum credit rating limit for eligible collateral issuers.
 - Maximum time to maturity: The maximum time to maturity shall not be longer than 20 years for eligible bonds.
 - Maximum time to maturity (applicable only to Norwegian Covered Bonds): The maximum time to maturity shall not be longer than 10 years for eligible bonds.
 - Exchange Listed: Bonds and equities approved as eligible collateral must be listed on a regulated exchange in a country approved by the Clearing House.
 - Market capitalization and free float: Equities approved as eligible collateral must have a minimum market capitalization of equivalent SEK 10 billion per ISIN and a minimum free float of equivalent SEK 5 billion per ISIN.
- K) Pre-delivered European Union Allowances (EUA) can be used as collateral (to cover a Margin Requirement) of net-sellers of these contracts and up to a maximum of the net sold position from 6 days prior to the expiration day until the settlement day. Pre-delivered assets shall be transferred to the Clearing House with full and valid title, free and clear of all liens, security interests, claims and encumbrances or any interest in or to them by any person (except where in favor of the Clearing House).
- L) The Clearing House is, according to article 42 of Commission Delegated Regulation (EU) No 153/2013 supplementing EMIR, only allowed to accept collateral corresponding to a predefined percentage per collateral issuer (where an issuer is defined so as to include all companies belonging to the same group of companies as the actual issuer) of the Clearing House's total collateral. Therefore, the Clearing House will, in cases where there is a breach of this limit, request individual clearing participants to reduce their exposure toward the specific collateral issuer. In cases where the clearing participant has been requested to reduce its exposure towards a collateral issuer, the clearing participant shall do so, with the required amount, immediately upon request by the Clearing House, unless the Clearing House decides in its discretion to allow more time in specific cases.
- M) All eligible ISIN codes can be found in CMS Web. If a security is eligible as collateral or Eligible Funds, but not specified as eligible in CMS Web, the Clearing House will not accept the security until such security has been added to the system. A request of adding a security to the system must be made no later than 3pm CET, Monday to Friday (Swedish business days), in order for it to be available in the system the following business day.
- N) The Clearing House is, according to article 39 and Annex I of Commission Delegated Regulation (EU) No 153/2013 supplementing EMIR, only allowed to accept highly liquid financial instruments fulfilling the criteria of having low credit- and market risk. In cases where individual financial instruments fail to fulfill these criteria, based upon the Clearing House's internal assessment, the instruments will be removed as eligible collateral or Eligible Funds. The removal of such instruments will be done at the Clearing House's full discretion.
- O) Members and direct clearing participants whose total margin requirement (including all margin requirement accounts belonging to one member or direct clearing participant) exceeds 250 MSEK (or equivalent in any other currency) are not allowed to post more than 33% of their total collateral and Eligible Funds in securities

issued by one issuer (where an issuer is defined so as to include all companies belonging to the same group of companies as the actual issuer). The limit applies to securities issued by credit institutions and corporates.

APPROVED COLLATERAL FOR CUSTOMERS PROVIDING COLLATERAL TO CLEARING MEMBERS

- A) Collateral which is accepted according to the Swedish Bank Association's recommendations "Collateral ratio for securities" dated 5 March 2008. As there is no similar reference document for Denmark and Finland the corresponding Danish and Finnish collateral shall be valued by Clearing Members in a same manner as the Swedish securities specified in the above stated recommendations.
- B) Deposits, in an account with the Clearing Member or - if the member is not a credit institution - a Custodian Institution, which are pledged by the Customer to the Clearing Member.

As recommended in the Swedish Bank Association's "Collateral ratio for securities" dated 5 March 2008	
When the currency of collateral and Margin Requirement is the same	When the currency of collateral and Margin Requirement is different
Value %	Value %
100%	90%

APPROVED COLLATERAL FOR CUSTOMERS AND / OR CLEARING MEMBERS (PROVIDING COLLATERAL TO THE CLEARING HOUSE) AND ELIGIBLE FUNDS FOR DEFAULT FUND PARTICIPANTS

Concentration limits

The concentration limits below refer to the allowed percentage of totally provided collateral per Margin Requirement Account (MRA), as well as the allowed percentage of totally provided Eligible Funds per Default Fund Custody Account or Loss Sharing Pool Custody Account. If the concentration limit is 50% for the Collateral Type, only 50% of the collateral posted in relation to a Margin Requirement Account, Default Fund Custody Account or Loss Sharing Pool Custody Account can belong to this Collateral Type (for Collateral Types, see below). Collateral and Eligible Funds exceeding the specified concentration limit will be valued at zero.

Collateral Types

Collateral (for Margin Requirement)

Allowed collaterals are divided into the following Collateral Types with concentration limits:

1. Cash Collateral – Concentration Limit 100%
2. Government Bonds and Bills – Concentration Limit 100%
3. Supranational and Agency Bonds – Concentration Limit 100%
4. Covered Bonds - Concentration Limit 75%¹
5. Local Government Funding Agency Bonds - Concentration Limit 95%
6. Equities – Concentration Limit is 75% for equities as a group, and specific concentration limits per eligible equity apply as set out in the table below under Equities – Concentration Limits.

Eligible Funds (for Default Fund Requirement and Loss Sharing Pool Requirement)

Eligible Funds are divided into the following Collateral Types with concentration limits:

1. Cash Collateral – Concentration Limit 100%
2. Government Bonds and Bills – Concentration Limit 100%
3. Supranational and Agency Bonds – Concentration Limit 100%

¹ Norwegian covered bonds are also subject to a 500MNOK concentration limit per Clearing Member.

FX Haircut

Any Surplus/Deficit in relation to the Margin Requirement Account, Default Fund Custody Account or Loss Sharing Pool Custody Account recalculated into the Base Currency of such relevant account is charged with the haircuts specified in the Collateral Parameter Value List, published in the Resource Center on this webpage:

<https://www.nasdaq.com/solutions/nasdaq-clearing-margining-methodology> (in case the surplus/deficit is in another currency than the Base Currency).

Cash Collateral – Concentration Limit 100%

Cash collateral is accepted in DKK, EUR, GBP, NOK, SEK, and USD.

Government Bonds and Bills – Concentration Limit 100%

The following government bonds and bills are accepted as collateral for Margin Requirement and as Eligible Funds for contributions to the Default Fund and the Loss sharing Pool. The haircuts, depending on time to maturity, applicable from time to time are specified in the Collateral Parameter Value List in the Resource Center on this webpage:

<https://www.nasdaq.com/solutions/nasdaq-clearing-margining-methodology>.

Type of instrument	Instrument currency	Minimum Rating
Austrian government bills and fixed rate, unstructured and dated government bonds denominated in EUR. Austrian index linked bonds are not eligible as collateral.	EUR	S&P: AA- and/or Moody's: Aa3
Danish government bills and fixed rate, unstructured and dated government bonds denominated in DKK. Danish index linked bonds are not eligible as collateral.	DKK	S&P: AA- and/or Moody's: Aa3
Dutch government bills and fixed rate, unstructured and dated government bonds denominated in EUR. Dutch index linked bonds are not eligible as collateral.	EUR	S&P: AA- and/or Moody's: Aa3
Finnish government bills and fixed rate, unstructured and dated government bonds denominated in EUR. Finnish index linked bonds are not eligible as collateral.	EUR	S&P: AA- and/or Moody's: Aa3
French government bills and fixed rate, unstructured and dated government bonds denominated in EUR. French index linked bonds are not eligible as collateral.	EUR	S&P: AA- and/or Moody's: Aa3
German government bills and fixed rate, unstructured and dated government bonds denominated in EUR. German index linked bonds are not eligible as collateral.	EUR	S&P: AA- and/or Moody's: Aa3
Norwegian government bills and fixed rate, unstructured and dated government bonds denominated in NOK. Norwegian index linked bonds are not eligible as collateral.	NOK	S&P: AA- and/or Moody's: Aa3
Swedish government bills and fixed rate, unstructured and dated government bonds denominated in SEK. Swedish index linked bonds denominated in SEK are also eligible as collateral.	SEK	S&P: AA- and/or Moody's: Aa3
British government bills and fixed rate, unstructured and dated government bonds denominated in GBP. British index linked bonds are not eligible as collateral.	GBP	S&P: AA- and/or Moody's: Aa3

Supranational Bonds – Concentration Limit 100%

The haircuts, depending on time to maturity, applicable from time to time are specified in the Collateral Parameter Value List in the Resource Center on this webpage: <https://www.nasdaq.com/solutions/nasdaq-clearing-margining-methodology>.

Type of instrument	Instrument currency	Minimum Rating
European Investment Bank (issuer ID: EIB) fixed rate, unstructured and dated bonds.	DKK, EUR, GBP, NOK, SEK, USD	S&P: AA- and/or Moody's: Aa3
European Union (issuer ID: EU) fixed rate, unstructured and dated bonds.	DKK, EUR, GBP, NOK, SEK, USD	S&P: AA- and/or Moody's: Aa3
KfW (issuer ID: KFW) fixed rate, unstructured and dated bonds.	DKK, EUR, GBP, NOK, SEK, USD	S&P: AA- and/or Moody's: Aa3
World Bank (issuer ID: IBRD, International Bank of Reconstruction and Development) fixed rate, unstructured and dated green bonds (proceeds to support projects mitigating climate change, https://treasury.worldbank.org/en/about/unit/treasury/ibrd/ibrd-green-bonds)	DKK, EUR, GBP, NOK, SEK, USD	S&P: AA- and/or Moody's: Aa3

Covered Bonds – Concentration Limit 75%

The haircuts, depending on time to maturity, applicable from time to time are specified in the Collateral Parameter Value List in the Resource Center on this webpage: <https://www.nasdaq.com/solutions/nasdaq-clearing-margining-methodology>.

Type of instrument	Instrument Currency	Minimum Rating
Swedish fixed rate and unstructured covered bonds issued by Swedish issuing institutions (as defined under the Swedish Covered Bonds Issuance Act (SFS 2003:1223)) denominated in SEK.	SEK	S&P: AAA and/or Moody's: Aaa
Danish fixed and floating rate and unstructured covered bonds issued by Danish mortgage credit institutions (as defined under the Financial Business Act (Consolidated act no.705 of 25 June 2012) denominated in DKK or EUR.	DKK or EUR	S&P: AAA and/or Moody's: Aaa
Norwegian floating rate and unstructured covered bonds issued by Norwegian institutions approved by the Clearing House denominated in NOK. Norwegian covered bonds are, in addition to the limit above, subject to a 500MNOK concentration limit per Clearing Member.	NOK	S&P: AAA and/or Moody's: Aaa

Local Government Funding Agency Bonds – Concentration Limit 95%

The haircuts, depending on time to maturity, applicable from time to time are specified in the Collateral Parameter Value List in the Resource Center on this webpage: <https://www.nasdaq.com/solutions/nasdaq-clearing-margining-methodology>.

Type of instrument	Instrument currency	Minimum Rating
Kommunekredit (issuer ID: KOMKRE) fixed rate and unstructured bonds.	DKK, EUR	S&P: AA+ and/or Moody's: Aa1
Kommuninvest (issuer ID: KOMMUN) fixed rate and unstructured bonds.	SEK	S&P: AA+ and/or Moody's: Aa1

Equities – Concentration Limit 75%

Only shares included in OMXS30 Index, excluding financial² shares, Svenska depåbevis (sdb), shares with another Nordic exchange as their primary market and shares not fulfilling the criteria N) under General Conditions, are eligible as collateral.

The concentration limit is 75% for equities as a group, and specific concentration limits per eligible equity apply.

Eligible stocks, haircuts, and concentration limits applicable from time to time are set out in the Collateral Parameter Value List in the Resource Center on this webpage: <https://www.nasdaq.com/solutions/nasdaq-clearing-margining-methodology>.

² Financial refers to banks, financial services companies, and insurance companies.