



CEVALDOM

DISCLOSURE FRAMEWORK

PRINCIPLES FOR FINANCIAL MARKET INFRASTRUCTURES

2024



Reporting entity	: CEVALDOM, S. A.
Jurisdiction in which the IMF operates	: Dominican Republic
Regulatory and supervisory authorities	: <ul style="list-style-type: none">▪ Superintendence of the Securities Market▪ Central Bank of the Dominican Republic
Objective of the evaluation	: Identify through each of the key considerations of each of the Principles for Financial Market Infrastructures the compliance with these, within the framework of the current operation.
Scope of the assessment	: Compliance with the provisions of each of the principles applicable to this entity was self-assessed, based on the Disclosure Framework and Evaluation Methodology for the Principles applicable to Financial Market Infrastructures issued on December 14, 2012, by the Payment and Settlement Systems Committee and the Technical Committee of the International Organization of Securities Commissions.
Date of disclosure	: August 27, 2024

The information contained in this document is also available at www.cevaldom.com
Further detailed information can be obtained by contacting: info@cevaldom.com.



GLOSSARY

BCRD	Central Bank of the Dominican Republic
BIA	<i>Business Impact Analysis</i>
BVRD	Bolsa y Mercados de Valores de la República Dominicana, S. A.
CF	Fundamental Consideration
CNMV	National Securities Market Council
CPSS	Payment and Settlement Systems Committee of the Bank for International Settlements
CSD	<i>Central Securities Depository</i>
DOP	Dominican Peso
DVP	Delivery vs <i>Payment</i>
IMF	<i>Financial Market Infrastructure</i>
IOSCO	International Organization of Securities Commissions
ISO	International <i>Standard Organization</i>
LBTR	Real-Time Gross Settlement
OTC	Over-The-Counter Market
PIMF	Principles for Financial Market Infrastructures
SMV	Superintendence of the Securities Market
SSS	Securities Settlement System
SWIFT	<i>Society for Worldwide Interbank Financial Telecommunication</i>



I. EXECUTIVE SUMMARY

In April 2012, the Payment and Settlement Systems Committee of the Bank for International Settlements ("CPSS") and the Technical Committee of the International Organization of Securities Commissions ("IOSCO") published the Principles for Financial Market Infrastructures ("ISPMs"), which establish international standards for systemically important payment systems, centralized securities depositories, securities settlement systems, central counterparties and trade repositories. This report refers to the observance of Cevaldom, S.A. (hereinafter referred to as "CEVALDOM") of those principles.

The evaluation conducted is based on a self-assessment conducted by CEVALDOM, in accordance with the Dissemination and Evaluation Framework Methodology published in December 2012 by international organizations.

CEVALDOM is a corporation incorporated under the laws of the Dominican Republic in 2003. CEVALDOM is the only entity authorized to operate in the Dominican Republic as a (i) Centralized Securities Depository (CSD), (ii) administrator of an OTC Transaction Registration System (TR) and administrator of a Securities Clearing and Settlement System (SSS).

The services offered by CEVALDOM under its role as a Centralized Securities Depository are:

- a) Registration of public offering issuances for the purpose of representing by book entry the securities that make up its issuance and custody.
- b) Register of unlisted shares issued by public limited companies registered in the Securities Market Registry, to represent them by means of book entry.
- c) Agent for the payment of the patrimonial rights generated by the securities that entered the account.
- d) Register of rights in rem, charges and encumbrances that affect the values recorded in the account.
- e) Transfer of book-entry securities derived from legal acts or facts.
- f) Organization of a securities lending system for the settlement members of the Securities Clearing and Settlement System.
- g) Direct debit collection for the payment of commissions applicable to the services offered by securities intermediaries to their clients.
- h) Issuance of certifications.
- i) Information services.
- j) Other additional services if they correspond to inherent or complementary activities, in accordance with the provisions of Article 42 of the Regulations for Centralized Securities Depositories and Securities Clearing and Settlement Systems issued by the National Securities Market Council.

As the administrator of a Securities Transaction Registration System, CEVALDOM offers the following services:

- a) Registration of transactions agreed in the OTC market that have as their objective the publicly offered securities represented by book-entry.
- b) Services for the provision of information on the agreed transactions in the OTC market.

Under the role of administrator of a Securities Clearing and Settlement System, CEVALDOM provides the following services:

- a) Clearing and settlement of transfer orders that have publicly offered securities as their objective.
- b) Information services.
- c) Management of securities loans and securities purchase or sale operations with the aim of managing defaults.

The services offered by CEVALDOM are provided in accordance with the provisions of Law No. 249-17 on the Securities Market, its implementing regulations, and other applicable complementary regulations, issued by the National Securities Market Council and the Superintendence of the Securities Market. In



addition, securities settlement services are provided in accordance with the provisions issued by the Monetary Board and the Central Bank of the Dominican Republic relating to the Securities Payment and Settlement System. In this sense, the services offered by CEVALDOM are regulated and supervised by both the Superintendence of the Securities Market and the Central Bank of the Dominican Republic.

II. SUMMARY OF THE MOST SIGNIFICANT CHANGES SINCE THE LAST DISCLOSURE

Since 2022, the year in which the last disclosure was published, the main developments are summarized below:

- a) CEVALDOM obtains a risk rating of A+ as a result of its assessment as a financial market infrastructure by Thomas Murray.
- b) CEVALDOM launched a new default management system, including the management of securities loans.
- c) CEVALDOM obtains the certificate that guarantees compliance with the ISO 27701:2019 Standard on Information Privacy Systems.

III. GENERAL CONTEXT

i. Overview of CEVALDOM and the Markets it Serves

CEVALDOM operates in the Dominican market offering the services of a Centralized Securities Depository (CSD), registration of transactions agreed in the OTC (TR) Market and Securities Clearing and Settlement (SSS) to a wide range of clients, most of whom are securities intermediaries and financial intermediation entities. Accordingly, the main services offered by the entity can be summarized as follows:

Centralized Securities Depository	Clearing and Settlement System	Securities Transaction Registration System
<ul style="list-style-type: none"> ▪ Custody of Public Offering Securities. ▪ Administration of the Registry of Ownership of Securities Entered in the Account. ▪ Payment of patrimonial rights. ▪ ISIN, CFI and FISN Code Assignment ▪ Custody of foreign securities through cross-border links. ▪ Management of the Register of Shareholders for unlisted companies. ▪ Direct debit collection of commissions from securities intermediaries. 	<ul style="list-style-type: none"> ▪ Settlement of transfer orders. ▪ Management of non-compliances. 	<ul style="list-style-type: none"> ▪ Administration of the register of transactions agreed on the OTC market. ▪ Disclosure of information on transactions agreed in the OTC market.

The Clearing and Settlement System is characterized by being a "Model 1" delivery against payment system according to the classification of the Bank for International Settlements, that is, it is a "transaction by operation" settlement system of securities and cash. The cash settlement is conducted in real time through accounts at the BCRD.



Both transactions agreed through centralized trading mechanisms and in the OTC, market are settled through the Clearing and Settlement System administered by CEVALDOM.

CEVALDOM maintains links with Clearstream Banking (Luxembourg).

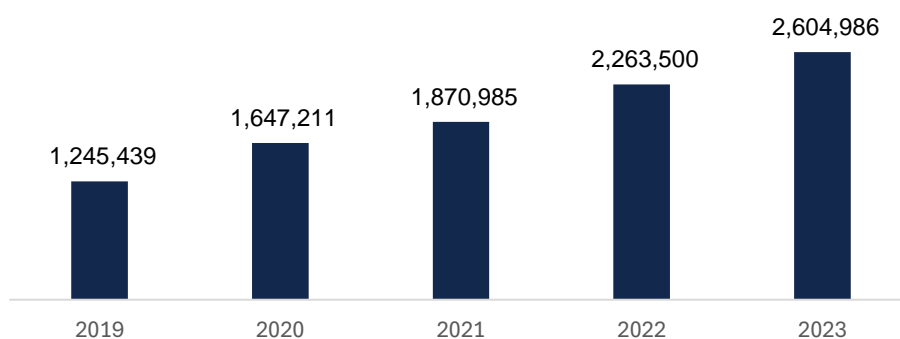
The list of clients is published on the CEVALDOM website (www.cevaldom.com).

Size of the Market in which CEVALDOM Operates

Main Statistics

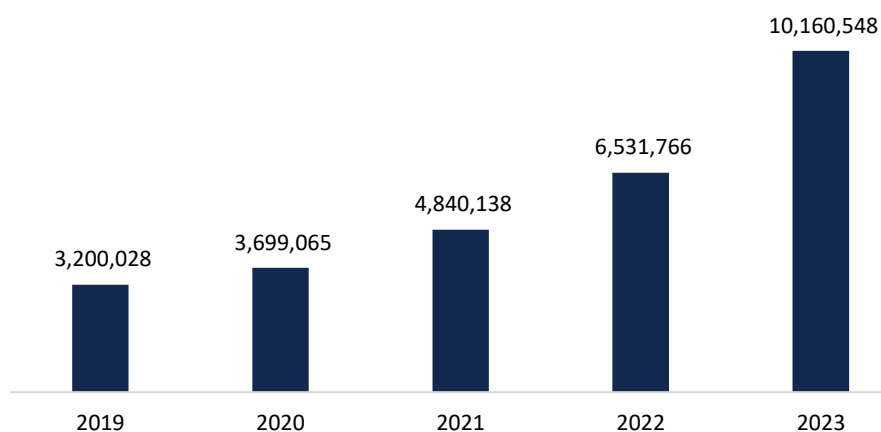
Custody of Public Offering Securities

(Figures in millions of Dominican pesos)



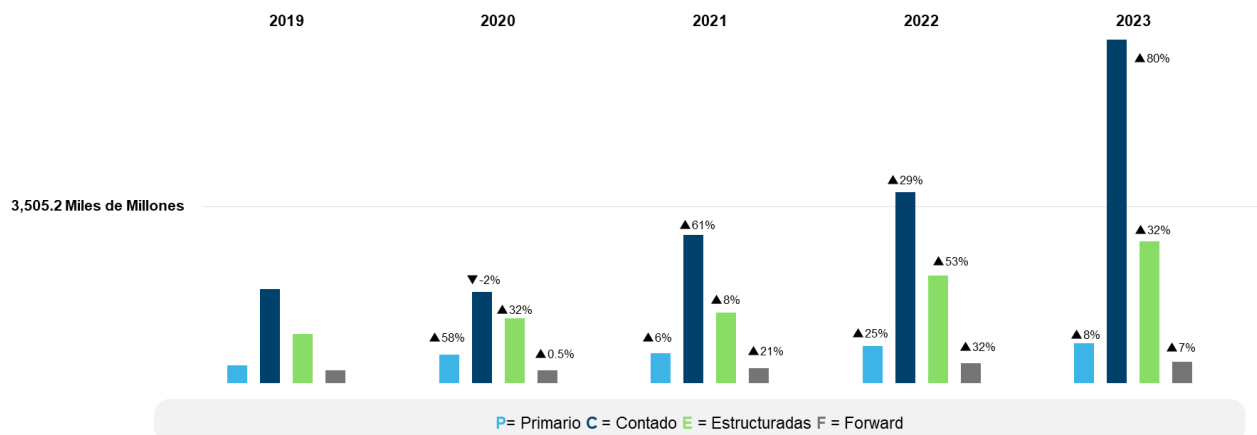
Volume of Liquidated Transfer Orders

(Figures in millions of Dominican pesos)



	2019	2020	2021	2022	2023
Liquidación	3.2	3.6	4.8	6.5	10.1
Custodia	1.2	1.6	1.8	2.2	2.6
Relación Liquidación sobre Custodia	x2.54	x2.18	x2.57	x2.88	x3.84

Porcentaje	Categoría
623%	Fondos de Inversión
78%	Banco Central
126%	Corporativos
216%	Min. Hacienda



CEVALDOM is incorporated as a corporation in accordance with the General Law of Commercial Companies and Individual Limited Liability Companies No. 479-08. In terms of corporate governance, the provisions of the Companies Law are applicable, as well as those set forth in Law No. 249-17 of the Securities Market and the Corporate Governance Regulations issued by the National Securities Market Council, which establish special rules of good governance applicable to participants in the Securities Market.



CEVALDOM's main shareholders are: Bolsa y Mercados de Valores de la República Dominicana (34%), Banco de Reservas de la República Dominicana (30%), Banco Múltiple BHD, S.A. (12%) and Banco Popular Dominicano, S.A. (12%). The rest of the capital is distributed between securities intermediaries and Rizek, S.A.S.

The Board of Directors is composed of seven members, who are appointed by the General Shareholders' Meeting for a period of two (2) years. Law No. 249-17 establishes certain disqualifications affecting the members of the Board of Directors, which are intended to ensure the independence of the members of the Board of Directors with respect to other market participants.

The Board of Directors is the highest governing body of CEVALDOM, having full power to direct and administer the company in the development of all activities that make up its corporate purpose, corresponding to the powers that are not legally or statutorily attributed to the General Assembly. However, the Board of Directors focuses its activity, in accordance with the corporate governance framework, on approving the company's strategic objectives, defining its organizational model, and supervising its compliance and development.

The Board of Directors supervises the actions of the Chair of the Board, the Chief Executive Officer and ensures the effectiveness of the system of checks and balances provided, in both the regulation and corporate governance framework.

The Board of Directors is responsible, within its powers relating to the approval of the Company's strategic objectives and the definition of its organizational model, with, among others, the following issues:

- a) To establish, within the legal limits, the Company's policies and strategies and the basic guidelines for their management, entrusting the General Management with the functions of ordinary and effective management of the Company's business and operations.
- b) Supervise, with the support of its Committees and the Chairperson of the Board of Directors, the general development of policies, strategies and guidelines, establishing appropriate control mechanisms and efficient communication channels.

In particular, the Governing Board, acting on its own initiative or on the proposal of the relevant internal body, deals with the following matters, but not limited to:

- As for its own operation:
 - a) To approve the internal regulations for the functioning of the board of directors and its support committees.
 - b) Create, if necessary, temporary special committees, made up of members of the Board of Directors, for the management of specific issues.
 - c) To appoint the members of the Support Committees of the Board of Directors and the chairperson of each Committee, considering their profiles.
 - d) Conduct the annual evaluation of the performance of the Board of Directors itself, its support committees, and directors, as well as the determination of action plans to correct the deficiencies detected.
 - e) To define and approve the annual expenditure budget of the Board of Directors.
 - f) To approve the contracting of liability insurance policies for the members of the Board of Directors.
 - g) Approve the hiring of experts to assist it in specific issues.
 - h) Determine the annual objectives of the board of directors.
 - i) Ensure the segregation of duties between the Board of Directors, its support committees, and Senior Management, preventing these governing bodies from knowing or intervening in operational and/or administrative matters.
 - j) To approve the annual work plan of the board of directors.
- In relation to the involvement of shareholders in the Company's activities and with the General Shareholders' Meeting:



- a) Establish a strategy for involving shareholders in the Company's relevant issues and create the appropriate communication channels.
 - b) To convene the General Shareholders' Meeting, to set the agenda for the call, to formulate the corresponding proposals for agreement in relation to each of the items within it.
 - c) To propose to the General Shareholders' Meeting the modification of the Bylaws in the cases established in them.
 - d) Submit to the General Shareholders' Meeting the acquisition or disposal of essential operating assets.
 - e) To submit to the General Shareholders' Meeting the operations whose effect is equivalent to that of the liquidation of the Company.
 - f) To execute the resolutions approved by the General Shareholders' Meeting and to exercise any functions entrusted to it by the General Shareholders' Meeting, not being able to delegate such functions unless expressly agreed by the Shareholders' Meeting.
 - g) In general, to submit to the General Shareholders' Meeting all those matters that, in accordance with current legislation, are within its competence.
 - h) To include additional items to those established in the Bylaws on the agenda of the quarterly shareholders' meetings.
- In relation to the Company's policies and strategies and its corporate and governance structure:
 - a) To approve the statement of Purpose, Vision, Mission, and Values of the Society.
 - b) To establish the medium and long-term strategies of the Society.
 - c) Approve the strategic or business plan, as well as the management objectives.
 - d) To approve the annual budget of the Society.
 - e) To propose to the General Shareholders' Meeting the corporate social responsibility policy and the dividend policy.
 - f) To determine the Company's financing or indebtedness and investment strategy.
 - g) Establish the general information and communication policy to relate to the shareholders and other interested parties.
 - h) Approve the policies that make up the corporate governance framework:
 - i. Diversity policy in the composition of the Board of Directors, search, and succession of its members.
 - ii. General information and communication policy for dealing with shareholders and other related parties.
 - iii. Senior Management Appointment and Dismissal Policy.
 - iv. Senior Management Performance Evaluation Policy.
 - v. Remuneration and Benefits Policy for members of senior management.
 - vi. Related Party Operations Policy and Conflict of Interest Management
 - vii. Policy on the Engagement of Non-Financial External Auditors
 - viii. Code of Ethics and Conduct
 - ix. Succession Plan of the Chief Executive Officer and those identified as successors to the CEO.
 - x. Sustainable Development Policy
 - xi. Conflict of interest management policy applicable to the permanent guest of the board of directors.
 - i) Approve the policies that make up the risk management and regulatory compliance framework:
 - i. Risk Management Policy
 - ii. Policy for the definition of risk appetite and tolerance
 - iii. Investment policy
 - iv. Information Security Policy
 - v. Internal Audit Policy
 - vi. Policies for the Prevention of Money Laundering, Financing of Terrorism and Proliferation of Weapons of Mass Destruction.
 - j) To propose to the General Shareholders' Meeting the approval of the following policies:



- i. Remuneration Policy for members of the Board of Directors and support committees
 - ii. Corporate Social Responsibility Policy
 - iii. Dividend Policy
 - iv. Policy on the Engagement of External Financial Auditors
 - v. Policy for hiring the auditor
- Regarding the management guidelines and setting of the bases of corporate organization of senior management, it is responsible for, among other functions:
 - a) To appoint and dismiss the Chief Executive Officer of the Company and to establish the basic conditions of his contract, including his remuneration,
 - b) To approve the structure and organizational chart corresponding to senior management, ensuring the establishment of an organizational structure that guarantees the greatest efficiency of senior management.
 - c) To approve the financial statements, the management report, the annual Corporate Governance report and the proposed allocation of the Company's profits.
 - d) To inform the Shareholders, prior to their execution, about the investments in assets to be made by the Company whose value is equal to or greater than ten percent (10%) of the subscribed and paid-in capital of the Company.
 - e) To approve investments or operations of any kind that, due to their high amount or special characteristics, are of a strategic nature or special tax risk, unless their approval corresponds to the General Shareholders' Meeting.
 - f) To grant bonds or equivalent acts to guarantee obligations to third parties.
 - g) To approve the transfer of intellectual and industrial property rights belonging to the Company, and which are of economic relevance or for its image in the market.
 - h) To approve the internal regulations for the provision of the services offered by the Company, in accordance with the regulatory provisions in force.
 - i) To approve the tariff manual applicable to the services provided by the Company, based on a tariff study.
 - j) To approve the internal regulations of the users' committee.
 - k) To evaluate the performance of the Director General.
 - l) Approve the outsourcing of services.
 - m) To convene the General Shareholders' Meeting with the aim of deciding on the issuance of new shares and their subscription through cash contributions if in a given fiscal year or in several consecutive years there are losses, annual or accumulated, representing twenty percent (20%) of the subscribed and paid-in capital of the Company.
- Regarding the transparency and veracity of information in society:
 - a) To ensure the independence and professional suitability of the external auditor.
 - b) To direct the provision of information from the company to shareholders, in accordance with the criteria of equality, transparency and truthfulness.
 - c) To approve the financial information that must be made public on a regular basis.

As part of the evaluation process of the Board of Directors, compliance with the functions and responsibilities corresponding to said body established in current regulations and in the framework of internal corporate governance is evaluated.

The functions of the Chairperson of the Board of Directors and those of the Chief Executive Officer of the Company are segregated and duly delimited. The roles of both are clearly described in the Bylaws and in the internal policies and regulations that make up the company's corporate governance framework.

The Chairperson of the Board is responsible for leading the Board of Directors, ensuring its effectiveness in all aspects of its operation, and encouraging the participation and contribution of the other members of



the Board in decision-making. It is responsible for ensuring that the interests of the company are duly safeguarded and for establishing an effective channel of communication with shareholders.

The CEO is responsible for the performance of the business. Provides the necessary leadership at all levels of the company to ensure the successful planning and implementation of activities to achieve the strategies and business objectives determined by the Board of Directors. In addition, he is responsible for the administration of the company's assets and, together with the Chairperson of the Board of Directors, for representing the company before third parties.

As of the date of this report, the Board of Directors has four (4) Support Committees: (i) the Audit and Regulatory Compliance Committee, (ii) the Risk Committee, (iii) the Strategy Committee, and (iv) the Appointments and Remuneration Committee.

The Internal Audit area reports directly to the Audit and Regulatory Compliance Committee, ensuring its independence from the General Management.

iii. Legal and Regulatory Framework

The legal framework under which CEVALDOM operates is composed of Law No. 249-17 on the Securities Market, the Regulations for Centralized Securities Depositories and Securities Clearing and Settlement Systems and the Regulations for establishing and operating in the OTC Market and Systems of Records of Transactions on Securities issued by the National Securities Market Council, the Payment Systems Regulations issued by the Monetary Board and the Instructions for Payment Systems or Securities Settlement Administrators issued by the Central Bank of the Dominican Republic.

The Securities Market Law and the Regulations for Centralized Securities Depositories and Securities Clearing and Settlement Systems define the qualification requirements for entities that offer centralized securities depository services and that administer securities clearing and settlement systems, as well as their functions and attributions.

The persons who may have access to the services of the centralized securities depository and the securities clearing and settlement system, the securities eligible for deposit and the registered property regime applicable to book-entry securities are defined.

The Securities Market Law recognizes the finality of transfer orders issued through clearing and settlement systems, as well as the irrevocability of settlement and segregation of assets between the assets of the centralized securities depository and the assets in its custody owned by third parties.

The Regulations for Centralized Securities Depositories and Securities Clearing and Settlement Systems approved in 2019 were drafted taking into consideration the Principles applicable to Financial Market Infrastructures, including in its articles provisions whose objective is to guarantee the incorporation of such principles in the operations of the Dominican securities market and their compliance by the entities authorized to offer deposit services centralized securities and securities clearing and settlement systems, with emphasis on the adoption of an appropriate risk management framework for this type of entity.

In addition, the Law recognizes the power of the Centralized Securities Depository to issue internal regulations, which it is established will be mandatory for the participants.

iv. System Design

CEVALDOM settles the delivery-versus-payment transactions using BIS form 1. Under this model, operations are settled gross, operation by operation, throughout the day. Under this scheme, operations



that involve a cash payment are settled, without prejudice to the market to which they correspond or the mechanism through which they were agreed.

The cash settlement is conducted using current accounts at the BCRD. Both CEVALDOM and the liquidating members have accounts with the BCRD, allowing them to receive and transfer funds through the RTGS.

The settlement process is a continuous process that is executed throughout the trading day, every 3 minutes. In this sense, the CEVALDOM System continuously validates the existence of funds and securities in the respective accounts, to conduct the settlement, guaranteeing delivery against payment simultaneously.

Transactions that by their nature involve the transfer of securities without entailing a cash payment, for example, securities loans, as well as those in which a single settlement member is responsible for the delivery of the securities and the payment of cash are settled free of payment (FoP). Swap transactions, on the other hand, are settled on a delivery-versus-delivery (DvD) basis.

IV. OBSERVANCE OF PRINCIPLES

Principle 1: Legal basis

PRINCIPLE 1 – LEGAL BASIS

A financial market infrastructure (IMF) should have a legal basis that is well-founded, transparent, and enforceable, and that covers every important aspect of its activities in all relevant jurisdictions.

KEY CONSIDERATIONS

HOW CEVALDOM MEETS THE PRINCIPLE

Principle 1 – Fundamental Consideration 1

The legal basis should provide a high degree of certainty in every important aspect of an IMF's activities in all relevant jurisdictions.

CEVALDOM, S. A. (CEVALDOM) is a corporation, incorporated under the laws of the Dominican Republic. It is authorized to operate as an administrator of a securities transaction registry system and as a centralized securities depository by the National Securities Market Council and as an administrator of securities clearing and settlement systems by the National Securities Market Council and by the Monetary Board. CEVALDOM operates only in the Dominican Republic.

The Bylaws and other public information about CEVALDOM can be consulted both on its website (<http://www.cevaldom.com>) and in the Securities and Products Market Registry, administered by the Superintendence of the Securities Market.

Important Aspects and Relevant Jurisdictions

CEVALDOM is governed by Law No. 249-17 on the Securities Market (hereinafter, the "LMV"), the Regulations for establishing and operating in the OTC Market and Securities Transaction Registry Systems approved by the Third Resolution of the National Securities Market Council dated July 2, 2019 (hereinafter, the "OTC Regulations"), the Regulations for Centralized Securities Depositories and Securities Clearing and Settlement Systems approved by the National Securities Market Council by Fifth



Resolution dated July 2, 2019 (hereinafter, the "DVC Regulations") and the Payment Systems Regulations approved by the Monetary Board through the Sixth Resolution issued on January 29, 2021 (hereinafter, the SP Regulation). The documents listed above can be consulted on the CEVALDOM website.

Within the activities conducted by CEVALDOM, the aspects that require a high degree of legal certainty are:

- Authorization to operate: CEVALDOM's main activity is to provide Centralized Securities Depository Services to its participants, which include keeping the accounting record corresponding to securities represented by book-entry, administering securities clearing and settlement systems and managing a system for recording transactions agreed in the OTC market. In accordance with the provisions of Articles 306 and 13 of the LMV, entities that offer centralized securities depository services and administration of securities transaction registration systems must obtain prior authorization from the National Securities Market Council. In addition, in accordance with the provisions of Article 299 of the LMV and Article 6 of the Payment Systems Regulations, the approval of the Monetary Board is required to serve as administrator of a payment or securities settlement system. To this end, CEVALDOM has obtained the corresponding authorizations to operate, which can be consulted on its website.
- Representation of securities by book-entry and transmission via accounting transfer: Articles 80, 83 and 84 of the LMV.
- Rights over registered securities and asset segregation: Articles 84 and 100 of the LMV.
- Acceptance of transfer orders: Article 302 of the LMV and 114 of the DCV Regulations.
- Finality of transfer orders: Article 301 of the LMV
- Insolvency of participants: Articles 169, 302 and 303 of the LMV
- Settlement mechanisms and delivery versus payment settlement models: Articles 117 and 118 of the CSD Regulation.
- Treatment of delays in the delivery of cash or securities: Articles 120 to 126 of the CSD Regulation.
- Credit and liquidity risk management: Chapter IV of Title IV of the CSD Regulation.

Other aspects that could be relevant for a centralized securities depository / securities settlement system, such as the protection of collateral or net agreements, are not currently relevant for CEVALDOM because it uses the delivery versus payment settlement model 1 without the possibility of granting credit in favor of the participants.

CEVALDOM operates in the Dominican Republic. In addition to Dominican law, other laws may apply because CEVALDOM is a participant in Clearstream, a company incorporated in Luxembourg. This global custodian allows CEVALDOM to enable its participants to acquire securities issued abroad, which are deposited in



CEVALDOM's parent account in the global custodian and subsequently in the participant's individual account in CEVALDOM.

Clearstream is duly authorized to function as such in its respective jurisdiction and its services are supported by the contracts that govern the relationship. The rules of operation of this custodian have been communicated to the participants who use the service.

To date, CEVALDOM does not have among its clients' custodians or centralized depositories of foreign securities.

Principle 1 – Fundamental Consideration 2 *Internal rules and contracts*

An IMF should have rules, procedures, and contracts that are clear, understandable, and consistent with relevant laws and regulations.

The rules, procedures and contracts are clear, understandable, and consistent with the legal framework and are reviewed and evaluated by the competent authorities. They have not been challenged or questioned by the participants.

Amendments to CEVALDOM's internal rules and service contract models are approved internally by the General Management, the Legal Department, the Operations Management, and the Risk Department. In addition, the Board of Directors must approve the internal rules.

In accordance with the provisions of Article 315 of the LMV, Article 82 of the CSD Regulation and Article 25 of the OTC Regulation, internal rules and contract models require the approval of the Superintendence of the Securities Market. The provisions of the internal rules relating to securities settlement services must also be approved by the Central Bank of the Dominican Republic, in accordance with the provisions of the article of the Payment Systems Regulations.

As part of the process of ensuring compliance with the current regulation, every time a new regulation is issued, an analysis is conducted to check if it is necessary to modify the internal rules and contracts to adapt them to the new regulatory framework. The responsibility for this analysis lies with the Legal Department.

In addition, the modifications to the Internal Regulations are submitted to public consultation of the users who may raise their doubts regarding the regulations. The comments received are taken into consideration during the process of approving the Internal Regulations.

Principle 1 – Fundamental Consideration 3 *Disclosure Legal basis*

An FMI should be able to clearly communicate the legal basis for its activities to the relevant authorities, participants and, where appropriate, to the clients of the participants, in a clear and understandable manner.

CEVALDOM publishes on its website the laws and regulations relevant to its activity. In addition, CEVALDOM's website permanently publishes its internal rules, contract models, tariffs, and schedules.

In cases where modifications are made to internal rules, schedules, or tariffs, they are communicated to the market through circulars.



Principle 1 – Fundamental Consideration 4

An IMF should have rules, procedures and contracts that are enforceable in all relevant jurisdictions. There should be a high degree of certainty that actions taken by the IMF under such rules and procedures cannot be invalidated, reversed, or suspended.

In accordance with the provisions of Article 315 of the LMV, the internal regulations of centralized securities depositories are mandatory, enforceable, and binding on their participants.

Both the internal regulations and the model contracts of CEVALDOM have the approval of the Superintendence of the Securities Market, which is required by current legislation.

The contracts signed by CEVALDOM with its clients are enforceable under the provisions that regulate contracts established in the Civil Code, being considered laws between the parties (Article 1134 of the Civil Code).

When CEVALDOM proceeds to open an account in another centralized securities depository or global custodian, it commissions a legal opinion issued by an independent professional, to identify and analyze the possible points that may arise in relation to a conflict of law, as a result of the application of the law of the depository in which CEVALDOM opens the account. Based on this opinion, CEVALDOM has no concern regarding conflicts of law or enforceability of the rules applicable to its relationship with foreign custodians.

There is no precedent for challenging or revoking CEVALDOM's rules, procedures, and contracts by a competent authority.

Principle 1 – Fundamental Consideration 5

An MFI operating in multiple jurisdictions should identify and mitigate risks arising from any potential conflict between laws in different jurisdictions.

CEVALDOM's operations are governed by the laws of the Dominican Republic. The legislation is applicable regardless of the jurisdiction of origin of the participants and other customers of CEVALDOM.

CEVALDOM has signed contracts with Clearstream. No potential conflicts have been identified between the laws applicable to such contracts and Dominican law. Prior to the signing of contracts with such custodians, an independent legal opinion has been required.



Principle 2: Good governance

PRINCIPLE 2 – GOOD GOVERNANCE

An IMF should have governance mechanisms that are clear and transparent, that promote the security and efficiency of the IMF itself, and that support the stability of the financial system, other relevant public interest considerations, and the objectives of relevant stakeholders.

KEY CONSIDERATIONS

HOW CEVALDOM MEETS THE PRINCIPLE

Principle 2 – Fundamental Consideration 1 *Objectives*

An IMF should have objectives that place a high priority on the security and efficiency of the IMF and that explicitly support financial stability and other relevant public interest considerations.

The purpose of CEVALDOM is "*To provide security to the Dominican stock market.*" Its vision is "*To be the main ally of the participants of the Dominican Republic stock market to promote the growth and strengthening of said market.*"

CEVALDOM's corporate objectives derive from its medium-term vision and strategic framework. The established objectives are related to the promotion of market stability/transparency and the efficiency/safety of its services. Among these objectives are: (i) To serve as a vehicle to generate value, driven by the growth of the stock market and ensuring a competitive return; (ii) Maintain a secure, established and efficient platform, capable of assuming the growth of the stock market in volume and diversity of products; and (iii) Forging alliances for the development of a stock market and investment culture that contributes to the country's economic growth. The corporate objectives are published each year in the Corporate Governance Report and the Annual Management Report issued by the Board of Directors, which can be consulted through the company's website.

CEVALDOM's vision is published on the company's website.

The strategic plan of the last five (5) years has given high importance to making established activities and processes more efficient, contributing to the development of participants' products, reinforcing information security, and implementing risk management standards. The strategic plan for the period 2019-2024, approved by the Board of Directors in 2020, is based on five strategic axes, two of which directly support the public interest, these are: market development and market relations.

Each year, indicators are established to measure compliance with the established objectives. Among them, special preponderance is given to indicators on efficiency and availability of technological infrastructure, information security and quality of services.

Principle 2 – Fundamental Consideration 2 *Good Governance Mechanisms*

An IMF should have documented governance mechanisms in place that

The structure and composition of CEVALDOM's administrative and management bodies is subject to intense legal and regulatory



provide clear and direct lines of responsibility and accountability. These mechanisms should be made known to the owners, the relevant authorities, the participants and, more generally, the public.

regulation. Specifically, they are regulated in articles 215 and following of the LMV, the Corporate Governance Regulations, the Bylaws and the Internal Regulations on the Functioning of the Board of Directors and its Support Committees, regulations that are available to interested parties on the company's website www.cevaldom.com. The provisions of the General Law of Commercial Companies and Limited Liability Companies No. 479-08 concerning corporations are also applicable to CEVALDOM.

The Board of Directors of CEVALDOM, in accordance with the provisions of Article 217 of the LMV, must be composed of an odd number of members of not less than five (5).

The members of the Board of Directors of CEVALDOM are subject to a disqualification regime established in the LMV that seeks to achieve their independence from market participants and avoid the emergence of conflicts of interest. This disqualification regime is established in Article 219 of the LMV. In addition, in accordance with the provisions of the Corporate Governance Regulations, at least two-thirds of the Board of Directors must be made up of Independent External Members, which guarantees the incorporation of independent directors of the shareholders with a significant participation or control of the company to the Board of Directors.

The Board of Directors is responsible for fulfilling the company's vision, defining its strategic guidelines, its values and implementing a good governance system. The Board of Directors is accountable to shareholders for the company's performance and long-term success. Its functions and responsibilities are described in article 216 of the LMV, the Company's Bylaws and the Internal Regulations on the Functioning of the Board of Directors and its Support Committees.

The CEO is responsible for the performance of the business. Provides the necessary leadership at all levels of the company to ensure the successful planning and implementation of activities to achieve the business strategies and objectives determined by the Board of Directors. The company's various directors and managers' report directly to the Chief Executive Officer, except for the Director of Internal Audit, who reports to the Audit and Compliance Committee.

The functions of the Chief Executive Officer are detailed in the Articles of Association of CEVALDOM. This document can be consulted on through the company's website.

Each year the Board of Directors submits an annual management report and a corporate governance report to the General Shareholders' Meeting. Both reports are published on the CEVALDOM website. The minimum content of both reports is determined by the General Law of Commercial Companies and Individual Limited Liability Companies No. 479-08 and the Instructions for the preparation of the Annual Corporate Governance Report issued by the Superintendence of the Securities Market (this instruction can be consulted on the website of the Superintendence of the Securities Market: www.siv.gov.do), and includes aspects such



as the following: ownership structure of the company, management structure of the company, general shareholders' meeting, conflicts of interest and related parties, control systems and risk management of the company, internal policies and regulations on corporate governance.

Annually, the General Shareholders' Meeting hears the annual management report of the Board of Directors and the annual corporate governance report. Among other functions, the General Shareholders' Meeting appoints the members of the Board of Directors, the external auditors, and the auditor.

Principle 2 – Fundamental Consideration 3

The roles and responsibilities of an IMF's Board of Directors (or equivalent body) should be clearly specified, and documented procedures should be in place for its functioning, including procedures for identifying, addressing, and managing conflicts of interest of its members. The Council shall regularly review both its overall performance and the performance of each of the members of the Council.

The Board of Directors is responsible for fulfilling the company's vision, defining its strategic guidelines, its values and implementing a good governance system. The Board of Directors is accountable to shareholders for the company's performance and long-term success. The Board of Directors provides the leadership necessary to lead the company towards meeting its business objectives within an appropriate internal control framework.

The responsibilities of the Board of Directors are detailed in the Bylaws and the Internal Regulations on the Functioning of the Board of Directors and its Support Committees. The main responsibilities of the Board of Directors include the following: (i) Approving the company's general policies and strategy, including strategic plans, annual budget, corporate governance policies, senior management remuneration policies, succession plan, risk management and control policies, investment policies and the code of ethics and conduct; (ii) Ensure that the company has the human team and financial resources necessary to achieve business objectives; (iii) To approve the annual management report that reports the operations of the company during the fiscal year, as well as its financial statements and the annual corporate governance report; (iv) To decide on the appointment and dismissal of the Director General; (v) To evaluate the performance of the Director General; (vi) To decide on the appointment of the members of the Support Committees of the Board of Directors; (vii) To approve strategic investments; (viii) Convene the General Shareholders' Meeting. (ix) The functions of the Board of Directors are described in the Company's Bylaws and the Internal Regulations on the Functioning of the Board of Directors and its Support Committees.

The functioning of the Board of Directors is detailed in the Bylaws and in the Internal Regulations on the Functioning of the Board of Directors and its Support Committees. The Internal Regulations on the Functioning of the Board of Directors and its Support Committees include provisions on the identification and management of conflicts of interest, as well as a Policy on Transactions with Related Parties and Management of Conflicts of Interest. In addition, the company's Code of Ethics and Conduct contains provisions that aim to control conflicts of interest. The Internal Regulations on the Functioning of the Board of Directors and its Support Committees and the Code of Ethics and Conduct are reviewed at least every two years.



The Board of Directors has four standing Committees: the Audit and Regulatory Compliance Committee, the Risk Committee, the Appointments and Remuneration Committee and the Strategy Committee.

The functions of the Committees are detailed in the Internal Regulations on the Functioning of the Board of Directors and its Support Committees.

The Board of Directors has implemented an annual evaluation procedure of its performance and of the support committees (as collegiate bodies), as well as the evaluation of the individual performance of each of its members. This process is conducted by its members and its outcome is discussed jointly. Among the aspects evaluated are the fulfillment of the responsibilities of the different governing bodies. This process is led by the Appointments and Remuneration Committee in accordance with the provisions established in the Internal Regulations on the Functioning of the Board of Directors and its Support Committees.

Principle 2 – Fundamental Consideration 4

The Council should be composed of suitable members who have the appropriate skills and incentives to perform its multiple functions. Normally, this will involve the addition of non-executive member(s) to the Council.

The members of the Board of Directors are appointed by the General Shareholders' Meeting every two (2) years. There are no executive members on the Board of Directors.

The members of the Board of Directors of CEVALDOM must meet certain requirements to be appointed as such. Among these requirements is not being a member of the board of directors, executive or employee of a participating entity in the securities market (issuer, securities intermediary, investment fund management company, trustee of public offering trusts, risk rating agencies, centralized trading mechanisms, securitization company, central counterparties, external auditors registered in the Securities and Products Market Registry, price provider companies).

The requirements that must be met by the members of the Board of Directors are established in the Articles of Association of CEVALDOM, which are published on the website. In addition, the LMV (article 2019) establishes certain disqualifications that must be observed. In accordance with Article 13 of the Corporate Governance Regulations, at least 2/3 of the Board of Directors must be composed of independent external members, being considered as such a person of recognized professional prestige who can contribute their experience and knowledge to the management of the company and whose relationship with it, its shareholders (with a stake of more than three percent of the company), Directors and members of Senior Management is limited to the status of member of the Board of Directors (definition contained in article 37.3 of the Bylaws).

As part of its corporate governance strategy, and seeking transparency in all its actions, it has internal policies that aim to ensure that the proposals for the appointment of the company's directors are based on a prior analysis of the needs of the Board of Directors and ensure that there is a diversity of capacities on the Board of Directors. knowledge, experiences, and gender. Notwithstanding the foregoing,



the Corporate Governance Regulations (Article 13) require the following profiles to be on the board of directors: law, finance or securities market, risk management, accounting, or auditing.

The Appointments and Remuneration Committee assists shareholders in the process of searching for candidates and evaluating them, to ensure that they meet the required profile and are not within the disqualifications established in the current regulations and the Bylaws.

Upon being appointed, the members of the Board of Directors sign an affidavit stating that they are not in one of the situations that would disqualify them from exercising their functions.

The members of the Board of Directors are remunerated for their functions. Remuneration is set by the General Shareholders' Meeting. This remuneration is in accordance with the fees received by the members of the board of directors of other entities participating in the market.

The Board of Directors has the power to hire external consultants in case they require independent or specialized advice.

Principle 2 – Fundamental Consideration 5

The roles and responsibilities of senior management should be clearly specified. An IMF's senior management should have the appropriate experience, a combination of skills, and the integrity necessary to fulfill their responsibilities for risk management and the functioning of the IMF.

The functions of the General Management are established in the Articles of Association and in the job description of the position. In general, the CEO is responsible for the performance of the business. Provides the necessary leadership at all levels of the company to ensure the successful planning and implementation of activities to achieve the strategies and business objectives determined by the Board of Directors. In addition, he is responsible for the administration of the company's assets and, together with the Chairperson of the Board of Directors, for representing the company before third parties.

The roles and responsibilities of the members of senior management are detailed in their job profile and in the different policies and processes applicable to the activities conducted by the company. In addition to the Chief Executive Officer, there are currently seven (7) Directors: Chief Operating Officer, Chief Technology Officer, Chief Legal Officer, Director of Planning, Administration and Finance, Chief Risk Officer, Chief Information Security Officer, and Director of Internal Audit. There are managerial positions that report to the different area directors, except for the Human Resources Manager who reports directly to the General Director.

Senior management has a good mix of skills and experience.

The medium-term strategic plan, the annual work plan and goals for each year are determined by the Board of Directors, which evaluates the achievement of these objectives.

The evaluation of senior management is conducted taking into consideration established management indicators. The performance of each of the members of senior management is evaluated by the



Chief Executive Officer, except for the Director of Internal Audit, who is evaluated by the Audit and Regulatory Compliance Committee.

The Board of Directors appoints and dismisses the Chief Executive Officer. The process of dismissal of Senior Management has been defined by the Board of Directors, encompassing the risk management considerations that must be taken into consideration in a decision of this nature.

The Chief Executive Officer has the power to appoint and revoke the members of Senior Management who report directly to him and must report on this decision and its causes to the Appointments and Remuneration Committee.

The Succession Plan provides guidelines to ensure business continuity in the event of the resignation or removal of a member of Senior Management, especially the Chief Executive Officer.

Senior Management compensation is defined by the Appointments and Remuneration Committee.

The Board of Directors has approved policies for the remuneration and benefits of Senior Management and for the evaluation of their performance.

The Board of Directors approves the Risk Management Policy, which is based on the ISO 31000:2009 standard. The policy is disclosed to all staff and is mandatory.

Principle 2 – Fundamental Consideration 6

The Board should have a clear and documented risk management framework, including the IMF's risk tolerance policy, assigning responsibilities and accountability lines for risk decisions, and addressing decision-making in crisis and emergency situations. Good governance mechanisms should ensure that internal control and risk management functions have sufficient authority, independence, resources, and access to the Board.

The Board of Directors has defined a policy for defining the levels of risk tolerance and appetite. The Board of Directors approves the limits of tolerance and risk appetite.

There is a risk management area, which has its functions defined in the Comprehensive Risk Management Policy and the Risk Management Manual.

The Director of Internal Audit reports to the Audit and Compliance Committee. The Chief Risk Officer and Chief Information Security Officer have direct access to the Risk Committee.

Risk management is conducted on an ongoing basis using a structured process involving context setting, risk assessment, risk treatment, monitoring and review, and communication and consultation. This process is applied in decision-making processes, as well as in the planning, management, and execution of any function, service, or activity.

The Chief Executive Officer is responsible for approving the risk treatment plan and must ensure that residual risks are kept within the tolerance limits approved by the Board of Directors.

The risk management framework must be reviewed once a year, as established in the Risk Management Policy. As part of the continuous improvement process, changes in the context in which CEVALDOM



operates, the recommendations of the internal audit area and external auditors, as well as reported incidents, must be considered during the review process.

The work plan of the internal audit and risk management areas is approved by the corresponding Support Committees of the Board.

The internal audit area must review compliance with the Risk Management Policy and report its findings to the Audit and Regulatory Compliance Committee.

Annually, various external audits are conducted, which cover at least the following aspects: financial information, effectiveness of operational controls, compliance with regulatory requirements, information security.

Principle 2 – Fundamental Consideration 7

The Board should ensure that the IMF's design, rules, overall strategy, and major decisions adequately reflect the legitimate interests of its direct and indirect participants and other relevant stakeholders. The main decisions shall be clearly disclosed to the relevant stakeholders and, where they have a broad impact on the market, shall be disclosed to the public.

The Board of Directors has created a Users' Committee with the aim of serving as a forum to collect relevant information from the distinct categories of users and that could be useful for the definition of strategies, work plans and process improvement. The operation of the User Committee is documented in the Internal Regulations of the User Committee, which is published on the CEVALDOM website.

Notwithstanding the foregoing, CEVALDOM also uses some mechanisms to identify aspects of interest and the opinion of the participants, which include surveys of satisfaction levels, working groups formed within the framework of strategic projects and particular meetings with the different guilds that group users according to their type.

In addition, in accordance with the provisions of the Bylaws, the Board of Directors is responsible for holding quarterly meetings with shareholders. These meetings allow shareholders to be kept informed of the Company's activities and results, as well as to gather information of interest for the company's strategic planning.

Changes in the operating rules and other topics of interest (changes in the Systems, changes in schedules, changes in fares, development of new services or products) are communicated to the participants through circulars and general communications. In cases where the changes or information are relevant to the general public; they are also published on the website. In this order, CEVALDOM has a Manual of Procedures for External Communication which has determined the information that must be communicated to the public or to customers through circulars or general communications, as well as that which must be published through the website.



Principle 3: Framework for Integrated Risk Management

PRINCIPLE 3 – FRAMEWORK FOR COMPREHENSIVE RISK MANAGEMENT

An IMF should have a robust risk management framework in place to comprehensively manage legal, credit, liquidity, and operational risk, among others.

KEY CONSIDERATIONS

Principle 3 – Fundamental Consideration 1

An IMF should have risk management policies, procedures, and systems in place to identify, measure, monitor, and manage the range of risks arising within or assumed by the IMF. Risk management frameworks should be subject to periodic reviews.

HOW CEVALDOM MEETS THE PRINCIPLE

CEVALDOM's Risk Management System is based on the international standard ISO 31000:2009 and is approved by the Board of Directors. In addition, CEVALDOM has an information security management system based on the ISO 27001:2013 Standard, having obtained the certification that guarantees compliance with the requirements of these standards for all its services and support processes.

The Risk Management Policy is approved by the Board of Directors and reviewed annually.

The types of risk managed by the company include strategic, operational, financial, technological, legal, project, money laundering, information security risks.

Our main strategic risks are described below, we emphasize that they are properly controlled and within the tolerance levels approved by the Board:

Cyber and Information Security

Responsible Executive:

Chief Information Security Officer

Risk:

Potential for an incident to lead to data loss, unauthorized access to information, lack of data integrity, or disruption of operations.

Description and Impact:

A security incident can be caused by an external event, an internal attack, or human error.

An incident of this nature can result in the loss of sensitive information, lack of information integrity, unavailability of information assets, and disruption of services. In addition, the company exposes itself to reputational damage, financial losses, and penalties.

Prevention and Mitigation:

- Implementation of an information security management system based on ISO/IEC 27001:2013 and of information security controls described in ISO/IEC 27002:2013.
- Implementation of a privacy management system based on ISO 27701:2019.
- Vulnerability identification and management system.



Talent Management

Responsible Executive:

Human Resources Manager

Risk:

Failure to attract, retain and develop key personnel.

Description and Impact:

Our people make the difference between impressive performance and mediocre performance. The high technical capacity and commitment of our employees is a competitive advantage that we want to preserve. A failure in talent management can result in a loss of productivity and intellectual capital, increase recruitment costs, and lower staff morale.

Prevention and Mitigation:

- Recruitment policy based on company values and required competencies.
- Succession Plan
- Performance evaluation and development plans
- Feedback obtained through employee surveys is incorporated into strategic priorities.
- Remuneration and benefits studies with respect to the market to attract and retain talent.
- Variable performance-based compensation

Operational Resilience

Responsible Executive:

Executive Committee

Risk:

The possibility of services or activities being interrupted or affected by events beyond the control of the organization, including wars, supply chain disruption, natural disasters, pandemics, among others.

Description and Impact:

Incidents that affect business continuity, service quality, as well as the availability of services can be caused by force majeure events or beyond the control of the organization (natural events, supplier defaults, supply chain disruption, wars, economic crisis, among others).

An incident of this nature can result in the interruption of services, services with errors and delivered after the established deadlines. In addition, the company exposes itself to reputational damage, financial losses, and penalties.

Prevention and Mitigation:

- Risk identification, assessment, treatment, and communication processes.
- Incident management process.
- Monitoring of action plans to mitigate risks.
- Business continuity plan.
- Fund for the Management of General Business Risk



- Continuous monitoring by the Board of Directors and its Support Committees of the level of compliance with strategic objectives and risks that could impact their achievement.

Legal and Regulatory Violations

Responsible Executive:

Legal Director

Risk:

Failure to comply with laws or regulations applicable to the company's activity.

Description and Impact:

Non-compliance with the regulatory framework or perceived failures in the execution of our activity could directly impact on the levels of confidence in our company and in the market. In addition, they could lead to administrative penalties and financial losses.

Prevention and Mitigation:

- Compliance management framework that allows for the identification, monitoring and management of risks linked to unethical conduct, regulatory and contractual breaches and money laundering and terrorist financing.
- Continuous monitoring of changes in the legal and regulatory framework that could impact on our operations.

The risk management process is applicable to all CEVALDOM processes and activities.

There are risk matrices that are updated periodically. In addition, when new risks are identified, they are evaluated, and action plans are established with the aim of managing them appropriately.

Indicators have been established to monitor the company's risks. The Executive Committee is informed monthly of the results of these indicators, as well as any incidents that may have occurred and the reports of the audits conducted. For its part, the aforementioned information is also presented to the Risk Committee on a regular basis.

To determine which risks are important for CEVALDOM, the context in which it operates is evaluated each year. Based on the variations identified in the external and internal context of the organization, the levels of risk tolerance are validated, and a risk assessment exercise is conducted with the aim of identifying if new risks have arisen and reevaluating existing risks.

There are procedures for action in the event of incidents that could affect the company's operations or its objectives. These procedures aim to ensure that a coordinated management of the incident and reduce its impact.



To deal with contingency situations that prevent the normal functioning of critical activities and processes, there is a business continuity plan that details the set of coordinated actions that must be conducted in the event of a contingency situation. Tests are periodically conducted to validate the effectiveness of the established plans.

The effectiveness of the management policies implemented is evaluated through the monitoring of established indicators and scheduled periodic audits.

The risks posed by certain stakeholders and interconnected entities are managed according to the methodology described above.

Principle 3 – Fundamental Consideration 2

An IMF should provide incentives to participants and, where appropriate, to their clients to manage and contain risks to the IMF.

CEVALDOM is not exposed to risks arising from its participants or issuers.

CEVALDOM participants are obliged to establish secure connections through the connection options offered by the company. In addition, they must conduct periodic tests, on a mandatory basis, to guarantee access to services in the event of contingency situations.

Participants have online information about their cash and securities position.

Participants are required to comply with minimum safety and risk management standards.

The custody risk that participants and their clients could have been minimized by the asset segregation established at the LMV level.

Principle 3 – Fundamental Consideration 3

An IMF should regularly review the material risks to which it is exposed by other entities and which it poses to other entities (such as other MFIs, settlement banks, liquidity providers, and service providers) as a result of their interdependencies and should develop appropriate risk management tools to address those risks.

Responsibilities have been assigned to the owners of the processes and activities conducted by the company to be able to identify new risks, as well as events that could affect the company.

Risks that could arise from interdependence with other market participants have been identified, and these are managed based on the risk management methodologies implemented by CEVALDOM. Risks derived from relationships with suppliers considered critical to the company and third-party service providers have also been identified, which are managed and monitored periodically.

Principle 3 – Fundamental Consideration 4

An FMI should identify scenarios that could potentially prevent it from providing its most important activities and services as a going concern and should assess the effectiveness of a full range of recovery or orderly liquidation options. Likewise, it must prepare adequate plans for its

As part of the analysis of the risks that affect the company, those threats that could have a negative impact on business continuity have been identified. As a result of this exercise, controls have been implemented to ensure business continuity and the recovery of services. In this sense, CEVALDOM has policies for incident management, business continuity, disaster recovery and succession of key personnel. In addition, alternative centers have been set up through which the company could continue to operate in the event of unavailability of the main sites.



recovery or orderly liquidation in accordance with the results of said evaluation. An IMF should, where appropriate, provide the relevant authorities with the necessary information for the purposes of planning its dissolution.

The controls in place are evaluated on a regular basis to ensure their effectiveness.

The plans and policies are reviewed at least once a year.

Through the business continuity plan, strategies have been defined to recover services within established deadlines. The objective of this plan is to recover services from disruptions materialized because of operational risks.

Currently, CEVALDOM is the only entity authorized to operate as a centralized securities depository. An orderly liquidation plan has not been developed.

Principle 4: Credit Risk

PRINCIPLE 4 – CREDIT RISK

An FMI should effectively measure, monitor, and manage its credit exposures to its participants and those arising from its own payment, clearing and settlement processes. An FMI should maintain sufficient financial resources to cover its credit exposure to each participant at full value with a high degree of confidence. In addition, a central counterparty (CCP) engaged in activities that have a more complex risk profile or that is systemically important in multiple jurisdictions shall maintain additional financial resources that are sufficient to cover a wide range of potential stress scenarios including, but not limited to, defaults by the two participants and their subsidiaries that may result in the largest possible aggregate credit exposure to the CCP under extreme but plausible market conditions. All other CPCs shall maintain additional financial resources that are sufficient to cover a wide range of potential stress scenarios, including, but not limited to, default by the participant and its affiliates that may result in the greatest possible aggregate credit exposure to the CCP under extreme but plausible market conditions. An FMI should effectively measure, monitor, and manage its credit exposures to its participants and those arising from its own payment, clearing and settlement processes. An IMF should maintain sufficient financial resources to fully cover its credit exposure to each participant with a high degree of confidence. In addition, a central counterparty (CCP) engaged in activities that have a more complex risk profile or are systemically important in multiple jurisdictions shall maintain additional financial resources that are sufficient to cover a wide range of potential stress scenarios that shall include, but are not limited to, the default of the two participants and their subsidiaries that may cause the largest aggregate credit exposure to the CCP in extreme but plausible market conditions. All other CCPs shall maintain additional financial resources sufficient to cover a wide range of potential stress scenarios, including, but not limited to, default by the participant and its affiliates that may cause the highest aggregate credit exposure to the CCP under extreme but plausible market conditions.

This principle does not apply to CEVALDOM.

CEVALDOM does not assume credit risks arising from its payment and settlement processes. CEVALDOM does not grant credit to its customers or guarantee its operations.

The transactions settled by CEVALDOM are bilateral. Those operations in which different settlement members are involved are conducted under a gross settlement scheme, using the Delivery vs. Payment settlement model 1. The funds are settled through the Central Bank of the Dominican Republic. Every 3 minutes the System validates if there are securities and funds to settle the operations pending settlement. Finality is reached at the time of settlement.

Principle 5: Guarantees



PRINCIPLE 5 – GUARANTEES

An IMF that requires collateral to manage its own credit exposure or that of its participants should accept collateral that has low credit, liquidity, and market risk. The IMF should also set and enforce appropriately conservative concentration limits and price cuts.

KEY CONSIDERATIONS

Principle 5 – Fundamental Consideration 1

An IMF will need to limit the assets it accepts (routinely) as collateral to assets with low credit, liquidity, and market risk.

Principle 5 – Fundamental Consideration 2

An IMF should establish prudent valuation practices and develop haircuts that are regularly checked and consider the stresses of existing market conditions.

Principle 5 – Fundamental Consideration 3

An IMF should avoid the concentration of certain assets because of potential concerns that its ability to liquidate those assets quickly without significant negative price effects may be impaired.

HOW CEVALDOM MEETS THE PRINCIPLE

The assets that may be used by the Liquidating Members for the constitution of the guarantee fund have been defined in the Internal Regulations applicable to the Services of the Clearing and Settlement System, namely:

- a) Cash in national currency or United States dollars.
- b) Debt securities issued by the Central Bank of the Dominican Republic or issued or guaranteed by the Central Government of the Dominican Republic.

Other assets are not accepted on an exceptional basis.

CEVALDOM has a Valuation Methodology approved by the Board of Directors and the Superintendence of the Securities Market which establishes the methodological aspects of the process developed for the definition of reference prices for securities issued and placed in the Dominican stock market and sovereign bonds. It should be noted that this methodology is based on the application of statistical instruments and tools on data extracted from relevant market sources with the aim of offering an estimate that works as a reference on the behavior of the different instruments that are under custody.

To consider diverse types of risk and to be able to differentiate the eligibility of different asset classes, valuation haircuts (RVs) are applied to each collateral instrument. In accordance with the provisions of internal regulations.

The valuation is conducted daily.

The assets that may be used by the Liquidating Members for the constitution of the guarantee fund are the following:

- a) Cash in national currency or United States dollars.
- b) Debt securities issued by the Central Bank of the Dominican Republic or issued or guaranteed by the Central Government of the Dominican Republic.

The securities admitted as collateral are liquid securities in the market and considered to have zero risk.



Principle 5 – Fundamental Consideration 4

An IMF should establish stable, conservative cuts that are calibrated to include periods of stress in market conditions to reduce the need for procyclical adjustments.

The processes for determining and verifying collateral are established in the Internal Regulations applicable to the Services of the Securities Clearing and Settlement System.

According to the Regulation, assets granted as collateral are valued daily. CEVALDOM will proceed to make a call to a Liquidating Member when the valued amount of the guarantees provided for a specific Fund is less than 90% of the value of the contribution originally required.

To consider diverse types of risk and to be able to differentiate the eligibility of the different asset classes presented above, valuation downgrades () are applied to each collateral instrument. To determine the valuation cuts, the characteristics of each public offering security in terms of liquidity, credit risk and volatility are analyzed. The valuation cuts that are used are described in *RV* the Internal Regulations applicable to the Services of the Securities Clearing and Settlement System.

Principle 5 – Fundamental Consideration 5

An IMF that accepts cross-border guarantees should mitigate the risks associated with their use and ensure that such guarantees can be used in a timely manner.

CEVALDOM does not accept cross-border guarantees.

Principle 5 – Fundamental Consideration 5

An IMF will need to have a well-designed and operationally flexible guarantee system to be able to incorporate changes in the management and ongoing monitoring of guarantees.

The system of guarantees designed is described in the Internal Regulations applicable to the Services of the Securities Clearing and Settlement System, which is submitted to the public consultation of the liquidating members and approved by the Superintendence of the Securities Market.

The liquidating member is allowed to replace, at any time, the guarantees granted and their self-management.

The calculation of the contributions is updated monthly. The liquidating member has access to all the information necessary to manage and monitor its processes through the systems.

Principle 6: Margins

PRINCIPLE 6 – MARGINS

A CCP shall hedge its credit exposures to its participants in respect of all products through an effective, risk-based margin system that is regularly reviewed.



This principle does not apply to CEVALDOM.

Principle 7: Liquidity Risk

PRINCIPLE 7 – LIQUIDITY RISK

An IMF should effectively measure, monitor, and manage its liquidity risk. In addition, an IMF should maintain sufficient liquid resources in all relevant currencies to be able to conduct same-day settlements and, where appropriate, intraday and multiday settlements to meet its payment obligations with a high degree of confidence under a wide range of potential stress scenarios, including, but not limited to, the default of the participant and its affiliates that may result in the largest aggregate liquidity obligation for the IMF under extreme but credible market conditions.

This principle is not applicable to CEVALDOM.

CEVALDOM does not assume liquidity risks arising from its clearing and settlement processes. In this order, CEVALDOM does not grant credit to its customers or guarantee its operations.

The settlement of operations in CEVALDOM in which different Liquidating Members are involved is conducted under a gross settlement scheme, using the Delivery vs. Payment settlement model 1. The funds are settled through the Central Bank of the Dominican Republic.

The system provides real-time information for participants regarding the status of their settlement orders. There are mechanisms that allow participants to assign priority for the settlement of their trades.

If a liquidation order cannot be liquidated at any given time during the day, the System keeps the order in pending status and every 3 minutes it is validated if it is in a condition to be liquidated. In the event that at the end of the day the transaction remains in a pending state, the transaction is declared unfulfilled.

According to the CEVALDOM Regulations, it is the responsibility of the participants to ensure that they have sufficient cash and securities to settle their operations. CEVALDOM has processes and mechanisms that allow the prevention of defaults (mechanisms for prioritizing transfer orders) and the management of defaults (settlement at a later date, lending of securities, repurchase and compensation of the replacement cost through the payment of financial compensation).

Principle 8: Liquidation Finality

PRINCIPLE 8 – FINALITY IN LIQUIDATION

An IMF should provide final settlement services with clarity and certainty at least at the end of the value date. Where necessary or preferable, an IMF should provide intraday or real-time final settlement services.

KEY CONSIDERATIONS

HOW CEVALDOM MEETS THE PRINCIPLE

Principle 8 – Fundamental Consideration 1

In accordance with Article 53 of the Internal Regulations applicable to the Services of the Securities Clearing and Settlement System, the transfer orders entered into the Clearing and Settlement System shall be



The rules and procedures of an IMF should clearly define the time at which liquidation becomes final.

considered irrevocable and shall be considered binding and legally enforceable on the Liquidating Members responsible for them. In accordance with the provisions of the Law, transfer orders accepted by the Clearing and Settlement System may not be cancelled, contested, or cancelled. The challenge or annulment of a transfer order by court order will only take effect with respect to non-final transfer orders from the moment they are notified to CEVALDOM by means of a bailiff's act, in accordance with the legal provisions in force.

A transfer order shall be deemed to be final once it has been settled.

As defined in the Regulations themselves, liquidation is the process by which CEVALDOM definitively, irrevocably, and unconditionally transfers the securities that are the subject of a transfer order and the payment of the funds corresponding to the price, as applicable. It can be conducted through Delivery Versus Payment (Model 1), Delivery Versus Delivery (Model 1) or Delivery Free of Payment schemes. The finality of the settlement is also based on Article 301 of the LMV.

The process of acceptance of transfer orders is described in the Internal Regulations applicable to the Services of the Securities Clearing and Settlement System.

The Internal Regulations applicable to the Services of the Securities Clearing and Settlement System are permanently published on the entity's website and are part of the service contracts signed with the participants.

The rules defined by the global custodians in which CEVALDOM has accounts (Clearstream) apply to international transactions. These operations are final and irrevocable once the settlement has taken place. The settlement is conducted through Delivery Against Payment (Model 1) and Free of Payment schemes.

Principle 8 – Fundamental Consideration 2

An IMF should complete the final settlement by the end of the value date, and preferably make intraday or real-time settlements, to reduce liquidity risk. An LVPS or SSS will need to consider adopting real-time gross settlement (RTGS) or multi-batch processing during the settlement date.

The settlement of Transactions between different Settlement Members is conducted under the real-time gross settlement model, i.e., operation by operation and continuously during the Trading Day.

Transactions agreed between a settlement member and its investor client, in which the responsibility for delivering the securities and paying the price rests with the same settlement member, are settled free of charge.

The settlement of the operations is conducted on the settlement day agreed by the parties. If said day is declared non-business, in accordance with the provisions of Dominican law, the settlement is made on the next business day.

The schedules applicable to the settlement service are published on the CEVALDOM website.

At all times, Liquidating Members have access to information on the transactions pending settlement under their responsibility.

Principle 8 – Fundamental Consideration 3

Transfer orders, whether for securities or funds, cannot be cancelled or revoked once the trade has been accepted for settlement. No exceptions



An IMF should clearly define the point at which payments, transfer instructions, or other obligations that are not settled may not be revoked by a participant.

to this rule are provided. The foregoing is established in the Internal Regulations applicable to the Services of the Securities Clearing and Settlement System

The moment from which transfer orders are considered accepted is defined in Articles 56, 57, 58 and 59 of the Internal Regulations applicable to the Services of the Securities Clearing and Settlement System

Principle 9: Cash Settlements

PRINCIPLE 9 – CASH SETTLEMENTS

An IMF should conduct its monetary settlements in central bank money when possible and these resources are available. In the absence of central bank money, the IMF should minimize and strictly monitor the credit and liquidity risk arising from the use of commercial bank money.

KEY CONSIDERATIONS

HOW CEVALDOM MEETS THE PRINCIPLE

Principle 9 – Fundamental Consideration 1

The settlement of funds is conducted through the Real-Time Gross Settlement System (RTGS) administered by the Central Bank.

An IMF should conduct its monetary settlements with central bank money when possible and resources of this type are available to avoid credit and liquidity risks.

CEVALDOM has a concentrator account at the Central Bank in which it receives funds in both Dominican Pesos and United States Dollars. Through this account, CEVALDOM settles payments corresponding to transactions that must be settled on a pay-versus-payment basis, thus ensuring that settlement is conducted simultaneously. At the close of the Trading Day, this concentrator account must have a zero balance.

As a result of the liquidation process, CEVALDOM transfers funds from its concentrator account at the Central Bank of the Dominican Republic to the accounts of the selling participants also at the Central Bank.

Principle 9 – Fundamental Consideration 2

Not applicable.

If it does not use central bank money, an IMF will need to make its monetary settlements using a settlement asset with little or no credit risk and liquidity.

Principle 9 – Fundamental Consideration 3

Not applicable.

If an IMF conducts its monetary settlements with money from commercial banks, it must monitor, manage, and limit its credit and liquidity risks vis-à-vis the liquidating commercial banks. An IMF should establish and monitor compliance by its settlement banks with strict criteria



that consider, inter alia, their regulation and supervision, solvency, capitalization, access to liquidity and operational reliability. An IMF should also monitor and manage the concentration of credit and liquidity exposures to its commercial settlement banks.

Principle 9 – Fundamental Consideration 4 Not applicable.

If an IMF conducts monetary settlements on its own books, it must minimize and strictly control its credit and liquidity risks.

Principle 9 – Fundamental Consideration 5

An IMF's legal arrangements with any settlement banks should clearly state when transfers are expected to occur on the books of each settlement bank, that transfers should be final when they are made, and that funds received should be transferable as soon as possible, at least before the end of the day, although ideally on intraday terms, to enable the IMF and its participants to manage credit and liquidity risks.

It does not apply because the settlement is made through the Central Bank of the Dominican Republic. Transfers of funds are made directly to the Participants' accounts opened at the Central Bank of the Dominican Republic.

Principle 10: Physical Deliveries

PRINCIPLE 10 – PHYSICAL SURRENDER

An IMF should clearly set out its obligations with respect to the delivery of physical instruments or commodities and should identify, monitor, and manage the risks associated with such physical deliveries.

KEY CONSIDERATIONS

HOW CEVALDOM MEETS THE PRINCIPLE

Principle 10 – Fundamental Consideration 1

An IMF's rules should clearly set out its obligations with respect to the delivery of physical instruments or commodities.

In accordance with the provisions of Article 47 of the LMV, securities that are registered in the Securities and Products Market Registry to submit them to a public offering process, prior to their placement in the primary market, and those that are traded in the secondary market, must be dematerialized by means of a book-entry system in charge of a centralized securities depository.

Once represented by book-entry, accounting transfer transfers the securities, in accordance with the provisions of Article 84 of the LMV.



<p>Principle 10 – Fundamental Consideration 2</p> <p>An FMI should identify, monitor, and manage the risks and costs associated with the storage and delivery of physical instruments or raw materials.</p>	<p>CEVALDOM has identified the risks associated with the storage and custody of certificates, having established the necessary controls to mitigate these risks.</p>
<p>Remarks</p>	<p>The risk of physical custody is exceptionally low. Currently, there are no public offering securities tied up in CEVALDOM.</p>

Principle 11: Central Securities Depositories

PRINCIPLE 11 – CENTRAL SECURITIES DEPOSITORIES

A Central Securities Depository (CSD) shall have appropriate rules and procedures in place to help ensure the integrity of securities issues and to minimize and manage the risks associated with the safeguarding and transfer of securities. A CSD shall hold securities that are frozen or dematerialized so that they can be transferred by book-entry.

KEY CONSIDERATIONS	HOW CEVALDOM MEETS THE PRINCIPLE
<p>Principle 11 – Fundamental Consideration 1</p> <p>A CSD shall have appropriate rules, procedures, and controls, including sound accounting practices, in place to safeguard the rights of issuers and holders of securities, to prevent the unauthorized creation or disposal of securities, and to carry out periodic (at least daily) reconciliation of the securities issues it holds.</p>	<p>The Internal Regulations applicable to the Centralized Securities Depository Services and their service contracts establish the rights of issuers and holders of book-entry securities.</p> <p>The securities are registered in the name of their owner, recognizing the latter's ownership rights over them, in accordance with the provisions of Article 84 of the LMV.</p> <p>The securities registration and cancellation process have adequate controls in place to ensure that securities are not created or removed without authorization, including the automation of activities, automatic validations in the systems, separation of duties, and daily reconciliation of the transactions conducted.</p> <p>The balance of the emissions recorded is reconciled daily.</p> <p>Periodically, the Internal Audit area conducts reconciliation processes in which the Issuers and Participants participate. In addition, external auditors perform validations to the reconciliation process.</p> <p>CEVALDOM does not receive securities represented by physical certificates for custody purposes endorsed in its name. Neither CEVALDOM nor its creditors have any right or power to claim in relation to the securities represented by physical securities.</p>



The rights of the holder of an account-entry security are the same as the rights of a holder who owns securities represented by physical securities, in accordance with the regulations in force.

In the case of foreign securities, CEVALDOM acts as a direct depositor with the global custodians (Clearstream). Accounts in global custodians for securities owned by third parties are duly identified to the global custodian itself.

Principle 11 – Fundamental
Consideration 2

The system used by CEVALDOM does not allow overdrafts or debit balances in securities accounts.

A CSD shall prohibit overdrafts and debit balances in securities accounts.

Principle 11 – Fundamental
Consideration 3

As of the date of this report, 100% of the public offering securities held by CEVALDOM are dematerialized.

A CSD shall hold securities that are frozen or dematerialized so that they can be transferred by book-entry. Where appropriate, a CSD should provide incentives to freeze or dematerialize the securities.

In accordance with the regulatory provisions in force, publicly offered securities may only be traded on secondary markets when they are book-recorded. The transfer of these securities is conducted by means of an account entry in the Accounting Registry administered by CEVALDOM.

Principle 11 – Fundamental
Consideration 4

CEVALDOM's creditors do not have rights to claim the book-entry securities registered in the accounting register managed by CEVALDOM because the book-entry securities are registered in the name of their real owner and deposited in an account opened in the name of the latter. The securities that CEVALDOM may receive for immobilization purposes are not endorsed in the name of the latter.

A CSD shall protect assets from custody risk through rules and procedures consistent with its legal framework.

CEVALDOM has controls designed to mitigate the risks of embezzlement, fraud, mismanagement, errors, among others. These controls include the automation of activities, separation of functions and daily reconciliation of the operations conducted.

In addition, CEVALDOM has insurance policies appropriate to the risks inherent to its business.

Principle 11 – Fundamental
Consideration 5

The securities recorded in the account are registered in the name of their real owner in accounts opened in their name. The foregoing is based on the provisions of Article 84 of the LMV.

A CSD shall employ a robust system that ensures segregation between the assets of the CSD itself and the securities of its participants, as well as segregation between the securities of the participants. Provided that it is supported

The segregation between CEVALDOM's assets and the securities of the participants and their clients is recognized in Article 100 of the LMV.



by the legal framework, the DSC shall also operationally promote the segregation of securities belonging to the clients of a participant on the books of that participant and facilitate the transfer of client holdings.

Principle 11 – Fundamental Consideration 6

A CSD shall identify, measure, monitor and manage risks associated with other activities conducted; Additional tools may be needed to address these risks.

CEVALDOM only provides the inherent and complementary services listed in the current regulations. Its main activities are associated with its roles as a centralized securities depository, administrator of a registry of securities transactions and a securities clearing and settlement system.

Principle 12: Exchange for Value Settlement Systems

PRINCIPLE 12 – EXCHANGE-FOR-VALUE SETTLEMENT SYSTEMS

If an IMF settles transactions involving the settlement of two related obligations (e.g., foreign exchange or securities transactions), it must eliminate principal risk by making the final settlement of one obligation conditional on the final settlement of the other.

KEY CONSIDERATIONS

HOW CEVALDOM MEETS THE PRINCIPLE

Principle 12 – Fundamental Consideration 1

An IMF that is an exchange-for-value settlement system should eliminate principal risk by ensuring that the final settlement of an obligation occurs only if the final settlement of the tied obligation also occurs, regardless of whether and when the IMF makes the final settlement.

The settlement of Transactions is conducted under the real-time gross settlement model, i.e., operation by operation and continuously during the Trading Day. The settlement is conducted using the Delivery vs. Payment settlement form 1. The funds are settled through the Central Bank of the Dominican Republic.

The settlement is conducted simultaneously, ensuring that the payment is only made when the securities are transferred and vice versa.

The delivery of the securities is conducted by means of book entries.

Once the funds are deposited in the current account opened in the name of CEVALDOM at the Central Bank of the Dominican Republic, the sufficiency of the balance in the securities account to be debited is validated. When the availability of securities is validated, they are transferred to the buying or receiving party of the operation, and the instruction to transfer the funds is automatically made, using Swift messaging. In this way, it is ensured that the commitment time of the assets is minimal.

Settlement members have the option of defining the order in which they prefer to settle their transactions, as well as of concatenating them, temporarily conditioning the settlement of one transaction to the prior settlement of another transaction. From a certain time, transactions that



have been chained and are pending settlement are individualized (disaggregated) so that they can be settled without condition.

Principle 13: Rules and Procedures Relating to Participant Non-Compliance

PRINCIPLE 13 – RULES AND PROCEDURES RELATING TO PARTICIPANT NON-COMPLIANCE

An FMI should have effective and clearly defined rules and procedures in place to manage a participant's default. Such rules and procedures should be designed to ensure that the IMF is able to take timely action to contain liquidity losses and pressures, and to continue to meet its obligations.

KEY CONSIDERATIONS

HOW CEVALDOM MEETS THE PRINCIPLE

Principle 13 – Fundamental Consideration 1

An IMF should have rules and procedures for non-compliance that allow the IMF to continue to meet its obligations in the event of a non-compliance by one of the participants, and that address the replenishment of resources after such non-compliance.

The Internal Regulations applicable to the Services of the Securities Clearing and Settlement System clearly define what is considered a default. In the event of a default, mechanisms are established for its management, which include trying to settle the transfer order on the next business day. Likewise, mechanisms have been established to assist the liquidating member in default in obtaining the necessary liquidity (loans, repurchases).

If the mechanisms described above prove unsuccessful, the affected liquidating member will be compensated, mitigating the risk of replacement assumed. To this end, the defaulting liquidating member will be requested to proceed with the payment of the compensation and, failing that, the guarantees provided to the system will be executed.

Defaults are notified to the centralized trading mechanisms in which the operation was agreed, to the parties involved in the operation, to the Superintendence of the Securities Market and to the Central Bank of the Dominican Republic, on the same day as they are verified.

The declaration of default is made provided that the circumstances established in the Internal Regulations applicable to the Services of the Securities Clearing and Settlement System are met, without discretion.

Principle 13 – Fundamental Consideration 2

An IMF should be properly prepared to implement its rules and procedures for non-compliance, including the appropriate discretionary procedures provided for in its rules.

CEVALDOM has clear rules and procedures on the actions that must be conducted to manage non-compliance. They are contained in the Internal Regulations applicable to the Services of the Securities Clearing and Settlement System, without discretion.

Principle 13 – Fundamental Consideration 3



An IMF should publicly disclose key aspects of its rules and procedures relating to non-compliance.

CEVALDOM has extensive information on the rules and procedures that govern it available on its website (www.cevaldom.com), including the legal framework and internal regulations of CEVALDOM.

All information published on the website is reviewed and updated frequently. In addition, any regulatory or procedural changes are published and communicated.

Principle 13 – Fundamental Consideration 4

An IMF should involve its participants and other stakeholders in reviews and testing of the IMF's default procedures, including any procedures for closing positions. Such reviews and tests should be conducted at least annually or after major changes in rules and procedures to ensure that they are practical and effective.

CEVALDOM has policies and procedures that include the previous actions for the definition of the tests that are conducted annually, including crisis situations such as the insolvency of a participant or liquidating member, including the involvement of the corresponding stakeholders.

Likewise, CEVALDOM has a training policy and an annual training program for all its participants, which includes the processes and protocols of action in situations that may affect the continuity of the business or situations that may generate crises.

In addition, prior to the implementation of a new functionality, depending on its nature, CEVALDOM involves its participants in the testing processes so that they can verify that the developments made are correct and work as planned.

Finally, CEVALDOM offers support to its participants to solve any situation that arises. This support is continuous, and entities can contact CEVALDOM staff by telephone, email, or instant messaging.

Principle 14: Segregation and Mobility

PRINCIPLE 14 – SEGREGATION AND MOBILITY

A CCP shall have rules and procedures in place to allow for the segregation and mobility of a participant's client positions and the collateral provided to the CCP in respect of those positions.

This principle does not apply to CEVALDOM

Principle 15: General Business Risk

PRINCIPLE 15 – GENERAL BUSINESS RISK

An FMI shall identify, monitor, and manage its overall business risk and maintain sufficient net liquid assets financed through its equity to cover potential overall business losses so that it can continue to operate and provide services as a going concern if such losses materialize. Likewise, the net liquid assets must always be sufficient to guarantee an orderly recovery or cessation of their operations and essential services.



KEY CONSIDERATIONS	HOW CEVALDOM MEETS THE PRINCIPLE
<p>Principle 15 – Fundamental Consideration 1</p> <p>An FMI should have robust control and management systems in place to identify, monitor and manage overall business risks, including losses resulting from poor business strategy execution, negative cash flows or excessively high or unforeseen operating expenses.</p>	<p>CEVALDOM has a Risk Management System based on the ISO 31000:2009 Standard, which is implemented, allowing you to identify, monitor and manage your overall business risk.</p> <p>To identify general business risks, qualitative analysis of operational aspects, strategic analysis, analysis of legal requirements and financial analysis conducted internally by the different areas of the company are used.</p> <p>Among the risks identified are political events, regulatory changes, risks associated with investments of own resources, deficiencies in planning, among others.</p> <p>The company's risk profile is monitored periodically to ensure that it is within the established tolerance levels.</p> <p>CEVALDOM also keeps an adequate follow-up of its expenses and income, reporting the result to the Board of Directors.</p> <p>Those responsible for the different processes and assets of CEVALDOM must report to the Risk Management area the changes in the identified risks, as well as the emergence of new risks.</p> <p>During the budget creation process, the different scenarios that may arise are analyzed and the appropriate forecasts are taken.</p>
<p>Principle 15 – Fundamental Consideration 2</p> <p>An FMI shall maintain liquid net assets financed through its equity (such as through common stock, declared reserves, or other accumulated earnings) so that it can continue to operate and provide services as a going concern in the event of incurring general losses from the business. The amount of liquid net assets financed by an IMF through its equity should be determined by its overall business risk profile and by the period of time necessary to achieve an orderly recovery or liquidation, if appropriate, of its most important activities and services in the event that such measures are taken.</p>	<p>CEVALDOM has a fund for business continuity, which must be at least equivalent to six (6) months of operating expenses, according to the budget approved by the Board of Directors for the current year.</p> <p>The Board of Directors has established the policies applicable to the investment of this fund. The main objective of these is to prioritize the safety and minimization of investment risk, prioritizing investment in short-term liquid assets.</p> <p>The Board of Directors is reported monthly on the investments made with these funds.</p>
<p>Principle 15 – Fundamental Consideration 3</p>	<p>Currently, CEVALDOM has a Contingency Fund that exceeds the equivalent of six (6) months of operating expenses. This fund is</p>



<p>An IMF should maintain a viable recovery or orderly liquidation plan and should maintain sufficient liquid net assets financed through its equity to implement this plan. At a minimum, an IMF must maintain liquid net assets financed through its net worth equivalent to current operating expenses of at least six months. These assets shall be in addition to the resources held to cover participant defaults or other risks covered under the financial resource's principles. However, in order not to be subject to duplicate capital requirements, equity held under international risk-based capital standards shall be included, where appropriate and appropriate.</p>	<p>administered separately from the other investments made by the company.</p> <p>CEVALDOM has an Incident Management procedure, a Business Continuity Plan, and a Disaster Recovery Plan. They are reviewed annually. In addition, CEVALDOM regularly assesses these.</p> <p>CEVALDOM has a data center outside the country that allows operations to continue even when the local infrastructure is not available.</p> <p>Currently, CEVALDOM does not have an orderly liquidation plan.</p>
<p>Principle 15 – Fundamental Consideration 4</p> <p>Assets held to cover overall business risk should be of high quality and liquid enough to enable the IMF to meet its current and projected operating expenses under a wide range of scenarios, including in adverse market conditions.</p>	<p>The Board of Directors has established the policies applicable to the Investment of the Business Continuity Fund.</p> <p>The Board of Directors reports monthly on the evolution of the Business Continuity Fund.</p> <p>Investments are made in low-risk assets and cash funds in foreign currency are available at any time.</p>
<p>Principle 15 – Fundamental Consideration 5</p> <p>An IMF will need to have a viable plan in place to raise additional capital if its net worth falls below or near the minimum amount needed. This plan must be approved by the Board of Directors and updated regularly.</p>	<p>The Board of Directors regularly assesses the company's capital needs and determines, if necessary, the best way to raise the necessary capital.</p> <p>In addition, in accordance with the provisions of the Bylaws, the Board of Directors must convene the General Shareholders' Meeting with the aim of deciding on the issuance of new shares and their subscription through cash contributions in the event that in a given fiscal year or in several consecutive fiscal years losses are recorded, annual or accumulated, that represent twenty percent (20%) of the subscribed and paid-in capital of the Company.</p>

Principle 16: Custody and Investment Risk

PRINCIPLE 16 – CUSTODY AND INVESTMENT RISK

An IMF should safeguard its own assets and those of its participants and minimize the risk of loss and delay in access to those assets. An IMF's investments should be made in instruments with minimal credit, market, and liquidity risks.



KEY CONSIDERATIONS	HOW CEVALDOM MEETS THE PRINCIPLE
<p>Principle 16 – Fundamental Consideration 1</p> <p>An FMI should hold its own assets and those of its participants in supervised and regulated entities that have sound accounting practices, safeguards and internal controls that fully protect those assets.</p>	<p>CEVALDOM's liquidity is invested in accordance with the Investment Policy approved by the Board of Directors, which must be communicated to the Superintendence of the Securities Market for its non-objection in accordance with the regulations applicable to the LMV.</p> <p>The Investment Policy sets out the types of authorized instruments in which investments may be made.</p> <p>Investments are made in instruments issued by regulated entities.</p> <p>The Investment Policy establishes concentration limits by entities.</p> <p>The investment portfolio is reported monthly to the Board of Directors.</p> <p>The securities contributed by the Liquidating Members as collateral remain in their own accounts, who receive the payment of the patrimonial rights generated. The cash amounts received as collateral are deposited in a special account at the Central Bank of the Dominican Republic, under the rules stipulated by said institution.</p> <p>CEVALDOM, in its role as a centralized securities depository, has accounts opened with other custodians (Clearstream), entities regulated and supervised by the corresponding regulatory authorities of its jurisdiction of origin. The opening of accounts with other custodians is conducted, after analysis of the legal issues that are pertinent to the contracted service, as well as the operational risks that could arise from such services.</p>
<p>Principle 16 – Fundamental Consideration 2</p> <p>An IMF should have prompt access to its assets and to assets provided by participants, if necessary.</p>	<p>As explained, CEVALDOM makes investments with its own funds based on its investment policies, which have as their main objective to give priority to security and minimization of investment risk.</p> <p>In relation to the assets of third parties deposited in accounts that CEVALDOM has opened with other foreign custodians, they are accessible based on the procedures established in the contracts and regulations of said custodians. These custodians are regulated and supervised entities in their respective home jurisdictions.</p> <p>The cash granted as collateral, deposited in the Central Bank, is easy and quick to access.</p>
<p>Principle 16 – Fundamental Consideration 3</p> <p>An IMF should assess and understand its exposures to its custodian banks, considering the full scope of the relationships it may have with each of them.</p>	<p>CEVALDOM's assets are invested taking into consideration the concentration limits established by the Board of Directors.</p> <p>In relation to the assets of third parties deposited in accounts that CEVALDOM has opened with other foreign custodians, such custodians are regulated and supervised entities in their corresponding jurisdictions of origin.</p>



The cash granted as collateral is deposited with the Central Bank.

Principle 16 – Fundamental Consideration 4

An IMF's investment strategy should be consistent with its overall risk management strategy, should be fully communicated to its participants, and investments should be secured by (or constitute claims on) high-quality debtors. These investments should allow for rapid liquidation with little (or non-existent) adverse effect on prices.

CEVALDOM has an Investment Policy that is in accordance with its general risk management strategy, which establishes the requirements that such investments must meet in terms of investment grade, risk concentration, concentration by currency, type of instruments and guarantees.

This policy is reviewed once a year. Modifications to the same must be approved by the Board of Directors and have the non-objection of the Superintendence of the Securities Market.

Principle 17: Operational Risk

PRINCIPLE 17 – CUSTODY AND INVESTMENT RISK

An FMI should identify credible sources of operational risk, both internal and external, and mitigate their impact using appropriate systems, policies, procedures, and controls. The systems shall be designed to ensure a high degree of operational safety and reliability and shall have adequate and versatile capability. Business continuity management should aim at the timely recovery of operations and compliance with the IMF's obligations, including in the event of major or large-scale disruptions.

KEY CONSIDERATIONS

HOW CEVALDOM MEETS THE PRINCIPLE

Principle 17 – Fundamental Consideration 1

An FMI should have a robust operational risk management framework in place that has the appropriate systems, policies, procedures, and controls in place to identify, control and manage operational risks.

CEVALDOM has a Risk Management System based on the ISO 31000:2009 Standard. The risk management framework is evaluated annually. In addition, CEVALDOM has implemented an information security management system based on the ISO 27001:2013 Standard, with respect to which it has obtained the certification that guarantees its compliance with all its services and support processes.

Risk management is conducted on an ongoing basis using a structured process involving context analysis, risk assessment, risk treatment, monitoring and review, and communication and consultation. This process is applied in decision-making processes, as well as in the planning, management, and execution of any function, service, or activity.

Risk appetite and tolerance levels are defined by the Board of Directors. A "low" level of tolerance for operational and legal risks has been established.

The risk factors considered are:



- Internal factors: human resources, processes, technology, and infrastructure, over which the organization can have direct control.
- External factors: external events whose causes and origin are beyond the control of the organization and may be related to forces of nature or to the actions of third parties, for example, changes in regulations or the establishment of legal proceedings against the institution and judicial or administrative decisions adverse to the entity.

The controls required to mitigate the identified operational risks have been established and implemented. In this sense, there are policies that cover the source of various risks, including: information security policies, human management policies, policies for the management of purchases and suppliers, policies for the prevention of money laundering and financing of terrorism, bribery prevention policies, business continuity plan, manual for incident management.

In relation to human management policies, they provide criteria for the selection of personnel, induction processes, and training. CEVALDOM conducts work climate measurements with the aim of promoting an adequate climate and reducing the risk of staff loss.

Changes are made based on methodologies and processes approved by the Executive Committee. In this way, the risks associated with changes that may be implemented are reduced, especially those risks that could impact the availability of services.

The results of the risk management are reported to the Risk Committee every quarter.

Principle 17 – Fundamental Consideration 2

An IMF's Board of Directors should clearly define roles and responsibilities with respect to operational risk and should endorse the IMF's operational risk management framework. Systems, operational policies, procedures, and controls should be reviewed, audited, and checked on a regular basis and after significant changes are made.

Risk management responsibilities are defined in the Risk Management Policy approved by the Board of Directors. This policy is reviewed annually.

CEVALDOM has a Risk Management area that reports to the Risk Committee. The responsibilities of the area include: (i) Ensuring that risk management is carried out in a structured, systematic, comprehensive and continuous manner throughout all areas of the company; (ii) Collaborate with risk owners in the process of risk identification, analysis, and assessment, especially in the use of risk management tools and methodologies, and oversee such process; (iii) Carry out risk monitoring and review activities within the risk management process established in this policy; and (iv) Report to the Risk Committee and the Executive Committee on the results of the monitoring and review of the risks to which the company is exposed, including the established management indicators.



	<p>The Internal Audit area conducts reviews in relation to the implementation of the risk management framework and the controls defined to mitigate risks.</p> <p>External Auditors review the company's internal control framework and its effectiveness.</p>
<p>Principle 17 – Fundamental Consideration 3</p> <p>An FMI should have clearly defined operational reliability objectives and policies that are designed to achieve those objectives.</p>	<p>Availability and recovery time objectives have been defined for each service offered by CEVALDOM. The risks related to each process that supports the services offered are identified in accordance with the established objectives.</p> <p>Indicators have been established to measure the effectiveness of the established controls and compliance with quality objectives.</p> <p>The results of the monitoring of indicators are reported to the Risk Committee and the Executive Committee on a regular basis.</p> <p>The Board of Directors has formally established goals in relation to the availability of services, which are monitored through indicators that are reviewed monthly by the Risk Committee and the Executive Committee.</p>
<p>Principle 17 – Fundamental Consideration 4</p> <p>An FMI will need to ensure that it has adequate versatile capacity to manage an increase in volume volumes and to achieve its service level objectives.</p>	<p>Controls have been established to monitor the capacity of CEVALDOM's Systems and its human resources to manage an increase in the volume of operations conducted.</p> <p>These controls are monitored on an ongoing basis and the result of such monitoring is reported to the Executive Committee.</p> <p>The installed technical capacity has the possibility of being expanded to meet the requirements of the business.</p>
<p>Principle 17 – Fundamental Consideration 5</p> <p>An FMI should have comprehensive physical and information security policies in place that address all potential vulnerabilities and threats.</p>	<p>CEVALDOM has an Information Security Management Policy based on the ISO 27001:2013 standard. Such policy covers information assets relevant to CEVALDOM, whether these are tangible/physical or intangible.</p> <p>The services offered by CEVALDOM, and its support processes are certified under the ISO 27001:2013 standard on information security systems.</p> <p>CEVALDOM also has a certification on compliance with the requirements and controls established in ISO 27701:2019 on Privacy.</p>



Principle 17 – Fundamental Consideration 6

An FMI should have a service continuity plan that addresses events that pose a significant risk of disruption to its activities, such as major or large-scale disruption events. Such a plan shall incorporate the use of a secondary site and shall be designed to ensure that critical information technology (IT) systems can resume activities within two hours of the occurrence of the disruptions in question. The plan should be designed to allow the IMF to complete liquidation before the end of the day on which the disruptions or disruptions occur, even in the event of extreme circumstances. The IMF will need to check these mechanisms regularly.

CEVALDOM has a business continuity plan that includes a response to ensure the provision of services even in the event of disruption of these services. Plans are updated annually. The business continuity plan has been developed based on the ISO 22301 standard on Business Continuity.

CEVALDOM has a primary data center and a secondary data center. Its business continuity plan contemplates the scenario of unavailability of the main site and establishes the steps to be followed to activate the secondary site and to communicate to the market the activation of the continuity plan.

CEVALDOM regularly evaluates its continuity plans.

The implementation of such tests is audited.

The continuity plan includes actions to be followed to ensure that the unavailability of services extends for a period of more than 2 hours.

Training plans are in place to ensure that all operations personnel can perform any function and execute all processes in the event of unavailability of personnel. Back-up staff are available for key functions.

Principle 17 – Fundamental Consideration 7

An IMF should identify, monitor, and manage risks that major participants, other FMIs, and service providers might pose to its activities. An IMF should also identify, monitor, and manage risks that its activities may pose to other FMIs.

CEVALDOM has identified the risks associated with its service providers and participants, establishing controls to mitigate these risks, where possible.

Contracts with suppliers establish obligations for the supplier in relation to service disruptions. In some cases, there is redundancy of services.

Critical services are contracted with multiple vendors to ensure redundancy.

Continuity plan testing is conducted in which participants are involved to ensure that they understand CEVALDOM's procedures and can take the necessary steps to align their plans with CEVALDOM's.

Principle 18: Eligibility and Participation Requirements

PRINCIPLE 18 – ELIGIBILITY AND PARTICIPATION REQUIREMENTS

An IMF should have objective, risk-based and publicly available criteria for participation that allow fair and direct access.



KEY CONSIDERATIONS

HOW CEVALDOM MEETS THE PRINCIPLE

Principle 18 – Fundamental Consideration 1

An FMI shall allow fair and direct access to its facilities by its direct participants and, where appropriate, by indirect participants and other FMIs, based on reasonable risk-related participation requirements.

Article 309 of the LMV establishes the entities that can access CEVALDOM's services as participants.

The requirements for the admission of new participants are established in the Internal Regulations applicable to CEVALDOM's Services, which has the approval of the Superintendence of the Securities Market. These requirements are the same for all participants, taking into consideration the services to which they would have access. The established criteria seek to validate the legal capacity of the entity requesting the service, the lawful origin of its funds and that it has the technological capacity required to access the services provided.

The Internal Regulations and the requirements that the participants must meet are published on the company's website.

Principle 18 – Fundamental Consideration 2

An IMF's participation requirements should be justified in terms of security and efficiency for the IMF and the markets it serves, tailored and proportionate to the IMF's specific risks and publicly disclosed. Without prejudice to maintaining acceptable risk control standards, an IMF should endeavor to set requirements that have the least restrictive impact possible on access that circumstances allow.

Participants must comply with the information security requirements established by CEVALDOM to access the services provided by CEVALDOM. These requirements are detailed in the Internal Regulations applicable to the services provided by CEVALDOM.

The established requirements are limited to ensuring an adequate connection to CEVALDOM's technological platform. They do not have an impact that could be considered restrictive for access to CEVALDOM's services.

Principle 18 – Fundamental Consideration 3

An FMI shall monitor compliance with its participation requirements on an ongoing basis and shall have clearly defined and publicly disclosed procedures in place to facilitate the suspension and orderly departure of a participant who violates, or has ceased to comply, with the participation requirements.

The Internal Regulations applicable to the Services provided by CEVALDOM and the service contracts establish the causes for which CEVALDOM may terminate the service contract that binds it to the participant, as well as the measures that must be taken after such termination.

If CEVALDOM decides to terminate the contract that binds it to a participant, it must communicate this fact to the regulatory body.

CEVALDOM monitors the requirements that determine the legal capacity of its clients to participate on an ongoing basis.

Principle 19: Multi-Level Participation Mechanisms

PRINCIPLE 19 – MULTI-LEVEL PARTICIPATION MECHANISMS



An IMF should identify, monitor, and manage significant risks faced by the IMF in relation to its multi-level engagement mechanisms.

KEY CONSIDERATIONS

Principle 19 – Fundamental Consideration 1

To the extent possible, an IMF should identify, understand, and manage the potential risks it faces in relation to multi-level participation mechanisms. The risks identified and the proposed mitigation measures should be reported to the IMF Board of Directors.

Principle 19 – Fundamental Consideration 2

An FMI should ensure that its rules and procedures for direct participants enable it to collect basic information on indirect participation, as well as to identify, monitor, manage the corresponding risk concentrations, and major interdependencies. To the extent possible, an IMF should seek to identify direct participants acting on behalf of a significant number of indirect participants, indirect participants with a significant daily turnover in the system, indirect participants that are larger than the direct participants through which they have access to the IMF, or that represent other specific risks.

If an IMF identifies material risks arising from multi-level participation mechanisms, it should periodically review the rules and procedures of the system with its board of directors to determine whether there are potential problems with indirect participation in terms of its legal structure, finality of liquidation, or stable operation of the system. and ensure that the nature of each user's participation is clearly defined.

HOW CEVALDOM MEETS THE PRINCIPLE

The Internal Regulations applicable to the Services of the Securities Clearing and Settlement System contemplate participation mechanisms at various levels, as of the date of this report such mechanisms are not used.

These mechanisms are available to Liquidating Members and their institutional clients, who, despite not having the status of Liquidating Members and, therefore, do not have direct access to the securities clearing and settlement system, must be participants in the centralized securities depository, which is why they are CEVALDOM clients.

To access this mechanism, the liquidating member must register the agreement with CEVALDOM.

The Internal Regulations applicable to the Services of the Securities Clearing and Settlement System establish mechanisms for monitoring and managing the exposure risks of institutional clients, including the establishment of exposure limits by the clearing member.

The settlement of transfer orders processed by the institutional client is the responsibility of the settlement member with whom it has entered into an agreement.

There are mechanisms in place to validate the concentration or exposure generated by institutional clients or indirect participants to the liquidating members.

The Internal Regulations applicable to the Services of the Securities Clearing and Settlement System establish mechanisms for monitoring and managing the exposure risks of institutional clients, including the establishment of exposure limits by the clearing member.

The risks generated by multi-level participation mechanisms are considered as part of the risk analysis of settlement processes. These risks are monitored in accordance with existing procedures and reported to the Risk Committee.



Principle 20: Links with Other FMIs

PRINCIPLE 20 – LINKS WITH IMF

An IMF that consults with one or more FMIs should identify, monitor, and manage the risks associated with that link.

KEY CONSIDERATIONS	HOW CEVALDOM MEETS THE PRINCIPLE
<p>Key Consideration 1: Prior to entering a linkage mechanism, and on an ongoing basis after the linkage has been established, an FMI should identify, monitor, and manage all potential sources of risk resulting from such linkage. The liaison mechanisms should be designed in such a way that each IMF can comply with the principles of this report.</p>	<p>CEVALDOM currently has links with the following FMIs:</p> <ul style="list-style-type: none"> • LBTR system • Clearstream <p>The link with the RTGS system consists of a technical link that supports interoperability between the two technology platforms. The potential risks of liaison with the RTGS are operational.</p> <p>The links with foreign custodians consist of holdings of deposit accounts by CEVALDOM in the respective systems to be able to conduct the custody of foreign securities for depositors/investors in the Dominican Republic. The potential risks of these links include operational, legal, and custody risks. These risks are managed based on the risk management policies, methodologies and processes established by the Board of Directors, detailed above.</p> <p>The foreign custodians with whom CEVALDOM has contracts have adopted the principles applicable to financial market infrastructures.</p> <p>CEVALDOM reviews the risks identified annually and whenever changes arise.</p>
<p>Key Consideration 2: A liaison should have a well-founded legal basis, in all relevant jurisdictions, that supports its design and provides adequate protection to the FMIs participating in the liaison.</p>	<p>In the Dominican Republic, CEVALDOM has established links only with the BCRD's RTGS system. The contract that supports this link is an adhesion contract issued by the BCRD.</p> <p>Clearstream is an entity regulated by the authorities of its home jurisdiction and has all the documentation that gives legitimacy to its services and functions.</p> <p>Links with foreign custodians are based on contracts. These contracts specify the applicable law with respect to the principles of purpose, irrevocability, protection of rights, and protection of transactions processed through these foreign CSDs. Contracts with Dominican investors stipulate that all services CEVALDOM provides in the field of foreign securities will be governed by the laws and regulations of the Dominican Republic. The Superintendence of the Securities Market has approved these contracts (as well as other contracts used by CEVALDOM).</p>
<p>Key Consideration 3: CSDs participating in a liaison should measure, monitor, and manage the</p>	<p>Credit is not granted for transactions with securities in the custody of other custodians with whom CEVALDOM has a relationship.</p>



credit and liquidity risks that each creates for the others. Any granting of credit between CSDs must be fully covered through high-quality guarantees and will be subject to limits.	Transactions take place if and only if actual securities/funds are available and transferable.
Key Consideration 4: Interim transfers of securities between CSDs maintaining links should be prohibited or, at a minimum, the retransfer of provisionally transferred securities before such transfer becomes final should be prohibited.	CEVALDOM also does not provide liquidity facilities. CEVALDOM does not allow the provisional transfer of securities in any of its links with other custodians.
Key consideration 5: An investor CSD should only consult with an issuing CSD if the mechanism in question provides an elevated level of protection over the rights of the participants of the investing CSD.	For all links in which CEVALDOM acts as an investor, the link is operated in practice by CEVALDOM which has an account with the CSD. CEVALDOM appears as the holder of the securities in the CSD's shares. However, in the contracts with these foreign CSDs it is specified that the holdings of securities belong to CEVALDOM's clients and that in no case may these securities be used to finance or support in any way an obligation or liability of CEVALDOM or the other CSDs. The contracts also provide for the protection of customers' rights regarding the shares and representation of companies. CEVALDOM does a daily reconciliation of the total available balances in its account with each foreign CSD with its internal records of foreign securities clients' holdings.
Key Consideration 6: An investor CSD using an intermediary to operate a link with an issuing CSD shall measure, control, and manage additional risks (including custody, credit, legal and operational risks) resulting from the use of the intermediary.	Not applicable
Key Consideration 7: Prior to entering a link with another SPC, an SPC shall identify and manage the potential spillover effects arising from non-compliance with the SPC with which it has a link. If a link consists of three or more CCPs, each CCP shall identify, assess, and manage the risks of the collective linking mechanism	Not applicable
Key consideration 8: Each PCC that is part of a liaison mechanism with a PCC shall be able to cover, at least on a daily basis, its current exposures and its potential future exposures to the CCP with which it has a link and its participants, if any, in full and with a high degree of confidence without reducing the CCP's ability to fulfil its	Not applicable



obligations vis-à-vis its own participants at all times.

Key Consideration 9: A TR shall carefully assess the additional operational risks associated with its links to ensure the versatility and reliability of IT and related resources.

Principle 21: Efficiency and Effectiveness

PRINCIPLE 21 – EFFICIENCY AND EFFECTIVENESS

An IMF should be efficient and effective in meeting the needs of its participants and the markets it serves.

KEY CONSIDERATIONS	HOW CEVALDOM MEETS THE PRINCIPLE
<p>Principle 21 – Fundamental Consideration 1</p> <p>An IMF should be designed to meet the needs of its participants and the markets it serves, in particular regarding its clearing and settlement mechanism; operational structure; types of products cleared, settled or registered; and the use of technologies and procedures.</p>	<p>CEVALDOM conducts periodic surveys with the aim of validating the satisfaction of the needs of the participants.</p> <p>The Board of Directors has an Internal Regulation of the Users' Committee, which aims to create spaces in which the impressions of interested parties can be formally collected regarding the services offered and the processes and systems that support them.</p> <p>In addition, within the framework of the strategic planning process and the preparation of the annual work plan, meetings are held with the participants with the aim of validating their needs and taking them into account for the definition of the projects that make up the entity's annual work plan.</p> <p>Periodic meetings are also held with the stock exchange in which the needs of said entity with respect to securities clearing and settlement services, as well as information, are collected.</p> <p>In accordance with the provisions of the Internal Regulations applicable to CEVALDOM's services, participants may request CEVALDOM to implement changes in its Systems to create new products.</p>
<p>Principle 21 – Fundamental Consideration 2</p> <p>An FMI should have clearly defined goals and objectives that are measurable and achievable, such as in the areas of minimum service levels, risk management expectations, and business priorities.</p>	<p>CEVALDOM has measurable objectives regarding service levels, infrastructure availability, and customer satisfaction levels.</p> <p>The fulfillment of these objectives is monitored through indicators and satisfaction surveys aimed at all the company's customers.</p> <p>There is also a gap closing indicator that allows monitoring the action plans established for effective risk management.</p> <p>On a monthly basis, the Executive Committee monitors the result of the established indicators.</p>



	<p>The priorities for the execution of changes, projects and action plans are determined by the Executive Committee, based on objective criteria, among which it is worth highlighting levels of risks for the company, compliance with legal requirements or if it is a need raised by a client.</p> <p>The objectives are reviewed annually, taking into consideration the strategic plan, the work plan for the year and any changes in the context that may have arisen.</p> <p>Bimonthly, the Board of Directors is informed of the levels of progress in the execution of the strategic plan.</p>
<p>Principle 21 – Fundamental Consideration 3</p> <p>An IMF should have mechanisms in place for periodic review of its efficiency and effectiveness.</p>	<p>On a monthly basis, the Executive Committee meets with the aim of knowing the results of the indicators, the possible audit findings and the status of the action plans established to correct such findings, possible changes in the context of the company including changes in regulation, results of the surveys carried out, the status of the projects and improvement actions.</p> <p>The Audit Committee and the Board of Directors are regularly informed on the issues.</p>

Principle 22: Communication Rules and Procedures

PRINCIPLE 22 – COMMUNICATION RULES AND PROCEDURES

An IMF should use, or at least accept, relevant internationally accepted communication standards and procedures to facilitate the efficiency of payment, clearing, settlement and registration processes.

KEY CONSIDERATIONS	HOW CEVALDOM MEETS THE PRINCIPLE
<p>Principle 22 – Fundamental Consideration 1</p> <p>An IMF should use, or at least accept, internationally accepted communication standards and procedures.</p>	<p>The securities recorded in the account are identified by ISIN and CFI Code, which are assigned by CEVALDOM.</p> <p>CEVALDOM uses SWIFT messages to send and receive messages about payments.</p> <p>The CEVALDOM System supports communication with the systems used by the participants and centralized trading mechanisms. All operations conducted through CEVALDOM must be reported through the System.</p> <p>Cross-border transactions are also conducted through the System.</p>

Principle 23: Disclosure of Market Rules, Procedures and Data

PRINCIPLE 23 – DISCLOSURE OF RULES, MAIN PROCEDURES AND MARKET DATA



An IMF should have clear and comprehensive rules and procedures and should provide sufficient information to enable participants to have an accurate understanding of the risks, fees, and other material costs they incur in participating in the IMF. All relevant rules and main procedures should be publicly disclosed.

KEY CONSIDERATIONS

HOW CEVALDOM MEETS THE PRINCIPLE

Principle 23 – Fundamental Consideration 1

An IMF should adopt comprehensive and clearly defined rules and procedures that will be fully communicated to participants. The relevant rules and main procedures shall be publicly disclosed.

CEVALDOM's operating rules are contained in its Internal Regulations, which are published on the website. These standards comprise CEVALDOM's key rules and procedures. In addition, there is an instruction that describes the liquidation process delivery versus payment, which has been published by the media.

Changes to the Internal Regulations are put up for public consultation so that Users and the public can submit their comments. Any change in the regulation would require the approval of the Superintendence of the Securities Market and the Central Bank of the Dominican Republic.

The provisions of the Internal Regulations are complemented by circulars and guides for participants, which seek to exhaustively detail the procedures and requirements applicable to the services provided.

Any doubts that may arise are addressed through the issuance of circulars, which are sent to all participants.

Principle 23 – Fundamental Consideration 2

An IMF should disclose clear descriptions of the design and operations of the system, as well as the rights and obligations of participants and the IMF, so that participants can assess the risks they would incur by participating in the IMF.

CEVALDOM's operating rules are contained in its Internal Regulations, which are published on the website. These documents also detail the rights and obligations of the participants and CEVALDOM.

The Internal Regulations contain detailed information on the design and operations of the System, the services provided and the requirements applicable to them.

CEVALDOM does not act in a discretionary manner regarding the services offered. The rules and procedures must be complied with, and the trades are settled based on the instructions received.

In contingency situations there is an established protocol, which is communicated to the participants.

Changes in schedules are informed to the market in a timely manner.

Notifications about decisions or situations that may affect the participants are communicated by means of circulars.

Principle 23 – Fundamental Consideration 3



<p>An IMF should provide all necessary and appropriate documentation and training to facilitate participants' understanding of the IMF's rules and procedures and the risks they face in participating in the IMF.</p>	<p>When they are admitted as customers and when significant changes are implemented in the CEVALDOM System, participants are provided with relevant information through documents and training about the company's processes, its technological platform, and business continuity plan.</p> <p>The documentation provided and the training provided are sufficient to ensure a good understanding of the rules and procedures applicable to the services. However, CEVALDOM has customer service that allows you to clarify any doubts. If required by the client, customized training is coordinated with the aim of meeting the needs of the client.</p> <p>CEVALDOM has a training policy and training program for its users approved by the Board of Directors.</p>
<p>Principle 23 – Fundamental Consideration 4</p> <p>An IMF should publicly disclose its rates broken down to the level of the individual services it offers, as well as its policies on any available discounts. The IMF should provide a clear description of the prices of its services to be able to compare them</p>	<p>CEVALDOM's rates are published on the company's website. The form of collection of these is detailed in the Internal Regulations. Changes in rates must be approved by the Superintendence of the Securities Market and are communicated to the market through circulars and through the website in advance of the entry into force of such changes.</p> <p>The rates are defined based on a tariff study that is communicated to the Superintendence of the Securities Market.</p> <p>The technological requirements are informed to the participants so that they can consider the costs that these could represent in their business.</p>
<p>Principle 23 – Fundamental Consideration 5</p> <p>An FMI should regularly prepare responses to the CPSS-IOSCO Disclosure framework for financial market infrastructures and communicate them publicly. At a minimum, an IMF should provide basic data on the values and volumes of operations.</p>	<p>The responses to the previous CPSS-IOSCO Disclosure framework for financial market infrastructures were published in 2018, 2020 and 2022.</p> <p>Among the information published by the company is:</p> <ul style="list-style-type: none"> • Corporate information • Overview of Services Offered • Standards, rules, and contracts applicable to services • Applicable Rates <p>In addition, monthly statistics are published on the website on registered values, volumes in custody, open accounts, settled operations, property rights paid, taxes withheld.</p>

Principle 24: Disclosure of Market Data by Trade Repositories

PRINCIPLE 24 – DISCLOSURE OF MARKET DATA BY TRADE REPOSITORIES



A trade repository (TR) shall provide accurate and timely data to the relevant authorities and the public in line with their respective needs.

KEY CONSIDERATIONS	HOW CEVALDOM MEETS THE PRINCIPLE
<p>Principle 24 – Fundamental Consideration 1</p> <p>A TR shall provide relevant authorities and the public, respectively, with data that meets the expectations of regulators and industry, is comprehensive and has a sufficient level of detail to improve market transparency and support other public policy objectives.</p>	<p>CEVALDOM publishes through its website, in real time, the data of the transactions agreed on the OTC market and registered in the securities transaction registration system administered by it.</p> <p>The data published corresponds to those required by current regulations. No requests for information have been submitted.</p> <p>In addition, both the Superintendence of the Securities Market and the users of the securities transaction registration system have access to detailed information on the transactions agreed in the OTC market through reports designed according to their needs, within the limits allowed by current regulations.</p>
<p>Principle 24 – Fundamental Consideration 2</p> <p>A TR shall have effective processes and procedures in place to provide data to the relevant authorities in a timely and appropriate manner to enable them to fulfil their respective regulatory tasks and legal responsibilities.</p>	<p>CEVALDOM has web services that allow the timely delivery of information to the Superintendence of the Securities Market (within the deadlines and times established by said regulatory entity).</p>
<p>Principle 24 – Fundamental Consideration 3</p> <p>A TR shall have robust information systems in place that provide correct historical and current data. Such data must be provided in a timely manner and in a format that allows them to be easily analyzed.</p>	<p>CEVALDOM has historical data relating to the last 10 years, which is available to the corresponding interested parties.</p> <p>CEVALDOM's services and processes are endorsed by an ISO 27001:2013 certification on information security. This allows demonstrating the establishment of adequate controls to ensure the integrity and availability of information.</p>

V. LIST OF AVAILABLE PUBLIC RESOURCES

The information necessary to understand the activity conducted by CEVALDOM in accordance with the provisions of this disclosure report, as well as the information regarding the services offered and the procedures applicable in each case, is published in various sources of disclosure:

Web page

The CEVALDOM website (www.cevaldom.com) includes the following information:

- Overview of the services offered by CEVALDOM and its organizational structure.
- List of clients
- Rates applicable to the numerous services offered.
- Hours of Operations



- Legal framework, including the main laws and regulations governing CEVALDOM's activity, CEVALDOM's Internal Regulations and the models of service contracts.
- Circulars published by CEVALDOM.
- List of registered emissions, identified by their ISIN, CFI and FISN codes.
- Statistical information

Website of the Superintendence of the Securities Market

The laws, regulations and rules that regulate the securities market of the Dominican Republic and its participants can be consulted on the website of the Superintendence of the Securities Market (www.siv.gob.do). In addition, information on market participants can be consulted, including the relevant facts reported by them, as well as statistics on the stock market.

Website of the Central Bank of the Dominican Republic

Information on the organization of the Dominican Republic's securities payment and settlement system, as well as the rules that make up the legal framework applicable to it, can be obtained by visiting the official website of the Central Bank of the Dominican Republic (www.bancentral.gov.do).