



Settlement Procedures

1.0 Settlement

The settlement of confirmed transactions executed on the Exchange will be effected on a Delivery versus Payment basis, where the final settlement of securities takes place only if the final settlement of funds takes place.

To be admitted to trading on the Exchange, securities must have an International Identification Number (ISIN). Each security (other than those of open-ended investment funds) which is admitted to listing and trading on the Exchange must be eligible for deposit in an acceptable electronic settlement system including Clearstream Banking Luxembourg (Clearstream), Euroclear Bank, The Depository Trust and Clearing Company, TMX CDS or any acceptable alternative system agreed in advance with the Exchange (agreed settlement procedure).

Enquiries regarding eligibility of securities for electronic settlement should be addressed to clearing@csx.ky or by calling +1 345 945 6060.

There is a pathway for all securities listed on the CSX to be settled through Clearstream. All equity applicants will be encouraged to take this route. Issuers will be required to appoint a paying agent that is acceptable to the Exchange and to Clearstream.

Where the issuer, in conjunction with the Exchange, determines that the settlement solution is direct physical settlement between Broker Members, this will be the agreed settlement procedure.

The agreed settlement procedure will be specified in the listing document.

1.1 Settlement Date

Unless otherwise agreed between the trading parties, settlement for all transactions executed on the Exchange will take place on the third business day (T+3) after the date the transaction was executed (Trade Date).

The CSX Settlement Calendar is displayed on the CSX website.

1.2 Settlement through an electronic settlement system

Broker Members who are direct participants of an acceptable electronic settlement system, shall enter deliver or receive instructions into that system as soon as practicable after execution of the trade and at the latest in good time for settlement to take place on the due date.

Broker Members who are not direct participants of an acceptable electronic settlement system, shall instruct their agents, who are participants of such a system, to make delivery on the due date in accordance with their agreement with their agent.

Broker Members shall be responsible for ensuring that securities and funds are available to settle their trades on the due date, through the acceptable electronic settlement system.

1.3 Direct Physical Settlement by Broker Members

At the end of each trading day Broker Members shall produce a transaction summary report.

Buying and selling brokers confirm with each other that all relevant details pertaining to their transactions are accurately reflected on the transaction summary report.

On settlement due date settlement of net funds takes place by electronic wire transfer between each Broker Member's bank account (open for settlement purposes only) at an approved bank.

The buying Broker Member must ensure transfer is made in good time for the funds to reach the selling Broker Member.

The buying Broker Member shall complete and sign the bought transfer forms and lodge with the company registrar.

The selling Broker Member shall complete and sign the sold transfer forms and lodge with the company registrar.

Subject to the registrar confirming that the securities are capable of being registered the buying Broker Member shall provide the selling Broker Member with good funds.

1.4 Late settlement

Broker Members shall report any failed settlements to the Exchange by the end of the Trading Date on which settlement was due to take place.

A failure to settle on the due date is not grounds for treating the contract as repudiated.

1.5 Default Procedures

Broker Members who fail to settle trades on their due date through the agreed settlement procedure may be declared a defaulter and have their membership suspended or terminated.

In the event of a default, outstanding trades shall be settled between the counterparties (or their agents) in accordance with the default procedures applicable to the agreed settlement procedure.

Where the agreed settlement procedure is direct physical settlement between the counterparties, the non-defaulting Broker Member shall make appropriate arrangements with the defaulter or his agent or receiver.

1.6 Settlement of Cross Transactions

Where a Broker Member is both the buyer and seller, the Broker Member shall make arrangements for the settlement of the trade on the due date unless otherwise agreed with the clients.