

**THE RULES OF THE CENTRAL SECURITIES
CLEARING SYSTEM**

THE RULES

DEFINITIONS

Article 1

Unless the context requires otherwise, for all purposes of these Rules:

"CSCS" means Central Securities Clearing System Limited.

"Board of directors" means the board of directors of CSCS.

"Rules and regulations" means the rules and regulations of CSCS.

"Contract/deal" means a compared transaction for the purchase, sale, or payment of money in connection with a transaction in securities.

"NSE" means The Nigerian Stock Exchange.

"SEC" means the Securities and Exchange Commission.

"CBN" means Central Bank of Nigeria.

"CEO" means Chief Executive Officer.

"Custodian services" means services provided by specialised financial institution involving the activities of keeping in safe custody records of transactions and share certificates of foreign and local investors such as CSCS Limited custodian services.

"CSCS Headquarters" means the CSCS office floors at the NSE Building, 2/4, Customs Street, Lagos or any other address determined by CSCS to be its headquarters.

"Custodian bank" means bank with the custody activity of securities or maintaining the securities accounts in the name and for the account of its customers, which are foreign securities holders and in the name and for the account of such customers, perform legal acts related to the sale and purchase of securities and execution of rights, dividends and other benefits deriving from securities.

"Organized market" means regulated and supervised securities market, on which securities trading is directly or indirectly accessible to the public via licensed stockbrokers/dealers (e.g. stock exchange, OTC, OMO via discount houses etc.)

"Security" means securities, accepted in custody or central registry system by CSCS according to these rules.

"Market value" means daily market value according to the stock exchange daily official list.

"Procedure/guideline" means any and all procedures relating to the services provided by CSCS and prescribed from time to time by CSCS pursuant to the Rules.

"Settlement bank" or "stockbrokers bank" means any bank appointed by CSCS for clearing and settlement of securities.

"NIBSS" means the Inter-Bank settlement System operated by the Nigeria Interbank Settlement System Plc.

"Stockbroker" means a dealing member or company of The Nigerian Stock Exchange which has been granted a licence by The Exchange as a dealer in securities and registered by SEC.

"Settlement bank Schedule" means the printed schedule or electronic medium which the Stockbroker's Bank shall provide CSCS Limited with on each working day and which specify the balances on Trading Accounts for the Transaction Day.

"Trading Account" means an account opened by a member of The Nigerian Stock Exchange with a settlement Bank, exclusively for the purpose of CSCS trading transactions.

"Transaction Day" or "Day T" - means the day on which trade takes place between one stockbroker and another.

"Transaction Day Plus 1 Day" or "Day T + 1" means the working day following the Transaction Day.

"Transaction Day Plus 2 Days" or "Day T + 2" means the second working day following the Transaction Day.

"Transaction Day Plus 3 Days" or "Day T + 3" means the third working day following the Transaction Day. .

"Working Day" or "business day" means a day on which the banks in Nigeria are required by the Central Bank of Nigeria to open to the public for business.

2. GENERAL PROVISIONS

2.1 Use of services

Articles 2

CSCS is providing to the participants and to the issuers the following services:

- custody and collective custody of securities; issued as written certificate;
- maintaining of the central securities registry and in connection with central securities registry;
- running the securities balances on the securities accounts of participants;
- running the securities balances of the holders of securities;
- matching, calculation and netting of the obligations, arising from securities transaction (clearing);
- book -entry transfer of securities on the accounts of securities holders and participants on the basis of payment (settlement);
- maintaining records of shareholders of registered securities.

Articles 3

CSCS may provide to the participants or issuers other services connected with securities, included in the central registry, such as:

- services relating to maintaining the third party rights on the securities pledged as collateral for banks borrowing;
- other services connected with securities business.

Articles 4

CSCS may provide its services, connected with maintaining the central registry and book-entries also to persons, which are not CSCS participants.

Articles 5

The participants authorise CSCS to agree to comply with all the rules and regulations and agreements of any other Clearing corporation that are applicable to persons maintaining accounts with such Clearing corporation, to pay the charges of such Clearing corporation and to grant the Clearing corporation such lien as may be necessary under the rules, regulations and agreements of the Clearing corporation.

2.2 Access to CSCS premises and computer activities

Article 6

Each participant shall cause its employees to observe at all times the Procedures on the identification to be shown by an employee requiring access to CSCS's premises. The participants shall issue written authorisation to the employees for approving the access to the CSCS premises.

Article 7

The participants shall issue written authorisation to the employees, on the basis of which CSCS will approve access to CSCS premises and computer processing activities for on-line services of CSCS. The authorisation shall include the legally attested signature of the CEO of that participant.

CSCS will assign a password to give access to the computer activities only to the persons from previous paragraph. CSCS will assign the same password for not more than the period specified there in the provisions of this Article shall also apply to the issuers, who are users of CSCS services.

Article 8

Each Participant files with CSCS a designation of authorised signatories, in a list specifying the name, function and telephone number of the employee of the Participant designated as an authorised signatory, and the specimen signature of such employee.

Only the authorised signatory is empowered to act on behalf and in the name of the participant for all purposes of the Services and the Participant shall be bound by any document signed by an authorised signatory.

The provisions of this Article shall also apply to the issuers, who are users of CSCS services.

3. PARTICIPATION IN CSCS

3.1 Eligible participants

Articles 9

Participant in CSCS shall be as determined by CSCS and shall in the main be limited to the following:

- stockbroking firms;
- relevant departments of the CBN;
- surveillance department of SEC;
- registrars.

Participants in CSCS may also include the following:

- other clearing corporations;
- NSITF and other institutional investors, such as insurance companies, pension funds or banks which are not licensed for the securities business;
- custodian banks;

- foreign banks or stockbroking firms, licensed by appropriate foreign and local supervisory bodies.
- high net worth individuals

Articles 10

To become a participant as determined by CSCS, the person must also meet the following standards:

- the person has sufficient financial ability to meet its obligations in respect of its daily activities/transactions:
- the person has appropriate personnel, organisational, technical and accounting preconditions for the use of CSCS services.

3.2 Procedure

Articles 11

The admission procedure for participation in CSCS shall begin with filing the appropriate CSCS Eligibility form directly at CSCS headquarters.

The entries in the form must be clear and comprehensible and must contain at least:

- the firm and legal headquarters of the participant;
- the kind of participation requested;
- the name, Identity Card number and signature of the legal representative of the participant.

Articles 12

The following documents must accompany the Eligibility form:

- copy of memorandum and articles of association of the participant;
- evidence in respect of meeting the standards according to the Article 10 of these Rules, in particular the evidence of appropriate computer equipment, compatible with CSCS computers and of appropriate trained personnel;
- evidence of payment of the prescribed Eligibility fee to CSCS.
- such other document as may be required from time to time by CSCS Ltd.

Articles 13

CSCS shall convey its decision within 30 days of receipt of the Eligibility form.

Articles 14

CSCS shall reject the participant, if CSCS ascertain that:

- the participant does not meet any of the standards set forth in the Articles 9 & 10 of these Rules;
- if the Eligibility form in the opinion of CSCS contains misleading or false information.

3.3 Rights and Obligations of Participants

Articles 15

With participation in CSCS each participant shall accept these Rules and will be bound by all its provisions, the provisions of the Procedures, agreements, declarations, contracts and instruments and other acts by CSCS. Each participant will also be bound by any amendment of these Rules or Procedures, provided however that no such amendment shall affect the participant's right to cease to be a Participant unless before such amendment becomes effective the participant is given an opportunity to give written notice to CSCS of its decision that CSCS shall definitively cease to act for it.

With participation in CSCS, each participant agrees that all legal relations with other participants will be regulated by these Rules.

Articles 16

With participation in CSCS each participant agrees that the provisions of these Rules are part of the term and conditions of each securities transaction or contract by the participant in CSCS.

Articles 17

The participants in CSCS are obliged to:

- comply with these Rules and Procedures, be bound by all the provisions thereof, including the provisions prescribing the liens which CSCS shall have upon Securities which are the subject of transactions for the House account of the participant;
- promptly pay to CSCS:

[a] the fee specified in the fee schedules of CSCS for services rendered to the applicant while a participant,

[b] such surcharges as may be imposed in accordance with these Rules,

[c] such other amounts (if any) as may become payable by the participant while a Participant to CSCS according to these Rules;

- ensure that the participant's books and records-to-the extent that they relate to the participant's dealings with CSCS, shall at all times be open to the inspection of the duly authorised representatives of CSCS and that CSCS shall be furnished with all such information in respect of the participant's business and transactions as it may require,

- assure, that on its bank account and on its securities accounts there are enough money funds and securities to fulfil its obligations on or before settlement of any securities transactions.

Participant authorizes CSCS, that for its accounts:

- run and maintain the securities of the participant and its clients on the securities accounts within the central registry system;
- enter into the agreement with any other clearing or depository organisation in respect of clearing and settlement, sub-custody, and to agree to comply with its rules and regulations.

Participant shall:

- except otherwise permitted by CSCS, give all instructions concerning Securities held in or subject to the central registry through CSCS;
- CSCS shall in all respects be entitled to rely upon the instructions of participant with respect to any such Securities (which instructions shall be binding on the participant.) and the instructions duly signed by the authorized signatures of the participants

Articles 18

- At the headquarters of the participant, or at the office determined by the participant there shall be present at said office on every Working Day between the hours of 8.00 am and 5.00 pm or at such other time or times as prescribed by CSCS, a representative of the Participant authorised in the name of the Participant to sign all instruments and transact all business requisite in connection with the operations of CSCS.

The appointment, presence, signing the documents and communication with the representatives from the previous paragraph shall be as prescribed by CSCS.

Articles 19

If the participant does not fulfil his obligations when due:

- on the basis of services provided by CSCS;
- on the basis of penalties or other obligations,

CSCS shall immediately notify The NSE about the default and demand trading suspension of such participant.

3.4 Cessation to act for the Participant

Articles 20

The participation in CSCS shall cease:

- if the participant gives written notification to CSCS that it no longer wishes to be participant;
- if participant ceases to exist as a legal entity;
- if bankruptcy or liquidation proceeding begins against the participant;
- if the participant is expelled according to the Article 21 of these Rules.

If bankruptcy or liquidation procedure begins against the participant, CSCS may decide to suspend the participation of such participant.

Articles 21

CSCS may at any time expel, suspend, limit the activities, functions or operations of a Participant or cease to provide any of its services or any of the foregoing, either with respect to a particular transaction or transactions generally, and notwithstanding the imposition of a surcharge pursuant to the Rules, in the event that:

- the Participant has failed to make timely payment of any amount payable to CSCS,
- CSCS has determined that the Participant no longer meets all of the qualifications of the Rules;
- the Participant has failed to fulfil any obligations arising from the securities transaction when due;
- the Participant has materially violated any Rule or Procedure of or agreement with CSCS;
- the officers of CSCS have reasonable grounds to believe that the participant is in or is approaching financial difficulty or will otherwise be unable to meet its obligations to CSCS or other Participants;
- the participant has been suspended by any supervisory/regulatory organisation.
- CSCS has reasonable grounds to believe that such withdrawal of its services is necessary for the protection of investors or other participants or to facilitate the orderly and continuous performance of CSCS's services.

CSCS must decide about expulsion or limitation to provide services with special decision which shall be sent to the participant in question, Stock Exchange, SEC, CBN and other regulatory agencies and participants. The decision must contain at least the reasons for expulsion or limitation to provide services and how eventual open transactions for such participants will be cleared and settled.

Article 22

If CSCS withdraws its services to a participant, it may also transfer the securities owned by such participant and its clients to the account of another participant, according to the instructions of the suspended participant and with the agreement of that other participant.

3.5. Types of the account within the CSCS [in the central registry]

Article 23

CSCS shall open for participants according to the Article 24 one or more securities accounts and on such accounts it shall run and maintain securities positions of the participants and it shall in the name and for the account of the participant run and maintain securities positions of its clients.

Article 24

CSCS will open into the central registry for each participants or for other persons one or more of the following securities account:

- a) House account, on which CSCS will run securities positions in the name and for the account of stockbroking firms and other authorised participants;
- b) Client account, on which CSCS will run securities positions in the name and for the account of the clients of stockbroking firms and other authorised participants this is the beneficial owner's account;
- (c)Registry account; on which CSCS will run securities positions directly for the holders of securities, who do not transfer their securities to the client account;
- d) Fiduciary (custodian bank) account, on which CSCS will run securities positions of the foreign securities holders.

CSCS will allocate to each participant a unique identification code for each account.

Articles 25

An audit of all accounts maintained by CSCS shall be conducted annually by independent chartered accountants.

3.6. Types of participants in CSCS

Article 26

According to the type and the manner of maintaining the securities accounts from Article 24 and according to the access to the accounts, the types of participants in CSCS are the following:

- (a) clearing and settlement/registry participants; for which and for its clients the obligations arising from securities contracts will be fulfilled through CSCS by book-entry, and which directly fulfil their money obligations (for its own account and for the account of third persons) arising from securities transactions; and

- (b) registry/settlement participants; for which and for its clients the obligations arising from securities contracts will be fulfilled through CSCS by book-entry, and which have direct (on-line) access (or any other agreed mode) to the securities balances for their own securities holdings and for those of their clients;
- (c) fiduciary (custodian bank) participants;
- (d) access members; which have direct (on-line) access (or any other agreed mode) to the securities balances for their own securities holdings or for securities, issued by such person. The manner of running and maintaining the securities accounts for particular members shall be determined by CSCS.

4. RUNNING OF THE CENTRAL REGISTRY AND CUSTODY

4.1 General provisions

Articles 27

CSCS will run and maintain in the central registry for securities the rights, arising from the securities of their holders, together with unique identification number of the holders, eventual limitations of exercising such rights, rights of third persons and other information connected with the rights, arising from the securities and their holders. CSCS will also transfer the securities within central registry with book-entry between the securities accounts and will provide other services, related to the running of the central registry.

Articles 28

CSCS may accept a security as eligible:

- into the central registry system, which means to make an entry of the security in the securities accounts of participants in CSCS, in the securities accounts of their clients or in the registry accounts, and which also means running and maintaining the central registry of the holders of dematerialized securities, rights attached to the securities and other information relating to dematerialized securities, through the CSCS computer system as the central computer data base;
- into the custody and central registry system, for securities issued as written certificates;
- into the clearing and settlement system of trades, concluded on the organised securities market, in accordance with Section 5 of these rules.

Articles 29

The following securities may be accepted as eligible into the custody and central registry system in CSCS:

- securities, traded on The Nigerian Stock Exchange and any other organised securities market;
- freely transferable securities, not traded on the organised securities market.

4.2 Acceptance procedure

Articles 30

CSCS will accept the securities into the central registry system on the basis of the completed Deposit Request Form, lodged by the issuer directly at CSCS headquarters.

The entries on the Deposit Request Form must be clear and comprehensible and must contain at least:

- the firm and legal headquarters of the issuer;
- the request for acceptance into central registry system;
- the signature of company secretary of the applicant.

The following documents must accompany the application:

- copy of memorandum and article of association of the company;
- evidence of Eligibility fee made payable to CSCS Ltd;
- public offering prospectus, rights circular, if applicable;
- signed contract with CSCS relating to services, provided by CSCS to the issuer in respect of securities where applicable;
- other documents, prescribe by CSCS from time to time.

Articles 31

CSCS shall accept securities as eligible into the central registry after the receipt of completed Eligibility Form in conformity with Article 30 of these Rules.

CSCS shall enter the securities in the name of shareholders on the securities accounts, within 14 days after the receipt of the completed Eligibility form.

4.3 Deposits

Articles 32

Delivery of a security, issued as written certificate, to CSCS by a Participant shall be credited to the owner of the security in the account of participant in CSCS.

Participants may deliver securities to or deposit securities with CSCS (in their own name and account or in the name and for the account of their clients) and on any Business/Working Day and during such hours as may be prescribed by CSCS.

Securities received by CSCS depository after the prescribed cut-off time on any Business Day shall be processed as of the next Business/ Day. All Securities shall be accompanied by the properly prepared deposit request form and shall be in good delivery form as prescribed by CSCS.

CSCS Depository shall refuse to accept securities if securities are not accompanied by appropriate documentation.

Each Participant warrants to CSCS that all Securities delivered to or deposited with CSCS shall be valid, genuine and in good delivery form; neither the initial receipt by CSCS of such Securities nor the crediting of such receipt to the Participant's nominated account position shall constitute a waiver of such warranty.

If CSCS determines at any time that Securities previously delivered by a Participant to CSCS were invalid, not genuine, or not in good delivery form, CSCS shall return such Securities to the Participant and adjust the Participant's Account positions accordingly.

4.4 Cessation to provide services in respect of central registry

Articles 33

CSCS may cease to provide services in respect of running the central registry for participants or for other persons, where trading in such security has been suspended by the order of the SEC, The NSE or by any other regulatory authority such as CBN etc having the power to suspend trading in such Security.

CSCS may also cease to provide particular services in respect of particular security, where:

- CSCS will be unable to obtain sufficient information regarding the Security to permit the performance with respect to such Security of the Services ordinarily rendered by CSCS with respect to eligible Securities;
- the continued eligibility of the security might adversely affect the financial condition of CSCS or the Participants which use CSCS Services;
- participant or issuer do not fulfill its obligations to CSCS.

Article 34

Should CSCS cease to render services in respect of a Security for any Service, CSCS shall give notice thereof to all Participants, Securities and Exchange Commission (SEC)The NSE and other regulatory bodies and from and after the effective date specified in the notice, CSCS shall cease to render such services with respect to such Security.

The notice from previous paragraph shall also specify the manner of further transactions with such securities.

5. CLEARING AND SETTLEMENT

5.1. General provisions

Article 35

For the participants in CSCS, who are also members of The NSE, CSCS will render the services of determining, calculating, netting and settling the obligations, arising from the securities contracts, concluded on The NSE floor with book-entry transfer of securities in the

participants' accounts and money transfer (clearing and settlement services) in a manner, prescribed by this Section.

Article 36

All trades concluded on The NSE or other organised securities market are subject to clearing and settlement through CSCS.

Article 37

CSCS will perform clearing and settlement of The NSE floor transactions or other organised market trade reports received from the organiser of such market, through direct on-line computer connections or otherwise.

5.2. Clearing by multilateral netting system

Article 38

All Shares to be traded on the floor of The Nigerian Stock Exchange must have their shares deposited in the Depository of CSCS Limited for the account of the Selling Dealing Member prior to being eligible to be traded.

Electronic/Book-entry transfers of shares would be effected on settlement day.

The shares to be dematerialized and lodged in the Depository shall be deposited in soft and hard copy schedules by the registrar for electronic processing in the system. This is the only time the lodged certificate can be traded on any of the floors of The Nigerian Stock Exchange.

Electronic/Book-Entry transfers of securities on the accounts of securities holders, dealing members of The Nigerian Stock Exchange, Discount houses, Banks and others shall be effected on settlement day.

5.3. Money settlement

Article 39

All Dealing Members shall be permitted to open and operate only one trading account at any point in time in one of the designated settlement banks.

Trading Account opening forms to be executed by each dealing member shall, inter alia, appoint the Stockbroker's bank as attorney with authority to post such entries to the dealing members account as are required by the instructions contained in the CSCS schedule.

The Settlements" banks shall permit Trading Accounts to be operated only on the basis of written instructions issued by either the dealing member who maintains the Trading Account, or which are contained in the CSCS schedule.

The Settlement bank shall not permit Trading Accounts to be used for purposes other than that of effecting settlement for CSCS transactions. They may make withdrawals to pay for sales made on behalf of their clients.

The Settlement banks shall not permit Trading Accounts to become overdrawn at any time. The primary mode by which the Stockbroker's banks shall effect the settlement of CSCS transactions shall be by means of interbank transfers effected through the NIBSS.

In the event that it is not possible for settlement to be effected through the NIBSS, the settlement's banks may effect settlement of CSCS transactions through the following alternative settlement modes:

- Interbank transfers effected through the Central Bank of Nigeria;
- Payment by Manager's Cheques.

Transaction Timetable

Day T. By 4.00pm of Day T (Transaction Day), CSCS Shall send advice of Day T stockbroking firms net financial obligations to their respective settlement banks. This is information to alert the banks about their client's commitment on Day T+3. Not to be used for any updates by the banks.

DayT+1 Settlement banks remind their respective clients (Stockbroking firms) of their obligation for Day T+ 3

Day T+2 By 12.00 noon of Day T+ 2, Settlement banks shall alert CSCS about the possibility of any broker's inability to meet its financial obligation on Day T+3. The alert shall be by fax, email, letter or telephone.

Stockbroking firms shall verify from their Settlement bank, their ability to meet their financial obligation of their Day T transactions on Day T+ 3.

By 5.00pm of Day T+2, CSCS shall send advice of Day T transactions, (stockbroking firm's net financial obligations) to their respective Settlement banks for processing.

At the same time, Inter-bank settlement advice/instruction for Day T transaction shall be forwarded to Nigerian Inter Bank Settlement System (NIBSS) a subsidiary of Central Bank of Nigeria to be applied (for processing) on Day T+3.

Day T+3 9.00am stockbroking firm/custodian or any high networth individuals must have funded their accounts for Day T transaction.

NIBSS shall debit or credit CBN accounts stockbrokers banks in accordance with the Inter-bank settlement instructions received from CSCS Ltd. Simultaneously, stock settlement is effected (on Day T+3). In effect" Delivery versus Payment (DvP) is assured.

Article 40

Payments to CSCS by a Participant or drawn on a Participant and payments by CSCS to Participant are final and irrevocable. A Participant or CSCS cannot revoke, countermand, cancel, return through the payments clearing system or otherwise refuse to pay or attempt to prevent any payment to CSCS.

5.4 Securities Settlement

Articles 41

For the transfer of securities on the accounts within CSCS and within central registry CSCS will, on the day of fulfillment of the obligation from the contract, book the security from the account of the participant in CSCS and simultaneously the seller of the security to the account of the participant in CSCS and simultaneously the buyer of the security.

As the day of fulfillment of the obligation from the contract shall be deemed four working days after the conclusion of the buying/selling contract at The Stock Exchange or other organised securities market.

Record-entry settlement of securities effected between the delivering participant and the receiving Participant through CSCS according to this Article is final and irrevocable after the receipt of the money funds, by designated Stockbroker's Banks according to the article 39 of these rules.

Articles 42

A Participant's position in a security and the position in the central registry shall not be affected by any contract for the purchase or sale of such Security until the Settlement date for such a contract, which is three business days after the conclusion of the contract.

A Participant's position in a security shall be changed each Business Day by such participant's settling trades of the Security. Net settling of Purchases shall create or increase long value positions and decrease short value positions, according to the nominated account identification and net settling sales shall create or increase short value positions and decrease long value positions according to the nominated account identification.

More particular manner of securities transfers shall be prescribed by CSCS.

Article 43

For book-entry transfer of securities, settled according to the contracts, other than buying/selling contracts, Section 9 of these Rules shall apply.

Article 44

Immediately upon discovery of any error in relation to trades reflected within the Settlement system the Participant shall be responsible to correct the error by notifying CSCS in the event that the Participant submitted the incorrect client account ID or the appropriate person in any other case.

The appropriate person according to the previous paragraph shall include the following:
The Nigerian Stock Exchange, t\ of CSCS, the counterparty to the trade in the event that their details are affected, any other person or entity which is responsible for the trade which was submitted to CSCS for settlement. The Participant, or the appropriate person where applicable, shall take whatever action is required in accordance with the Rules and Procedures to correct such error.

In the event that an error of any transaction is discovered after settlement through CSCS, such transaction may be corrected, only by effecting a new trade.

More detailed manner of the error correction shall be determined by CSCS separately for trades, effected on the organised market and for trades, not effected on the organised market.

6. ACTION BY CSCS

6.1. Action in particular cases

Article 45

Except where action by the Board of Directors is specifically required by the article and memorandum of association or Rules, CSCS may act by its Management or by such other person as may be designated from time to time by the Board of Directors.

Article 46

Any aggrieved party shall have the right to appeal to the Board of Directors from any decision of CSCS in respect of denying an applicant to become a participant; or to cease to act for a Participant with respect to transactions, or pursuant to any service or all or any combination of the foregoing or to imposing any surcharges or sanctions by CSCS.

Article 47

Appeals shall be made by filing a written notice of appeal with the Company Secretary of CSCS within 15 days after notification by CSCS of the decision from which the appeal is made. An appeal shall not impair the validity or stay the effect of the decision appealed unless and until the decision is reversed or modified

The appeal shall state the complained decision, its reference number and date of decision, together with particulars of the decision complained of, the appellant's reasons for taking exception to the decision, and the relief sought.

Article 48

If the appeal is not permitted or it is filed after the term referred to in the Article 50 of these rules, the Secretary of CSCS shall refuse the appeal.

Article 49

Appeals shall be considered and decided by a committee appointed by the Board of Directors, composed of three Board Members. No member of such committee shall have any direct or indirect interest in the matter presented before them which might preclude such member from rendering an objective and impartial decision.

The Committee shall decide the appeal within 15 days after the receipt of complete appeal with the written decision, which shall be furnished to the appellant, CSCS Managements, Stock Exchange and any other regulatory agency (if applicable).

The Committee may refuse the appeal as groundless and confirm the decision of the CSCS Management or may comply with the appeal and replace the decision of the CSCS Management.

Article 50

In the appeal procedure, the committee may hear the persons, where it seems important to resolve the case to hear such persons. Appellants shall be notified of the composition of the Committee and the time, place and date when the Committee will meet to consider the appeal at least seven [7] days in advance of such date.

A record shall be kept of the hearing of each appeal. Copies of the record and of any exhibits shall be furnished on request to the appellant, at the appellant's expense. Each notice of appeal, together with the record of the appeal and all decisions with respect thereto, shall be filed in the permanent records of CSCS.

6.2. Action in general issues

Article 51

The Management shall, pursuant to the Rules, prescribe from time to time Procedures and other regulations in respect of the business and services of CSCS. Each Participant will be bound by such Procedures and regulations and any amendment thereto in the same manner as it is bound by the provisions of the Rules.

Participants shall be given prompt notice of any proposed amendment to the Procedures. Upon adequate notification of the Participants, CSCS may, when in its discretion it deems advisable to do so, alter the Procedures with respect to any particular transaction.

The Procedures shall become effective after the confirmation by the Board of Directors.

Article 52

The Management with the consent of The Board of Directors only shall adopt, and may from time to time amend the schedule of charges for services rendered.

CSCS may impose a surcharge on a Participant for a violation of the rules or the Procedures for errors, delays, or other conduct impeding the operations of CSCS, or for not providing adequate facilities for its transactions with CSCS.

7. AMENDMENT OF RULES AND PROCEDURES

Article 53

Subject to the provisions of the memorandum and articles of association, the Board of Directors shall prescribe and may from time to time amend the rules.

CSCS may notify all Participants of any proposal it has made to change, revise, add or repeal any Rule and the text or a brief description of the proposed rules and its purpose and effect. Participants may submit to CSCS for its consideration their comments with respect to any such proposal and such comments shall be filed with CSCS's records.

Amendments of Rules and Procedures shall become effective after the confirmation by the Board of Directors of CSCS.

8. FINAL PROVISION

Article 54

- These rules shall become effective on the day when they are approved by the Board of Directors of CSCS.
- All participants and Issuers of securities acknowledge that CSCS Limited eligible securities and participants remain participants and eligible only at the pleasure of The Board of Directors of CSCS Limited.

9. TRANSFER OF LIMITED TRANSFERABLE SECURITIES AND SECURITIES, NOT TRADED ON THE ORGANISED MARKET

Article 55

CSCS shall execute the book-entry transfer of limited or not transferable securities from the account of the seller to the account of the buyer and new owner into the central registry only on the basis of the received securities transfer order, within two working days after the receipt of complete transfer order form.

Transfer order must contain at least:

- firm and legal headquarters or name and address of existing and new holder of security;
- unique identification number of existing and new holder of security;
- exact determination of the security;
- number and price of securities;
- signature of existing and new holder of security;
- legal basis for the transfer.

More particular contents and form of the transfer order and eventual documents which shall accompany transfer order shall be prescribed by CSCS.

Article 56

CSCS will execute the book-entry according to Article 55 of these rules on the basis of buying and selling contract only on the basis of the securities transfer order, received from stockbroking firm or other participants in CSCS.

CSCS will execute the book-entry according to Article 55 of these Rules on the basis of other contracts only on the basis of the securities transfer order, received from stockbroking firm or other participants in CSCS, or directly from existing holder of security.

Article 57

When securities transfer order is submitted to the stockbroking firm or other participants in CSCS, it shall:

- verify at CSCS, if the seller is the holder of the securities, intended to sell;
- request the opening of the securities account for the buyer, if applicable (if the buyer does not have one yet);
- attest the correct securities transfer order;
- send the securities with Deposit Request Form to CSCS.

More particular manner of processing the securities transfers according to this section shall be prescribed by CSCS.

10. DEPOSITORY SERVICES AND EXCHANGE FOR DEMATERIALIZED SECURITIES

Article 58

Securities issued before effective date of the Dematerialization, deposited for the account of their owners with stockbroking firms or banks or with third persons and for which the exchange procedure must be executed, must be transferred to CSCS by participants in CSCS.

Stockbroking firms and other participants in CSCS must authorise third person (vault depository) which hold securities in the name and for the account of such participants, to transfer all securities in deposit to CSCS.

CSCS shall not be responsible for the validity of securities, transferred according to the previous paragraph.

Article 59

With the transfer of securities in deposit with CSCS, according to the Article 58 participant shall issue an instruction to CSCS to enter deposited securities in the participant's securities accounts in credit of the beneficial owners.