

THE RULES OF THE FINNISH CENTRAL SECURITIES DEPOSITORY FUND

1 § The Name of the Fund and its Registered Office

The name of the fund shall be the Finnish Central Securities Depository Fund (hereinafter the Fund) and its registered office shall be in Helsinki.

2 § The Purpose of the Fund

The purpose of the Fund is to safeguard the fulfilment of the legal liability in damages of an account operator up to the statutory maximum.

The Fund shall be the Registration Fund referred to in Section 18 of the Act on the Book-Entry System.

3 § Those Liable to make Guarantee Payments to the Fund

The entities liable to make Guarantee Payments to the Fund as referred to in Section 18 of the Act on the Book-Entry System shall be members to which Euroclear Finland Ltd has granted the right to act as account operators.

The Guarantee Payments to be made on the basis of book-entries kept with Finnish Central Securities Depository customer account service free of charge to the investor as referred to in Section 10 of the Act on the Book-Entry System shall be the liability of the issuers of the said book entries. The Euroclear Finland Ltd shall be liable to disburse Guarantee Payments to the Fund on the basis of book-entry accounts kept with its customer account service other than those referred to in Section 10 of the Act on the Book-Entry System.

The liability to disburse Guarantee Payments shall continue throughout the period of operations of the entity liable to make Guarantee Payments. The closing down of the operations resulting in the liability to disburse Guarantee Payments shall not release those liable to make Guarantee Payments from the payments and performance liabilities in accordance with these Rules which have arisen prior to the losing down of the operations.

The State of Finland and the Bank of Finland shall not make contributions to the Fund, but the shares of liability possibly collected from them in a compensation situation shall be provided for below.

4 § Administration

The Fund shall be administered by the Board of Directors of the Euroclear Finland Ltd as the Board of Directors of the Fund.

The chairmanship, number, election and term of office of the members and deputy members of the Board of Directors shall be determined in accordance with the provisions on the Board of Directors of the Euroclear Finland Ltd. The secretary of the Board of Directors of the Euroclear Finland Ltd shall act as the secretary of the Board of Directors of the Fund.

5 § Responsibilities of the Board of Directors

The Board of Directors shall represent the Fund and sue and be sued on behalf of the Fund.

The Board of Directors shall be responsible for arranging the administration and proper arrangement of the operations of the Fund. The Board of Directors shall ensure that the supervision of the bookkeeping and asset management has been appropriately organised.

It shall, in particular, be the responsibility of the Board of Directors to decide on:

- 1) the amount to be paid as Guarantee Payments in the Fund;
- 2) the investment of Fund assets;
- 3) the taking of credit on behalf of the Fund;
- 4) the use of any surplus of the Fund;
- 5) refunding the assets of the Fund to those liable to make Guarantee Payments;
- 6) the adoption of the Financial Statements and the actions warranted thereby; as well as
- 7) the fees of the auditors.

6 § Meeting Procedure and Decision-Making

The Board of Directors of the Fund shall be convened by the chairman as often as required by the matters of the Fund. The chairman shall convene the Board of Directors if so requested by any member of the Board of Directors.

The Board of Directors shall be quorate when the meeting is attended by more than half of the members who, under the Rules, have the right to participate in the decision making. Business shall be decided by simple majority unless otherwise provided for or ordered. In the case of a tie, the chairman shall have the casting vote.

Members of the Board of Directors representing the State of Finland, the Bank of Finland or another public-law entity shall participate in the decision-making only when decisions are made on the total amount of Guarantee Payments or the grounds for their determination or on the procedure to be complied with in a situation where the assets of the Fund are insufficient for the payment of compensations, or on amendments to the Rules.

Minutes shall be kept of the meetings, and they shall contain the business considered and the decisions made. The minutes shall be numbered consecutively. The minutes shall be signed jointly by the chairman and one of the members of the Board of Directors.

7 § Employees

The Board of Directors may permit the Fund to use employees of the Euroclear Finland Ltd or of companies belonging to the same corporate group in the administration of the Fund. The Board of Directors may also hire an agent and other employees for the Fund and acquire services from other entities. The Board of Directors shall decide on their responsibilities, powers and salaries or remunerations.

8 § Signing the Name of the Fund

The name of the Fund shall be signed jointly by any two members of the Board of Directors or jointly by any two persons so authorised by the Board of Directors.

9 § Grounds for Determining the Payments to the Fund

Guarantee Payments shall be collected in the Fund amounting to at least the figure provided in Section 18 of the Act on the Book-Entry System, however not less than 20 million euros.

Guarantee Payments to be made by an account operator shall be based on the number of registrations made, the monetary euro value of these registrations as well as on the current value of the book entries kept so that each of these three factors shall have an equal weight when determining the amount of the payment.

The Board of Directors of the Fund shall decide in more detail on the determination of the number and monetary euro value of registrations as well as the current value of the book entries kept.

10 § Assets to be accepted as Guarantee Payments and exchange of a Guarantee Payment

In the Fund, such assets and commitments shall be accepted as Guarantee Payments where the possibilities of realisation and the reliability of the daily market price ensure the liquidity and the sufficiency of the Guarantee Payment. The following assets shall be accepted as Guarantee Payments:

1. **A cash deposit on avista terms in euro** with a Finnish deposit bank or with a Finnish branch of a foreign credit institution, valuation at maximum **100 per cent**.
2. **A currency deposit on avista terms** in Sterling, Swedish Krona, Swiss Franc or US dollar with a Finnish deposit bank or with a Finnish branch of a foreign credit institution, valuation at maximum **85 per cent** of the nominal value.
3. **A cash deposit** in euros or in currency in accordance with section 2 above **in the customer funds account of the Fund**, valuation according to sections 1 and 2 above.
4. **A receipt of a deposit** issued by a Finnish deposit bank or by a Finnish branch of a foreign credit institution the remaining deposit period of which is at maximum two years at the moment of verification and the nominal value of which is at least 2000 euros, valuation at maximum **75 per cent** of the nominal value.
5. **A fixed-term deposit of at maximum one hundred thousand (100,000) euros** with a Finnish deposit bank or with a Finnish branch of a foreign credit institution with a **maximum remaining deposit period of one (1) month** at the moment of verification, valuation at maximum 85 per cent of the nominal value.
6. **A bank guarantee** conforming to a model provided by the Fund and issued by a bank entitled to liquidity credit by the Bank of Finland and that has marketable assets on the European Central Bank's list of eligible assets. The bank guarantee shall be in force until further notice and the bank issuing the guarantee shall not be able to call it in with a shorter period than one (1) month. Valuation at maximum **100 per cent** of the amount of the guarantee.
7. **A certificate of deposit (CD)** issued by a bank entitled to liquidity credit by the Bank of Finland and that has marketable assets on the European Central Bank's list of eligible assets. The remaining term of the CD shall not exceed one (1) year at the moment of the verification and the nominal value of the CD shall be at least 100,000 euros.
 - Valuation at maximum **85 per cent** of the market value

- Valuation at maximum **95 per cent** of the market value, if the term of the CD does not exceed **one (1) month** at the moment of the verification.
8. A **treasury bill** issued by the State of Finland and a **CD issued by the the European Central Bank** the remaining term of which does not exceed one (1) year at the moment of pledging. The market value of the treasury bill or CD shall not be less than one hundred thousand (100.000) euros.
- Valuation at maximum **90 per cent** of the market value
 - Valuation at maximum **95 per cent** of the market value, if the term of the treasury bill/CD does not exceed **one (1) month** at the moment of the verification.
9. A **bond and other obligation** listed at the Nasdaq OMX Helsinki Ltd issued or guaranteed by the Finnish State or by a bank entitled to liquidity credit by the Bank of Finland and that has marketable assets on the European Central Bank's list of eligible assets, valuation at maximum **85 per cent** of the market value; and a benchmark serial bond issued by the Finnish State as follows:
- Valuation at maximum 85 per cent of the market value if the remaining term of the bond exceeds four (4) years.
 - Valuation at maximum 90 per cent of the market value, if the remaining term of the bond does not exceed four (4) years.
10. The shares of **companies listed on the main list** of the Nasdaq OMX Helsinki Ltd except for shares of companies transferred to the surveillance list
- Valuation at maximum 70 per cent of the market value if the share is in the OMX Helsinki 25 equity index or corresponding index of Nasdaq OMX Helsinki Ltd calculated by the Nasdaq OMX Helsinki Ltd
 - Valuation at maximum 60 per cent of the market value, if the share is not in the OMX Helsinki 25 equity index or corresponding index of Nasdaq OMX Helsinki Ltd calculated by the Nasdaq OMX Helsinki Ltd

An obligation or commitment issued by the account operator or an entity belonging to the same group of companies with the account operator shall not be accepted as a Guarantee Payment.

An account operator may exchange an asset provided as Guarantee Payment into another acceptable asset in accordance with previous stipulations quarterly at a point of time notified by the Fund. This notwithstanding, an account operator may use a collateral management account in the RM system of Euroclear Finland Ltd in accordance with the terms to be agreed separately between the Fund and the account operator.

The Fund verifies the sufficiency of the Guarantee Payments monthly. An account operator has an obligation to top up the Guarantee Payment immediately upon demand by the Fund, if during the verification by the Fund it is established, that the Guarantee Payment does not satisfy the requirement set for the account operator or if the market value of the asset provided as Guarantee has diminished so that the fulfilment of the requirement set for the account operator is at risk.

11 § Determination of Payments

11.1 Total Amount of Payments

The Fund shall send a written notification annually by the end of February and August to account operators of the minimum amount of the Fund calculated according to the Act on the Book-Entry System. Guarantee Payments paid by the account operators whose rights to act as account operators have been removed shall be disregarded when calculating the minimum amount. The account operators shall be

consulted on the minimum amount. This period may not be shorter than two weeks. After the consultation period of the account operators the Board of Directors shall make a decision on the total amount of the Guarantee Payments and submit the decision for confirmation by the Ministry of Finance. The Fund may refrain from consulting the account operators if the minimum amount calculated in accordance with law does not exceed 20 million euros.

If the Ministry of Finance does not confirm the decision of the Board of Directors on the total amount of Guarantee Payments, the Board of Directors shall make a new proposal on the amount within three weeks of the decision of the Ministry of Finance or lodge an appeal against the decision. Those liable to make Guarantee Payments shall be consulted on the new proposal. The Board of Directors shall aim at obtaining confirmation of the Ministry of Finance for the amount of Guarantee Payments as soon as possible.

11.2 The Biannual Payments of Those Liable to make Guarantee Payments

When the Ministry of Finance has confirmed the decision of the Board of Directors on the total amount of the Guarantee Payments, the Board of Directors shall determine the amount of the Guarantee Payment to be collected from each party liable to make Guarantee Payments.

If the decision by the Board leads to an increased Guarantee Payment by an account operator, the payment shall be made within two weeks of the sending of the decision by the Board to the account operator.

The Guarantee Payment of each account operator shall be based on information on the number of the registrations made by the account operator, the value in euros of these registrations as well as the current value of the book-entries in custody with the account operator on the last day of the period, gathered from the half-year periods between the end of May and end of November.

11.3 Prepayment of the Guarantee Payment of a new account operator

An account operator joining the Fund shall, before commencing in the operations of an account operator, make a prepayment of at least three (3) per cent of the statutory minimum capital in accordance with Section 18, Paragraph 3 of the Act on the Book-Entry system. The prepayment shall be calculated for the benefit of account operator when deciding next on the biannual Guarantee Payments.

11.4 Share of Liability of the State of Finland and the Bank of Finland

A continuous account shall be kept for the Fund on the share of liability of the State of Finland and the Bank of Finland, calculated in accordance with the same grounds as the Guarantee Payments of those liable to make Guarantee Payments, as well as on the interest accruing on the share of liability. The interest accruing on the share of liability shall be the same as the average annual percentage yield of the Fund.

12 § Suspension of the Collection of Payments

The collection of Guarantee Payments may be suspended if the capital of the Fund has reached at least twenty million (20,000,000) euros or other minimum amount to be calculated based on statutory requirements.

13 § Payment of Compensations

The provisions of Sections 18a – d of the Act on the Book-Entry System shall be applied to the commencement of the duty of the Fund to compensate, to the claims subject to compensation and to the payment of compensations. To pay the compensations, the Fund shall be entitled to liquidate Guarantee Payments in the manner considered best by the Fund without consulting the account operators further and without obtaining a judgment or applying for a decision of an authority as well as without complying with the procedure provided for in Chapter 10, Section 2 of the Commercial Code or elsewhere in law and without announcing the pledge for sale, and to use the proceeds from liquidation to cover the compensation, the realisation and interest charges. The Fund shall endeavour to pay the compensation primarily from the assets that the account operator liable to compensate has paid into the Fund.

The commencement of duty to compensate shall be subject to the decision of the Financial Supervisory Authority.

The Fund shall, without delay, explain to the relevant account operators the Guarantee Payments from which the compensation has been paid.

If payment of compensation reduces the capital of the Fund below the statutory minimum capital, Guarantee Payments shall be collected so that the capital of the Fund corresponds to the minimum capital within one year of the date the capital of the Fund fell below the minimum permitted.

The Fund shall collect from the State of Finland and the Bank of Finland their share of the amount of liability as soon as the decision on the payment of compensation or liability has been made.

14 § Right of Recovery

The Board of Directors of the Fund shall collect a compensation or payment made from the Fund from a party that is liable to pay compensation or make the payment. Any amount collected shall be added to the capital of the Fund.

The Board of Directors of the Fund may decide not to collect the compensation from a party liable for payment of compensation only if this does not jeopardise the right to indemnity under insurance.

15 § Profit of the Fund, Use of the Annual Surplus and Refunding of Assets

The profit of the assets paid as Guarantee Payments in the Fund shall be distributed to the account operator that has paid the Guarantee Payment. Notwithstanding this, the account operators shall not be refunded the profit generated by the funds, which will be transferred to the Fund on the basis of subsection 5 of the transitional provisions of the Act on the Amendment of the Act on the Book-Entry System (795/2000) when these Rules come into force.

If the operations of the account operator in the book-entry system discontinue, the account operator may ask for a refund of the Guarantee Payments it has paid parting as much that the Guarantee Payments have and will not likely be used to pay compensations from the Fund. Guarantee Payments may be refunded at the earliest when three years have lapsed since the right to act as an account operator have been removed on the basis of law or the Rules of the Euroclear Finland Ltd. A Guarantee Payment made by an account operator may not be used to cover compensation claims originating after the removal of the rights.

16 § Administrative Fees of the Fund

The Fund shall levy the expenses (administrative fees) originating from ordinary activities of the Fund on those liable to pay Guarantee Payments. Upon decision by the Board of the Fund, the administrative fees

may be deducted from the profit of the Fund or they may be levied biannually in connection with the Guarantee Payments.

17 § Investment of the Assets

The assets of the Fund shall be invested in a safe and profitable manner safeguarding the liquidity of the Fund. The Board of Directors of the Fund shall annually decide in more detail on the investment instruments in which the assets of the Fund may be invested.

Assets of the Fund may temporarily also be kept in a sight deposit account.

The Board of Directors of the Fund shall decide in more detail on the principles and procedures to be complied with in the investment of the assets of the Fund.

Book entries held by the Fund shall be kept with the customer account services of the Euroclear Finland Ltd.

18 § Taking of a Loan by the Fund

If the assets of the Registration Fund are insufficient for the payment of compensations, the liability may be covered by credit, the costs of which shall be divided among those liable to contribute that should make contributions to the Fund in question. In this case, the Contribution Payments of those liable to contribute shall be raised by an amount equal to the costs of the credit. The maximum amount of credit permitted shall be the amount that, by law and under these Rules, should be contributed to the Registration Fund.

19 § Financial year

The financial year of the Fund shall be the calendar year.

20 § Financial Statements and Auditing

The Financial Statements shall be prepared and submitted to the auditors by the end of each February following the end of the financial year.

The auditors of the Euroclear Finland Ltd shall act as auditors of the Fund. Should this not be possible, the Board of Directors of the Fund shall elect an auditor or auditors. The qualifications of the auditors shall be the same as the statutory qualifications of the auditors of the Euroclear Finland Ltd.

The Auditors' Report shall be issued to the Board of Directors of the Fund, the Ministry of Finance and the Financial Supervisory Authority. The Financial Statements of the Fund shall also be submitted to the Ministry of Finance and the Financial Supervisory Authority.

21 § Notifying the Fund

The Fund shall collect the information necessary for the calculation and allocation of Guarantee Payments from the systems of the Euroclear Finland Ltd.

Furthermore, a party liable to make Guarantee Payments shall, where necessary, submit to the Fund any information it has requested which is necessary to evaluate the risks of the Fund as well as to calculate and divide the Guarantee Payments. The information shall be submitted upon request.

A party liable to make Guarantee Payments shall immediately notify the Fund of any fact that has come to its knowledge and which may result in having to use the assets of the Fund to pay compensation or liability.

The information referred to in this section shall be treated as confidential in the operations of the Fund.

22 § Confidentiality

The Board of Directors of the Fund, an agent of the Fund, other employees or another persons carrying out an assignment commissioned by the Fund may not reveal or otherwise disclose or make use of anything to which they have become privy on the financial position, private circumstance or business or professional secret of the Euroclear Finland Ltd, a party liable to make Guarantee Payments, an applicant for a compensation or another person. The information may, however, be disclosed if it has been published or if the party for whose benefit the confidentiality obligation has been laid down consents to its disclosure or if it has been provided or duly ordered to be disclosed.

The Fund shall biannually submit information on the value of the Registration Fund to the public.

23 § Amendment of the Rules

The Board of Directors may unanimously decide to amend the Rules of the Fund.

Before an amendment may be considered by the Board of Directors of the Fund, all parties liable to make Guarantee Payments shall be afforded an opportunity to give a statement on the amendment. A period of at least two calendar weeks shall be reserved for giving the statement commencing after the proposal for an amendment has been submitted for statement.

The amendments of the Rules shall enter into force after ratification by the Ministry of Finance.