



## The trading and settlement practices on TBS Poland Market

The procedures regulating the relations with the settlement institutions.

| Procedure | Title  |
|-----------|--|
| PR01/05   | The procedure for the suspension of Participant's activity based on the motion of the settlement institution.                        |
| PR02/05   | The procedure for handling telephone contacts .  |
| PR03/06   | STP procedure for settlement of transactions on Treasury Bonds (cash&BSB) concluded by TBS Poland participants using custodians.     |
| PR04/06   | Contract between the system Participant and direct Participant to the National Depository for Securities and Registry of Securities. |
| PR05/06   | Format of SWIFT message.   |

September 2009

**PR01/05. The procedure for the suspension of Participant's activity based on the motion of the settlement institution**

- 1) BondSpot (Company) shall suspend the activity of a Participant on TBS Poland Market based on the demand submitted to the Company by fax or e-mail of the settlement institution (used by this participant as its settlement intermediary in the National Depository of Securities S.A. or Securities Register run by the National Bank of Poland). The document including the demand to suspend the activities of the Participant on the Market shall be signed by the persons authorised to act on behalf of the settlement institution and then it shall be confirmed by telephone in a manner allowing for the identification pursuant to the procedure No. PR02/05 as defined in the Annex No. 2 hereto. The persons authorised to act shall be defined as the persons indicated by the settlement institution in the information card filled in by it according to the format determined in the Annex No. 4 hereto.
- 2) In case the demand referred to in Item 1 is received, the Company shall suspend the activities of the Market Participant promptly after the telephone confirmation of that demand.
- 3) The Company shall allow the Participant to return to the Market operation promptly after the receipt of the respective statement issued by the institution which previously issued the demand for the suspension pursuant to the procedure and in the format stated in Item 1.
- 4) In case of a suspension, the Company shall promptly inform about that event the interested Participant and the institution which submitted the suspension demand constituting the basis for the suspension.

## **PR02/05. The procedure for handling telephone contacts**

In case the settlement institution contacts the Company by telephone, the following principles of that contact shall be agreed:

### 1) The manner of the contact

The proxy (the person authorised by the settlement institution in the information card) shall contact the Company using the specially determined telephone lines under the numbers:

+48 22 579 81 37;

+48 22 579 81 38 ,

+48 22 579 81 36.

If the contact cannot be established using fixed telephony lines, the contact using mobile phone at

+48 607 17 86 86,

+48 609 74 87 07,

+48 691 21 66 01.

shall be permitted.

### 2) Identification of the proxy

a) The authorised employee of the Company shall perform the identification of the proxy who shall provide:

- the name of the settlement institution,
- first and last name of the proxy,
- a password determined and submitted to the Company pursuant to the procedure in Item 3.

b) The lack of identification on the part of the proxy of any element referred to in Point a), does not allow for the submission of any information by telephone,

### 3) Access passwords

a) The Proxy's access password must consist of one word, must be easy for identification in verbal communication and must not include the elements which are not included in the alphabet,

b) The settlement institution shall submit to the Company, with advice of receipt, in a sealed envelope, the list of passwords of all the proxies including the data referred to in Item 2 point a),

c) Passwords are activated since the next working day following the day on which they are received by the Company,

d) Changes to passwords shall be introduced pursuant to the procedure stated in Point b) and c).

**PRO3/06. STP procedure for settlement of transactions on Treasury Bonds (cash&BSB) concluded by TBS Poland participants using custodians**

1) Overnight trades (T+0)

1.1. Trades between a Polish and a foreign member or an Eligible Investor.

1. BondSpot provides custodians with real time (for transactions allocated with 30-minute delay) MT541&MT543 SWIFT messages (settlement messages) which contain details of the executed trade. The format of these messages is predefined by BondSpot.
2. SWIFT messages which are sent by BondSpot on behalf of the member replace sending any settlement instruction to custodians by the client.
3. BondSpot sends to KDPW the settlement instruction until 3:00 p.m., T+0. This instruction is considered pre-matched by a Polish bank.
4. KDPW generates an XML messages having the status of settlement instructions based on BondSpot's settlement instruction, and sends them to both counterparties: a Polish bank and a custodian of the foreign member or an Eligible Investor.
5. KDPW, according to its schedule, keeps sending messages having the status of settlement instructions to both counterparties until the trade is settled.
6. Having received SWIFT messages, the custodian bank generates a settlement instruction that conforms with the message having the status of settlement instruction and sends it back to KDPW (until 3:30 p.m., T+0).
7. KDPW matches both settlement instructions (from BondSpot and from custodian) and the trade is forwarded to be processed during the nearest "DVP" settlement session.
8. When a settlement is made, KDPW generates and sends to both counterparties a message having the status of settlement instruction with settled trades and an XML message which contains details of all executed trades .

1.2. Trades between two foreign members or a foreign member and an Eligible Investor.

1. BondSpot provides custodians with real time (for transactions allocated with 30-minute delay) MT541&MT543 SWIFT messages (settlement messages), which contain details of the executed trade. The format of these messages is predefined by BondSpot.
2. SWIFT messages which are sent by BondSpot on behalf of the member replace sending any settlement instruction to custodians by the clients.
3. BondSpot sends the settlement instructions to KDPW until 15:00, T+0.
4. KDPW generates an XML messages having the status of settlement instructions (containing reasons) based on BondSpot's settlement instruction, and sends it to custodians of both members.
5. KDPW, according to its schedule, keeps sending messages having the status of settlement instruction to both counterparties until the trade is settled.
6. After receiving SWIFT messages, both custodian banks generate settlement instructions that conform with the message having the status of settlement instruction and send them to the KDPW (until 3:30 p.m., T+0).
7. KDPW matches both settlement instructions from custodians and the settlement instruction from BondSpot and the trade is forwarded to be processed during the nearest "DVP" settlement session.
8. When a settlement is made, KDPW generates a message having the status of settlement instruction with settled trades and an XML message containing details of all executed trades which are sent to both counterparties.

## 2) Regular trades (T+2) and other trades (T+N)

Applies to all trades with settlement cycle T+N where N >0.

### 2.1. Trades between Polish and foreign member or an Eligible Investor.

1. BondSpot provides custodians with real time (for transactions allocated with 30-minute delay) MT541&MT543 SWIFT messages (settlement messages) which contain details of the executed trade. The format of these messages is predefined by BondSpot.
2. SWIFT messages which are sent by BondSpot on behalf of the member replace sending any settlement instruction to custodians by the client.
3. BondSpot sends to KDPW the settlement instruction until 5:30 p.m. on the day of trade execution. This instruction is considered pre-matched by the Polish bank.
4. KDPW generates an XML messages having the status of settlement instruction (containing reasons) based on BondSpot's settlement instruction, and sends it to both counterparties: a Polish bank and a custodian of the foreign member or an Eligible Investor.
5. KDPW, according to its schedule, keeps sending messages having the status of settlement instruction to both counterparties until the trade is settled.
6. After receiving SWIFT messages, the custodian bank generates the settlement instruction which conforms with message having the status of settlement instruction and sends it back to the KDPW (until 3:30 p.m., T+N settlement day).
7. KDPW matches both settlement instructions (from BondSpot and from the custodian) and the trade is forwarded to be processed on the nearest "DVP" settlement session.
8. When a settlement is made, KDPW generates and sends to both counterparties a message having the status of settlement instruction with settled trades and an XML message containing details of all executed trades .

### 2.2. Trades between two foreign members or a foreign member and an Eligible Investor.

1. BondSpot provides custodians with real time (for transactions allocated with 30-minute delay) MT541&MT543 SWIFT messages (settlement messages), which contain details of the executed trade. The format of this messages is predefined by BondSpot.
2. SWIFT messages which are sent by BondSpot on behalf of the member replace sending any settlement instruction to custodians by the client.
3. BondSpot sends to KDPW the settlement instruction until 5:30 p.m. on the day of trade execution.
4. KDPW, based on BondSpot, generates an XML message with the status of settlement instruction (containing reason) and sends it to custodians of both members.
5. KDPW, according to its schedule, keeps sending messages with the status of settlement instruction to both counterparties until the trade is settled.
6. After receiving SWIFT messages, the custodian banks generate the settlement instructions that conform with the message with the status of settlement instruction and send it back to the KDPW (until 3:30 p.m., T+N settlement day).
7. KDPW matches both the settlement instruction from custodians and the settlement instruction from BondSpot and the trade is forwarded to be processed during the nearest "DVP" settlement session.
8. When a settlement is made, KDPW generates and sends to both counterparties the message with the status with settled trades and an XML message containing details of all executed trades .

### 3) Not matched settlement instruction

Trades may be settled on "DVP" settlement sessions in KDPW at hours: 10:30 am, 1:00 pm and 3:30 pm (accordingly to concrete type of trade).

1. In case when there isn't possible to settle trade executed by foreign client and an Eligible Investor in a settled term because of lack of assets (securities or cash) custodian doesn't send the settlement instruction and the settlement of the trade in KDPW is suspended.
2. In the case of a suspended settlement of a trade, the 'cancellation period' of the settlement instruction sent by BondSpot and awaiting in the KDPW system for its settlement lasts 5 days.
3. During the "cancellation period" custodians have the possibility to resume the settlement process by sending "activating instructions".
4. After sending an "activating instruction" the trade is forwarded to be processed during the nearest "DVP" settlement session.
5. Deadline for sending settlement instructions is the last day of the "cancellation period" lasting 5 days, until 3:30 p.m.
6. In case of REPO transaction the "cancellation period" refers only to an opening transaction. The settlement date of the closing transaction remains unchanged. The last day of the settlement of an opening transaction is the day preceding the settlement day of the closing of this transaction (for REPO transactions of a short close period).
7. In case when custodians did not send activating instructions, the settlement instruction is completely removed from the settlement process. KDPW informs both counterparties of the trade about the settlement cancellation by sending the XML message .

### 4) Unique transaction reference number

Unique transaction reference number consists of:

1. TradeImpact trade number preceded by zeros to have the length of 6 characters
2. 2 digit allocation number: 00 in case of transactions without allocation.
3. 1 character market code: C in case of TBS Poland cash transaction, R in case of REPO transaction for KDPW settlement
4. 2 digit side code: 00 – single settlement instruction sent to KDPW
5. 2 digit year number in century, i.e. '06'
6. 3 digit day in year number (i.e., 344 day of year)

An example of unique trade reference numbers:

Trade number 10012, cash market, allocated to 2 subtransactions, executed 2006-12-09: **01001201C0006344** and **01001202C0006344**. Trade number 7, REPO market, KDPW settlement, without allocation, executed 2006-12-09: **00000700R0006344**

### 5) Remarks

1. Within KDPW the custodian has the possibility to segregate securities of TBS Poland participants on any number of accounts.
2. For REPO market BondSpot generates SWIFT messages separately for each leg of REPO trade.

**PRO4/06. Contract between the System Participant and the Direct Participant to the National Depository for Securities (Krajowy Depozyt Papierów Wartościowych S.A. – KDPW) and the Registry of Securities (Rejestr Papierów Wartościowych – RPW)**

BETWEEN

NAME OF SYSTEM PARTICIPANT .....

CONTACT NAME .....

TEL .....

FAX .....

E-MAIL .....

REGISTERED OFFICE/HEAD OFFICE .....

LEGAL STATUS .....

COUNTRY OF INCORPORATION .....

DATE OF INCORPORATION .....

COMPANY REGISTRATION NUMBER .....

ULTIMATE HOLDING COMPANY ORGANISATION .....

(hereinafter referred to as the "System Participant");

AND

NAME OF DIRECT PARTICIPANT .....

CONTACT NAME .....

CONTACT ADDRESS .....

TEL .....

FAX .....

E-MAIL .....

REGISTERED OFFICE/HEAD OFFICE .....

COUNTRY OF INCORPORATION .....

COMPANY REGISTRATION NUMBER .....

(hereinafter referred to as the "Bank");

**WHEREAS**

- a) The System Participant is a member of TBS Poland and as such enters into transactions for the purchase or sale of various securities, in particular Financial Instruments (as hereinafter defined) on MTS Poland.
- b) It is a condition of entering into transactions relating to Financial Instruments on TBS Poland that the System Participant has an access, whether direct or indirect, to the NDS and RPW ,so that the System Participant is able to settle the transactions it enters into.
- c) The System Participant does not have a securities account at the NDS and RPW. The Bank has third party account/s opened in its name on the books of the NDS and RPW in which securities held by the Bank on behalf of its clients are registered.

d) The System Participant wishes to settle the transactions on Financial Instruments it enters into on TBS Poland through the Bank's Third Party Account/s at the NDS and RPW. The Bank is willing to provide services to the System Participant to enable it to settle its transactions, on the terms and under the conditions specified below.

e) This Agreement is supplemental to a Custody Agreement dated \_\_\_\_\_ (the "Custody Agreement") entered into between the Bank and the System Participant.

**NOW THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:**

**Article 1. Definitions and Interpretation**

**1.1.** In addition to any other defined words contained in this Agreement, the following words shall have the meaning set forth below:

**"Settlement Messages"** means any instructions issued by BondSpot S.A on behalf of the System Participant in connection with the settlement of Transactions, transmitted to the Bank by secure electronic means and in the format specified by the Company in the TBS Poland Rules;

**"Cash account"** and **"Securities account"** refer to the accounts held by the System Participant with the Bank;

**"the Company"** means BondSpot S.A a company incorporated under the laws of Poland and running TBS Poland

**"Financial Instruments"** means any financial instruments issued in zloty by the Polish Treasury and eligible for settlement either in NDS or in RPW;

**"NDS"** means National Depository for Securities, the clearing and settlement institution for zloty denominated Treasury Bonds

**"RPW"** means Registry of Securities, the clearing and settlement institution for zloty denominated Treasury Bills

**"Settlement Instructions"** means any instructions issued by the Bank on behalf of the System Participant in connection with the settlement of Transactions, transmitted to NDS and or RPW by secure electronic means and in the format specified by NDS and/or RPW;

**"the System"** or **"MTS Poland"** means the screen-based system organised and administered by the Company for trading of certain Eligible Securities (as defined in the TBS Poland Rules);

**"Third Party Account"** means the account/s opened in the name of the Bank on the books of NDS and RPW to settle transactions executed on TBS Poland by System Participants who are not direct participants to the NDS and RPW;

**"TBS Poland Rules"** means TBS Poland By-Laws and other regulations of the TBS Poland which may be set and amended by the Company from time to time;

**"Transactions"** means any transactions entered into by the System Participant on the TBS Poland System relating to Financial Instruments.

**1.2** Save as otherwise provided, any reference in this Agreement to:

(i) this agreement or any other agreement or document shall be construed as a reference to this Agreement or, as the case may be, such other agreement or document as the same may from time to time be amended, varied, novated or supplemented;

(ii) a time of day shall be construed as a reference to Warsaw time.

**1.3** Headings are for ease of reference only and shall be ignored in construing this Agreement.

**1.4** The services to be provided hereunder and the parties' respective rights and obligations shall be governed by the terms of the Custody Agreement in addition to the terms of this Agreement. In the event of any discrepancy between the terms of this Agreement and the terms of the Custody Agreement the terms of this Agreement shall prevail.

## **Article 2. Transmission of Settlement Messages**

The System Participant confirms that it has given full power and authority to the Company to transmit Settlement Messages to the Bank on its behalf in respect of Transactions and hereby authorises the Bank to accept Settlement Messages from the Company and to act thereon as if such Settlement Messages had been transmitted by the System Participant. Furthermore, the System Participant confirms that it has given the authority to the Company to receive all information concerning the settlement of Transactions and hereby authorises the Bank to transmit to the Company all such information when required according to the TBS Poland Rules.

## **Article 3. Transmission of Settlement Instructions**

**3.1** On the basis of the Settlement Messages sent by the Company if, in either case, there is sufficient Cash or Financial Instruments credited to the Cash Account or the Securities Account (as applicable), by close of settlement date, pursuant to the NDS and/or RPW Rules, the Bank will send Settlement Instructions to NDS and/or RPW, acknowledging that it must use the settlement details contained in the Settlement Messages.

**3.2** The Bank expressly acknowledges that cannot send Settlement Instructions relating to Transactions if the Settlement Messages do not bear the correct identification code of the System Participant.

**3.3** If the Settlement Instructions relating to Transactions have not been sent by the Bank to NDS and/or RPW by close of settlement date, the Bank will use its best efforts to send them to NDS and/or RPW immediately after this date.

## **Article 4 - Settlement of Transactions**

**4.1** Bank will, upon receipt from NDS and/or RPW, of a settlement confirmation, settle the Transactions by the appropriate debits from and credits to, the System Participant's Cash Account and Securities Account.

**4.2** The Bank may suspend operation of this Agreement effective immediately at any time by giving written notice to the System Participant and the Company of said suspension. The Bank will settle Transactions concluded by the System Participant before such suspension is effective.

## **Article 5. Fees**

[ Fee provisions to be agreed individually by parties]

## **Article 6. Responsibilities**

**6.1** The Bank's sole obligation hereunder shall be to provide the services expressly set out in this Agreement, which it shall undertake with due and proper care. The Bank shall not assume any liability towards the System Participant or any third party for acting in accordance with the provisions of this Agreement and with Settlement Messages in respect of Transactions.

**6.2** The Bank shall not be liable to the System Participant for any losses, costs, damages or expenses suffered or incurred by the System Participant arising directly or indirectly as a result of:

(i) any error by the Company in the transmission of Settlement Messages or in the contents of such Settlement Messages;

(iii) the failure of the Company to transmit Settlement Messages to the Bank in relation to a particular Transaction;

(iv) non settlement of any Transaction for any reason other than the negligence or wilful misconduct of the Bank;

(v) any act or omission of NDS or RPW;

(vi) the failure of any communications or computer systems (including those of TBS Poland and NDS and/or RPW) other than the Bank's;

(vii) any force majeure event.

**6.3** The System Participant undertakes to indemnify the Bank and to hold the Bank harmless from any loss or liability (including without limitation, reasonable attorneys' fees) incurred by the Bank as a result of (i) a breach by the System Participant of its obligations under this Agreement or (ii) carrying out Settlement Messages.

## **Article 7. Termination**

**7.1** The parties have agreed that the duration of this Agreement is indefinite.

**7.2** Either party may terminate this Agreement by informing the other party, even without any forewarning. The termination must be communicated to the Company by the terminating party via register letter fax or by other means providing certified proof that the notification has reached the other party.

**7.3** Subject to receipt of the communication described in clause 7.2, the Company will proceed immediately to make the necessary interventions at system level to reflect the termination of the Agreement.

**7.4** Termination of this Agreement for any cause shall not affect the rights and obligations of the System Participant and/or the Bank existing or outstanding at the date the termination takes effect under this Agreement.

## **Article 8. Governing law and jurisdiction**

This Agreement shall be governed by and construed in accordance with Polish law. In connection with any suit, action or proceedings relating to this Agreement, the System Participant hereby submits to the exclusive jurisdiction of the courts of Warsaw.

Dated as of \_\_\_\_\_, and issued in duplicate

[SYSTEM PARTICIPANT]

by  
Name

Title  
By

Name

Title

[BANK]

by  
Name

Title  
by

Name

Title

**PRO5/06**

**MT 541 and 543 SWIFT MESSAGES: PROPOSED FORMAT OF MESSAGES TO BE SENT TO THE POLISH CUSTODIANS**

The tables below report the format of Swift messages to be sent to the Polish custodians for trades executed on TBS Poland Market, cash and repo market, as agreed during the meeting of 5<sup>th</sup> January

**1. CASH TRADES**

For each cash trade, 1 messages is sent to each custodian per each client

| <b>MT 541-543 CASH format</b>           |            |                  |                              |                 |  |
|---|------------|------------------|------------------------------|-----------------|--|
| <b>Sequence A – General information</b> |            |                  |                              |                 | <b>MANDATORY</b>   |
| <b>Stato</b>                            | <b>Tag</b> | <b>Qualifier</b> | <b>Description/field use</b> | <b>Contents</b> | <b>Comments and examples</b>   |
| M                                       | :16R:      |                  | Start of block               | GENL            |  |
| M                                       | :20C:      | SEME             | Sender's reference           | :SEME//16x      | <p><b>SEME//000002PLN0704193</b><br/> <b>SEME//000002PLN0504193</b></p> <p>The one reported is the structure of the reference suggested during the meeting. It must be confirmed by custodians on the basis of the KDPW tests results</p> <p><b>TTTTTTXXXNNYYDDD</b></p> <p><b>Where:</b></p> <ul style="list-style-type: none"> <li>• <b>TTTTTT</b>: trade number</li> <li>• <b>XXX</b> it's the tag of the market<br/>It will be PLN for TBS Poland cash</li> <li>• <b>NN : 07</b> for messages sent to the custodian for the buyer<br/><b>05</b> for messages sent to the custodian for the seller;</li> <li>• <b>YY</b> last two digits of the trading year</li> <li>• <b>DDD</b>: trade date in Julian format (266 over 365 days)</li> </ul> <p>For the cancellation message the reference it's equal to the original message but for the Julian date which is equal to the one of the original message+500</p> |

|  |       |      |  |                            |  |
|--|-------|------|--|----------------------------|--|
| M  | :23G: | NEWM | Function of the message<br>New MT541/MT543   | 4!c                        | NEWM   |
|  |       | CANC | Request to cancel a previously<br>MT541/MT543  |                            | CANC   |
| <b>Sub-sequence A1 – Linkages</b>                                    |       |      |  |                            | <b>OPTIONAL</b>  |
| M  | :16R: |      | Start of block   | LINK                       |  |
| M  | :20C: | PREV | Previous reference: TAG20 of MT541/3<br>to cancel  | :PREV//16x                 | :PREV//16x   |
| M  | :16S: |      | End of block   | LINK                       |  |
| <b>End of sub-sequence A1</b>  |       |      |  |                            |  |
| M  | :16S: |      | End of block   | GENL                       |  |
| <b>End of sequence A</b>   |       |      |  |                            |  |
| <b>Sequence B – Trade details</b>                                    |       |      |  |                            | <b>MANDATORY</b>   |
| M  | :16R: |      | Start of block   | TRADDET                    |  |
| M  | :94B: | TRAD | Place of Trade   | :4!c/[8c]/4!c/[30x]        | TRAD//EXCH/CETO<br>During the meeting the code<br>MTSP was suggested, it must be<br>confirmed by the custodians  |
| M  | :98A: | SETT | Settlement date/Time   | :98A::SETT//8!n            | :98A:SETT//20011023  |
| M  | :98A: | TRAD | Trade Date   | :98A::TRAD//8!n            | :98C:TRAD//20011023  |
| M  | :35B: |      | “ISIN”+blank+isin Code of the bond<br>Description of the bond (description<br>used on TBS Poland market)<br><b>(on 2 ROWS)</b> | [ISIN]1e12!c]<br>DESC(35x) | ISIN PL0000003455<br>POLTB 4JAN06  |
|  |       |      |  |                            |  |
| M  | :16S: |      | End of block   | TRADDET                    |  |
| <b>End of sequence B</b>   |       |      |  |                            |  |
| <b>Sequence C – Financial instrument/account of the sender</b>       |       |      |  |                            | <b>MANDATORY</b>   |
| M  | :16R: |      | Start of block   | FIAC                       |  |
| M  | :36B: | SETT | Quantity of financial instrument to be<br>settled  | :SETT//4!c/15d             | :SETT//FAMT/nnn,   |
| M  | :97A: | SAFE | Safekeeping account  | :97A::SAFE//35x            | SAFE//11096<br>Account of the participant in the<br>custodian books.<br>As discussed during the meeting,<br>MTS pre-settlement database can<br>keep for each client a dedicated<br>account per each bond type,<br>therefore, for example, an<br>account for T-Bills different<br>from the one used for Bonds |
| M  | :16S: |      | End of block   | FIAC                       |  |
| <b>End of sequence C</b>   |       |      |  |                            |  |
| <b>Sequence E – Settlement details</b>                               |       |      |  |                            | <b>MANDATORY</b>   |
| M  | :16R: |      | Start of block   | SETDET                     |  |
| M  | :22F: | SETR | Type of settlement Transaction   | :SETR/[8!c]/4!c            | SETR//TRAD   |
| <b>Sub-sequence E1– Settlement parties-Details of the CP’s agent</b> |       |      |  |                            | <b>MANDATORY, REPETITIVE</b>   |
| M  | :16R: |      | Start of block   | SETPRTY                    |  |

|  |       |                            |   |                              |  |
|--|-------|----------------------------|---|------------------------------|--|
| M  | :95P: | DEAG                       | <b>MT541 – DEAG//BIC</b><br>CP's agent bic address (agent of the seller)<br>In case the counterpart settles via its own account, the counterpart's BIC will be reported | :95R:4!c/bic                 | <b>DEAG//</b>  |
|  |       | REAG                       | <b>MT543 – REAG//BIC</b><br>CP's agent bic address (agent of the buyer)<br>In case the counterpart settles via its own account, the counterpart's BIC will be reported  | :95R:4!c/bic                 | <b>REAG//</b>  |
| M  | :16S: |                            | End of block  | SETPRTY                      |  |
| <b>End of sub-sequence E1</b>                                |       |                            |   |                              |  |
| <b>Sub-sequence E1– Settlement parties-Details of the CP</b> |       |                            |   | <b>MANDATORY, REPETITIVE</b> |  |
| M  | :16R: |                            | Start of block  | SETPRTY                      |  |
|  | :95P: | SELL                       | <b>MT541 – Seller BIC Code</b>  | SELL//bic                    | SELL//SBILGB20   |
| M  |       | BUYR                       | <b>MT543 – Buyer BIC Code</b>   | BUYR//bic                    | BUYR//BROMITRDSEC  |
| M  | :16S: |                            | End of block  | SETPRTY                      |  |
| M  | 95Q:: | alternatively<br>BUYR/SELL | If MT541 : SELL//trading code<br>CP's MTS code (MTS code of the selling bank)   | <b>SELL//trading code</b>    | <b>SELL//22003MSTAL</b><br>In case the counterpart does not have a BIC, the option will be used, instead of the option P<br>FOR PBE - ALWAYS OPTION Q. |
|  |       |                            | If MT543 : BUYR// bic code<br>CP's MTS code (code of the buyer bank)  | <b>BUYR//trading code</b>    | <b>BUYR//35070LMNB</b>   |
| M  | :16S: |                            | End of block  | SETPRTY                      |  |
| <b>End of sub-sequence E1</b>                                |       |                            |   |                              |  |
| <b>Sub-sequence E1– Settlement parties</b>                   |       |                            |   | <b>MANDATORY, REPETITIVE</b> |  |
| M  | :16R: |                            | Start of block  | SETPRTY                      |  |
| M  | :95P: | PSET                       | Bic CSD   | PSET+Bic CSD                 | PSET//   |
| M  | :16S: |                            | End of block  | SETPRTY                      |  |
| <b>End of sub-sequence E1</b>                                |       |                            |   |                              |  |
| <b>Sub-sequence E3 – Amounts</b>                             |       |                            |   | <b>MANDATORY</b>             |  |
| M  | :16R: |                            | Start of block  | AMT                          |  |
| M  | :19A: | SETT                       | Cash amount & ISO currency  | :4!c//[N]3!a15d              | SETT//EUR54000,27  |
| M  | :16S: |                            | End of block  | AMT                          |  |
| <b>End of sequence E3</b>                                    |       |                            |   |                              |  |
| M  | :16S: |                            | End of block  | SETDET                       |  |
| <b>End of sequence E</b>                                     |       |                            |   |                              |  |

## 2. REPO TRADES

For each repo trade, 2 messages are sent to each custodian: one for the spot leg and one for the term leg.

### MT541 – MT543 Repo Format

| Sequence A – General information MT541 / MT543 <span style="float: right;">MANDATORY</span> |                  |           |  |   |                  |  |
|---|------------------|-----------|--|---|------------------|--|
| How   | Tag <sup>1</sup> | Codeword  | Ex-Tag<br>MT54x  | Description/Field use   | Contents         | Comments and examples  |
| F   | :16R:            |           |  | Start of block  | <b>GENL</b>      | <b>GENL</b>  |
| FV  | :20C::           | SEME      | SEME//Tag20  | Repo message reference  | <b>SEME//16x</b> | <p><b>SEME//000002PCT0704193</b><br/> <b>SEME//000002PCT1704193</b><br/> <b>SEME//000002PCT0504193</b><br/> <b>SEME//000002PCT1504193</b></p> <p>The one reported below is the structure of the reference suggested during the meeting. It must be confirmed by custodians on the basis of the KDPW tests results</p> <p><b>TTTTTXXXNNYYDDD</b></p> <p>Where:</p> <ul style="list-style-type: none"> <li>• <b>TTTTTT</b> : trade number</li> <li>• <b>XXX</b> : ‘PCT’ : for both spot and end leg</li> <li>• <b>NN: 07</b> for messages sent for the SPOT buyer; <b>05</b> for messages sent for the SPOT seller</li> <li>• <b>17</b> for messages sent for the END buyer, <b>15</b> for messages sent for the END seller</li> <li>• <b>YY</b>: last two digits of the trading year</li> <li>• <b>DDD</b> : trading date in Julian format (266 over 365 days)</li> </ul> <p><b>For the cancellation message the reference is equal to the original message but for the Julian date which is equal to the one of the original message+500</b></p> |
| F   | :23G:            | New Trade |  | Message function  |                  | <b>NEWM</b>  |
|   |                  | CANC      |  | Request to cancel a previousMT541/MT543   |                  | CANC   |
| Sequence A1 – Linkages <span style="float: right;">OPTIONAL</span>                          |                  |           |  |   |                  |  |
| F   | :16R:            |           |  | Start of block  | <b>LINK</b>      | <b>LINK</b>  |
| FV?<br>(M)  | :20C::           | PREV      | <b>Only for MT543 or MT541 TERM LEG (in NEWM messages)</b> | If MT541, the tag20 of MT543 SPOT LEG is<br><br>or<br>If MT543 the TAG20 of MT541 SPOT LEG is | :PREV//16x       | <p><b>PREV//000002PCT0504193</b></p> <p><b>PREV//000002PCT0704193</b></p> <p>(Note: reference to spot leg is not present any longer in end term cancellation messages.)</p>  |
| FV?<br>(M)  | :20C::           | PREV      | <b>Only for MT543 or MT541 TERM LEG (in CANC messages)</b> | Previous reference: TAG20 of MT541/3 to cancel  | :PREV//16x       | :PREV//16x   |
| F   | :16S:            |           |  | End of block  | <b>LINK</b>      | <b>LINK</b>  |

| End of sequence A1   |        |      |     |  |                     |  |
|--|--------|------|-----|--|---------------------|--|
| F  | :16S:  |      |     | End of block   | GENL                | GENL   |
| End of sequence A  |        |      |     |  |                     |  |
| Sequence B – Trade details                                       |        |      |     |  |                     | MANDATORY  |
| F  | :16R:  |      |     | Start of block   | TRADEDET            | TRADEDET   |
| M  | :94B:  | TRAD |     | Place of Trade   | :4!c/[8c]/4!c[/30x] | TRAD//EXCH/CETO<br>During the meeting the code MTSP was suggested, it must be confirmed by the custodians  |
| FV   | :98A:: | SETT | 30  | In case of MT541/543 SPOT LEG, the Settlement date is the one of the Spot leg<br>In case of MT541/543 TERM LEG, the Settlement date is the one of the TERM LEG | :98A::SETT//8!n     | SETT//yyyymmdd   |
| FV   | :98A:: | TRAD | 31P | Trade date   | :98A::TRAD//8!n     | TRAD// yyyymmdd  |
| FV   | :35B:  |      | 35B | “ISIN”+blank+ISIN CODE OF THE BOND+description (description used on TBS Poland market)   | [ISIN!e!2!c]        | ISIN PL0000003455<br>POLTB 4JAN06  |
| End of sub-sequence B1   |        |      |     |  |                     |  |
| F  | :16S:  |      |     | End of block   | TRADEDET            | TRADEDET   |
| End of sequence B  |        |      |     |  |                     |  |
| Sequence C – Financial instrument/account                        |        |      |     |  |                     | MANDATORY  |
| F  | :16R:  |      |     | Start of block   | FIAC                | FIAC   |
| FV   | :36B:: | SETT | 35A | Quantity of financial instrument to be settled   | :SETT//4!c/15d      | SETT//FAMT/5000,   |
| FV   | :97A:: | SAFE | 83A | Account of the Sending Bank c/o its Custodian (Max 35 chr)   | :97A::SAFE//35x     | SAFE//906049019050<br>Account of the participant in the custodian books.<br>As discussed during the meeting, MTS pre-settlement database can keep for each client a dedicated account per each bond type, therefore, for example, an account for T-Bills different from the one used for Bonds |
| F  | :16S:  |      |     | End of block   | FIAC                | FIAC   |
| End of sequence C  |        |      |     |  |                     |  |
| Sequence E – Settlement parties –                                |        |      |     |  |                     |  |
| F  | :16R:  |      |     | Start of block   | SETDET              | SETDET   |
| FV   | :22F:: | SETR |     | SETR//REPU   | SETR//REPU          | SETR//REPU   |
| Sub-sequence E1– Settlement parties – Details of the CP’ s agent |        |      |     |  |                     | MANDATORY, REPETITIVE  |
| F  | :16R:  |      |     | Start of block   | SETPRTY             | SETPRTY  |

|   |        |                            |     |   |                    |   |
|---|--------|----------------------------|-----|---|--------------------|---|
| FV  | :95P:: | DEAG/REAG                  | 87A | If MT541 : DEAG//bic<br>bic:Cp's BIC custodian (CUS of seller)<br>In case the counterpart settles via its own account, the counterpart's BIC will be reported | DEAG//bic          | DEAG//  |
|   |        |                            |     | se MT543 : REAG//bic<br>bic: Cp's BIC custodian (CUS of buyer)<br>In case the counterpart settles via its own account, the counterpart's BIC will be reported | REAG//bic          | REAG//  |
| F   | :16S:  |                            |     | End of block  | SETPRTY            | SETPRTY   |
| <b>End of sub-sequence E1 – Details of the CP</b> |        |                            |     |   |                    |   |
| F   | :16R:  |                            |     | Start of block  | SETPRTY            | SETPRTY   |
| FV  | :95P:: | BUYR/SELL                  |     | If MT541 : SELL//bic<br>CP's bic code (bic code of the selling bank)  | SELL//bic code     | SELL//  |
|   |        |                            |     | if MT543 : BUYR// bic code<br>CP's bic code (code of the buyer bank)  | BUYR//bic code     | BUYR//  |
| FV  | :95Q:: | alternatively<br>BUYR/SELL |     | If MT541 : SELL//trading code<br>CP's MTS code (MTS code of the selling bank)   | SELL//trading code | <b>SELL//22003MSTAL</b><br>In case the counterpart do not have a BIC, the option will be used, instead of the option P<br>NOTE FROM MTS: MTS HAS TO CHECK IF IT IS FEASIBLE TO USE EITHER OPTION P OR OPTION Q DEPENDING ON THE COUNTERPARTS, OTHERWISE FOR PCT WE WILL HAVE TO USE ALWAYS OPTION Q. MTS WILL REVERT ON THIS ASAP |
|   |        |                            |     | If MT543 : BUYR// bic code<br>CP's MTS code (code of the buyer bank)  | BUYR//trading code | BUYR//35070LMNB   |
| F   | :16S:  |                            |     | End of block  | SETPRTY            | SETPRTY   |
| <b>End of sub-sequence E1 – Bic of CSD</b>        |        |                            |     |   |                    |   |
| F   | :16R:  |                            |     | Start of block  | SETPRTY            | SETPRTY   |
| FV  | :95P:: | PSET//bicCSD               |     | Bic CSD (NBB)   | PSET+Bic CSD       | PSET//NBBEBEBB216   |
| F   | :16S:  |                            |     | End of block  | SETPRTY            | SETPRTY   |
| <b>End of sub-sequence E1</b>                     |        |                            |     |   |                    |   |
| <b>Sub-sequence E3 – Amounts</b>                  |        |                            |     |   |                    | <i>MANDATORY</i>  |
| F   | :16R:  |                            |     | Start of block  | AMT                | AMT   |
| FV?<br>(M)  | :19A:: | SETT                       | 32B | Cash amount & ISO currency  | :SETT//[N]3!a15d   | SETT//EUR825582,47  |
| F   | :16S:  |                            |     | End of block  | AMT                | AMT   |
| <b>End of sequence E3</b>                         |        |                            |     |   |                    |   |
| F   | :16S:  |                            |     | End of block  | SETDET             | SETDET  |
| <b>End of sequence E</b>                          |        |                            |     |   |                    |   |
| <b>End of Message</b>                             |        |                            |     |   |                    |   |