

Regulatory Specification

Effective from 18 February 2022

The detailed operations of the MTS Belgium, MTS Finland and MTS Denmark markets are governed by the MTS Associated Markets Common Market Rules, specific market rules, associated technical documentation, and this *Regulatory Specification* .

This *Regulatory Specification* outlines:

Market making (in relation to both the definition of a Market Making Strategy and the Market Making Commitments)

Mid-Price source

Sustainable edits threshold

Unilateral Trade Cancellation

Circuit Breakers - MTS Cash

This should be read in conjunction with:

The Market Rules, as can be found at <http://www.mtsmarkets.com/resources/market-rules>

Please note that this table covers the Cash Domestic Market MTF: MTS Belgium, MTS Finland and MTS Denmark.

ALL MARKET MAKERS SIGNING THE MARKET MAKING AGREEMENT NEED TO BE COMPLIANT WITH THE MARKET MAKING STRATEGY (AS A MINIMUM PERFORMANCE) BUT - FOR THOSE INSTRUMENT CLASSES WHERE THIS IS APPLICABLE - MARKET MAKERS DECIDING TO FULFILL THE MARKET MAKING COMMITMENTS (HIGHER QUOTING PERFORMANCE LINKED TO DMO QUOTING PARAMETERS) SHALL RECEIVE FINANCIAL INCENTIVES IF MAINTAIN THEIR MARKET MAKER SUSTAINABLY COMPLIANT STATUS. PLEASE REFER TO SPECIFIC MARKET RULES FOR

Definition of a Market Making Strategy

The Market Making Strategy is achieved when a market maker quotes the assigned securities in accordance with the requirements described in below tables in blue (Market Making Strategy)

Definition of a Market Making Commitments

A Market Maker who quotes the assigned financial instruments in line with the market making commitments - on top of the Market Making Strategy - as set in below table in green shall receive financial incentives if sustainable edits are also sent. A detailed list of the Market Making Commitment assigned financial instruments will be sent to all market makers upon request or when updates are made.

Hours

The hours in relation to the requirements to make Quotes on the Market per Trading Day is between 8:00 and 17:30 CET for MTS Belgium and MTS Finland but only between 9:00 and 16:30 CET for MTS Denmark

| MTS BELGIUM (TABLE 1) | | Market Making Commitments | | | Market Making Strategy | | |
|-------------------------|------------------|---------------------------|----------------|---|---------------------------|----------------|---|
| Maturity Bucket | Instrument Class | Minimum time to quote | Min Quote size | Max bid/offer spread | Minimum time to quote (*) | Min Quote size | Max bid/offer spread |
| BB (3.5 < years < 6.5) | OLO | 05:00 | 10 | Bid-offer spread based on time-weighted average spread quoted by all market makers over their best 5 hours plus fixed factor 25% or bottom spread which is set at 1,5 bp. | 04:15 | 10 | Bid-offer spread based on time-weighted average spread quoted by all market makers over their best 5 hours plus fixed factor 50% OR the bottom spread which is set at 3 bp. For quotes of comparable size there must be no more than 50% difference between bid and ask size. |
| BC (6.5 < years < 13.5) | OLO | 05:00 | 10 | | 04:15 | 10 | |
| BD (13.5 < years < 40) | OLO | 05:00 | 5 | | 04:15 | 5 | |
| BE (> 40 years) | OLO | 05:00 | 2,5 | | 04:15 | 2,5 | |

(*) the monthly threshold means 100% compliance with the quoting time (assuming compliant spreads and quantity); such time will be calculated by adding all the quoted time during a month (Time quoted at day 1 + time quoted at day 2 +.....) => 4:15 hours x number of working days of the month

| MTS BELGIUM (TABLE 2) | | Market Making Commitments | | | Market Making Strategy | | |
|-----------------------|------------------|---------------------------|----------------|---|---------------------------|----------------|---|
| Maturity Bucket | Instrument Class | Minimum time to quote | Min Quote size | Max bid/offer spread | Minimum time to quote (*) | Min Quote size | Max bid/offer spread |
| All | BTC | 05:00 | 10 | Bid-offer spread based on time-weighted average spread quoted by all market makers over their best 5 hours plus fixed factor 25% or bottom spread which is set at 2 bp. | 04:15 | 10 | Bid-offer spread based on time-weighted average spread quoted by all market makers over their best 5 hours plus fixed factor 50% OR the bottom spread which is set at 3 bp. For quotes of comparable size there must be no more than 50% difference between bid and ask size. |

(*) the monthly threshold means 100% compliance with the quoting time (assuming compliant spreads and quantity); such time will be calculated by adding all the quoted time during a month (Time quoted at day 1 + time quoted at day 2 +.....) => 4:15 hours x number of working days of the month

| MTS BELGIUM (TABLE 3) | | Market Making Commitments | | | Market Making Strategy | | |
|-----------------------|------------------|---------------------------|----------------|---|---------------------------|----------------|--|
| Bucket | Instrument Class | Minimum time to quote | Min Quote size | Max bid/offer spread | Minimum time to quote (*) | Min Quote size | Max bid/offer spread |
| SA | BFS | 05:00 | 5 | Bid-offer spread based on time-weighted average spread quoted by all market makers over their best 5 hours plus fixed factor 25% or bottom spread which is set at 4 bp. | 04:15 | 5 | Bid-offer spread based on time-weighted spread quoted by all market makers over their best 5 hours plus fixed factor 50% OR the bottom spread which is set at 8bp. For quotes of comparable size there must be no more than 50% difference between bid and ask size. |
| SE | BFS | 05:00 | 2,5 | | 04:15 | 2,5 | |

(*) the monthly threshold means 100% compliance with the quoting time (assuming compliant spreads and quantity); such time will be calculated by adding all the quoted time during a month (Time quoted at day 1 + time quoted at day 2 +.....) => 4:15 hours x number of working days of the month

| MTS FINLAND | | Market Making Commitments | | | Market Making Strategy | | |
|------------------------|------------------|---------------------------|----------------|---|---------------------------|----------------|---|
| Maturity Bucket | Instrument Class | Minimum time to quote | Min Quote size | Max bid/offer spread | Minimum time to quote (*) | Min Quote size | Max bid/offer spread |
| BA (1 < 3.5 years) | RFG | 05:00 | 10 | Bid-offer spread based on time-weighted average spread quoted by all market makers over their best 5 hours plus standard deviation. | 04:15 | 10 | Bid-offer spread based on time-weighted spread quoted by all market makers over their best 5 hours plus fixed factor 50%. For quotes of comparable size there must be no more than 50% difference between bid and ask size. |
| BB (3,5 < years < 6.5) | RFG | 05:00 | 10 | | 04:15 | 10 | |
| BC (6.5 < years < 12) | RFG | 05:00 | 10 | | 04:15 | 10 | |
| BD (> 12 years) | RFG | 05:00 | 5 | | 04:15 | 5 | |
| BE (> 40 years) | RFG | 05:00 | 2,5 | | 04:15 | 2,5 | |

(*) the monthly threshold means 100% compliance with the quoting time (assuming compliant spreads and quantity); such time will be calculated by adding all the quoted time during a month (Time quoted at day 1 + time quoted at day 2 +.....) => 4:15 hours x number of working days of the month

| MTS DENMARK (TABLE 1) | | Market Making Commitments | | | Market Making Strategy | | |
|------------------------|------------------|---------------------------|----------------------|---|---------------------------|----------------------|---|
| Maturity Bucket | Instrument Class | Minimum time to quote | Min Quote size (DKK) | Max bid/offer spread | Minimum time to quote (*) | Min Quote size (DKK) | Max bid/offer spread |
| BA (1 < years < 3.5) | DKB | 05:00 | 50 | The average of the daily bid-ask spreads for the three best (i.e. tightest) Market Makers multiplied by a fixed factor (kappa) set to 1.5 or bottom spread. | 04:15 | 50 | The average of the daily bid-ask spreads for the three best (i.e. tightest) Market Makers multiply by a fixed factor (kappa) set to 2. For quotes of comparable size, there must be no more than 50% difference between bid and ask size. |
| LA (1 < years < 3.5) | DKL | 05:00 | 50 | | 04:15 | 50 | |
| BB (3,5 < years < 6.5) | DKB | 05:00 | 25 | | 04:15 | 25 | |
| LB (3,5 < years < 6.5) | DKL | 05:00 | 25 | | 04:15 | 25 | |
| BC (6.5 < years < 12) | DKB | 05:00 | 25 | | 04:15 | 25 | |
| LC (6.5 < years < 12) | DKL | 05:00 | 25 | | 04:15 | 25 | |
| BD (> 12 years) | DKB | 05:00 | 10 | | 04:15 | 10 | |
| LD (> 12 years) | DKL | 05:00 | 10 | | 04:15 | 10 | |
| BE (Inflation linker) | DIL | 05:00 | 25 | | 04:15 | 25 | |
| LI (Inflation linker) | DIL | 05:00 | 25 | | 04:15 | 25 | |

(*) the monthly threshold means 100% compliance with the quoting time (assuming compliant spreads and quantity); such time will be calculated by adding all the quoted time during a month (Time quoted at day 1 + time quoted at day 2 +.....) => 4:15 hours x number of working days of the month

| MTS DENMARK (TABLE 2) | | Market Making Commitments | | | Market Making Strategy | | |
|-----------------------|------------------|---------------------------|----------------------|---|---------------------------|----------------------|--|
| Maturity Bucket | Instrument Class | Minimum time to quote | Min Quote size (DKK) | Max bid/offer spread | Minimum time to quote (*) | Min Quote size (DKK) | Max bid/offer spread |
| All | DKT | 05:00 | 100 | Spreads should be lower than 8 basis points | 04:15 | 100 | Max bid/offer spread is 12bp. For quotes of comparable size, there must be no more than 50% difference between bid and ask size. |

(*) the monthly threshold means 100% compliance with the quoting time (assuming compliant spreads and quantity); such time will be calculated by adding all the quoted time during a month (Time quoted at day 1 + time quoted at day 2 +.....) => 4:15 hours x number of working days of the month

Note: A detailed list of regulatory specifications by the bond can be requested by sending the request to mtsam@mtsam.com. Updated versions will be sent out to all market makers when changes are made to the DMO quoting obligations.

Please note that the below table specifies the Mid-Price source for the following segments of the MTS Belgium, MTS Denmark and MTS Finland Cash Domestic Markets.

| Domestic Market | Instrument Class | Mid-Price source |
|------------------------|-------------------------|-------------------------|
| Belgium | OLO | BondVision |
| | BTC | BondVision |
| Denmark | DKB | Order Book |
| | DKL | Order Book |
| | DIL | Order Book |
| Finland | RFG | BondVision |

Sustainable edits methodology

- (1) The quarterly edits sent by each bank is divided with the hours quoted and the bonds quoted in order to have the ratio edits / hour sent during the quarter for each bond quoted. This ratio is multiplied with the average hours and average bonds quoted by all market makers (primary dealers) compliant during the quarter.
- (2) The normalized average number of edits sent by the market makers (primary dealers) compliant plus 30% is the first threshold.
- (3) The average number of edits sent per passive mio traded by the market makers (primary dealers) compliant + 30% is the second threshold.
- (4) If a bank exceeds the first and second threshold they do not send sustainable edits (price updates)

Number of days taken into account for the calculation of the Average of CASH best bid-offer spread**3 previous business days + intraday snapshot registered at 09 CET of the day of the request****Cancellation Factor.****1,5**

Please note that this tab covers Circuit Breakers pursuant to Art. 48(5) of MiFID II and the relevant ESMA Guidelines in relation to MTS Belgium, MTS Finland and MTS Denmark cash markets operated by MTS Associated Market SA

Does not apply to instruments with maturity lower than "Minimum Days to Maturity" threshold (30 days)

| Parameter | Value | Applies to |
|-------------------------|-------------|--|
| Deal Observation period | 300 Seconds | Previous Cash Trades |
| BV Observation period | 60 Seconds | Previous/subsequent BV Composite Updates |
| Simulation mode | ON | Market Opening Phase |

STATIC CIRCUIT BREAKERS

An instrument can trigger Static Circuit Breakers only if a reference price, or a reference yield (different from zero) is available
A different measure is applied on yield-quoted and price-quoted instruments as follows:

Yield Quoted Instruments

In order to trigger static circuit breakers trade yield must deviate by both a given percentage and a number of basis points from reference yield.

| | | YIELD PERCENTAGE DIFFERENCE | + | BASIS POINTS DIFFERENCE |
|-------------------------------|--------------------------------|-----------------------------|---------|-------------------------|
| | | | | |
| YIELD QUOTED INSTRUMENTS | 0,5 Years of Residual Maturity | 1.5 % | | 180 bps |
| | 1 Years of Residual Maturity | 2 % | | 180 bps |
| | 2 Years of Residual Maturity | 3 % | | 150 bps |
| | 3 Years of Residual Maturity | 5 % | | 150 bps |
| | 4 Years of Residual Maturity | 7 % | | 150 bps |
| | 5 Years of Residual Maturity | 10 % | | 150 bps |
| | 6 Years of Residual Maturity | 10 % | | 130 bps |
| | 7 Years of Residual Maturity | 12 % | | 130 bps |
| | 8 Years of Residual Maturity | 12 % | | 130 bps |
| | 9 Years of Residual Maturity | 14 % | | 130 bps |
| | 10 Years of Residual Maturity | 14 % | | 130 bps |
| | 12 Years of Residual Maturity | 16 % | | 100 bps |
| | 15 Years of Residual Maturity | 16 % | | 100 bps |
| | 20 Years of Residual Maturity | 18 % | | 100 bps |
| | 25 Years of Residual Maturity | 18 % | | 100 bps |
| | 30 Years of Residual Maturity | 18 % | | 100 bps |
| 40 Years of Residual Maturity | 18 % | | 100 bps | |
| 50 Years of Residual Maturity | 18 % | | 100 bps | |

Price Quoted Instruments

in order to trigger static circuit breakers traded price must deviate by a given percentage from reference price

| | | PRICE PERCENTAGE DIFFERENCE |
|-------------------------------|--------------------------------|-----------------------------|
| | | |
| PRICE QUOTED INSTRUMENTS | 0,5 Years of Residual Maturity | 1.5 % |
| | 1 Years of Residual Maturity | 2 % |
| | 2 Years of Residual Maturity | 3 % |
| | 3 Years of Residual Maturity | 5 % |
| | 4 Years of Residual Maturity | 7 % |
| | 5 Years of Residual Maturity | 10 % |
| | 6 Years of Residual Maturity | 10 % |
| | 7 Years of Residual Maturity | 12 % |
| | 8 Years of Residual Maturity | 12 % |
| | 9 Years of Residual Maturity | 14 % |
| | 10 Years of Residual Maturity | 14 % |
| | 12 Years of Residual Maturity | 16 % |
| | 15 Years of Residual Maturity | 16 % |
| | 20 Years of Residual Maturity | 18 % |
| | 25 Years of Residual Maturity | 18 % |
| | 30 Years of Residual Maturity | 18 % |
| 40 Years of Residual Maturity | 18 % | |
| 50 Years of Residual Maturity | 18 % | |

DYNAMIC CIRCUIT BREAKERS

A trade can trigger dynamic circuit breakers when the same instrument has been already traded previously (within the *Deal Observation Period*) or when an active price is detected on Bondvision before or after the MTS trade (within *BV Observation period*)

Dynamic circuit breakers thresholds are triggered only by differences measured over yield, and only when detected yields are not equal to zero.

| | YIELD PERCENTAGE DIFFERENCE | | + | BASIS POINTS DIFFERENCE | |
|--------------------------------------|--------------------------------|-------|---------|-------------------------|--|
| | | | | | |
| ALL INSTRUMENTS MEASURED IN YIELD | 0,5 Years of Residual Maturity | 200 % | | 180 bps | |
| | 1 Years of Residual Maturity | 200 % | | 180 bps | |
| | 2 Years of Residual Maturity | 150 % | | 150 bps | |
| | 3 Years of Residual Maturity | 150 % | | 150 bps | |
| | 4 Years of Residual Maturity | 150 % | | 150 bps | |
| | 5 Years of Residual Maturity | 150 % | | 150 bps | |
| | 6 Years of Residual Maturity | 80 % | | 130 bps | |
| | 7 Years of Residual Maturity | 80 % | | 130 bps | |
| | 8 Years of Residual Maturity | 80 % | | 130 bps | |
| | 9 Years of Residual Maturity | 80 % | | 130 bps | |
| | 10 Years of Residual Maturity | 80 % | | 130 bps | |
| | 12 Years of Residual Maturity | 50 % | | 100 bps | |
| | 15 Years of Residual Maturity | 50 % | | 100 bps | |
| | 20 Years of Residual Maturity | 50 % | | 100 bps | |
| | 25 Years of Residual Maturity | 50 % | | 100 bps | |
| | 30 Years of Residual Maturity | 50 % | | 100 bps | |
| | 40 Years of Residual Maturity | 50 % | | 100 bps | |
| 50 Years of Residual Maturity | 50 % | | 100 bps | | |