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**DISCLOSURE OF PROTECTION AND SEGREGATION LEVELS**  
**(art. 38 paragraph 6 of Regulation (EU) 909/2014)**

**I. PREAMBLE**

1. In accordance with Article 38 paragraph 6 of Regulation (EU) 909/2014 and Article 10.3 paragraph 3 of Part 10 of Section III of the ATHEXCSD Rulebook approved by the 6/904/26.2.2021 Board of Directors Decision of the Hellenic Capital Market Commission (Government Gazette B/1007/16.03.2021), ATHEXCSD shall disclose herewith the various levels of segregation it provides, including a description of the costs associated with each level, the commercial terms under which they are provided, the main legal consequences and the applicable insolvency law (hereinafter referred to as "Disclosure").
2. ATHEXCSD in addition to the Core Services as provided in Section A of the Annex to the ATHEXCSD Rulebook, provides only "Non-banking Type Ancillary Services of central securities depositories which do not entail credit or liquidity risk" of Section B of the above Annex, while it does not provide the "Ancillary Banking Type Services" of Section C of the above Annex.
3. ATHEXCSD does not use Securities maintained in the Dematerialised Securities System (DSS) through the Securities Accounts as referred to in this Disclosure. Securities maintained in the DSS do not belong to it for any reason. If applicable, in order for ATHEXCSD to use Participant Securities held through a Securities Account, the explicit prior consent of the Participant shall be obtained by ATHEXCSD.
4. ATHEXCSD has adopted in accordance with the ATHEXCSD Rulebook the necessary provisions on the basis of which the Participants are obliged to obtain the necessary prior consent from their clients in order to use their Client Securities.
5. This Disclosure describes the issues mentioned in paragraph 1 in relation to the Securities maintained in the DSS, as specifically defined in the ATHEXCSD Rulebook in compliance with the above EU legislation.
6. This Disclosure is issued for the purposes of enforcing the ATHEXCSD Rulebook and the Resolutions issued in its execution, complying with the terms of Article 4 of Law 4569/2018.
7. The terms referred to in this Disclosure in capital letters shall have the same meaning as the one assigned to them under the Definitions of ATHEXCSD Rulebook.

**II. SEGREGATION AND SECURITIES ACCOUNTS**

## **A. Basic types**

1. The basic types of Securities Accounts that are opened in the DSS implementing the segregation are:
  - (a) the Participant Own Securities Account
  - b) the Client Securities Account for a Participant who is a client
  - (c) the Clients Securities Account for a Registered Intermediary, acting on behalf of its clients, as Participant or through a Participant.
2. For the purposes of the application of Article 38 of Regulation (EU) 909/2014, the Clients Securities Account Shares, as specified in the ATHEXCSD Rulebook, serve the omnibus client segregation, while the Own Securities Account or Client Securities Account serve individual client segregation.
3. Special cases which also fall under the individual segregation are the Joint Investor Shares Securities Accounts and the Co-owner Shares Securities Accounts, which are considered as a level of individual segregation according to the joint agreement linking the co-beneficiaries as the case may be, as well as the Trust Share Securities Accounts.
4. Each Securities Account corresponds solely to a single Participant who shall be responsible for its opening and maintaining in the DSS. Each Participant must maintain at least one Own Securities Account, while when acting on behalf of its clients it may maintain one or more Clients Securities Account or Client Securities Account, depending on the relevant Securities segregation it follows for the service of its clients.
5. The opening of the Securities Account shall take place after opening a Share in the DSS.
6. Each Securities Account is determined in the DSS from the Share Code Number (SCN) of the Share it belongs and other alphanumeric data based on the ATHEXCSD procedures.
7. Indirect Client Accounts and Indirect Registered Intermediary Accounts may also be opened in the DSS for the purpose of facilitating the segregation of Securities of clients of the DSS Participants' clients as the case may be.

## **B. Special cases**

1. In the DSS there are also the following special cases of Securities Accounts, namely the Deceased's Account and the Provisional Transfer Account.
2. ATHEXCSD shall open a Deceased's Account for the deceased in the context of the provision of the Succession Service in relation to its Securities.
3. Furthermore, ATHEXCSD shall open a Provisional Transfer Account in case of an insolvency measure imposed against a Participant or any other reason for suspension or revocation of its operating license, subject to the conditions of paragraph 6 of Article 30 of Law 4569/2018, in



each beneficiary or Registered Intermediary Share in which the person against whom the measure is taken holds a Securities Account.

### **III. PROTECTION AND SEGREGATION LEVELS CLARIFICATIONS**

1. Maintaining the above Securities Accounts shall ensure the ATHEXCSD and Participants compliance to the protection and segregation requirements of Article 38 of Regulation (EU) 909/2014 and the provisions of Articles 13, 20 and 21 of Law 4569/2018.
2. In relation to the levels of protection and segregation, as implemented in the DSS through the Securities Accounts, the following shall be specified:

#### **A. Segregation by Participant**

1. Securities Accounts shall be maintained per Participant (except in special cases under II, B). This level of DSS segregation allows to segregate the Securities of one Participant to those of any other Participant pursuant to Article 38 paragraph 1 of Regulation (EU) 909/2014. Based on this level of segregation, the risk of the Participant and its clients, that may arise in case of insolvency within the meaning of Law 2789/2000 and Directive 98/26/EC of other Participants, shall be avoided.
2. It shall be clarified that there is no Securities segregation issue between Participants and ATHEXCSD, since as already noted (under I paragraph 3), Securities are not included within the ATHEXCSD assets.

#### **B. Segregation of Securities between Participant and its clients**

1. The Securities of the Participant held by the Participant for own account are held through the Own Securities Account.
2. The maintaining of the Own Securities Account shall allow any Participant to segregate its Securities from these of its clients in application of Article 38 paragraph 2 of Regulation (EU) 909/2014.

#### **Γ. Omnibus client segregation**

1. The Participant's client securities may be held through Clients Securities Accounts.
2. Maintaining Clients Securities Accounts allows the Participant omnibus client segregation pursuant to Article 38 paragraph 3 of Regulation (EU) 909/2014. In particular, through the

Clients Securities Account, any Participant shall be allowed to hold in a Securities Account the Securities that belong to different clients of the Participant.

3. It is clarified that this level does not create conditions of complete segregation per client in the DSS, as is the case with the individual segregation below (under C). Although there is no segregation in this case per client, there is a legal segregation as a result of the nature of the rights over Securities as rights in rem, in accordance with the formalities of Article 13 of Law 4569/2018.
4. Furthermore, Participants using client Securities are required to comply with their obligations under the law (in particular Art. 16 paragraph 8 of Law 4514/2018, Art. 49 paragraph 3 of Regulation (EU) 2017/565, Art. 5 of the Decision 1/808/7.2.2018 of the Board of Directors of the Capital Market Commission, Regulation (EU) 2015/2365) in compliance also with the commitments undertaken towards ATHEXCSD to obtain the necessary prior consent from their clients in order for them to use the clients Securities (above item I, 4).

#### **Δ. Individual client segregation**

1. The Participant's client Securities may be held through Client Securities Accounts.
2. Maintaining Client Securities Account permits the Participant individual client segregation in accordance with Article 38 paragraph 4 of Regulation (EU) 909/2014. In particular, through the Client Securities Account, any Participant is allowed to maintain in a Securities Account their clients Securities separately from other clients.
3. It shall be clarified that this level creates conditions of complete segregation per client in the DSS. In addition to this and in this case there is a legal segregation due to the nature of the rights over Securities as rights in rem (under item C, 3), while the conditions concerning the use of the client Securities by the Participant shall also apply based on what was previously mentioned (above item C, 4).

#### **IV. SEGREGATION COST**

Based on the levels of segregation, as determined through the Securities Accounts, in terms of the segregation cost, i.e. in terms of the cost of opening, maintaining and generally operating one of each of the Securities Accounts, the fees provided for in Resolution 18 of the ATHEXCSD BoD shall apply ([www.athexgroup.gr](http://www.athexgroup.gr)).

#### **V. COMMERCIAL TERMS**

1. The financial terms governing the operation of the Securities Accounts and the different levels of segregation are specified in Resolution No 18 of the ATHEXCSD BoD based on the above (under item IV) for the segregation cost.
2. In terms of operating conditions of the Securities Accounts, the conditions for opening, maintaining and deactivating or deleting them in accordance with the ATHEXCSD Rulebook shall apply.
3. There are no restrictions on the number of Securities Accounts that the Participants may open. Each Participant shall have the opportunity to open as many Securities Accounts as it wishes to meet its client needs.
4. In any case, however, the uniqueness of the Share per beneficiary investor under the specific terminology of the Client Share shall be maintained in the DSS, so that the identity of the beneficiary can be traceable to serve supervisory or other needs, such as in relation to the application of the provisions of company law.
5. The DSS functionality shall provide the possibility to use different types of Shares for the purposes of segregating and distinguishing the cases of Securities holding to serve the transactional needs of users and beneficiaries, as the case may be, such as Market Maker Share, Capital Share and others.
6. Despite the possibility of using different types of Shares that serve the individual segregation through Client Securities Account, ATHEXCSD does not develop a direct client relationship with the beneficiaries. The opening and in general the operation of each relevant Securities Account shall be served exclusively through the Participant acting for the beneficiary.
7. The Participants have the right to open or deactivate or delete Securities Accounts by submitting the required applications. as the case may be, to ATHEXCSD. The Participants shall submit the above applications in accordance with the orders and choices of their clients.
8. The fees set out in Resolution No 18 of the ATHEXCSD BoD in relation to the Securities Accounts and the respective levels of segregation, shall be imposed by ATHEXCSD to the Participants. The Participants shall formulate their own pricing policy based on the services provided by them, subject to transparency and appropriate disclosure in accordance with Article 38 paragraph 6 of Regulation (EU) 909/2014.

## **VI. LEGAL CONSEQUENCES**

1. Regarding the legal consequences for the operation of the Securities Accounts as levels of protection and segregation in the DSS the following shall be mentioned:
  - a) All rights in respect of the Securities are rights in rem in accordance with the law (Art. 13 of Law 4569/2018).

- β) In application of Law 4569/2018, all kinds of rights on Securities, such as ownership, pledge, shall be evidenced, as well as the transfers on them shall be carried out, from the registration in the DSS or, in the case of an omnibus account, as implemented in the DSS as a Clients Securities Account, from the necessary entries in the books and records of the Participant or other Intermediary as well as any other documentary evidence.
2. As regards the seizure of the Securities, the following shall apply:
- α) Respecting the formalities of Article 20 of Law 4569/2018, the Clients Securities Accounts are not subject to seizure.
- β) Seizure imposed on Securities held in the DSS in a Client Securities Account for which clearing is pending pursuant to Art. 72 et seq. of Law 3606/2007 or settlement on the basis of relevant transfer orders in accordance with Law 2789/2000, shall be considered as imposed on the net value of the settlement performed following the deduction of any kind of fees and charges applicable, abiding to the relevant technical procedures of the Resolution No 21 of the BoD of ATHEXCSD ([www.athexgroup.gr](http://www.athexgroup.gr)).
- γ) The seizure of the Securities held in ATHEXCSD shall be considered as a garnishee order concerning a movable thing (res), applying the provisions of Article 991A of the Code of Civil Procedure. and as specified in paragraphs 3, 4 and 5 of Article 20 of Law 4569/2018.
3. In relation to the insolvency of the Participant, the following under item VII shall apply.
4. Holding Securities in the DSS concerning stocks, is subject to the shareholders identification procedures in accordance with the provisions in particular of Articles 16 to 19 of Law 4569/2018, of Article 40 paragraph 6 of Law 4548/2018 and Articles 27 et seq. of Law 4706/2020. Therefore, the person registered in the DSS in the case of a Client Securities Account or an Own Securities Account or, in case of Clients Securities Account the person identified through the Participant or Registered Intermediary or, if there is a further chain of Intermediaries in accordance with the provisions of Regulation (EU) 2018/1212, through another intermediary of the relevant intermediary chain, shall be considered as shareholder. In a similar manner, the beneficiaries of other Securities may be identified in accordance with the procedures of ATHEXCSD, where this is requested by the Issuer or imposed under mandatory law.

## **VII. APPLICABLE INSOLVENCY LAW**

1. ATHEXCSD as a CSD operating in the form of a societe anonyme in Greece has been licensed by the Hellenic Capital Market Commission and is governed by Greek law in accordance with Article 4 of Law 4569/2018. In this context, it shall be governed by Greek law and the DSS as a securities settlement system in accordance with Law 2789/2000, a system for the book-entry form and maintaining of securities accounts within the meaning of Regulation (EU) 909/2014, which is

- managed by ATHEXCSD in the context of the provision of the Depository Services in accordance with the ATHEXCSD Rulebook.
2. In accordance with Article 8 of Law 2789/2000, that incorporates into law the Directive 98/26/EC, the law governing the System is also applicable in case of initiation of Insolvency Procedure against a Participant, in respect of the rights and obligations arising from his participation in the System or associated with it.
  3. Observing the above provisions, in case of initiation of the Insolvency Procedure of the Participant in ATHEXCSD, the Greek law is the applicable law as regards the rights and obligations arising from participation in the DSS or are associated with such participation.
  4. Respecting the provisions of Article 21 of Law 4569/2018 in particular the following shall apply:
    - a) The bankruptcy or other insolvency of the Participant shall not affect the rights of the beneficiaries of the Securities, which are held as above (items II, III) through it in the DSS, which are kept intact.
    - β) If there is a deficit of balances in the Securities Accounts and they are not sufficient for the full satisfaction of the beneficiaries, they are preferentially satisfied by the same account of the Participant.
    - γ) However, if the balance of the same account is not sufficient, as defined above, the beneficiaries are satisfied on a *pari passu* basis. Such a Securities Account shall mean the Own Securities Account or even another Securities Account through which the Securities of the Participant may also be held for own account as client of another Participant or Intermediary.
  5. Furthermore, in case of an insolvency measure imposed against a Participant or other reason for suspension or revocation of its operating license, the relevant Securities shall be transferred to the respective Provisional Transfer Account of the beneficiaries on the basis of the provisions referred to under items II, B. The transferred Securities shall be subject to forced sale by ATHEXCSD provided that no other Participant is appointed to comply with the provisions of paragraph 6 of Article 30 of Law 4569/2018 as well as the terms for the specification of Resolution No 21 of the BoD of ATHEXCSD.
  6. In accordance with paragraph 5 of Article 20 of Regulation (EU) 909/2014, ATHEXCSD has an appropriate procedure that ensures the timely and orderly settlement and the transfer of the Securities of the clients and the Participants to another CSD according to its operating conditions as approved for the authorization of ATHEXCSD based on the Decision 6/904/26.2.2021 of the Hellenic Capital Market Commission. In view of the above conditions, the rights of the beneficiaries of the Securities on them as rights in rem as mentioned under item VI, but also the fact that these Securities do not belong to ATHEXCSD for any reason in accordance with the provisions of item I, 3), the transfer of the Securities shall be valid and enforceable against any third party in compliance with the above provisions by way of derogation from the bankruptcy procedure (Law 4738/2020).



7. In case of Direct or Indirect Links of ATHEXCSD with other CSDs, ATHEXCSD complying to Article 11 of Law 4569/2018 shall ensure through the Securities Accounts in DSS and the relevant required documents, the rights of the beneficiaries on the Securities as registered or identified through the Participants, Registered Intermediaries or other Intermediaries in accordance with the ATHEXCSD Rulebook. As regards the rights of the beneficiaries of the Securities, as held in the DSS, the Greek law shall be applied in accordance with the provisions of items VI and VII paragraphs 1 to 3. ATHEXCSD shall maintain in its name an omnibus securities account in the CSD with which it has the Direct Link or the Intermediary with which it has the Indirect Link and Article 48 of Regulation (EU) 909/2014 as well as Articles 84 and 85 of the Regulation (EU) 2017/392 shall apply. In compliance with the above provisions, the ATHEXCSD links, as approved by the Hellenic Capital Market Commission, shall ensure that in case of insolvency of the CSD in the Direct Link or the Intermediary in the Indirect Link, the rights of the beneficiaries of the Securities shall not be affected, as these are held through ATHEXCSD, and that the applicable law provides protection safeguards in accordance with the provisions of paragraphs 4 to 6 above.

## **VIII. FINAL TERMS**

1. This Disclosure is performed in accordance with the operating conditions of ATHEXCSD as approved in the context of its authorization under the 6/904/26.2.2021 Decision of the Hellenic Capital Market Commission.
2. This Disclosure is posted on the website of ATHEXCSD ([www.athexgroup.gr](http://www.athexgroup.gr)).
3. In case of amendment of the terms of this Disclosure, ATHEXCSD shall proceed immediately with its posting, as amended, after having previously informed the Capital Market Commission.